



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



ANNUAL REPORT

financial period ended 31 December 2022

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LEADERSHIP DRIVEN BY INNOVATION & CREATIVITY

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATUK SERI CHIAU BENG TEIK

Non-Independent Non-Executive Chairman

CHIAU HAW CHOON

Executive Director

SHELLY CHIAU YEE WERN

Executive Director

KHOR KAI FU

Executive Director
(Appointed on 1 April 2023)

DATUK YEO CHUN SING

Executive Director
(Resigned on 28 March 2023)

DATUK CHENG LAI HOCK

Independent Non-Executive Director

DATUK HJ. MOHD YUSRI BIN MD YUSOF

Independent Non-Executive Director

KWAN SOOK PENG

Independent Non-Executive Director
(Appointed on 8 August 2022)

KHOO CHEE SIANG

Independent Non-Executive Director
(Resigned on 8 August 2022)

AUDIT COMMITTEE

Chairman

Kwan Sook Peng

Member

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

REMUNERATION COMMITTEE

Chairman

Datuk Cheng Lai Hock

Member

Chiau Haw Choon
Kwan Sook Peng

NOMINATION COMMITTEE

Chairman

Datuk Hj. Mohd Yusri Bin Md Yusof

Member

Datuk Cheng Lai Hock
Kwan Sook Peng

COMPANY SECRETARIES

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

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

REGISTERED OFFICE

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

BUSINESS ADDRESS

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

AUDITORS

Messrs. UHY
(AF 1411) (Chartered Accountants)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 603-2279 3088
Fax : 603-2279 3099

SHARE REGISTRAR

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

SOLICITORS

Messrs. Chew Kar Meng,
Zahardin & Partners
Messrs. J.M. Chong,
Vincent Chee & Co
Abraham Ooi & Partners
Phang Tham Teoh & Co
Rose Hussin

PRINCIPAL BANKERS

Ambank Islamic Berhad
Alliance Bank (M) Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Shares

Stock Code : 7187
Stock Name : CHGP

Warrants

Stock Code : 7187WA
Stock Name : CHGP-WA

WEBSITE ADDRESS

www.chinhinproperty.com

PROFILES OF DIRECTORS



DATUK SERI **CHIAU BENG TEIK**

Non-Independent Non-Executive Chairman

Malaysian / Aged: 61 / Male

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

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

Currently, he is the Executive Chairman of Chin Hin Group Berhad ("CHGB"), the immediate holding company, and Non-Independent Non-Executive Chairman of Signature International Berhad and Fiamma Holdings Berhad as well as Executive Chairman of Ajiya Berhad. He also serves as Director for a number of subsidiaries within the Group of Chin Hin and also has directorships in various other businesses.

Datuk Seri Chiau Beng Teik is the father of Mr Chiau Haw Choon (the Executive Director and major shareholder of the Company and immediate holding company) and Ms Shelly Chiau Yee Wern (the Executive Director of the Company). He has no conflict of interest with the Company other than those disclosed in the Company's Circular to Shareholders dated 28 April 2023. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



PROFILES OF DIRECTORS (CONT'D)



CHIAU HAW CHOON

Executive Director

Malaysian / Aged: 39 / Male

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

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

He is also the Managing Director of Signature International Berhad and Ajiya Berhad as well as Non-Independent Non-Executive Director of Fiamma 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 major shareholder of the Company and immediate holding company). He is also the brother of Ms Shelly Chiau Yee Wern, the Executive Director of the Company. He has no conflict of interest with the Company other than those disclosed in the Company's Circular to Shareholders 28 April 2023. 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)



SHELLY CHIAU YEE WERN

Executive Director

Malaysian / Aged: 32 / Female

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

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

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

Ms Shelly Chiau Yee Wern is the daughter of Datuk Seri Chiau Beng Teik (the Non-Independent Non-Executive Chairman and major shareholder of the Company and immediate holding company). She is also the sister of Mr Chiau Haw Choon, the Executive Director and a major shareholder of the Company and immediate holding company. She has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 28 April 2023. 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)



KHOR KAI FU

Executive Director

Malaysian / Aged: 36 / Male

Mr Khor Kai Fu was appointed as the Executive Director of the Company on 1 April 2023.

He graduated from Tunku Abdul Rahman University College with Advanced Diploma in Quantity Surveying. He qualified at the Sheffield Hallam University with a BSC (Honors) in Building Construction Management in 2008.

Mr Khor Kai Fu is the Executive Director of Kayangan Kemas Sdn Bhd since 2021. His experience in the property and construction industry spans over a period of 15 years. He started his career as a Quantity Surveyor at Zalam Corporation Sdn Bhd in year 2008 and then venturing into the world of business led him to Juarakon Sdn Bhd in 2012 in the field of construction. New opportunities came his way in 2014 when he took on the role as the General Manager of the Oriental Interest Berhad (OIB) delving in Construction and Property sectors. In year 2021, Mr Khor Kai Fu became the Executive Director of AIMA Construction Sdn Bhd for a period of six months. He currently sits on the Board of Chin Hin Construction Engineering Sdn Bhd (Formerly known as Chin Hin Construction Sdn Bhd), Kayangan Kemas Sdn Bhd, Makna Setia Sdn Bhd and Signature Façade Treatment Sdn Bhd as the Executive Director lending his expertise in the field of Property and Construction.

Mr Khor does not hold any directorship in any other public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company, and 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)



KWAN SOOK PENG

Independent Non-Executive Director

Malaysian / Aged: 58 / Female

Ms Kwan Sook Peng is an Independent Non-Executive Director of the Company and was appointed to the Board on 8 August 2022. She graduated from Murdoch University, Western Australia with Bachelor of Commerce degree in Accounting in February 1990. She is also a Fellow Certified Practising Accountant (FCPA) and a Member of Malaysian Institute of Accountants (MIA).

She started her career with accounting firm in Singapore since 1990. Thereafter, she joined Sime Darby Group in 1994 and had served more than 25 years, holding various positions include Business Head, Corporate Assurance at Sime Darby Holdings Berhad, Vice President – Corporate Governance in a shared services organization namely Sime Darby Global Services Centre Sdn Bhd and re-joined Sime Darby Holdings Berhad as Senior Team Lead, Group Compliance Office in Property Division. She left in June 2016 to set up her own firm, namely FKSP Consulting Solutions, a consulting firm that provides advisory, risk and assurance services in manufacturing companies, automotive, industrial, oil and gas, engineering, property development, health care organisation, insurance companies, non-profit and shared service organisations.

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

Ms Kwan does not hold any directorship in any other public companies and listed issuers. She has no family relationship with any director and/or major shareholder of the Company, no conflict of interest with the Company and has not committed any offences within the past (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



PROFILES OF DIRECTORS (CONT'D)



DATUK **CHENG LAI HOCK**

Independent Non-Executive Director

Malaysian / Aged: 63 / Male



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

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

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

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

Datuk Cheng currently is an Independent Non-Executive Director of CHGB. He has no family relationship with any director and/or major shareholder of the Company. He has no 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)



DATUK HJ.
**MOHD YUSRI
BIN MD YUSOF**

Independent Non-Executive Director

Malaysian / Aged: 52 / Male

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

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

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

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

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

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

Datuk Hj. Mohd Yusri currently is an Independent Non-Executive Director of CHGB and Ajiya 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

Executive Director

Nationality:



Aged:

39

Gender:



SHELLY CHIAU YEE WERN

Executive Director

Nationality:



Aged:

32

Gender:



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

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

KHOR KAI FU

Executive Director

Nationality:



Aged:

36

Gender:



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

PROFILES OF KEY SENIOR MANAGEMENT (CONT'D)

ROGER LIM SWEE KIAT

Group Chief Executive Officer of Construction Division

Nationality:



Aged:

43

Gender:



Mr Roger Lim Swee Kiat was appointed as the Group Chief Executive Officer of the Construction Division on 1 January 2023.

Through an apprentice and scholarship selected by Gamuda Bhd, he obtained a Diploma in Quantity Survey, a Bachelor of Science in Building, and a Master of Business Administration from an Australian University of Newcastle. He became a member of the Australian Institute of Quantity Surveyors ("AIQS") in 2003.

He began his career with Gamuda Bhd, where he was tasked to set up an office in Qatar and overseeing business development and contracts management in Middle East. In 2006, he left the Gamuda Group and returned to Malaysia to concentrate on industrial, building construction, and property development. He then ventured into establishing his own businesses. He has won the RHB Bank's Prestige Top 40 awards as an upcoming successful entrepreneur. His company was also awarded the top 10 SME in 100 SME awards in 2015 as one of the fastest-moving companies and as one of the Top 10 New Generation Property Developers in Malaysia.

His tenure at Gemarjaya Development Sdn Bhd, Techjaya Builders Sdn Bhd, AQ world Sdn Bhd, EBIC Group, Asiaquest Pvt Ltd (Singapore) and Asia One Pvt Ltd (Australia) enhanced his expertise in multiple roles and sectors within the property, construction, mining, project management, international trade, E-commerce and payment gateway.

Mr Roger Lim Swee Kiat does not hold any directorship in any other public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company, and 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 (CONT'D)

NGIAN SIEW SIONG

Group Chief Executive Officer of Property Development Division

Nationality:



Aged:

71

Gender:



Mr Ngian Siew Siong was appointed as the advisor to the Chin Hin's Group Managing Director on 1 August 2022 and subsequently the Group Chief Executive Officer of the Property Development Division on 1 January 2023.

Upon his graduation in Civil Engineering from the University of Leeds (UK), he began his career with Jabatan Parit and Saliran Malaysia 1976.

He then moved to the private sector and worked for the MBF Group Property Division for 6 years (1979 – 1985) before moving to Sunway Group in 1985, as the first and only employee of the Property Development Division, to start the property development business for the Sunway Group. He then drove the Sunway Group Property into an Award Winning Property Developer in Malaysia well known for its Product Innovation & Customer Service. He was responsible for developing the renowned Bandar Sunway township. After twenty seven (27) years of service with the Sunway Group he retired in 2012 as the Managing Director - International Division. In the last few years he was responsible for the expansion into the region where he started projects in China, India and Cambodia. After his retirement he served as advisor to Chairman / Group Managing Director of four (4) property public listed companies for ten (10) years.

He has been a lead lecturer in UTAR for the Master Degree program for the Real Estate Development since 2021.

He is a past National Council Member of REHDA Malaysia (Real Estate & Housing Developers Association), the past Chairman of REHDA Selangor and was a Board member of Lembaga Perumahan & Hartanah Selangor.

His passion is to develop Talent, Product & Process Innovation and Sustainable Development.

He was a well-known speaker on the following topics:

- (i) Sustainable Development / Green Building
- (ii) Knowledge Management

He is the author / editor of two (2) publications under REHDA Institute:

- (i) Property Development Handbook - 2018
- (ii) Strata Management Handbook – 2015

He is currently an Independent and Non-Executive Director of Nam Long Investment Corporation, a real estate development PLC listed in the Vietnam Stock Exchange, the Chairman of Human Resources ("HR") Committee and a member of the Investment Committee of Nam Long.

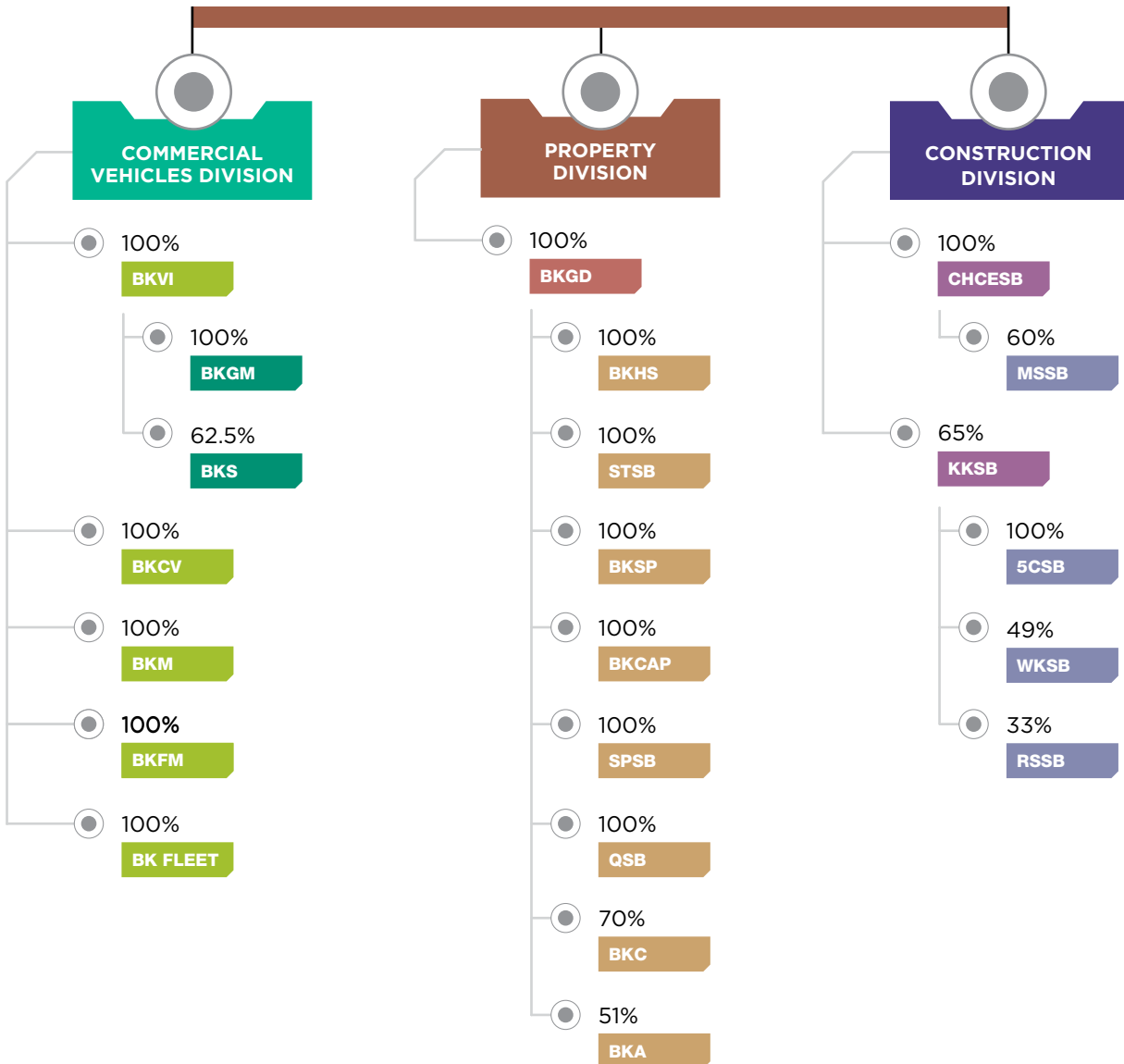
He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory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



CORPORATE STRUCTURE



CHGP



- CHGP** – Chin Hin Group Property Berhad
- BKVI** – Boon Koon Vehicles Industries Sdn. Bhd.
- BKCV** – BKCV Sdn. Bhd.
- BA** – BK Alliance Sdn. Bhd.
- BKM** – Boon Koon Motors Sdn. Bhd.
- BKFM** – Boon Koon Fleet Management Sdn. Bhd.
- BK Fleet** – BK Fleet Management Sdn. Bhd.
- BKSP** – BKSP Autoworld Sdn. Bhd.

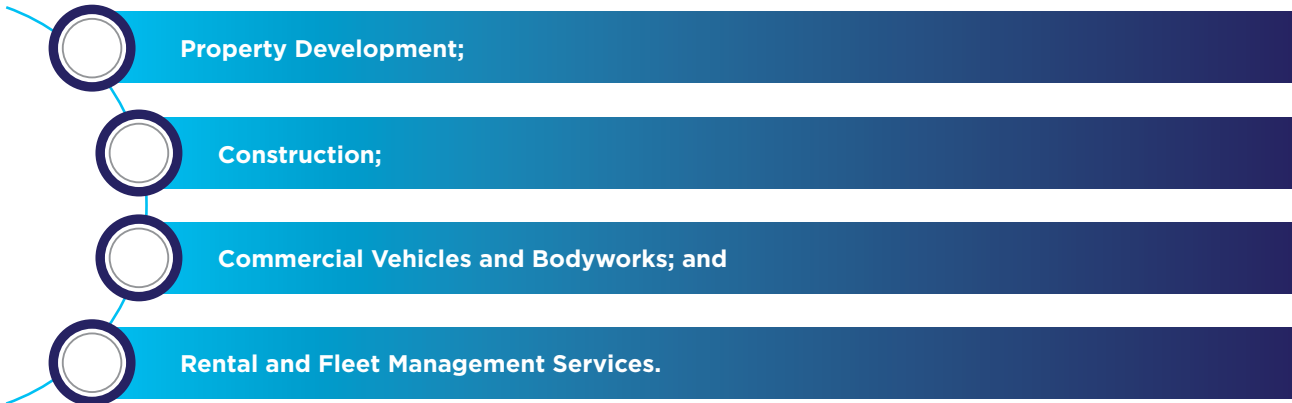
- BKS** – BK Sepadu Sdn. Bhd. (In Members' Voluntary Winding Up)
- BKGD** – BKG Development Sdn. Bhd.
- BKC** – Boon Koon Commercial Sdn. Bhd.
- BKGM** – BKGM Industries Sdn. Bhd.
- BKCAP** – Boon Koon Capital Sdn. Bhd.
- BKHS** – BKHS Capital Sdn. Bhd.
- STSB** – Stellar Trinity Sdn. Bhd.
- CHCESB** – Chin Hin Construction Engineering Sdn. Bhd. (Formerly known as Chin Hin Construction Sdn Bhd)

- SPSB** – Stellar Platinum Sdn. Bhd.
- KKSB** – Kayangan Kemas Sdn. Bhd.
- 5CSB** – 5th Capital Sdn. Bhd.
- WKSBB** – Weida Kayangan Sdn. Bhd. (Associate Company)
- RSSB** – R Synergy Sdn. Bhd. (Joint Venture Company)
- MSSB** – Makna Setia Sdn. Bhd. (Acquired on 12 August 2022)
- QSB** – Quaver Sdn Bhd (Acquired on 13 March 2023)

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The principal activity of Chin Hin Group Property Berhad ("CHGP" or "Company") is investment holding. CHGP's subsidiaries ("the Group") have the following major distinct business segments:



Overall, CHGP's top aim is to continue to enhance value creation for our stakeholders by expanding our land bank and securing more building and infrastructure construction projects while improving our internal processes to produce higher-quality commercial vehicles.

Property Development Segment

Our property development segment has successfully completed a project located in the Klang Valley. The Group will continue to leverage our expertise to deliver incomparable products to buyers and investors. Some of our recent notable completed and on-going are as follows:

	Project Details
Completed Project	<ul style="list-style-type: none"> • Aera Residence Set in an ideal location with easy access to Subang Jaya, Sunway City, Puchong and Kuala Lumpur, Aera Residence offers a unique lakeside living experience.
Ongoing	<ul style="list-style-type: none"> • 8th & Stellar Located at Sri Petaling, 8th & Stellar introduces a collection of stylish residences perfect for modern homeowners, located alongside exceptional corporate spaces that are available for leasing.
	<ul style="list-style-type: none"> • Quaver Service apartment and duplex located at Sungai Besi.
	<ul style="list-style-type: none"> • Solarvest Tower Grade A office building situated in Bangsar South.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Construction Segment

Our construction segment is primarily involved in general building contracting, civil works and structural construction. With our Grade 7 contractor designation and SPKK Certificate, we are authorised to tender for construction projects of unlimited value and to undertake construction activities, including government projects, throughout Malaysia.

As part of our efforts to enhance our presence in the construction industry, which includes public infrastructure development such as bridges, railway tracks and highways, the Group had on 12 August 2022 acquired 60% equity interest in Makna Setia Sdn Bhd ("**MSSB**"), a Grade 7 contractor that specializes in constructing infrastructure projects.

Completed Construction Projects

Notable construction projects completed during the financial year are as follows:

	Project Details	Contract Value (RM'000)
Building Construction Projects	<ul style="list-style-type: none"> Tanah Merah Hospital Main design and building work for the construction of additional facilities for the hospital located at Kelantan.	113,300
Civil and Infrastructure Projects	<ul style="list-style-type: none"> Sunway Serene Major Infra Major infrastructure work for existing road located at Kelana Jaya.	16,349

On-going Construction Projects

During the financial year, we have 20 ongoing construction projects with a total contract value of RM1.86 billion which is expected to be completed within the one (1) to three (3) years. Notable on-going construction projects during the financial year are as follows:

	Project Details	Outstanding Order Book 31/12/2022 (RM'000)
Building Construction Projects	<ul style="list-style-type: none"> Hospital Seri Iskandar Main building works for the construction of hospital located at Perak.	121,894
	<ul style="list-style-type: none"> Hospital Sultanah Maliha Subcontracting building works for the construction of additional facilities for the hospital located at Langkawi.	365,857
	<ul style="list-style-type: none"> Intel Pelican Project Main building works for the construction of shell & core worksite substructure and superstructure located at Pulau Pinang.	279,069
	<ul style="list-style-type: none"> Solarvest Tower Main building works for the construction of 34-storey office building located at Kuala Lumpur	101,202

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS (CONT'D)

Construction Segment (Cont'd)

On-going Construction Projects (Cont'd)

	Project Details	Outstanding Order Book (RM'000)
Civil and Infrastructure Projects	<ul style="list-style-type: none"> SUKE CA2 & Parapet Construction of mainline and other associated works for Sungai Besi - Ulu Kelang Highway located at Kuala Lumpur.	1,323
	<ul style="list-style-type: none"> West Coast Expressway Section 3 Construction of Lebuhray Persisiran Pantai Barat Section 3 Shah Alam Expressway Interchange bridge.	18,908
	<ul style="list-style-type: none"> Pan Borneo Highway Construction, completion and maintenance of the interchanges of Pan Borneo Highway located at Sabah	22,588

Commercial Vehicles and Bodyworks Segment

Our commercial vehicles and bodyworks segment is primarily engaged in the assembly of new commercial vehicles as well as the rebuilding of used commercial vehicles to be sold to our customers. Our core focus is on ensuring reliability in all our operations, and we remain committed to delivering quality commercial vehicles and services to our major customers.

As part of our growth strategy, we have continued to expand our operations to reach customers in the central and southern regions of Peninsular Malaysia.

Rental and Fleet Management Services

Our Group also provides rental and fleet management services for various commercial vehicles and forklifts to our customers.

REVIEW OF FINANCIAL PERFORMANCE

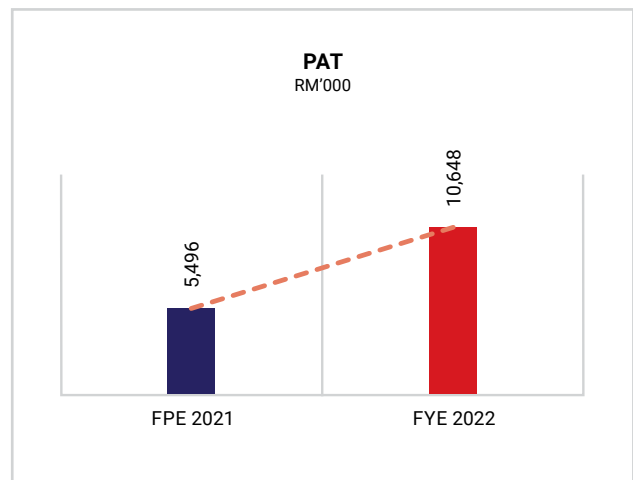
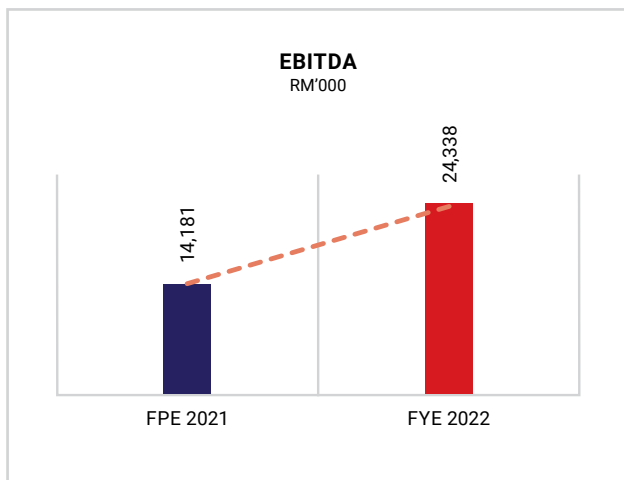
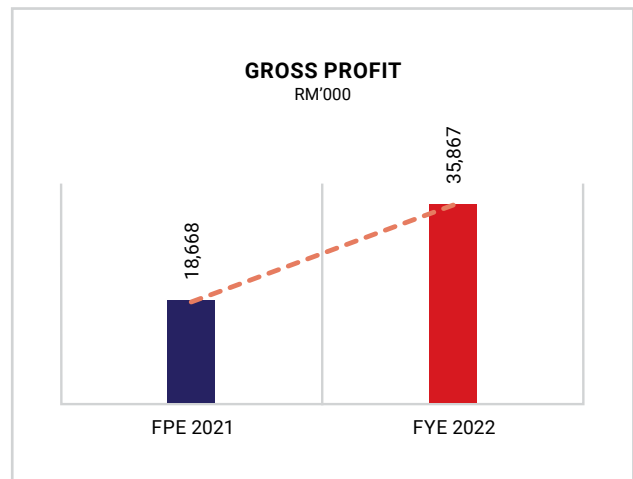
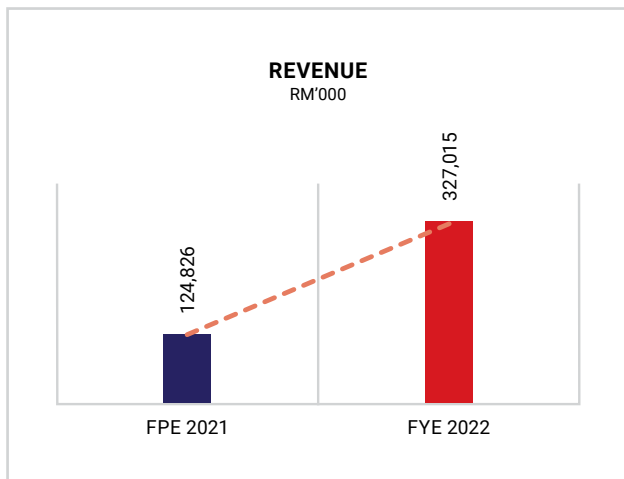
In the wake of the pandemic, the global economy has been hit with multiple shocks, such as geopolitical tensions and a high inflation rate. Despite Malaysia's progress in recovering and returning to normalcy, various industries in the country have been affected by the ongoing supply chain crisis as well as rising costs of raw materials and labour shortages. Despite the headwinds, the Group still managed to report revenue of RM327.02 million and profit after tax of RM10.65 million during the financial year.

In the previous financial period, the Group had changed its financial year end from 31 March 2021 to 31 December 2021 ("FPE2021") covering a nine (9) months period as compared to the current financial year which covers 12 months from 1 January 2022 to 31 December 2022 ("FYE2022"). Hence, it may not be practical to directly compare the financial results of FPE 2021 against FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

	FYE2022 (12 months) RM'000	FPE2021 (9 months) RM'000	Variances	
			RM'000	%
Revenue	327,015	124,826	202,189	>100.0
Gross Profit ("GP")	35,867	18,668	17,199	92.1
Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")	24,338	14,181	10,157	71.6
Profit Before Tax ("PBT")	16,067	9,390	6,677	71.1
Profit After Tax ("PAT")	10,648	5,496	5,152	93.7
GP margin (%)	11.0	15.0		
PBT margin (%)	4.9	7.5		
PAT margin (%)	3.3	4.4		

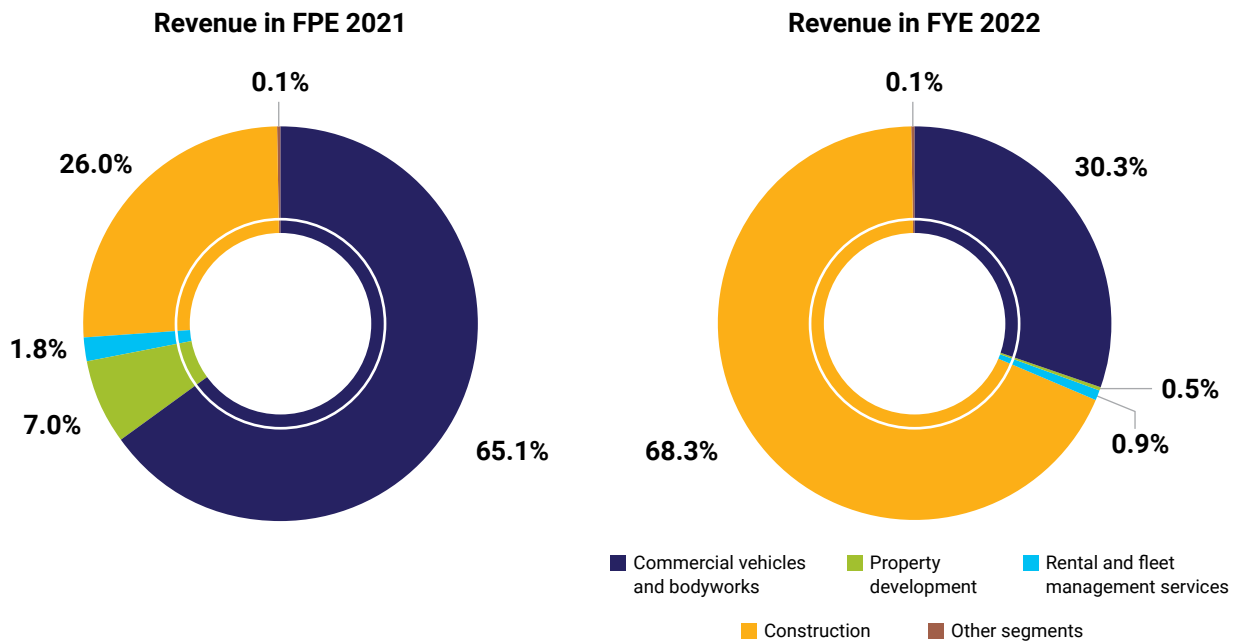


MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Revenue

In FYE 2022, the Group's total revenue increased significantly by RM202.19 million or 162.0% from RM124.83 million in FPE 2021 to RM327.02 million in FYE 2022. The overall increase in revenue was mainly contributed by our construction segment which recorded an increase in revenue of RM200.34 million during the financial year. Our revenue contribution by business segment is as follows:



Property Development Segment

Revenue from the property development segment decreased significantly by RM7.16 million or 81.6%, from RM8.77 million in FPE2021 to RM1.62 million in FYE2022. The decrease was mainly due to the completion of Aera Residence which was significantly completed in the previous financial year while our current new and on-going property development projects are still at their initial stages or have yet to be launched during the financial year.

Construction Segment

Revenue from the construction segment overtook the commercial vehicles and body works segment as the largest revenue segment, contributing RM223.47 million or 68.3% of the Group's total revenue in FYE 2022 as compared to RM32.43 million or 26.0% of the Group's total revenue in FPE 2021. The significant increase in our revenue from the construction segment as compared to the previous financial period was mainly due to a higher level of construction activities in several of our major on-going projects such as the construction of Intel Pelican Project, Hospital Seri Iskandar and Hospital Sultanah Maliha.

Meanwhile, the Group's revenue from the construction segment also benefited from our recent acquisition of MSSB which enabled the Group to recognise construction revenue arising from the following major civil and infrastructure projects such as Sunway Serene infrastructure project, Pan Borneo highway, West Coast Expressway Section 3 and SUKE CA 2.

Commercial Vehicle and Bodywork Segment

The commercial vehicle and bodywork segment contributed revenue of RM99.00 million or 30.3% to the Group's total revenue in FYE2022 as compared to RM81.27 million or 65.1% of the Group's total revenue in FPE2021. The increase in revenue was mainly due to higher demand for rebuilt commercial vehicles during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

Gross Profit ("GP") and GP Margin

Our Group's GP increased significantly by RM17.20 million or 92.1% from RM18.67 million in FPE2021 to RM35.87 million in FYE2022. The growth in our GP was mainly contributed by the construction segment, in line with the increase in revenue.

Despite the overall increase in GP, our Group recorded a lower GP margin of 11.0% during FYE 2022 compared to 15.0% in the previous financial year. The decrease in GP margin was mainly due to the lower GP margin recorded from our construction segment resulting from the rising cost structure, driven by supply chain disruptions and global inflationary pressures which led to higher costs of raw materials such as steel, concrete, cement, and clay brick. Additionally, labour cost has also increased during the financial year as a result of the implementation of Malaysia's revised minimum wage policy, which increased the minimum wage by 25.0% from RM1,200 to RM1,500.

PBT and PAT

The Group PBT increased by RM6.68 million or 71.1% from RM9.39 million in FPE2021 to RM16.07 million in FYE2022, in line with the overall increase in our GP. In addition, the overall increase in our PBT was also contributed by the recognition of other income amounting to RM10.84 million, mainly arising from the reversal of impairment on trade and other receivables, insurance claims and gain on disposal of property plant and equipment and land held for development.

Nevertheless, this was offset by higher administrative expenses, selling and distribution expenses and other expenses which has collectively increased by RM24.25 million from RM12.37 million in FPE2021 to RM36.62 million in FYE2022. The overall increase in our expenses was mainly due to higher selling and distribution expenses, depreciation expenses, director's remuneration and staff cost.

Net of taxation, our Group recorded an improved PAT of RM10.65 million during FYE 2022, representing an increase of RM5.15 million or 93.7% as compared to the previous financial year.

REVIEW OF FINANCIAL POSITION

	FYE2022 (12 months) RM'000	FPE2021 (9 months) RM'000	Variances	
			RM'000	%
Assets				
Non-Current Assets	232,406	291,393	(58,987)	(20.2)
Current Assets	544,190	254,634	289,556	>100.0
Total Assets	776,596	546,027	230,569	42.2
Liabilities				
Non-Current Liabilities	(203,129)	(120,592)	(82,537)	68.4
Current Liabilities	(330,480)	(210,987)	(119,493)	56.6
Total Liabilities	(533,609)	(331,579)	(202,030)	60.9
Net Assets ("NA")	242,987	214,448	28,539	13.3
Total Equity	242,987	214,448	28,539	13.3
Key Ratios				
Current Ratio (times)	1.65	1.21	0.44	36.4
Gearing Ratio (times)	0.75	0.99	0.24	24.2

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF FINANCIAL POSITION (CONT'D)

As of 31 December 2022, our Group's total assets increased by RM230.57 million or 42.2% from RM546.03 million as of 31 December 2021 to RM776.60 million as of 31 December 2022. The overall increase in our total assets was mainly due to the acquisition of one (1) parcel of lands located in Kuala Lumpur to strengthen our inventory of land bank as well as the capitalisation of direct cost incurred in relation to our land held for property development, which collectively amounted to RM116.54 million.

In addition, the overall increase in the total asset was also contributed by higher cash and bank balances of RM37.06 million as well as an investment in a joint venture entity amounting to RM57.39 million. This investment in a joint venture represents a 47.0% equity interest in Stellar 8 Sdn Bhd, a company that is principally involved in property development activities and comprises cost of investment and accumulated sharing profit of RM35.00 million and RM18.89 million respectively.

Our Group's total liabilities increased by RM202.03 million or 60.9% from RM331.58 million as of 31 December 2021 to RM533.61 million as of 31 December 2022. The increase in total liabilities is mainly due to the additional drawdown of a term loan amounting to RM83.0 million to finance the acquisition of land held for property development and working capital purposes as well as higher trade and other payables by RM127.92 million resulting from the increased construction activities during the financial year.

Overall, the Group's financial position as of 31 December 2022 remains strong with a healthy cash and cash equivalent and current ratio of RM56.05 million and 1.65 times respectively. Despite the additional drawdown of term loans, our gearing remains manageable at 0.75 times. During the financial year, our shareholders' fund amounts to RM242.99 million with earnings per share and net assets per share of 1.68 sen and RM0.51 respectively.

REVIEW OF CASH FLOWS

	31 December 2022 RM'000	31 December 2021 [▲] RM'000
Net cash used in operating activities	(14,707)	(114,412)
Net cash used in investing activities	(2,716)	(18,188)
Net cash from financing activities	57,001	137,006
Net increase in cash and cash equivalents	39,577	4,579
Cash and cash equivalents at the end of the financial year/period	56,054	16,480

The Group recorded net cash used in operating activities mainly due to the acquisition of a land bank amounting to RM117.29 million which was offset against the changes in working capital arising from our trade and other receivables as well as trade and other payables.

The Group's recorded net cash used in investing activities amounting to RM2.72 million mainly attributed to the acquisition of a subsidiary company, MSSB amounting to RM1.35 million and the purchase of property, plant and equipment amounting to RM7.02 million. This was offset against the proceeds from the disposal of assets amounting to RM3.28 million and capital contribution by non-controlling interests amounting to RM1.23 million due to the increase in the share capital of BK Alliance Sdn Bhd.

Net cash from financing activities amounting RM57.00 million as of 31 December 2022 was mainly attributed to the drawdown of term loans of RM83.00 million for the purchase of freehold land and working capital purposes and proceeds from the exercise of warrants of RM7.93 million which was offset against the net changes of banker acceptance, revolving credit and trust receipt of RM29.00 million.

Overall, the Group recorded a healthy cash and cash equivalent of RM56.05 million as of 31 December 2022 as compared to the preceding financial year of RM16.48 million.

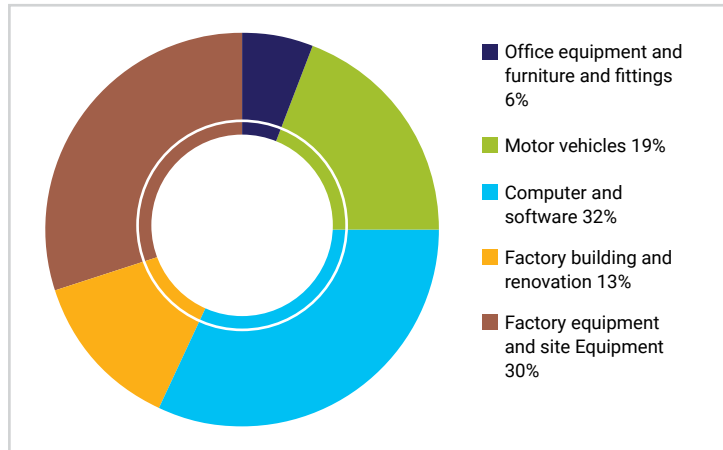
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

The Group issued 39,673,356 new ordinary shares at an exercise price of RM0.20 per ordinary share during FYE 2022 as a result of the conversion of Warrants 2013/2023. As of 31 December 2022, including treasury shares, the Company's share capital amounts to RM134.81 million, consisting of 480,067,256 ordinary shares with an NA per share of RM0.51.

During FY2022, the Group allocated a total of RM7.02 million for Capital Expenditure ("CAPEX"), out of which 32% of our total CAPEX was allocated for the acquisition of office equipment and furniture and fittings, such as renovation of showroom, laptops and office furniture, mainly utilised for our property development segments.

In addition, approximately 30% of our total CAPEX in FY2022 was utilised to purchase PU form machine, moulds, formwork accessories and scaffolding & accessories used for our commercial vehicles and bodyworks and construction segment.



As of 31 December 2022, our capital commitments are as follow:

Capital Commitment	RM'000
Approved and contracted for:	
- acquisition of land held for property development	50,223
- acquisition of property, plant and equipment	418
- investment in subsidiaries	17,825
	68,466

ANTICIPATED OR KNOWN RISK

The Group has identified the following key anticipated or known risks that could impact the Group and has put in place plans and strategies to prevent or mitigate such risks: -

◆ Business risks

As the Group is involved in various business segments including property development, construction, commercial vehicles and body works as well as rental and fleet management services, the Group is exposed to inherent business risks associated with these business segments especially the rising construction cost, shortage of foreign workers and skilled workers, changes in the economic, social and political conditions as well as any amendments on the relevant rules and regulations that affect our business segments.

The Covid-19 pandemic has posted a series of subsequent chain effects such as disruption to the supply chain of raw materials, raw materials prices surged and a shortage of manpower that is affecting the globe. These business risks could have a significant adverse impact on our Group's business and financial performance.

In order to mitigate these risks, our Group has taken proactive measures such as prudent financial management, early planning procurement practices and efficient operating procedures. We also constantly keep ourselves updated with the economic, social, political and regulatory changes that may affect our business in order to strategies for a relevant and better mitigation plan.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ANTICIPATED OR KNOWN RISK (CONT'D)

◆ Operational risks

The business operations of our Group are susceptible to interruptions caused by failure or damage of our construction and assembly machineries, disruptions in electricity or water supply, and any other forms of disruptions to our business operations. These interruptions could have an adverse impact on our Group's business and financial performance.

In order to prevent major machinery breakdowns and disruptions to our operations, we regularly monitor and undertake scheduled maintenance for our machineries and equipment.

◆ Foreign currency exchange risks

As the Group purchases commercial vehicles from overseas suppliers/sellers, we are exposed to foreign currency exchange risks. Any adverse fluctuation in foreign currency exchange rates could have an adverse impact on our financial performance.

Although we do not actively hedge the Group's foreign currency exposure currently, we still evaluate the need to use financial instruments to hedge our currency exposure regularly, depending on the materiality of the transaction value, exchange rate fluctuation quantum, exposure period, and the relevant transaction costs.

◆ Health and Safety Risks

Our property development and construction segments are always subjected to higher inherent health and safety risks and hazards. Any health and safety incident happens in any of our project sites could cause damages and financial loss to the Group.

In mitigating the relevant risks, we have put in place a Safety and Health Policy to serve as guidance to employees on all occupational safety and health ("OSH") matters and have established the OSH Committee to govern OSH matters.

◆ Litigation Risk

Our property development and construction segments are subjected to higher litigation risk arising from disputes with the main contractors or sub-contractors for projects. Any relevant litigation could have potential impacts on our business operations and financial performance.

In this regard, we keep proper project documentation, certifications and relevant correspondences while striving to handle any conflict with main contractors or sub-contractors diligently so as to minimise the need to go for litigation cases.

FUTURE PROSPECT AND OUTLOOK

After enduring the painful Covid-19 pandemic for the past two (2) years, Malaysia has finally transitioned into an endemic phase in April 2022, where the country has reopened its international borders and lifted all restrictions on economic activities. As the economy gradually returns to a more dynamic state, the Group is cautiously optimistic about its prospect in near future, with the private sector fully operational and the public sector showing signs of recovery.

Based on the Updates on Economic & Fiscal Outlook and Revenue Estimates 2023, the construction sector is expected to grow by 6.1%, with the implementation of new infrastructure projects such as the upgrade of the Klang Valley Double Track (KDVT) Phase 2 and acceleration of ongoing projects such as East Coast Rail Link and the Rapid Transit System Link. Further, construction activities in the residential building sector are also projected to grow steadily, supported by the increase in the supply of affordable houses in line with the 12th Malaysia Plan strategy and the implementation of measures under the Budget 2022, including a total government guarantee of up to RM2 billion via Skim Jaminan Kredit Perumahan as well as housing projects for low-income groups with the allocation of RM1.5 billion. Increased demand for industrial buildings was also seen due to improved private investment and robust domestic economic activities.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FUTURE PROSPECT AND OUTLOOK (CONT'D)

In view of the above, our construction segment is expecting a gradual improvement in contract flows. As of the end of February 2023, the segment's outstanding order book stood at RM1.3 billion and is expected to improve further with the resumption and increase of construction activities throughout Malaysia. Moreover, the recent acquisition of MSSB will enable the segment to further enhance our presence in the construction industry for public infrastructure development.

For our property development segment, the Group targets to launch two (2) new property development projects, namely Avantro Residences at Bandar Kinrara and Ayanna Resort Residences at Bukit Jalil in 2023, with a combined Gross Development Value ("GDV") of RM1.32 billion.

With the property development projects in the pipeline, the Group is also simultaneously implementing its landbank accumulation strategy primarily in the Klang Valley, in anticipation of a positive market recovery since 2023.

In 2023, the market for commercial vehicles is anticipated to experience continuous challenges. The Malaysian Automotive Association ("MAA") has projected a decline of 9.8% in the total industry volume ("TIV") to 650,000 units in 2023 from 720,658 units in 2022, primarily due to the expiration of the sales tax exemption on 31 March 2023.

In addition, the weakening Malaysian Ringgit against other major currencies placed pressure on the profit margin of our commercial vehicles and bodywork segment. This situation has become more pronounced in recent years. To mitigate the negative impact on our profitability, the segment will continue to prioritise productivity excellence and cost optimisation.

Nevertheless, the Group remains cautiously optimistic about the prospect of its commercial vehicles and bodywork segment due to the strong demand for light/big truck models and prime movers from the logistics and food delivery businesses. The Group will focus on strengthening its marketing efforts for the food truck model and passenger van for the tourism industry in order to increase our market share further.

Barring any unforeseen circumstances, the Group remained optimistic about the Group's long-term prospects. The Group will reposition itself to cope with any upcoming challenges and remain vigilant for new opportunities.

CHGP does not have a defined dividend policy currently. Any recommendation and declaration of dividends is at the discretion of the Board and subject to various factors, including financial performance, capital expenditure requirements and cash flow management. No dividends were distributed or declared in FYE 2022.

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 December 2022. In addition to this, the application of each of the practices set out in the MCCG is disclosed in our Corporate Governance Report which is available on the Company’s website at www.chinhinproperty.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

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

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

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

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

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

i) Review and Adopt Strategic Plan of the Group

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Responsibilities (Cont'd)

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

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

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

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

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

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

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

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

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

Chairman

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

Separation of Positions of the Chairman and Executive Directors

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Separation of Positions of the Chairman and Executive Directors (Cont'd)

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

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

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

Qualified and Competent Company Secretaries

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

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

Information and Support for Directors

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

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

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Charter

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

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

Code of Conduct and Ethics

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

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

Whistleblowing Policy

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

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

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

Attention : The Chairman of Audit Committee
Email : wb@chinhinproperty.com

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

Anti-Corruption and Anti-Bribery Policy

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

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

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

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

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

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

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

Tenure of Independent Directors

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

As at 31 December 2022, 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
Datuk Cheng Lai Hock	✓				
Datuk Hj. Mohd Yusri Bin Md Yusof	✓				
Kwan Sook Peng (Appointed on 8 August 2022)	✓				

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

New Candidates for Board Appointment (Cont'd)

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

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 December 2022, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Meetings and Attendance

There were 5 Board of Directors' meetings held during the financial year ended 31 December 2022. 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	5/5	100%
Chiau Haw Choon	5/5	100%
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	5/5	100%
Shelly Chiau Yee Wern	5/5	100%
Datuk Cheng Lai Hock	5/5	100%
Datuk Hj. Mohd Yusri Bin Md Yusof	5/5	100%
Kwan Sook Peng (Appointed on 8 August 2022)	2/2	100%
Khoo Chee Siang (Resigned on 8 August 2022)	3/3	100%

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 31 December 2022.

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.

Continuing Education Programs

Save for Mr. Khor Kai Fu who was appointed to the Board on 1 April 2023, 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.

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 period as listed below:

Name of Director	Seminars/Conferences/Training Programmes Attended
Chiau Haw Choon	- YPO Forum - Strategies that Build Winning Brands QCLASSIC Awareness Training
Shelly Chiau Yee Wern	- Six Years with AI Qaeda - Journey with Humanity - Deconstructing Dementia (Aging & Intervention to improve Quality of Life)
Khor Kai Fu (Appointed on 1 April 2023)	- Strategy Execution Course
Datuk Cheng Lai Hock	- Preparation, approval & circulation of Financial Statement by directors, passing resolutions at meeting of members, by MACS - Transfer V Transmission of Shares - Seminar on SSM x BNM : Roles and Responsibility of Company Secretary as compliance officer under AMLA 2001
Datuk Hj. Mohd Yusri Bin Md Yusof	- E-Commerce Marketplace - Metaverse Adoption of Strategies & Opportunities - SC's Audit Oversight Board with Audit Committees - Bursa Malaysia immersive Session : The Board "Agenda"
Kwan Sook Peng (Appointed on 8 August 2022)	- Bursa Malaysia Immersive Experience The Board "Agenda" - Conversation with Audit Committee

During the financial year ended 31 December 2022, Datuk Seri Chiau Beng Teik was unable to attend any training due to his busy work schedule. However, he has constantly been updated with relevant reading materials and technical updates, which will enhance his knowledge and equip him with the necessary skills to effectively discharge his duties as the Directors of the Company.

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

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

Nomination Committee

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

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

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

Designation	Name	Directorship
Chairman	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Kwan Sook Peng (Appointed on 8 August 2022)	Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Nomination Committee (Cont'd)

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.
- ii) Reviewed and assessed the performance and independence of the Independent Directors.
- iii) Reviewed the terms of office and performance of the Audit Committee and each of its members.
- iv) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at Twentieth Annual General Meeting.
- v) Reviewed the composition of the board committees and recommended to the Board the Chairman for the Nomination Committee and Remuneration Committee.
- vi) Reviewed the Directors' Fit and Proper Policy.
- vii) Reviewed and recommended to the Board the appointment of Ms Kwan Sook Peng as Independent Non-Executive Director of the Company.

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 December 2022, 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.

The Company has adopted the Fit and Proper Policy on 25 May 2022. The Nomination Committee has conducted the fit and proper assessment on 24 February 2023 and 20 April 2023 on Directors who were proposed for re-election at the Twenty-First Annual General Meeting of the Company in accordance with the Fit and Proper Policy. In accordance with the Fit and Proper Policy, the Directors who were identified for re-election had also submitted to the Company their fit and proper declarations in the prescribed forms.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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 December 2022, 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.

Remuneration Committee

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

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

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

Designation	Name	Directorship
Chairman	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Chiau Haw Choon	Executive Director
Member	Kwan Sook Peng (Appointed on 8 August 2022)	Independent Non-Executive Director

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

- i) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors.
- ii) Reviewed and recommended the remuneration package for the Executive Director of the Company.
- iii) Reviewed and recommended the payment of Director's fees and other benefits payable to new Director appointed during the financial year ended 31 December 2022.

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 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 December 2022 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	-	798,000	-	76,602	-	874,602
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	36,000	-	2,800	-	-	38,800
Shelly Chiau Yee Wern	-	-	-	-	-	-
Datuk Cheng Lai Hock	33,000	-	3,200	-	-	36,200
Datuk Hj. Mohd Yusri Bin Md Yusof	33,000	-	3,200	-	-	36,200
Kwan Sook Peng (Appointed on 8 August 2022)	26,258	-	1,200	-	-	27,458
Khoo Chee Siang (Resigned on 8 August 2022)	36,742	-	2,000	-	-	38,742
Total	165,000	798,000	12,400	76,602	-	1,052,002

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	-	798,000	-	76,602	-	874,602
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	36,000	-	2,800	-	-	38,800
Shelly Chiau Yee Wern	-	310,960	-	35,454	-	346,414
Datuk Cheng Lai Hock	33,000	-	3,200	-	-	36,200
Datuk Hj. Mohd Yusri Bin Md Yusof	33,000	-	3,200	-	-	36,200
Kwan Sook Peng (Appointed on 8 August 2022)	26,258	-	1,200	-	-	27,458
Khoo Chee Siang (Resigned on 8 August 2022)	36,742	-	2,000	-	-	38,742
Total	165,000	1,108,960	12,400	112,056	-	1,398,416

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Remuneration of Top Eight (8) Senior Management

The top eight (8) Senior Management of the Company (including its direct held subsidiary) are Ms Shelly Chiau Yee Wern, Mr Ngian Siew Siong, Mr Khor Kai Fu, Mr Roger Lim Swee Kiat, Mr Tan Siew Pen, Ms Huang Lee Meng, Mr Khor Chee Yong and Mr Tan Peng Long. The aggregate remuneration of these top eight (8) Senior Management received in financial year ended 31 December 2022 was RM2.63 million representing 13.45% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top eight (8) senior management is a combination of annual salary, benefits-in-kind and other emoluments which are determined similarly as other management employee of the Company. This is based on their individual performance and the overall performance of the Company. The basis of determination has been applied consistently from previous year.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and bands and the top eight (8) Senior Management's total combined remuneration package should meet the intended objectives of the MCCG.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Independence of the Audit Committee

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

Financial Literacy of the Audit Committee Members

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

Compliance with Applicable Financial Reporting Standards

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

The interim financial reports, annual audited financial statements and annual report of the Group for the financial year ended 31 December 2022 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 75 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 on matters that require the Audit Committee'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 of, among others, the following:

- i) Calibre of External Audit Firm;
- ii) Quality Process/Performance;
- iii) Audit Team;
- iv) Independence and Objectivity;
- v) Audit Scope and Planning; and
- vi) Audit Communications.

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 December 2022.

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 December 2023.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Risk Management and Internal Control (Cont'd)

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' risk management framework and policies. The Board, nonetheless, will consider to adopt the Practice 10.3 of the MCCG in future.

The Statement on Risk Management and Internal Control which provides an overview of the Group's state of internal control and risk management is set out in pages 66 to 69 in this report.

Internal Audit Activities

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

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

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

Further details on the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 66 to 69 of this Annual Report.

During the financial period, the internal audit function covered the following areas:

- i) internal control systems on Property, Plant and Equipment ("**PPE**")'s management of Boon Koon Fleet Management Sdn Bhd;
- ii) tender management of Kayangan Kemas Sdn Bhd; and
- iii) internal control systems on procurement review of Kayangan Kemas 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 December 2022.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Communication with Stakeholders

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

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

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

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

The Company is not categorised as a large company as defined in the MMLR. The Group's annual report for the financial year ended 31 December 2022 adopted partially the integrated reporting approach which covers the Group's strategy, performance, governance and future business prospects are connected towards achieving value creation for its shareholders.

Dialogue with Shareholders

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

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

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

Annual General Meeting

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

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

The notice of AGM, together with a copy of the Company's Annual Report for the financial year ended 31 December 2022, 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 shareholders are given the opportunity to raise questions pertaining to the annual report, corporate developments, resolutions and businesses of the Group at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Annual General Meeting (Cont'd)

In light of the coronavirus outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of the Board, employees and shareholders of the Company, the Company's AGM held on 3 June 2022 was conducted by way of fully virtual basis through online meeting platform of Vote2u facilities.

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 Twentieth (20th) AGM of the Company held on 3 June 2022, all the Directors have attended the said AGM to engage directly with shareholders, and be accountable for their stewardship of the Company.

Poll Voting

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

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

Effective Communication and Proactive Engagement

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

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

Compliance Statement

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

OTHER DISCLOSURE

REQUIREMENTS

UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 29 November 2022, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) approved the listing and quotation of up to 75,952,650 new ordinary shares of Chin Hin Group Property Berhad (“**CHGP Shares**”) to be issued pursuant to private placement. The first tranche of the placement shares of 8,500,000 CHGP Shares were issued on 13 January 2023, at an issue price of RM1.00 per CHGP Share and total proceeds raised of RM8,500,000.00 was received from the said placement. The second tranche of the placement shares of 7,680,000 CHGP Shares were issued on 20 February 2023, at an issue price of RM0.95 per CHGP Share and total proceeds raised of RM7,296,000.00 was received from the said placement. The third tranche of the placement shares of 17,000,000 CHGP Shares were issued on 4 April 2023, at an issue price of RM0.90 per CHGP Share and total proceeds raised of RM15,300,000.00 was received from the said placement. The fourth tranche of the placement shares of 11,987,620 CHGP Shares were issued on 18 April 2023, at an issue price of RM0.93 per CHGP Shares and total proceeds raised of RM11,148,486.60 was received from the said placement. The total proceeds raised of RM42,244,486.60 has been utilised as follows :

Details utilisation	Proposed Utilization (RM'000)	Actual proceeds received (RM'000)	Actual Utilization (RM'000)	Balance unutilized (RM'000)	Expected time frame for Utilization of proceeds (from listing date)
Proposed Acquisition of Quaver	1,250	1,250	1,250	-	Within 6 months
Proposed Settlement	23,085	23,085	23,085	-	Within 18 months
Proposed Acquisition of Kayangan	16,700	16,700	-	16,700	Within 6 months
Working capital	12,500	459	459	-	Within 6 months
Estimated expenses for the Proposed Private Placement	750	750	750	-	Within 1 month

During the financial year, there was an issuance of 39,673,356 new ordinary shares arising from the exercise of warrants at an exercise price of RM0.20 per ordinary share.

As at 31 December 2022, the proceeds of RM7,934,671.20 raised from the listing and quotation of 39,673,356 new ordinary shares following the conversion of warrants have been fully utilised by the Group on working capital purposes.

AUDIT AND NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 December 2022 are as follows :

	Company Level RM	Group Level RM
Audit services rendered	38,000	239,300
Non-Audit services Rendered		
(a) Review of statement of risk management and internal control	5,000	5,000

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

MATERIAL CONTRACTS

Save as disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving interests of Directors, Chief Executive who is not a Director or major shareholders, either still subsisting as at 31 December 2022 or entered into since the end of the previous financial year :

- (a) BKG Development Sdn Bhd ("**BKG**"), a wholly-owned subsidiary of the Company had on 25 August 2022 entered into a share sale agreement with Aera Property Group Sdn Bhd ("**Aera Property**") to acquire 11,500,000 ordinary shares in Quaver Sdn Bhd ("**Quaver**"), representing 100% equity interest in Quaver, for cash consideration of RM1.25 million ("**Proposed Acquisition of Quaver**").
- (b) Kayangan Kemas Sdn Bhd ("**Kayangan**"), a 65%-owned subsidiary of the Company had on 25 August 2022 received a letter of award from Ace Logistic Sdn Bhd ("**Ace Logistic**") for the design, construction and completion of a proposed single-storey factory with 3-storey office and hostel at Mukim Labu, Bandar Baru Enstek, Negeri Sembilan ("**Project**") for a contract sum of RM57.09 million ("**Proposed Related Party Project**").

Approval from CHGP's shareholders for the Proposed Related Party Project was obtained at an EGM convened on 30 December 2022.

The relationship between the Directors or Major Shareholders and the contracting party(ies) were as follow :

- (i) Datuk Seri Chiau Beng Teik and Chiau Haw Choon have deemed interests in Quaver, Aera Property and Ace Logistic through their shareholdings in PP Chin Hin Realty Sdn Bhd ("**PP CH Realty**");
- (ii) Datuk Seri Chiau Beng Teik and Chiau Haw Choon have deemed interests in CHGP through their direct shareholdings in Chin Hin Group Berhad and their shareholdings in PP CH Realty;
- (iii) Datuk Seri Chiau Beng Teik and Chiau Haw Choon are both Directors of CHGP, Quaver, Aera Property and Ace Logistic;
- (iv) Datin Seri Wong Mee Leng is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon, Chiau Haw Loon, Shelly Chiau Yee Wern and Chiau Haw Yew. She is also a substantial Shareholder of PP CH Realty;
- (v) Shelly Chiau Yee Wern is a Director of CHGP; and
- (vi) Chiau Haw Loon, Shelly Chiau Yee Wern and Chiau Haw Yew are family members of Datuk Seri Chiau Beng Teik and Chiau Haw Choon. They are also shareholders of PP CH Realty.

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.

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

The Company is seeking approval from shareholders for the proposed renewal of existing shareholders' mandate and proposed 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 30 May 2023.

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 December 2022 were as follows :

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Group Berhad ("Chin Hin") and its subsidiary companies	CHGP Group	• Rental paid to CHGP Group for motor vehicles rented	NIL	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Non-Independent Non- Executive Chairman and a Major Shareholder of CHGP. He is also the Executive Chairman and a Major Shareholder of Chin Hin. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern. Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is also the Group Managing Director and a Major Shareholder of Chin Hin. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern. Shelly Chiau Yee Wern is an Executive Director of CHGP. She is also the Executive Director in Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.
		• Sale of motor vehicles to Chin Hin Group based on prevailing market price	48	
		• Supply by CHGP Group and/ or purchase from Chin Hin Group of materials based on prevailing market price.	12,945	
		• Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price.	111	
		• 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.	24	

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin and its subsidiary companies (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> • Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn Bhd is a Major Shareholder of CHGP and Chin Hin. Divine Inventions Sdn Bhd is a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd • Datin Seri Wong Mee Leng was a Major Shareholder of CHGP and Chin Hin within the preceding 6 months. 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 and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn Bhd.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Aera Property Group Sdn Bhd (" Aera Property ") and its subsidiary companies	CHGP Group	<ul style="list-style-type: none"> Provision of construction services to and/or by Aera Property Group based on prevailing market price. 	22,236	<ul style="list-style-type: none"> 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 was a Major Shareholder of CHGP within the preceding 6 months. 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 an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of Aera Property, which in turn a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Aera Property and its subsidiary companies (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. Divine Inventions Sdn Bhd is a Major Shareholder of CHGP. Divine Inventions Sdn Bhd is a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd. PP Chin Hin Realty Sdn Bhd is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn Bhd is the holding company of Aera Property and is a person connected to Datuk Seri Chiau Beng Teik 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	<ul style="list-style-type: none"> Sales of motor vehicles to CHL Logistic Sdn Bhd based on prevailing market price. 	NIL	<ul style="list-style-type: none"> 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.
		<ul style="list-style-type: none"> Supply by CHGP Group and/or purchase from CHL Logistic Sdn Bhd of materials based on prevailing market price. 	188	

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
CHL Logistic Sdn Bhd (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> Datin Seri Wong Mee Leng was a Major Shareholder of CHGP within the preceding 6 months. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Chiau Haw Choon and Shelly Chiau Yee Wern, is the director and substantial shareholder of CHL Logistic Sdn Bhd. Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. Divine Inventions Sdn Bhd is a Major Shareholder of CHGP. Divine Inventions Sdn Bhd is a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd. PP Chin Hin Realty Sdn Bhd is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn Bhd is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Midas Signature Sdn Bhd	CHGP Group	<ul style="list-style-type: none"> Leasing / renting of office premises from Midas Signature Sdn Bhd based on market value and is payable on an equal prorated monthly basis. 	133	<ul style="list-style-type: none"> 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 was a Major Shareholder of CHGP within the preceding 6 months. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern. Shelly Chiau Yee Wern is the Executive Director in CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of Midas Signature Sdn Bhd, which in turn is an indirect wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd. Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Midas Signature Sdn Bhd (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> Divine Inventions Sdn Bhd is a Major Shareholder of CHGP. Divine Inventions Sdn Bhd is a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd. PP Chin Hin Realty Sdn Bhd is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn Bhd is the holding company of Aera Property. Aera Property is the holding company of Midas Signature Sdn Bhd and is a person connected to Datuk Seri Chiau Beng Teik and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn Bhd.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Gypsum Sdn Bhd	CHGP Group	<ul style="list-style-type: none"> Leasing / renting of office premises from Chin Hin Gypsum Sdn Bhd based on market value and is payable on an equal pro-rated monthly basis. 	91	<ul style="list-style-type: none"> 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 was a Major Shareholder of CHGP within the preceding 6 months. 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 an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. Datuk Seri Chiau Beng Teik is the director and substantial shareholder of Chin Hin Gypsum Sdn Bhd. Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Gypsum Sdn Bhd (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> 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 and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn Bhd.
PP Chin Hin Realty Sdn Bhd ("PP Chin Hin Realty") and its subsidiary companies	CHGP Group	<ul style="list-style-type: none"> Provision of construction services to and/or by PP Chin Hin Realty Group based on prevailing market price. 	NIL	<ul style="list-style-type: none"> 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 was a Major Shareholder of CHGP within the preceding 6 months. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.

OTHER DISCLOSURE REQUIREMENTS (CONT'D)

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

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
PP Chin Hin Realty and its subsidiary companies (Cont'd)	CHGP Group (Cont'd)			<ul style="list-style-type: none"> • Shelly Chiau Yee Wern is an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon. • Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of PP Chin Hin Realty Sdn Bhd. • Chin Hin is a Major Shareholder of CHGP and holding company of CHGP. • Divine Inventions Sdn Bhd is a Major Shareholder of CHGP. Divine Inventions Sdn Bhd is a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd. • PP Chin Hin Realty Sdn Bhd is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn Bhd is a person connected to Datuk Seri Chiau Beng Teik and Chiau Haw Choon.

SUSTAINABILITY STATEMENT 2022



INTRODUCTION

This Sustainability Statement (“**Statement**”) provides an overview on Chin Hin Group Property Berhad (“**CHGP**” or “**Company**”) and its subsidiaries’ (“**CHGP Group**” or “**the Group**”) concepts, practices and achievements in working towards sustainability within the Economic, Environment, Social and Governance (“**EESG**”) themes for the financial year ended 31 December 2022 (“**FYE 2022**”).

SUSTAINABILITY COMMITMENT

CHGP Group strongly believe that EESG are at the core of a sustainable business. Hence, we are committed to embed sustainability consideration into every aspect of the EESG whenever possible. Our sustainability commitment has been integrated into our vision, mission and deep-rooted into our core values. Our top management has been constantly nurturing the importance of sustainability within the Group and ensure we practice sustainability at every level of our business operations.



SCOPE AND REPORTING PERIOD

Information disclosed in this Statement covers the sustainability initiatives and performances of all divisions and entities within the Group, namely Property Development, Construction, Commercial Vehicles and Bodyworks and Rental and Fleet Management Services within the period from 1 January 2022 to 31 December 2022, unless otherwise specified.

PRINCIPLE GUIDELINES

This Statement is prepared in accordance to Bursa Malaysia Securities Berhad’s Sustainability Reporting Guide (3rd Edition) and in line with the Main Market Listing Requirements (“**MMLR**”) relating to the Sustainability Statement.

FEEDBACK

CHGP Group welcomes any feedback on the sustainability reporting and performance from all stakeholders. Feedbacks, comments or enquiries on this Statement can be directed to enquiry@chgp.my.

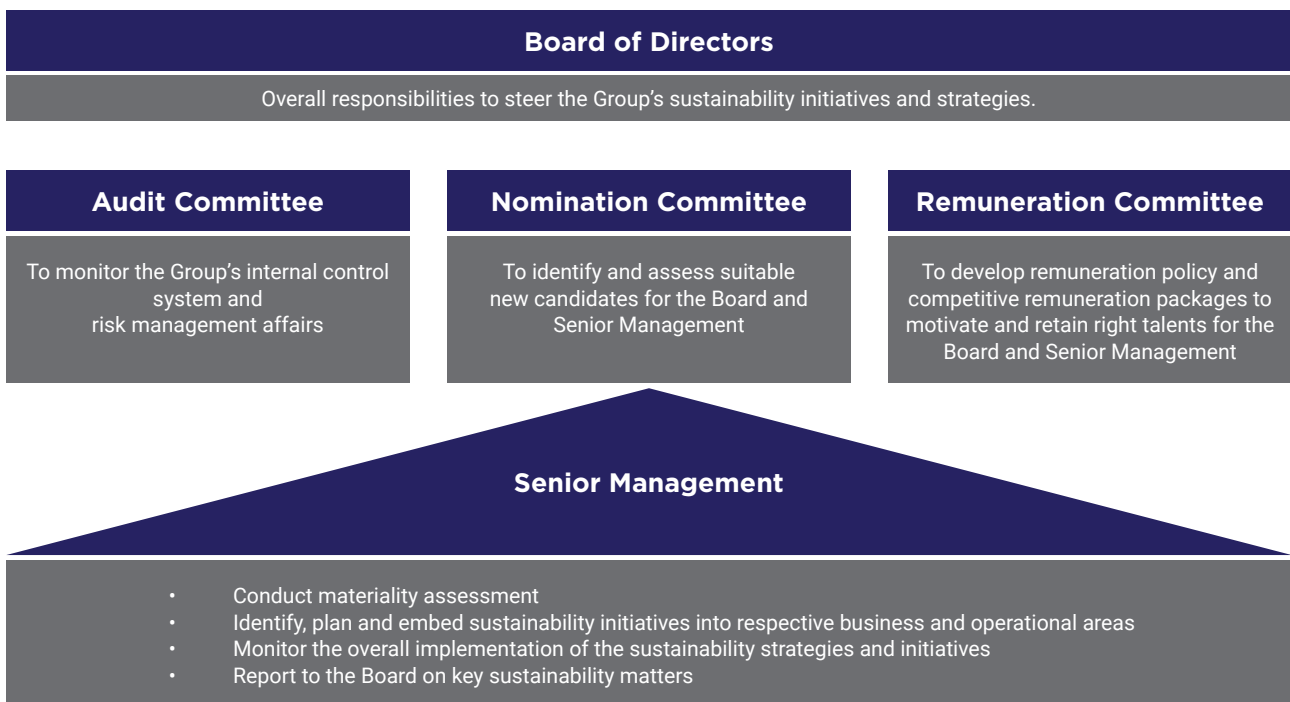
SUSTAINABILITY STATEMENT 2022 (CONT'D)

SUSTAINABILITY GOVERNANCE STRUCTURE

Sustainability management is one of the Board's key agenda. The Board is ultimately responsible to steer and provide advisory on the Group's overall sustainability strategies and monitoring. The Board as a whole is supported by three (3) Board Committees to ensure effective discharge of Board's duties and responsibilities.

Audit Committee is responsible to review the adequacy of the Group's risk management and internal controls systems as these systems served as a strong foundation in sustaining the business operation. On the other hand, Nomination Committee and Remuneration Committee are responsible to track the Board's and Senior Management's overall performance in ensuring good corporate governance and motivate the Board and Senior Management to bring the Group to greater heights, of which both are essential to ensure long term sustainability of the Group.


The Board is supported by the Senior Management for the overall implementation of the sustainability strategies and initiatives proposed by the Board.



SUSTAINABILITY STATEMENT 2022 (CONT'D)

STAKEHOLDERS ENGAGEMENT

We are cognisant of the importance of brand reputation and public trust that enables us to stand strong within the industry and operate well within the society. We have identified seven (7) key stakeholder groups that have significant influence over the Group's business operations and at the same time being significantly impacted by the Group's business decisions. We strive to engage with our stakeholders regularly in order to understand their needs and expectations better. In FYE 2022, we have engaged our various stakeholders to understand their areas of concern with multiple engagement approaches as follows: -


Stakeholders	Areas of Concern	Areas of Concern Engagement Approaches
 Shareholders	<ul style="list-style-type: none"> Financial and operational performance Business direction and sustainability Return on investment Share price performance 	<ul style="list-style-type: none"> General meetings Quarterly financial results and annual report Company website Bursa announcement
 Employees	<ul style="list-style-type: none"> Career progression Occupational safety and health ("OSH") Competitive remuneration packages Training and development Talent and performance management 	<ul style="list-style-type: none"> Internal communication Performance appraisal Training programs and on-job dealings
 Suppliers	<ul style="list-style-type: none"> Transparent procurement practices Payment terms and conditions Timely completion and delivery 	<ul style="list-style-type: none"> Physical interaction Periodic site inspections Email communication
 Customers	<ul style="list-style-type: none"> Project/ product/ services quality assurance Customer satisfaction Product development and technology innovation Competitive pricing and on-time delivery 	<ul style="list-style-type: none"> Physical interaction Customer feedback survey Company website and social media Advertisement and marketing events
 Government / Regulators	<ul style="list-style-type: none"> Regulatory compliance Permits and licenses Corporate governance Occupational safety and health 	<ul style="list-style-type: none"> Meetings and visits Compliance audit Ad-hoc report submissions Bursa announcement
 Community	<ul style="list-style-type: none"> Environmental impact from operations Local economic support Local job creation 	<ul style="list-style-type: none"> Company website and social media
 Analyst/Media	<ul style="list-style-type: none"> Share price performance Financial and operational performance Business strategy and future prospects Corporate governance 	<ul style="list-style-type: none"> Quarterly financial results and annual report General meetings Interviews Company website Bursa announcement

SUSTAINABILITY STATEMENT 2022 (CONT'D)

SUSTAINABILITY STRATEGIES

The purpose of the Sustainable Development Goals (“SDG”) introduced by the United Nations Members States is to create a better world for all with the target to end poverty and inequality while protect the mother earth and ensure all people enjoy health, justice and prosperity.

Here in CHGP Group, we fully support the ideas of the SDG and would like to contribute to the achievement of the SDG, whenever possible. In this respect, we have strategically mapped seven (7) SDG relevant to our material sustainability matters and have developed the corresponding sustainability strategies as follows: -

	Material Matters	Sustainability Strategies	SDG
Economic	<ul style="list-style-type: none"> Sustainable Business Growth Quality Assurance Customer Satisfaction 	<ul style="list-style-type: none"> To continuously explore new business opportunities. To continuously secure new construction and property development projects. To improve and maintain the quality of our various products and services. To drive value creation to various shareholders and stakeholders. 	  
Environment	<ul style="list-style-type: none"> Effluents and Waste Management Water and Energy Management 	<ul style="list-style-type: none"> To minimise environmental damaging effects arising from operations. To adopt proper effluents and waste management. To promote green actions for environmental preservation. To deploy natural resources diligently and efficiently. 	 
Social	<ul style="list-style-type: none"> Workforce Diversity Employee Welfare Employee Training and Development Occupational Safety and Health 	<ul style="list-style-type: none"> To put in place OSH Committee to govern OSH matters. To provide a safe, healthy, fair and free from discrimination workplace. To provide career advancement opportunities and trainings. 	  
Governance	<ul style="list-style-type: none"> Corporate Governance and Ethical Business Regulatory Compliance 	<ul style="list-style-type: none"> To promote and maintain good corporate governance. To comply with all applicable laws and regulations. 	

SUSTAINABILITY STATEMENT 2022 (CONT'D)

ECONOMIC

SUSTAINABLE BUSINESS GROWTH

Property Development and Construction

The Malaysian property market was able to stage a recovery from the pandemic-induced slowdown in the year 2020. According to the Valuation & Property Services Department from the Ministry of Finance Malaysia, property market has recorded improvement in both volume and value of transactions in the year 2022. The Department of Statistics Malaysia had also on 8 February 2023 reported that the construction sector in Malaysia has posted a rebound of 8.8% in year 2022 after 2 consecutive years in the declining trend since year 2019.

We are pleased to report that CHGP Group has recorded a better performance in FYE 2022 in line with the overall improvement in property market and construction sector. Similar to any other businesses, sustainable business growth is always the top priority for CHGP Group. Hence, the Group has been actively seeking for business expansion and diversification opportunities via acquisition of strategic businesses that could synergise with its existing businesses, securing new construction projects and expanding its landbank in order to sustain a long-term business growth and contribute towards SDG Target 8.2 and 11.3.



The Group has acquired 65% interest in Kayangan Kemas Sdn Bhd (“KKSb”) back in 2021 and managed to immediately tap on the extensive construction capabilities and experience of KKSb to excel within the construction industry. This year, the Group has additionally acquired 30% interest in KKSb in view of the outstanding performance and valuable synergies brought by KKSb to the Group.



In addition, the Group has also on 12 August 2022 completed the acquisition of 60% interest in Makna Setia Sdn Bhd (“Makna Setia”), a Grade 7 contractor registered with the Construction Industry Development Board (“CIDB”). Makna Setia had completed many infrastructure projects such as bridges, railway tracks and highways, including prominent projects like Mass Rapid Transit (MRT) Package V210, Pan Borneo Highway, West Cost Expressway (WCE), SUKE Highway, Kajang 2 – Jalan Reko Flyover, Bandar Utama Elevated Bridge and Sunway Serene Scenic Lake Bridge. The acquisition of Makna Setia enables the Group to diversify into construction of infrastructure projects, thereby contributing to the achievement of SDG Target 9.1.

SUSTAINABILITY STATEMENT 2022 (CONT'D)

ECONOMIC (CONT'D)

SUSTAINABLE BUSINESS GROWTH (CONT'D)

Property Development and Construction (Cont'd)

On 15 December 2022, the Group also proposed to acquire 100% interest in Quaver Sdn Bhd (“**Quaver**”), a housing development company that owns a land located along Persiaran Serdang Perdana, within Taman Serdang Perdana Seksyen 6, Seri Kembangan, Selangor. Quaver has obtained the building approval from Majlis Bandaraya Subang Jaya to undertake a mixed commercial development on the said land for a proposed development of 2 blocks of service apartments (684 units) and 15 units of retail lot known as “Quaver Residence”.

Apart from the acquisition exercises, the Group via KKSB, had on 12 July 2022 secured a new construction contract worth of RM330.0 million from Exyte Malaysia Sdn Bhd to undertake the supply, execution and completion of the Shell & Core Works Site Substructure & Superstructure – Beta Side for Intel Pelican Project in Penang. The duration of this contract is 15 months and shall be completed by the 3rd quarter of year 2023. As at the end of February 2023, the construction division of the Group has an outstanding order book at RM1.3 billion, which are expected to contribute positively to the Group’s financial performance in the next few years.



KKSB had also secured a contract from a related party, Ace Logistic Sdn Bhd to design and construct a proposed single-storey factory with 3-storey office and hostel at Mukim Labu, Bandar Baru Enstek, Negeri Sembilan for a contract sum of RM57.1 million. The said proposed related party project has been approved by the CHGP’s shareholders in the extraordinary general meeting convened on 30 December 2022.

Our property development division has intensified its marketing efforts to drive sales for the “8th & Stellar” joint development project, which comprises mixed residential and commercial lots in Sri Petaling, Kuala Lumpur. As at 31 December 2022, the said project has recorded remarkable sales of 97%.

Apart from the “8th & Stellar” joint development project, CHGP had also launched the Solarvest Tower project on 28 March 2022. It is a development of an office building that equipped with the concept of futuristic and green technologies, strategically located along the federal highway at Bangsar South, connecting to KL gateway mall and with a link bridge connecting to LRT university station.

Meanwhile, the Group has continued with its landbank accumulation strategy by acquiring a piece of freehold land located at Mukim Petaling, Kuala Lumpur from Frazel Luxe Sdn Bhd for a cash consideration of RM85.0 million. The said acquisition was completed on 12 August 2022.



SUSTAINABILITY STATEMENT 2022 (CONT'D)

ECONOMIC (CONT'D)

SUSTAINABLE BUSINESS GROWTH (CONT'D)

Property Development and Construction (Cont'd)

Furthermore, the Group targets to launch two (2) new property development projects, namely Avantro Residences at Bandar Kinrara and Ayanna Resort Residences at Bukit Jalil in 2023, with a combined Gross Development Value ("GDV") of RM1.32 billion.

The Group will continue to explore for business expansion and diversification opportunities while securing new construction projects and acquire landbank for property development so as to achieve sustainable business growth.

Commercial Vehicles

The commercial vehicles market remains challenging given the weakening Malaysian Ringgit against other major currencies, which pressured on our profit margin. Nevertheless, the demand for light/big truck models and prime movers remains strong from the logistics and food delivery businesses. Hence, the Group shall continue to strengthen its marketing efforts for the food truck model and passenger van for the tourism industry in order to increase our market share further.



QUALITY ASSURANCE

Products and services quality is a key factor in determining our competitiveness within the industry especially during the challenging time in this ever-changing business environment. Hence, we ensure our products and services are of good quality as well as being able to meet and satisfy our clients' expectations. CHGP Group's Quality Management System from the commercial vehicle division has been accredited with ISO 9001:2015 for the scope of "Rebuilding of Commercial Vehicles, Manufacturing of Bodyworks and Remanufacturing of Parts & Components" since year 2004.

CUSTOMER SATISFACTION

In CHGP Group, we believe customers' feedback are the source that motivates the Group to improve and grow further. Every feedback from customer regardless negative or positive, will be addressed by our team members appropriately and on timely basis. The feedback from customers helps us to identify any weakness and improvements needed in order to maintain our competitive edge in the industries.

Similar to last year, we are pleased to inform that we are able to maintain high level of customers' satisfaction in which no complaints were received during FYE 2022.



SUSTAINABILITY STATEMENT 2022 (CONT'D)

ENVIRONMENT

EFFLUENTS AND WASTE MANAGEMENT

As a responsible entity, CHGP Group acknowledges the importance of protecting the environment. In advocating SDG Target 11.6 and 12.4, CHGP Group is committed to reduce the environmental impact from the daily operations to the minimum by implementing stringent controls and monitoring measures especially in the effluents and waste management.

In CHGP Group, we have a set of a proper procedure for storage and disposal of scheduled wastes. The scheduled wastes are properly stored at a designated area in the various operation sides in accordance to the guidelines prescribed by the Department of Environment (“DOE”) Malaysia. We have also engaged with scheduled wastes contractors which are approved by the DOE Malaysia to dispose our scheduled wastes on periodically basis. In addition, we also submit scheduled wastes monthly report to DOE Malaysia as required under the Environmental Quality (Scheduled Wastes) Regulations 2005.

The scheduled waste, namely spent lubricating oil (code: SW 305), is generated from our commercial vehicles and bodyworks division for maintenance services & bodywork, vehicles assembly as well as rebuilt of commercial vehicles. In FYE 2022, we have generated 1,400 kg of the spent lubricating oil and all of them have been properly stored and disposed.

For our property development and construction division, ambient dust is inevitably generated from our daily operations during excavation, demolition, carpentry works, hacking and vehicle movement. Our contractors are required to strictly monitor and control the ambient dust generated in accordance to the local environmental pollution control regulations.

We are pleased to report that no fines or penalty in regards to violation of environmental rules and regulations was imposed to the Group by the relevant authorities in FYE 2022.



SUSTAINABILITY STATEMENT 2022 (CONT'D)

ENVIRONMENT (CONT'D)

WATER AND ENERGY MANAGEMENT

Although we have abundance of rainfall and water resources in Malaysia, we still strive to minimise water usage in our offices and project sites in the appreciation of our precious natural resources. Electricity constitutes one of the major proportions of the Group's energy consumption. Therefore, we placed great emphasis on cultivating energy-saving practices amongst our employees in both offices and project sites.

The Group is also well aware that the emission of carbon brings harm to our mother earth especially with the alerting global warming and climate change issues. Thus, CHGP Group is also committed to reduce carbon footprint on best effort basis.



In view of the above, the Group has taken the following initiatives as part of the efforts in working towards SDG Target 12.2 and 12.5.



- Reduce water wastage by switching off the water tap in office and factory whenever not in use.
- Make use of rain water for cleaning purposes in project sites.



- Switch off compressor during lunch hour and after working hour.
- Switch off office, factory, project sites and batching plant lighting when not in use, especially the spotlights.



- Sharing of transportation to attend business meeting.
- Adopt technology to conduct virtual meeting whenever possible.



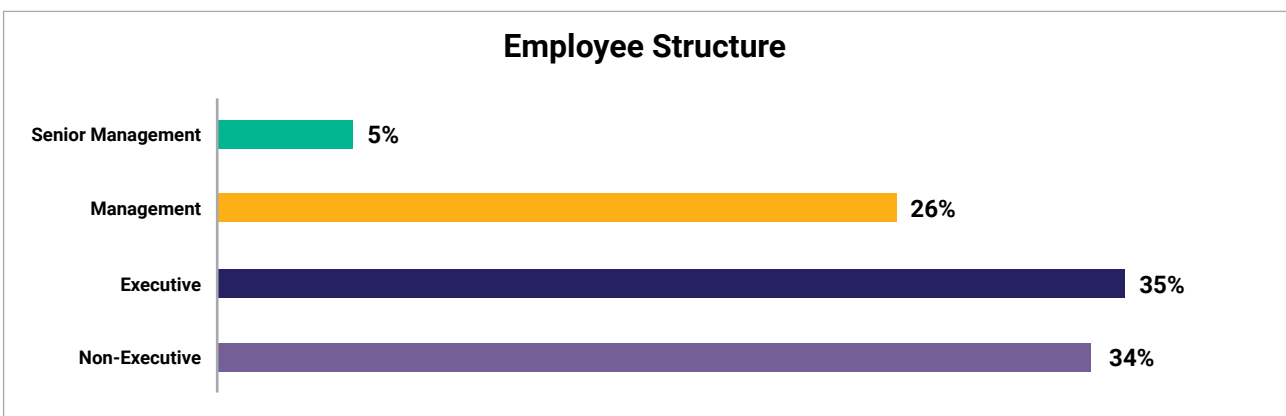
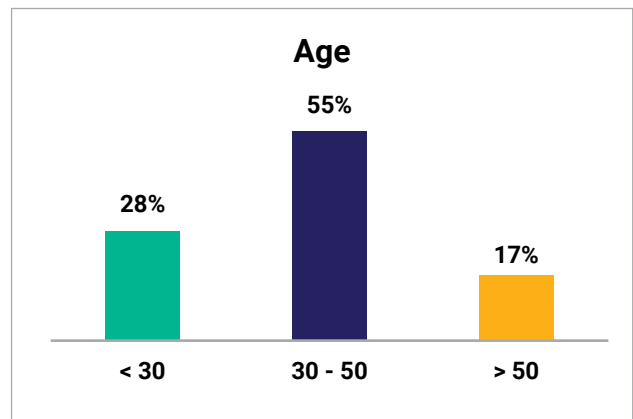
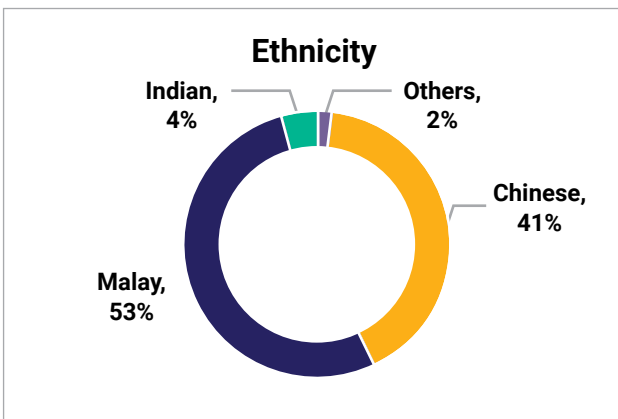
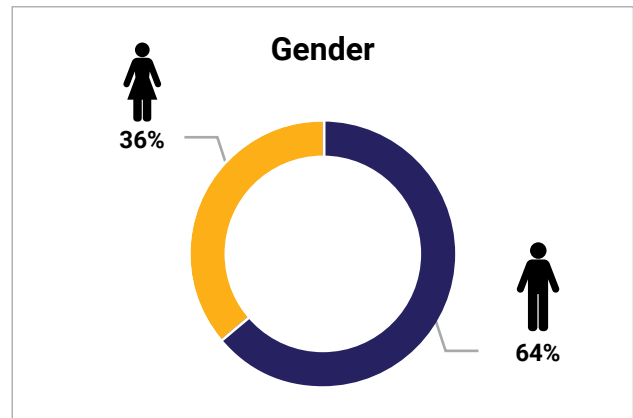
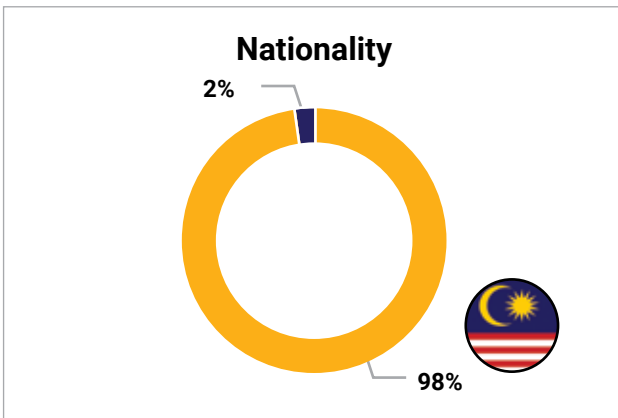
SUSTAINABILITY STATEMENT 2022 (CONT'D)

SOCIAL

WORKFORCE DIVERSITY

Diversity in the workplace enriches the Group in broadening perspectives and inspiring creativity and innovation. The Group strive to bring together a great mix of talents with different age groups and ethnic races while striking a balance between the genders.

As at 31 December 2022, the Group has a total of 474 employees with demographics as follows: -



SUSTAINABILITY STATEMENT 2022 (CONT'D)

SOCIAL (CONT'D)

WORKFORCE DIVERSITY (CONT'D)

CHGP Group is well aware that employees' loyalty to the Group is essential in supporting the Group to continue thrive for long-term success. As such, we aimed to maintain an annual employee turnover rate of 20% or below. However, we regret to report that we had a high employee turnover rate at 32% in the FYE 2022 due to career advancement. Moving forward, we shall strive to attract and retain the right talents so as to achieve a stable and sustainable workforce to support our business expansion plans.

EMPLOYEE WELFARE

While our employees strive their best in supporting the growth and success of the Group, we have to ensure that their interest and welfare are well taken care of in return, in line with SDG 3 as a whole.

In order to establish a conducive workplace that free from discrimination, the Group placed great emphasis in providing equal opportunities and growth prospects to all our employees in line with SDG Target 10.3. Several principles below are adopted by the Group in human resources management: -



Encourage



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

Prohibited



- No forced, imprisonment, indentured or involuntary labour.
- Child labour and under-age workers are forbidden.
- Discrimination, physical abuse, harassment and threat in the work place are prohibited.

SUSTAINABILITY STATEMENT 2022 (CONT'D)

SOCIAL (CONT'D)

EMPLOYEE TRAINING AND DEVELOPMENT

Employees' learning and development is essential and critical to the Group's business growth and success. Therefore, CHGP Group encourages and at the same time provides continuous training and development opportunities to the employees in order to enhance their knowledge and capabilities so as to stay competitive within the industries. The training and development programs attended by the employees during the FYE 2022 are listed below: -

Training Programs in FYE 2022	
07.01.2022	Boss.Net EA & BIK 2021 Seminar
20.01.2022	Seminar on Sales and Service Tax Update
26.05.2022	Hasil-MEF Tax Webinar 2022 Building Sustainable Future
16.08.2022	MIA Webinar Series: Advanced Corporate Tax Issues and Strategies
23.08.2022 – 25.08.2022	Occupational Safety and Health Coordinator (OSH-C)
03.11.2022	MIA Webinar Series Latest Update on Tax Audit Investigation

OCCUPATIONAL SAFETY AND HEALTH

In advocating SDG 3.9 and 8.8, it is vital to provide a safe and healthy working environment to the employees in order to ensure a sustainable business operation. In this regard, we have in place our Safety and Health Policy and Committee to manage our **OSH** matters.

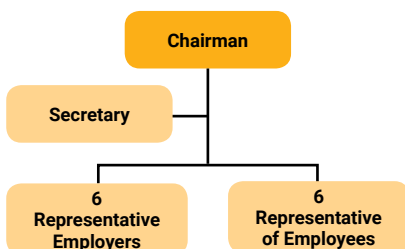
Safety and Health Policy

Our Safety and Health Policy served as a guidance to our employees, summarised as follows: -

Safety and Health Policy	
1)	Understand and comply to the Occupational Safety and Health Act 1994.
2)	Ensure safety, health and welfare of employees are the primary responsibility of the Group.
3)	Encourage a calm working environment in both physiology and psychology.
4)	Protect and alert people at work place other than those who are working on accident or health risks arising from work activities.
5)	Always ensure that approved regulatory and industry regulatory systems are being practiced at all time.
6)	Maintain a safe and healthy working environment to the extent practicable without risk to personal health.
7)	Provide information, instruction, training and supervision from time to time to ensure the safety and health of workers are assured.



Safety and Health Committee



Our Safety and Health Committee is responsible to govern the OSH matters in the daily operations.

The Safety and Health Committee is led by a Chairman, supported by a secretary, 6 representatives from the employer and 6 representatives from the employees.

Incidents Reporting

With the stringent management on the OSH matters, the Group is delighted to highlight that no workplace injury incident was reported in FYE 2022. The Group will continue to protect and ensure the health and safety of the employees moving forward.

SUSTAINABILITY STATEMENT 2022 (CONT'D)

GOVERNANCE (CONT'D)

CORPORATE GOVERNANCE AND ETHICAL BUSINESS

As an accountable entity, CHGP Group is committed to maintain a high standard of corporate governance and comply to all applicable rules and regulations. We believe that proper corporate governance and ethical business dealings are the pathway that lead to long-term growth and success.

It is the policy of the Group to conduct business in an honest and ethical manner and to act in good faith. We are committed to ethical, transparent, fairness and integrity in all business practices and relationships. To this end, the Group has developed a Code of Conduct for Directors and Code of Conduct for Employees to serve as a guidance to the respective parties.

In addition, the Group has zero tolerance against all form of bribery and corruptions. To align with SDG Target 16.5, the Group has in place an Anti-Bribery and Corruption Policy ("**ABC Policy**") to serve as a guideline to its employees, officers, Directors and other stakeholders. Continuous efforts are put in place to strengthen our measures in combating bribery and corruption including clear communication to both internal and external stakeholders to raise awareness in our daily business operations.

To cultivate and promote good governance culture on the areas mentioned above, the Group has put in place a Whistleblowing Policy which served as an avenue to encourage reporting of any suspected illegal acts, misconducts or fraudulent practices. Proper investigation will be carried out on any reported cases and appropriate action will be taken accordingly.



In an effort to further enhance our corporate governance, the Board has on 25 May 2022 formalised and adopted a Fit and Proper Policy to serve as a formal reference in assessing the fitness and propriety of a director for any relevant appointment and/or re-appointment. We have also further expanded the scope of the policy to our officers, including Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, in order to ensure that our leaders have the adequate skills and competencies to carry out their duties in the best interest of the Group.

All the abovementioned code or policies are made available at the Company's website at <https://chinhinproperty.com/corporate-governance/>. The Group wishes to highlight that there is no incident of malpractice, fraud or corruption reported in FYE 2022.

REGULATORY COMPLIANCE

We are regulated by the Malaysian Government from several aspects, such as operation activities, environment, employment and OSH affairs. The major laws and regulations which are applicable to us include: -

- Housing Development (Control and Licensing) Act, 1966 (Act 118);
- Malaysia Construction Industry Development Board Act 1994;
- Environmental Quality Act 1974;
- Environmental Quality (Scheduled Wastes) Regulations 2005;
- Environmental Quality (Clean Air) Regulations 2014;
- Employment Act 1995;
- Minimum Wages Order 2022;
- Occupational Safety and Health Act 1994; and
- Commercial Vehicles Licensing Board Act 1987 (Act 334).

CHGP Group adheres to all the applicable laws and regulations and we wish to highlight that there is no penalties or fines imposed for any non-compliance or breach of laws and regulations in FYE 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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

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

BOARD’S RESPONSIBILITIES

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

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

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

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

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

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

1. Risk Management

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

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

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

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

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

1. Risk Management (cont'd)

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.

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.

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 (cont'd)

Reporting and Communication

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

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

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

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

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 areas are as follows:

- i) Implementation of the Anti-Bribery and Corruption Policy;
- ii) Conflict of interest;
- iii) Awareness and communication of ABC Policy for New Subsidiary / Division;
- iv) Whistle Blowing Channel Update;
- v) Compliance Declaration an Anti-Bribery and Corruption Policy.

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

The professional fee incurred in maintaining the outsourced internal audit function for the financial period ended 31 December 2022 is RM23,000.

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

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 December 2022, 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.

CONCLUSION

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

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

This statement is made in accordance with the resolution of the Board dated 20 April 2023.

AUDIT COMMITTEE REPORT

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

The present members of the Audit Committee are as follows:

Designation	Name	Directorship
Chairman	Kwan Sook Peng (Appointed on 8 August 2022)	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director

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

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

TERMS OF REFERENCE

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

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2022, the Audit Committee held 6 meetings and the details of the attendance are as follows:

Members	Meeting Attendance
Kwan Sook Peng (Appointed on 8 August 2022)	3/3
Datuk Cheng Lai Hock	6/6
Datuk Hj. Mohd Yusri Bin Md Yusof	6/6
Khoo Chee Siang (Resigned on 8 August 2022)	3/3

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee had during the financial year ended 31 December 2022 discharged the following duties as set out in its terms of reference :

- i) Reviewed the quarterly unaudited financial results and made recommendations to the Board for approval.
- ii) Reviewed the draft audited financial statements with external auditors prior to the submission to the Board for approval.
- iii) Reviewed the audit findings of the external auditors and their reports.
- iv) Reviewed the audit planning memorandum from external auditors.
- v) Reviewed and recommended the re-appointment of external auditors and their fees to the Board for consideration and approval.
- vi) Dialogue session with external auditors without the presence of Executive Director and Management to discuss any issues of concern to the External Auditors arising from the annual statutory audit.
- 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 2022.
- ix) Reviewed the internal audit plan from internal auditors.
- x) Reviewed the circular to shareholders.
- xi) Reviewed the related party transactions / recurrent related party transactions within the Company and the Group.
- xii) Reviewed and evaluated the performance and independence of external auditors. The Audit Committee was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.
- xiii) Discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
- xiv) Assessed the internal audit function of the Group.

AUDIT COMMITTEE REPORT (CONT'D)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL PERIOD

a) Financial Reporting

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

Date of Meetings	Financial Statements
25 February 2022	Unaudited Fourth Quarter Interim Financial Report for the quarter ended 31 December 2021
15 April 2022	Draft Audited financial statements for the financial year period from 1 April 2021 to 31 December 2021
25 May 2022	Unaudited First Quarter Interim Financial Report for the quarter ended 31 March 2022
26 August 2022	Unaudited Second Quarter Interim Financial Report for the quarter ended 30 June 2022
22 November 2022	Unaudited Third Quarter Interim Financial Report for the quarter ended 30 September 2022

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

b) External Auditors

- (i) The Audit Committee met 2 times with the External Auditors on 25 February 2022 and 15 April 2022 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 February 2022, the Audit Committee reviewed the External Auditors' Audit Review Memorandum in relation to the findings of their audit of the financial statements of the Group for the financial period from 1 April 2021 to 31 December 2021.
- (iii) On 25 February 2022, 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 was satisfied with the independence and performance of UHY, had recommended the re-appointment of Messrs. UHY ("UHY") as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Twentieth Annual General Meeting.

AUDIT COMMITTEE REPORT (CONT'D)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL PERIOD (CONT'D)

b) External Auditors (cont'd)

- (iv) On 22 November 2022, the Audit Committee reviewed and evaluated the audit planning memorandum prepared by UHY for the financial year ending 31 December 2022 which covered the following subject matters :
- audit objective;
 - engagement and reporting responsibilities;
 - audit approach, areas of audit emphasis and deliverables and possible key audit matters;
 - updates on Malaysian Financial Reporting Standards (“MFRS”); and
 - engagement team, proposed reporting schedule, proposed fees and fraud risk questionnaires.
- (v) The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the Audit Committee for recommendation to the Board for approval.

c) Internal Audit

On 25 February 2022, the Audit Committee evaluated the performance of the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

On 25 February 2022, the Audit Committee reviewed and approved the revised internal audit review plan for the financial year ending 2022 for internal auditors further action.

On 25 February 2022, the Audit Committee reviewed and evaluated the Internal Audit Reports (“IAR”) on internal control systems on Property, Plant and Equipment (“PPE”)’s management of Boon Koon Fleet Management Sdn Bhd for the quarter ended 31 December 2021 prepared by Eco Asia Governance Advisory Sdn Bhd (“Eco Asia”), the outsourced Internal Auditors of the Company. Eco Asia’s IAR covered the following:-

a) PPE

- Maintenance of register
- Capitalisation and depreciation policies
- Identification and maintenance of assets
- Acquisition, disposal and transfer of assets
- Safeguarding of assets

On 25 May 2022, the Audit Committee reviewed and evaluated the IAR on tender management of Kayangan Kemas Sdn. Bhd. for the quarter ended 31 March 2022 prepared by Eco Asia. Eco Asia’s IAR covered the following:-

a) Tender Management

- Standard Operating Policies and Procedure
- Tendering Documents
- Project Post-Mortem Meeting

AUDIT COMMITTEE REPORT (CONT'D)

HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL PERIOD (CONT'D)

c) Internal Audit (cont'd)

On 22 November 2022, the Audit Committee reviewed and evaluated IAR on internal control systems on procurement review of Kayangan Kemas Sdn Bhd prepared by Eco Asia. Eco Asia's IAR covered the following:-

a) Procurement Review

- Standard Operating Procedures
- Supplier Quotations
- Material requisition form
- Acknowledgement on supplier delivery order
- Supplier invoice and credit note
- Purchase cut off
- Approved supplier list
- Creditor's reconciliation

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

- (i) 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 15 April 2022.
- (ii) On 25 August 2022, the Audit Committee reviewed the following related party transactions and the independence advice letter :-
 - (a) Proposed acquisition of 100% equity interest in Quaver Sdn Bhd by BKG Development Sdn Bhd, a wholly owned subsidiary of the Company from Aera Property Group Sdn Bhd.
 - (b) Proposed acceptance by Kayangan Kemas Sdn Bhd of a letter of award from Ace Logistic Sdn Bhd for the design, construction and completion of a proposed single-storey factory with 3-storey office and hostel at Mukim Labu, Bandar Baru Enstek, Negeri Sembilan.

e) Other matters considered by Audit Committee

On 15 April 2022, the Audit Committee reviewed the Audit Committee Report for inclusion in the Annual Report for the financial period from 1 April 2021 to 31 December 2021 and recommended to the Board for approval.

STATEMENT OF DIRECTORS' RESPONSIBILITY

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

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

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

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2022, 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 Twenty-First (“21st”) Annual General Meeting of the Company will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting (“RPV”) Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Tuesday, 30 May 2023 at 2.00 p.m. for the following purposes :-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**
2. To approve the payment of Directors’ fees of RM237,000.00 for the year ending 31 December 2023. **Ordinary Resolution 2**
3. To approve the payment of benefits payable to the Directors of the Company up to an amount of RM109,000.00 for the period from 1 January 2023 until the conclusion of the next Annual General Meeting of the Company. **Ordinary Resolution 3**
4. To re-elect Datuk Seri Chiau Beng Teik who retires in accordance with the Article 95 of the Company’s Constitution. **Ordinary Resolution 4**
5. To re-elect Ms. Shelly Chiau Yee Wern who retires in accordance with the Article 95 of the Company’s Constitution. **Ordinary Resolution 5**
6. To re-elect Ms. Kwan Sook Peng who retires in accordance with the Article 102 of the Company’s Constitution. **Ordinary Resolution 6**
7. To re-elect Mr. Khor Kai Fu who retires in accordance with the Article 102 of the Company’s Constitution. **Ordinary Resolution 7**
8. 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 8**

AS SPECIAL BUSINESS :

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

9.1 ORDINARY RESOLUTION AUTHORITY TO ISSUE SHARES

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the “Act”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”)(“Listing Requirements”) and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 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.

AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.”

Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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

"THAT subject always to the 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 28 April 2023, 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 9

9.3 ORDINARY RESOLUTION PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT subject to Sections 112, 113 and 127 of the Act, the provisions of the 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 10

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 : 28 April 2023

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 **18 May 2023** 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 Twenty-First Annual General Meeting are to be voted by poll.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 December 2022 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

Ordinary Resolution 1 is to facilitate payment of Directors' fees for the year ending 31 December 2023, calculated based on the number of existing Directors and assuming that all Directors will hold office during the said period. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged Board size), approval will be sought at the next Annual General Meeting for additional fees to meet the shortfall.

Ordinary Resolution 2 – Payment of Directors' benefits

Ordinary Resolution 2 is to approve the payment of Directors' benefits comprise of allowances and other benefits to Directors of the Company pursuant to the requirements of Section 230 of the Companies Act 2016 for the period from 1 January 2023 until the conclusion of the next AGM of the Company.

Ordinary Resolution 3, 4, 5 and 6 – Re-election of Directors

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Datuk Seri Chiau Beng Teik, Ms Shelly Chiau Yee Wern, Ms Kwan Sook Peng and Mr Khor Kai Fu (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with performance as well as fitness and propriety of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Profiles of Directors of the Annual Report 2022.

Explanatory Notes on Special Business

Ordinary Resolution 8 – Authority to Issue Shares

The proposed Ordinary Resolution 8, 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 raised RM42,244,486.60 from the issuance of 45,167,620 new ordinary shares (via private placements) pursuant to Section 75 and Section 76 of the Companies Act 2016 under the general authority which was approved at the Twentieth Annual General Meeting held on 3 June 2022 and which will lapse at the conclusion of the 21st AGM to be held on 30 May 2023. Please refer to page 40 of the Annual Report 2022 for the details relating to utilisation status of the proceeds raised.

A renewal of this authority is being sought at the 21st AGM under proposed Ordinary Resolution 8.

The renewal mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of 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).

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on Special Business (cont'd)

Ordinary Resolution 8 – Authority to Issue Shares (cont'd)

Pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 8, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

Ordinary Resolution 9 – Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

The proposed Ordinary Resolution 9, 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 28 April 2023.

Ordinary Resolution 10 – Proposed Renewal of Share Buy-Back Authority

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

PERSONAL DATA POLICY

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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

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

FINANCIAL STATEMENT

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DIRECTORS' REPORT

The Directors of Chin Hin Group Property Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	10,647,795	(1,964,636)
Attributable to:		
Owners of the parent	7,622,662	(1,964,636)
Non-controlling interests	3,025,133	-
	10,647,795	(1,964,636)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant event during the year as disclosed in Note 43 to the financial statements.

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 period. The 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 39,673,356 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM7,934,671.

The new ordinary shares issued during the financial year shall rank 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 December 2022, 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 20 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) right share together with one (1) free warrant for every one (1) share held on 12 June 2013. Each warrants entitles the holder to subscribe for one (1) new share at the exercise price of RM0.20.

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

As at 31 December 2022, the total numbers of Warrants that remained unexercised were 26,283,744 (2021: 65,957,100).

SHARE OPTIONS

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

DIRECTORS

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

Datuk Seri Chiau Beng Teik*	
Chiau Haw Choon*	
Shelly Chiau Yee Wern	
Datuk Hj. Mohd Yusri bin Md Yusof	
Datuk Cheng Lai Hock	
Kwan Sook Peng^	(Appointed on 8.8.2022)
Khor Kai Fu^	(Appointed on 1.4.2023)
Khoo Chee Siang#	(Resigned on 8.8.2022)
Datuk Yeo Chun Sing#	(Resigned on 28.3.2023)

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

Ng Chee Wei	
Khor Choon Wooi	
Koay Chun Yeong	
Alvin Tan Jit Kwong	
Kan Keat Peng	
Datuk Arif Shah Bin Osmar Shah	
Khor Chee Yong	
Roger Lim Swee Kiat	
Liew Jor Ho	
Chai Min Yin	
Chan Kin Keong#	(Resigned on 16.6.2022)

* Directors of the Company and of its subsidiary companies

^ Directors appointed during/after the financial period

Directors resigned during/after the financial period

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			At 31.12.2022
	At 1.4.2022	Bought	Sold	
Interests in the Company				
Direct interests:				
Datuk Seri Chiau Beng Teik	–	11,000,000	11,000,000	–
Datuk Cheng Lai Hock	1,000,000	–	1,000,000	–
Datuk Hj Mohd Yusri Bin Md Yusof	870,000	1,000,000	1,870,000	–
Indirect interests:				
Datuk Seri Chiau Beng Teik ¹	242,300,135	64,272,200	–	306,572,335
Chiau Haw Choon ¹	242,300,135	64,272,200	–	306,572,335

	Number of Warrants			At 31.12.2022
	At 1.1.2022	Bought	Sold	
Interests in the Company				
Direct interests:				
Datuk Cheng Lai Hock	318,500	–	–	318,500
Datuk Hj Mohd Yusri Bin Md Yusof	1,000,000	–	1,000,000	–

Notes

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

By virtue of their interests in the shares of the Company, Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also deemed interested in the shares of all the subsidiary companies during the financial 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 held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial 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 below) 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 as disclosed in Note 37(b) to the financial statements.

The details of the Directors' remuneration for the financial year ended 31 December 2022 are set out below:

	Group RM	Company RM
Executive Directors		
Salaries, wages, allowances and bonus	3,370,668	585,000
Fee	38,800	38,800
Defined contribution plans	110,052	75,600
Social security contribution	1,798	899
Employment insurance system	206	103
	3,521,524	700,402

Neither during nor at the end of the financial year, was the Group or 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 Group and of the Company were RM10,000,000 and RM14,000 respectively.

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

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial 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.
- (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.

HOLDING COMPANY

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

SUBSIDIARY COMPANIES

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

SIGNIFICANT EVENTS

The details of the significant events are disclosed in Note 43 to the financial statements.

DIRECTORS' REPORT (CONT'D)

SUBSEQUENT EVENTS

The details of the subsequent events are disclosed in Note 44 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company for the financial year ended 31 December 2022 are as follows: -

	Group RM	Company RM
Auditors' remuneration		
- statutory audit	239,300	38,000
- others services	5,000	5,000
	244,300	43,000

AUDITORS

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

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

DATUK SERI CHIAU BENG TEIK

CHIAU HAW CHOON

KUALA LUMPUR

20 April 2023

STATEMENT BY **DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of the Chin Hin Group Property Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

DATUK SERI CHIAU BENG TEIK

CHIAU HAW CHOON

KUALA LUMPUR

20 April 2023

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

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 accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

CHIAU HAW CHOON

Subscribed and solemnly declared by the abovenamed Chiau Haw Choon at Kuala Lumpur in the Federal Territory, this 20 April 2023.

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 December 2022 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 95 to 213.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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. 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
<p>1. Revenue and Cost Recognition for Construction and Property Development Activities</p> <p>The Group is involved in construction and property development activities which span more than one accounting period.</p> <p>The revenue from construction and property development activities is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the costs incurred to date as a percentage of the estimated total costs of the project.</p> <p>We identified revenue, construction and property development costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction and property development costs.</p> <p>Key management judgements include:</p> <p>(a) Estimating the budgeted costs to complete the project;</p> <p>(b) The future profitability of the project; and</p> <p>(c) The percentage of completion at the end of the reporting period.</p> <p>Changes in these judgements could lead to a material change in the value of revenue recognised.</p>	<p>We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for construction property development activities and performed procedures to evaluate design and implementation of such controls.</p> <p>We evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>We performed a range of audit procedures which included reviewing contract documentation, variation orders and enquiring of key personnel regarding status of on-going contracts, adjustments for job costing and potential impairment losses.</p> <p>In relation to construction and property development revenue or costs, we, amongst others and where applicable:</p> <ul style="list-style-type: none"> - We agreed this to original signed contracts, letter of awards and approved variation orders; - We evaluated the project progress and recovery of cost to supporting evidences including but not limited to verification of third party surveyors' certificates, progress report and interviews with project team; and - We reviewed management's workings on the computation of percentage of completion. <p>In assessing management's assumptions in estimating the costs to completion for contracts, we verified the budgeted cost to sub-contractors' contracts. We verified the construction and property development costs incurred to date to sub-contractors' progress claims and recalculating the percentage of completion at the reporting date.</p> <p>We have considered the adequacy of the Group's disclosures regarding these revenue stream and whether they are in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.</p>

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p>2. Net valuation of inventories</p> <p>As at 31 December 2022, the Group held other inventories of RM15,987,430. 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.</p> <p>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.</p>	<p>We reviewed the valuation method of inventories in accordance with MFRS 102 <i>Inventories</i>.</p> <p>We reviewed the Group's policy and the consistency of the application of the Group's policy in write-down of inventory.</p> <p>We reviewed the stock movement report and stock aging report to identify slow moving aged items.</p> <p>We reviewed the net realisable value on selected samples of inventory items to test management's evaluation and ensuring that the inventories have been written down.</p> <p>We attended year end physical inventory count to observe physical existence and condition of commercial vehicles and forklift and assessed the implementation of controls during the count.</p> <p>We evaluated the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.</p>
<p>3. Assessment of the carrying value of trade receivables, other receivables and contract assets</p> <p>Refer to significant accounting policies Note 3(q) (ii), significant accounting judgements, estimates and assumptions Note 2(c) and Note 13 Trade Receivables.</p> <p>We focused on this area due to the Group has significant trade and other receivables and contract assets as at 31 December 2022 and it is subject to credit risk exposure.</p> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of receivables and contract assets.</p>	<p>Where objective evidence of impairment had been identified by the Group and impairment loss was individually calculated, we examined both the quantum and timing of future cash flows used by the Group in the impairment loss calculation and considered whether the estimates made were reasonable given the receivables' circumstances.</p> <p>We evaluated and challenged management's assessment of the recoverability of the Group's aged trade receivables which are past due but not impaired as at the reporting date.</p> <p>We evaluated the reasonableness and adequacy of the impairment of receivables.</p> <p>We enquired with management on the reasons for the delay in payments on certain aged trade receivables and the appropriateness of any allowance for impairment loss to be made, by considering amongst others, factors such as subsequent cash receipts, past payment practices and the ongoing business relationship with the receivables involved.</p> <p>We assessed the adequacy and reasonableness of the disclosures in the financial statements.</p>

INDEPENDENT AUDITORS' REPORT (CONT'D)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT (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)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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 8 to the financial statements.

Other Matters

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

UHY

Firm Number: AF 1411
Chartered Accountants

HAR HOU WEI

Approved Number: 03665/05/2024 J
Chartered Accountant

KUALA LUMPUR

20 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	52,471,017	41,037,972	4,592	6,658
Right-of-use assets	5	6,503,907	3,447,944	402,451	209,380
Investment properties	6	31,610,000	31,610,000	28,800,000	28,800,000
Goodwill on consolidation	7	3,458,970	3,458,970	–	–
Investments in subsidiary companies	8	–	–	103,652,772	103,652,771
Investments in associate company	9	1,540,031	1,671,787	–	–
Investments in joint venture companies	10	57,391,354	47,544,033	–	–
Other investment	11	70,000	70,000	–	–
Inventories	12	63,267,027	159,366,624	–	–
Trade receivables	13	15,277,442	3,185,712	–	–
Deferred tax assets	14	816,218	–	–	–
		232,405,966	291,393,042	132,859,815	132,668,809
Current Assets					
Inventories	12	230,211,923	19,274,132	–	–
Contract assets	15	90,450,319	25,375,594	–	–
Trade receivables	13	96,493,667	115,196,757	–	–
Other receivables	16	42,875,311	60,931,198	217,244	20,171
Amount due from subsidiary companies	17	–	–	49,156,348	49,674,571
Tax recoverable		2,660,473	11,056	13,661	–
Fixed deposits with licensed banks	18	21,875,113	12,505,088	–	–
Cash and bank balances		58,400,291	21,340,562	3,348,191	2,150,755
		542,967,097	254,634,387	52,735,444	51,845,497
Asset classified as held for sale	19	1,223,281	–	–	–
		544,190,378	254,634,387	52,735,444	51,845,497
Total Assets		776,596,344	546,027,429	185,595,259	184,514,306

STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY					
Share capital	20	134,813,102	124,479,577	134,813,102	124,479,577
Treasury shares	20	(255,208)	(255,208)	(255,208)	(255,208)
Reserves	21	17,473,198	18,420,382	1,589,249	3,988,103
Retained earnings		58,980,697	51,190,162	7,802,919	9,767,555
Equity attributable to owners of the parent					
		211,011,789	193,834,913	143,950,062	137,980,027
Non-controlling interests		31,975,595	20,613,077	-	-
Total Equity		242,987,384	214,447,990	143,950,062	137,980,027
LIABILITIES					
Non-Current Liabilities					
Contract liabilities	15	-	24,613	-	-
Trade payables	22	6,605,541	6,681,175	-	-
Bank borrowings	23	188,820,928	108,764,303	16,150,000	19,438,000
Lease liabilities	24	2,333,613	1,289,338	329,092	148,615
Deferred tax liabilities	14	5,369,325	3,833,111	1,014,104	1,087,574
		203,129,407	120,592,540	17,493,196	20,674,189
Current Liabilities					
Contract liabilities	15	33,668	13,724	-	-
Trade payables	22	144,132,917	57,199,172	-	-
Other payables	25	102,905,125	61,919,712	466,236	275,200
Amount due to holding company	26	4,834,343	9,500,349	4,834,343	9,500,349
Amount due to subsidiary companies	17	-	-	15,482,162	12,597,252
Amount due to related companies	27	3,875,435	273,781	-	-
Amount due to director	28	7,020,000	-	-	-
Bank borrowings	23	64,662,670	79,903,144	3,288,000	3,288,000
Lease liabilities	24	2,026,175	1,004,933	81,260	75,578
Tax payable		989,220	1,172,084	-	123,711
		330,479,553	210,986,899	24,152,001	25,860,090
Total Liabilities		533,608,960	331,579,439	41,645,197	46,534,279
Total Equity and Liabilities		776,596,344	546,027,429	185,595,259	184,514,306

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

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Revenue	29	327,015,233	124,826,369	679,373	514,865
Cost of sales		(291,148,123)	(106,157,677)	-	-
Gross profit		35,867,110	18,668,692	679,373	514,865
Other income		7,628,534	868,416	923,514	516,133
Administrative expenses		(32,337,062)	(8,289,231)	(2,491,710)	(2,280,338)
Selling and distribution expenses		(1,928,838)	(912,224)	-	-
Other expenses		-	(712,812)	-	-
Net gain/(loss) on impairment of financial instruments	31	859,294	(2,459,539)	-	(4,554)
Profit/(Loss) from operations		10,089,038	7,163,302	(888,823)	(1,253,894)
Finance costs	30	(4,347,333)	(3,505,668)	(1,149,283)	(225,726)
Share of results of associate company		(127,002)	(16,244)	-	-
Share of results of joint venture company		10,451,964	5,748,526	-	-
Profit/(Loss) before taxation	31	16,066,667	9,389,916	(2,038,106)	(1,479,620)
Taxation	32	(5,418,872)	(3,894,324)	73,470	(123,898)
Profit/(Loss) for the financial year/period		10,647,795	5,495,592	(1,964,636)	(1,603,518)

STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Revaluation of land and buildings	4	2,280,084	–	–	–
Deferred tax liabilities relating to component of other comprehensive income	14	(484,528)	–	–	–
		1,795,556	–	–	–
Items that are or may be reclassified subsequently to profit or loss:					
Exchange translation differences for foreign operations		(176,013)	–	–	–
Other comprehensive income for the financial year/period		1,619,543	–	–	–
Total comprehensive income/(loss) for the financial year/period		12,267,338	5,495,592	(1,964,636)	(1,603,518)
Profit/(Loss) for the financial year/period attributable to:					
Owners of the parent		7,622,662	3,601,152	(1,964,636)	(1,603,518)
Non-controlling interests		3,025,133	1,894,440	–	–
		10,647,795	5,495,592	(1,964,636)	(1,603,518)
Total comprehensive income/(loss) for the financial year/period attributable to:					
Owners of the parent		9,242,205	3,601,152	(1,964,636)	(1,603,518)
Non-controlling interests		3,025,133	1,894,440	–	–
		12,267,338	5,495,592	(1,964,636)	(1,603,518)
Earnings per share:					
Basic (sen)	33	1.68	0.93		
Diluted (sen)	33	1.61	0.83		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Group	Attributable to Owners of the Parent										Total Equity RM
	Non-Distributable					Distributable					
Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Foreign Currency Transition Reserve RM	Capital Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM	
At 1 January 2022	124,479,577	(255,208)	3,988,103	176,013	(27,934)	14,284,200	51,190,162	193,834,913	20,613,077	214,447,990	
Profit for the financial year	-	-	-	-	-	7,622,662	7,622,662	7,622,662	3,025,133	10,647,795	
Other comprehensive loss for the financial year	-	-	-	(176,013)	-	(484,528)	-	(660,541)	-	(660,541)	
Revaluation of land and building	-	-	-	-	-	2,280,084	-	2,280,084	-	2,280,084	
Realisation of revaluation surplus	-	-	-	-	-	(167,873)	167,873	-	-	-	
Total comprehensive income for the financial year	-	-	-	(176,013)	-	1,627,683	7,790,535	9,242,205	3,025,133	12,267,338	
Transactions with owners:											
Exercise of warrants	10,333,525	-	(2,398,854)	-	-	-	-	7,934,671	-	7,934,671	
Acquisition of equity interest of NCI	-	-	-	-	-	-	-	-	8,337,385	8,337,385	
Total transactions with owners of the Company	10,333,525	-	(2,398,854)	-	-	-	-	7,934,671	8,337,385	16,272,056	
At 31 December 2022	134,813,102	(255,208)	1,589,249	-	(27,934)	15,911,883	58,980,697	211,011,789	31,975,595	242,987,384	

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Attributable to Owners of the Parent										Total Equity RM
	Non-Distributable					Distributable					
Note	Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Foreign Currency Transition Reserve RM	Capital Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM	
At 1 April 2021	80,190,781	(255,208)	7,034,179	176,013	(27,934)	14,410,105	47,133,410	148,661,346	176,239	148,837,585	
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	-	-	3,601,152	3,601,152	1,894,440	5,495,592	
Realisation of revaluation surplus	-	-	-	-	-	(125,905)	125,905	-	-	-	
Transactions with owners:											
Issuance of ordinary shares	31,167,240	-	-	-	-	-	-	31,167,240	-	31,167,240	
Exercise of warrants	13,121,556	-	(3,046,076)	-	-	-	-	10,075,480	-	10,075,480	
Acquisition of equity interest of NCI	-	-	-	-	-	-	-	-	18,572,093	18,572,093	
Disposal of equity interest to NCI	-	-	-	-	-	-	329,695	329,695	(29,695)	300,000	
Total transactions with owners of the Company	44,288,796	-	(3,046,076)	-	-	-	329,695	41,572,415	18,542,398	60,114,813	
At 31 December 2021	124,479,577	(255,208)	3,988,103	176,013	(27,934)	14,284,200	51,190,162	193,834,913	20,613,077	214,447,990	

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Note	Non-Distributable			Distributable	Total Equity RM
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Retained Earnings RM	
At 1 January 2022		124,479,577	(255,208)	3,988,103	9,767,555	137,980,027
Loss for the financial year, representing total comprehensive loss for the financial year		–	–	–	(1,964,636)	(1,964,636)
Transactions with owners:						
Exercise of warrants	20	10,333,525	–	(2,398,854)	–	7,934,671
At 31 December 2022		134,813,102	(255,208)	1,589,249	7,802,919	143,950,062
At 1 April 2021		80,190,781	(255,208)	7,034,179	11,371,073	98,340,825
Loss for the financial period, representing total comprehensive income for the financial period		–	–	–	(1,603,518)	(1,603,518)
Transactions with owners:						
Issuance of ordinary shares	20	31,167,240	–	–	–	31,167,240
Exercise of warrants	20	13,121,556	–	(3,046,076)	–	10,075,480
		44,288,796	–	(3,046,076)	–	41,242,720
At 31 December 2021		124,479,577	(255,208)	3,988,103	9,767,555	137,980,027

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Cash Flows from Operating Activities					
Profit/(Loss) before taxation		16,066,667	9,389,916	(2,038,106)	(1,479,620)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		2,130,502	765,100	2,066	2,521
- right-of-use assets		1,807,100	520,048	86,314	63,993
(Gain)/Loss on disposal of:					
- property, plant and equipment		(446,792)	(95,874)	-	-
- right-of-use assets		-	36,438	-	-
- land held for property development		(481,547)	-	-	-
- an associate company		-	(1)	-	-
Gain on lease modification		-	(2,888)	-	-
Gain on termination of lease contract		-	-	(14,298)	-
Gain on bargain purchase		(2,751,600)	-	-	-
(Gain)/Loss on strike off of a subsidiary company		(176,013)	-	1	-
Impairment loss on:					
- trade receivables		1,726,153	2,354,967	-	-
- other receivables		692,777	423,168	-	-
- amount due from subsidiary companies		-	-	-	4,554
Interest expense		4,347,333	3,353,393	1,149,283	225,726
Interest income		(1,167,232)	(55,264)	(802,278)	(517,485)
Inventories written down		504,820	252,325	-	-
Inventories written off		-	56,236	-	-
Net effect of unwinding of interest from discounting arising from:					
- trade receivables		(111,045)	(252,541)	-	-
- trade payables		-	152,275	-	-
Reversal of impairment loss on:					
- trade receivables		(2,840,017)	(318,594)	-	-
- other receivables		(438,207)	-	-	-
Share of result of:					
- associate companies		127,002	16,244	-	-
- joint venture company		(10,451,964)	(5,748,526)	-	-
Unrealised loss/(gain) on foreign exchange		458,667	461,212	(600)	(64)
Operating profit/(loss) before working capital changes		8,996,604	11,307,634	(1,617,618)	(1,700,375)

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Cash Flows from Operating Activities					
Changes in working capital:					
Inventories		(117,836,770)	(147,531,285)	-	-
Receivables		43,271,431	9,694,446	(197,073)	67,820
Payables		104,465,102	32,893,322	191,036	110,634
Contract asset/liabilities		(41,225,429)	(12,660,581)	-	-
		(11,325,666)	(117,604,098)	(6,037)	178,454
Cash used in operations		(2,329,062)	(106,296,464)	(1,623,655)	(1,521,921)
Interest received		1,073	1,415	1,073	1,415
Interest paid		(4,347,333)	(3,353,044)	(1,149,283)	(99,254)
Tax paid		(8,034,405)	(4,591,065)	(137,372)	(46)
Tax refunded		2,579	-	-	-
		(12,378,086)	(7,942,694)	(1,285,582)	(97,885)
Net cash used in operating activities		(14,707,148)	(114,239,158)	(2,909,236)	(1,619,806)
Cash Flows from Investing Activities					
Repayment/(Advances) to subsidiary companies		-	-	518,223	(5,951,574)
Acquisition of subsidiary company, net of cash acquired		(1,352,020)	(18,095,105)	-	-
Capital contribution by non-controlling interest		1,225,000	-	-	-
Purchase of:					
- property, plant and equipment		(7,017,281)	(560,196)	-	-
- right-of-use assets		(15,825)	(60,598)	-	-
Proceeds from disposals of:					
- property, plant and equipment		487,600	163,400	-	-
- right-of-use assets		-	11,000	-	-
- land held for property development		2,789,925	-	-	-
- investment in subsidiary companies		-	-	-	3,846,000
- investment in associate company		-	1	-	-
Interest received		1,166,159	53,849	801,205	-
Investment in subsidiary companies		-	-	(2)	(57,550,000)
Proceeds from disposal of equity interest to non-controlling interests		-	300,000	-	-
Net cash (used in)/from investing activities		(2,716,442)	(18,187,649)	1,319,426	(59,655,574)

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Cash Flows from Financing Activities					
(Repayment to)/Advance from holding company		(4,666,006)	9,500,000	(4,666,006)	9,500,000
Advances/(Repayment) to subsidiary companies		–	–	2,884,910	(2,427,085)
Advance from related companies		3,601,654	273,781	–	–
Advances from Director		7,020,000	–	–	–
Increase in fixed deposits pledged		(5,813,491)	(2,628,238)	–	–
Payment of lease liabilities		(1,896,379)	(482,412)	(78,928)	(63,742)
Net changes in bankers' acceptances		4,563,000	(4,150,000)	–	–
Net changes in bill discounting		556,410	–	–	–
Net changes in promissory notes		(174,630)	–	–	–
Net changes in revolving credit		(35,000,000)	(9,000,000)	–	–
Net changes in trust receipt		1,445,635	516,132	–	–
Drawdown of term loans		83,000,000	110,835,920	–	23,000,000
Repayment of term loans		(3,569,968)	(301,883)	(3,288,000)	(274,000)
Proceeds from issuance of share capital		–	22,367,240	–	22,367,240
Proceeds from exercise of warrants		7,934,671	10,075,480	7,934,671	10,075,480
Net cash from financing activities		57,000,896	137,006,020	2,786,647	62,177,893
Net increase in cash and cash equivalents		39,577,306	4,579,213	1,196,836	902,513
Cash and cash equivalents at the beginning of the financial year/period		16,479,844	11,898,063	2,150,755	1,248,178
Effect of exchange translation difference on cash and cash equivalents		(2,855)	2,568	600	64
Cash and cash equivalents at the end of the financial year/period		56,054,295	16,479,844	3,348,191	2,150,755
Cash and cash equivalents at the end of the financial year/period comprises:					
Cash and bank balances		58,400,291	21,340,562	3,348,191	2,150,755
Fixed deposits with licensed banks	18	21,875,113	12,505,088	–	–
Bank overdrafts	23	(4,877,530)	(4,860,718)	–	–
		75,397,874	28,984,932	3,348,191	2,150,755
Less: Fixed deposits pledged for credit facilities	18	(19,343,579)	(12,505,088)	–	–
		56,054,295	16,479,844	3,348,191	2,150,755

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group		Company	
		1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Cash outflows for leases for a lessee					
Included in net cash from operating activities:					
Interest paid in relation to lease liabilities		(181,905)	(61,099)	(18,272)	(9,158)
Lease expenses relating to short-term lease:					
- Motor vehicle		(83,721)	(41,600)	-	-
- Building		(178,250)	(34,600)	-	-
Lease expenses relating to low-value asset:					
- Photocopy machine		(21,043)	(9,785)	-	-
Included in net cash from financing activities:					
Payment of lease liabilities		(1,896,379)	(482,412)	(78,928)	(63,742)
Total cash outflows for leases		(2,361,298)	(629,496)	(97,200)	(72,900)

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. CORPORATE INFORMATION

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

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

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

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

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statement of the Group and of the Company has been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company has adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendment to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract

Annual improvement to MFRSs Standards 2018 - 2020:

- Amendments to MFRS 1
- Amendments to MFRS 9
- Amendments to MFRS 16
- Amendments to MFRS 141

The adoption of the amendments to standards 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

(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 years beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101	Non-current Liabilities with Covenant	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 new standards and amendments to standards, if applicable when they become effective.

The initial application of the above-mentioned new standard and amendments to standards are not expected to have any significant impacts on the financial statements of the Group and the Company.

(b) Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company'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:

Classification between investment properties and property, plant and equipment

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.

Satisfaction of performance obligations in relation to contracts with customers

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 do not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

Judgements (Cont'd)

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

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

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

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

Key sources of estimation uncertainty

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

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

The Group and the Company regularly 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 to the financial statements respectively.

Impairment of goodwill on consolidation

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

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

The Group engaged independent valuation specialist to reassess fair value of freehold land and buildings and leasehold buildings as at 16 February 2023 and 16 December 2019, respectively. Freehold land was carried at revalued amounts with changes in fair value being recognised in other comprehensive income. Freehold land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. Freehold and leasehold buildings are carried at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value of buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Fair value of investment properties

The Group engaged an independent valuation specialist to assess fair value of investment properties as at 31 December 2022. Investment properties are carried at fair value, with changes in fair value being recognised in profit or loss. The fair values of the investment properties have been derived using the sales comparison approach, adjusted for differences in key attributes such as property size, time, age, tenure, level, surrounding, accessibility, visibility, orientation, facing and position of the units.

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

Inventories valuation

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

Revenue from construction contracts

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

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

The details of construction contracts are disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

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 judgement 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 or retail price. Discounts are not considered as they are not only given in rare circumstances.

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 12 to the financial statements.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, contract assets and amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group 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 13, 15, 16 and 17 to the financial statements respectively.

Deferred tax assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

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

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 and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group has tax recoverable of RM2,660,473 (2021: RM11,056) and tax payable of RM989,220 (2021: RM1,172,084). The Company has tax recoverable of RM13,661 (2021: RMNil) and tax payable of RMNil (2021: RM123,711).

Impairment of investment in subsidiary companies

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

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 recognizes 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.

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 9 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 subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is 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. Refer accounting policy Note 2(q)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiaries 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 is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, 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 interests 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 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. See accounting policy Note 2(q)(i) on impairment of non-financial assets.

(b) Investments in associate

An associate 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, 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 associate's profit or loss for the year in which the investment is acquired.

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments in associate (Cont'd)

The financial statements of the associates or joint venture 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 associate or joint venture. 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 or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate 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 associates 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. Refer accounting policy Note 2(q)(i) on impairment of non-financial assets.

(c) Investment in joint ventures

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment in joint ventures (Cont'd)

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

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

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 2(q)(i).

(d) Interest in joint operations

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

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

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

(e) Foreign currency translation

(i) Foreign currency transactions and balances

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

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, including goodwill and fair value adjustments arising on acquisition, are translated to RM 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, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is 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 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.

(f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 2(q)(i) on impairment of non-financial assets.

(i) Recognition and measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Recognition and measurement (Cont'd)

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

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

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

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of buildings is 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 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 retained earnings.

Capital work-in-progress consists of buildings under construction/installation. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under installation until the property, plant and equipment are ready for their intended use.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on 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. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(iii) Depreciation (Cont'd)

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

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

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

(g) Leases

As lessee

The Group recognises 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 2(q)(i) on impairment of non-financial assets.

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	Over the remaining lease year
Motor vehicles	5 years
Machineries and factory equipment	7 years
Lease of shophouse and building	4 - 6 years
Lease of office and factory	2.5 - 6 years

The ROU assets are subject to impairment.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group 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 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 applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses 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 year in which they are earned.

(h) Investment properties

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

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the year 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investment properties (Cont'd)

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 professional 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 year of retirement or disposal.

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

(i) Financial assets

Recognition and initial measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group determines the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets (Cont'd)

Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following condition 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. Interest income, foreign exchange gains or losses, impairment and any gain or loss on derecognition or modification are recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, lease receivables, amount due from subsidiary companies and deposits, bank and cash balances.

The Group and the Company have not designated any financial assets as financial assets measured at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL").

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the year 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 commits to purchase or sell the asset.

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

(j) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes 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)

(k) Financial guarantee contracts

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

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

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

(l) Offsetting of financial instruments

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

(m) Inventories

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

(i) Land held for property development

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

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Inventories (Cont'd)

(ii) Property development costs (Cont'd)

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.

The cost of raw materials, consumable and engineering stocks and trading inventories represents cost of purchase and other costs incurred in bringing it to their present location and condition. 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 basis.

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

(n) Construction contracts

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Contract assets and contract liabilities

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

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

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

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

(p) Cash and cash equivalents

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

(q) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets, contract assets, assets held for sale 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, or that are not yet available for use, the recoverable amount is estimated each year 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Impairment of assets (Cont'd)

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

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

(ii) Financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss ("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 expects 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 months 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, contract assets and inter-company balances, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of 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 year they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Warrant

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

(iii) Treasury shares

When issued share 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. Repurchased shares are classified as treasury shares in the statements of changes in equity. 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 applied as a reduction of the share premium account or the distributable retained profits, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(s) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

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 compensated 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 Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(u) 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 and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company recognise revenue from the following major sources:

(a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the year of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the proportion of contract costs incurred for the work performed up to the end of the reporting period as a percentage of the estimated total costs of the construction contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Revenue recognition (Cont'd)

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

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(b) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance do 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 year 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) Sale of goods

Revenue from contract with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e., when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from the sale of goods is recognised upon delivery of goods where control of the goods has been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of rebates and discounts.

(d) Rendering of services

Revenue from services rendered is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(e) Sale of other services

The Group offers its customers the option of purchasing other services along with the purchase of merchandise. Revenue is allocated to the service obligations and recognised over the period of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Revenue recognition (Cont'd)

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

The Group and the Company recognise revenue from the following major sources: (Cont'd)

(f) Rental and fleet management service income

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

(g) Management fee

Management fee is recognised on accrual basis when services are rendered.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest Income

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

Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the year between the transfer of the promised good or service to the customers and when the customer pays for that goods or service will be one year or less.

(v) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the year 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial 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 statements 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.

(x) 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.

(y) Segments 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated once classified as held for sale.

(aa) Fair value measurement

Fair value of an asset or a liability 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 of the liability take place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group 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

Group 2022	At valuation/cost										Total RM	
	Freehold land RM	Buildings RM	Buildings under construction RM	Buildings under agriculture land RM	Freehold land improvement RM	Land and improvement RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer software RM		
Valuation												
At 1 January 2022	20,300,000	18,200,000	-	-	-	-	-	-	-	-	-	38,500,000
Acquisitions through business combination	-	2,300,716	-	-	-	-	-	-	-	-	-	2,300,716
Additions	-	193,640	-	-	-	-	-	-	-	-	-	193,640
Revaluation surplus	950,000	1,875,110	-	-	-	-	-	-	-	-	-	2,825,110
Elimination of accumulated depreciation on revaluation	-	(1,848,750)	-	-	-	-	-	-	-	-	-	(1,848,750)
At 31 December 2022	21,250,000	20,720,716	-	-	-	-	-	-	-	-	-	41,970,716
Cost												
At 1 January 2022, as previously stated	-	-	482,153	1,350,000	-	-	21,806,839	5,860,150	10,339,542	58,512	39,897,196	
Reclassification	-	-	-	-	-	-	-	173,100	-	-	173,100	
At 1 January 2022, as restated	-	-	482,153	1,350,000	-	-	21,806,839	6,033,250	10,339,542	58,512	40,070,296	
Acquisitions through business combination	-	-	-	-	-	-	5,332,445	887,917	2,057,974	155,198	8,433,534	
Additions	-	-	-	-	-	-	2,069,979	3,388,080	207,293	1,158,289	6,823,641	
Transfer from right-of-use assets	-	-	-	-	-	-	378,285	-	-	-	378,285	
Transfer from inventories	-	-	-	-	-	-	-	-	185,378	-	185,378	
Disposals	-	-	-	-	-	-	(785,736)	(6,072)	(185,596)	-	(977,404)	
Reclassification	-	-	(482,153)	-	-	482,153	-	-	-	-	-	
At 31 December 2022	-	-	-	1,350,000	482,153	28,801,812	10,303,175	12,604,591	1,371,999	54,913,730		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2022	At valuation/cost										Total RM	
	Freehold land RM	Buildings construction RM	Buildings under agriculture land RM	Freehold land improvement RM	Land and factory equipment RM	Machineries and equipment RM	Office furniture and fittings RM	Motor vehicles RM	Computer software RM			
Accumulated depreciation												
At 1 January 2022	-	1,352,704	-	-	-	21,011,591	4,945,017	10,161,902	2,926	37,474,140		
Acquisitions through business combination	-	289,640	-	-	-	4,503,810	412,339	1,841,829	110,048	7,157,666		
Charge for the financial year	-	515,221	-	-	-	983,024	339,913	187,330	105,014	2,130,502		
Transfer from right-of-use assets	-	-	-	-	-	378,285	-	-	-	378,285		
Disposals	-	-	-	-	-	(755,831)	(6,072)	(174,693)	-	(936,596)		
Elimination of accumulated depreciation on revaluation	-	(1,848,752)	-	-	-	-	-	-	-	(1,848,752)		
At 31 December 2022	-	308,813	-	-	-	26,120,879	5,691,197	12,016,368	217,988	44,355,245		
Accumulated impairment loss												
At 1 January 2022/ 31 December 2022	-	-	-	-	-	58,184	-	-	-	58,184		
Carrying amount												
At valuation	21,250,000	20,411,903	-	-	-	-	-	-	-	-	-	41,661,903
At cost	-	-	1,350,000	482,153	2,622,749	588,223	1,154,011	10,809,114				
At 31 December 2022	21,250,000	20,411,903	1,350,000	482,153	2,622,749	588,223	1,154,011	10,809,114				

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation/cost							Total RM
	Freehold land RM	Buildings RM	Buildings under construction RM	Freehold agriculture land RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	
Group 2021								
Valuation								
At 1 April 2021/	20,300,000	18,200,000	-	-	-	-	-	38,500,000
31 December 2021								
Cost								
At 1 April 2021	-	-	-	-	19,521,519	4,795,845	8,060,701	32,378,065
Acquisitions through business combination	-	-	482,153	1,350,000	2,381,758	873,142	2,268,041	7,355,094
Additions	-	-	-	-	123,721	367,163	10,800	560,196
Transfer from inventories	-	-	-	-	14,213	-	-	14,213
Disposals	-	-	-	-	(234,372)	(2,900)	-	(237,272)
At 31 December 2021	-	482,153	482,153	1,350,000	21,806,839	6,033,250	10,339,542	58,512
								40,070,296
Accumulated depreciation								
At 1 April 2021	-	983,785	-	-	18,641,983	4,082,008	7,827,045	31,534,821
Acquisitions through business combination	-	-	-	-	2,381,758	757,990	2,204,217	5,343,965
Charge for the financial period	-	368,919	-	-	157,596	105,019	130,640	2,926
Disposals	-	-	-	-	(169,746)	-	-	(169,746)
At 31 December 2021	-	1,352,704	-	-	21,011,591	4,945,017	10,161,902	2,926
								37,474,140
Accumulated impairment loss								
At 1 April 2021/	-	-	-	-	-	-	-	-
31 December 2021	-	-	-	-	58,184	-	-	58,184
Carrying amount								
At valuation	20,300,000	16,847,296	-	-	-	-	-	37,147,296
At cost	-	-	482,153	1,350,000	737,064	1,088,233	177,640	55,586
At 31 December 2021	20,300,000	16,847,296	482,153	1,350,000	737,064	1,088,233	177,640	55,586
								41,037,972

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			
2022			
Costs			
At 1 January 2022/31 December 2022	281,921	92,637	374,558
Accumulated depreciation			
At 1 January 2022	275,263	92,637	367,900
Charge for the financial year	2,066	–	2,066
At 31 December 2022	277,329	92,637	369,966
Carrying amount			
At 31 December 2022	4,592	–	4,592
2021			
Costs			
At 1 April 2021/31 December 2021	281,921	92,637	374,558
Accumulated depreciation			
At 1 April 2021	272,742	92,637	365,379
Charge for the financial period	2,521	–	2,521
At 31 December 2021	275,263	92,637	367,900
Carrying amount			
At 31 December 2021	6,658	–	6,658

(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 23 are:

	2022 RM	Group 2021 RM
Freehold land	22,600,000	21,650,000
Buildings	20,411,903	16,847,296
	43,011,903	38,497,296

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 February 2023, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties. The fair value of the buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 December 2022 as follows:

	Level 2 RM
Group	
Freehold land	21,250,000
Buildings	20,411,903
	41,661,903

There is no transfer between fair values hierarchy levels 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		
2022		
Cost	10,609,431	18,943,454
Accumulated depreciation	–	(6,992,243)
	10,609,431	11,951,211
2021		
Cost	10,609,431	16,449,098
Accumulated depreciation	–	(6,351,352)
	10,609,431	10,097,746

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS

Group 2022 Valuation	Leasehold land RM	Machinery and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
At 1 January 2022	1,300,705	-	-	-	-	1,300,705
Acquisition through business combination	1,770,000	-	-	-	-	1,770,000
Reclassified to assets held for sale	(1,300,705)	-	-	-	-	(1,300,705)
At 31 December 2022	1,770,000	-	-	-	-	1,770,000
Cost						
At 1 January 2022	-	378,285	3,411,333	802,056	1,811,498	6,403,172
Acquisition through business combination	-	1,275,800	506,849	-	-	1,782,649
Additions	-	-	416,427	492,177	2,144,975	3,053,579
Expiration of lease contracts	-	-	-	(69,888)	-	(69,888)
Transfer to property, plant and equipment	-	(378,285)	-	-	-	(378,285)
At 31 December 2022	-	1,275,800	4,334,609	1,224,345	3,956,473	10,791,227

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

Group 2022	Leasehold land RM	Machinery and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
Accumulated depreciation						
At 1 January 2022	56,778	378,285	2,393,721	515,607	911,542	4,255,933
Acquisition through business combination	49,831	362,813	107,240	-	-	519,884
Charge for the financial year	30,612	106,317	482,885	214,604	972,682	1,807,100
Expiration of lease contracts	-	-	-	(69,888)	-	(69,888)
Transfer to property, plant and equipment	-	(378,285)	-	-	-	(378,285)
Reclassified to assets held for sale	(77,424)	-	-	-	-	(77,424)
At 31 December 2022	59,797	469,130	2,983,846	660,323	1,884,224	6,057,320
Carrying amount						
At valuation	1,710,203	-	-	-	-	1,710,203
At cost	-	806,670	1,350,763	564,022	2,072,249	4,793,704
At 31 December 2022	1,710,203	806,670	1,350,763	564,022	2,072,249	6,503,907

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

Group 2021	Leasehold land RM	Machinery and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of forklift and motor vehicles RM	Lease of office and factory RM	Total RM
Valuation							
At 1 April 2021/ 31 December 2021	1,300,705	-	-	-	-	-	1,300,705
Cost							
At 1 April 2021	-	378,285	945,146	733,828	371,604	1,012,648	3,441,511
Acquisition through business combination	-	-	2,586,491	-	-	798,850	3,385,341
Additions	-	-	60,598	-	-	-	60,598
Disposals	-	-	(180,902)	-	(371,604)	-	(552,506)
Modification to lease term	-	-	-	68,228	-	-	68,228
At 31 December 2021	-	378,285	3,411,333	802,056	-	1,811,498	6,403,172
Accumulated depreciation							
At 1 April 2021	41,294	348,653	485,043	382,203	367,180	151,895	1,776,268
Acquisition through business combination	-	-	1,891,964	-	-	575,609	2,467,573
Charge for the financial period	15,484	29,632	150,178	136,292	4,424	184,038	520,048
Disposals	-	-	(133,464)	-	(371,604)	-	(505,068)
Modification to lease term	-	-	-	(2,888)	-	-	(2,888)
At 31 December 2021	56,778	378,285	2,393,721	515,607	-	911,542	4,255,933
Carrying amount							
At valuation	1,243,927	-	-	-	-	-	1,243,927
At cost	-	-	1,017,612	286,449	-	899,956	2,204,017
At 31 December 2021	1,243,927	-	1,017,612	286,449	-	899,956	3,447,944

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
Company			
2022			
Cost			
At 1 January 2022	69,888	407,111	476,999
Additions	69,888	413,053	482,941
Expiration of lease contracts	(69,888)	–	(69,888)
Derecognition arising from termination of lease agreement	–	(407,111)	(407,111)
At 31 December 2022	69,888	413,053	482,941
Accumulated depreciation			
At 1 January 2022	64,064	203,555	267,619
Charge for the financial year	17,472	68,842	86,314
Expiration of lease contracts	(69,888)	–	(69,888)
Derecognition arising from termination of lease agreement	–	(203,555)	(203,555)
At 31 December 2022	11,648	68,842	80,490
Carrying amount			
At 31 December 2022	58,240	344,211	402,451
2021			
Cost			
At 1 April 2021/31 December 2021	69,888	407,111	476,999
Accumulated depreciation			
At 1 April 2021	50,960	152,666	203,626
Charge for the financial period	13,104	50,889	63,993
At 31 December 2021	64,064	203,555	267,619
Carrying amount			
At 31 December 2021	5,824	203,556	209,380

(a) Assets pledged as securities to financial institution

Motor vehicles with a carrying amount of RM1,350,762 (2022: RM1,017,612) of the Group are pledged as securities for the related lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. RIGHT-OF-USE ASSETS (CONT'D)

(b) Valuation of leasehold land

In prior year, leasehold land of the Group was revalued at 16 December 2019, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties. The fair value of the buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's leasehold land and information about the fair value hierarchy as at 31 December 2022 as follows:

	Level 2 RM
Group	
Leasehold land	1,243,927

There was no transfer between fair value hierarchy during the financial year.

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

	2022 RM	Group 2021 RM
Cost	1,770,000	1,300,705
Accumulated depreciation	(59,797)	(56,778)
	1,710,203	1,243,927

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
Group			
At fair value			
At 1 January 2022 /31 December 2022	27,700,000	3,910,000	31,610,000
At 1 April 2021	27,700,000	1,100,000	28,800,000
Acquisition through business combination	–	2,810,000	2,810,000
31 December 2021	27,700,000	3,910,000	31,610,000
Company			
At fair value			
At 1 January 2022/31 December 2022	27,700,000	1,100,000	28,800,000
At 1 April 2021/31 December 2021	27,700,000	1,100,000	28,800,000

Fair value basis of investment properties

The investment properties are valued at fair value based on market values determined by the independent firms of professional valuers amounting to RM31,610,000 (2021: RM31,610,000).

The fair values of the investment properties are determined within level 2 of the fair value hierarchy in the financial year ended 31 December 2022.

The fair values of the freehold land, shop office and shoplots have been derived using the sales comparison approach. The most significant input into this valuation approach is price per square foot of comparable properties. Sales prices of comparable properties in close proximity are adjusted, either positively or negatively for differences in key attributes such as property size, time, age, tenure, level, surrounding, accessibility, visibility, orientation, facing and position of the units.

The fair values of the freehold buildings have been derived using the depreciated replacement cost approach. The most significant input into this valuation approach is construction price per square foot of subject properties and adjusted for differences in key attributes such as condition, time, size, location and age of property and its improvement.

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

(a) Assets pledged as securities to financial institutions

The carrying amount of investment of the Group and the Company pledged as securities for bank borrowings as disclosed in Note 23 are:

	Group and Company	
	2022	2021
	RM	RM
Freehold land	27,700,000	27,700,000
Buildings	1,100,000	1,100,000
	28,800,000	28,800,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. GOODWILL ON CONSOLIDATION

	2022 RM	Group 2021 RM
At cost		
At 1 January/1 April	4,951,714	1,492,744
Acquisition through business combination	–	3,458,970
At 31 December	4,951,714	4,951,714
Accumulated impairment losses		
At 1 January/1 April/ 31 December	1,492,744	1,492,744
Carrying amount		
At 31 December	3,458,970	3,458,970

The aggregate carrying amounts of goodwill allocated to each cash-generating unit (“CGU”) are as follows:

	2022 RM	Group 2021 RM
Kayangan Kemas Sdn. Bhd.	3,458,970	3,458,970

The recoverable amounts of CGUs in respect of the goodwill were determined based on value-in-use (“VIU”) calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a five years period.

Key assumptions used in the VIU calculations for the goodwill impairment assessment is gross profit margin. The values assigned to the key assumptions represent management’s assessment of future trends in the industry and are based on both external sources and internal sources.

A pre-tax discount rates of 12% (2021: 6.2%) were applied in determining the recoverable amounts of the CGUs. The discount rate used is pre-tax and reflect the specific risks relating to the respective CGU. A reasonable possible change in the key assumptions would not result in any impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	2022 RM	Company 2021 RM
In Malaysia		
At cost		
Unquoted shares	132,362,234	132,362,232
Less: Accumulated impairment losses	(28,709,462)	(28,709,462)
	103,652,772	103,652,770
Outside Malaysia		
At cost		
Unquoted shares	-	1,146,087
Less: Accumulated impairment losses	-	(1,146,086)
	-	1
	103,652,772	103,652,771

Movement in the allowance for impairment losses are as follows:

	2022 RM	Company 2021 RM
At 1 January/1 April	29,855,548	29,855,548
Struck off during the financial year	(1,146,086)	-
At 31 December	28,709,462	29,855,548

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest		Principal activities
		2022 %	2021 %	
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	Sale of commercial vehicles, motor vehicles accessories and the provision of related services
BKCV Sdn. Bhd. ("BKCV")	Malaysia	100	100	Manufacturing and assembling of new commercial vehicles

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of Incorporation	Effective interest 2022 %	2021 %	Principal activities
Direct holding:				
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
Chin Hin Construction Engineering Sdn. Bhd. ("CHCESB") (f.k.a Chin Hin Construction Sdn. Bhd.)	Malaysia	100	-	Property development, property construction and investment holding
Kayangan Kemas Sdn. Bhd. ("KKSB")	Malaysia	65	65	Building and general construction
Indirect holding:				
Subsidiary companies of Boon Koon Vehicles Industries Sdn. Bhd.:				
BKGM Industries Sdn. Bhd. ("BKGM")	Malaysia	100	100	Provision of sub-contractor services to the commercial vehicle industry
BK Sepadu Sdn. Bhd. ("BK Sepadu") #	Malaysia	62.50	62.50	Sale of commercial vehicle and provision of related services
Subsidiary companies of BKG Development Sdn. Bhd.:				
BKSP Autoworld Sdn. Bhd. ("BKSP")	Malaysia	100	100	Property development and investment holding
Boon Koon Capital Sdn. Bhd. ("BK Capital")	Malaysia	100	100	Property development and investment holding
Boon Koon Commercial Sdn. Bhd. ("BKC")	Malaysia	70	70	Property development and property construction
BK Alliance Sdn. Bhd. ("BKA")	Malaysia	51	51	Property development and property construction
BKHS Capital Sdn. Bhd. ("BKHS")	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows: (Cont'd)

Name of company	Place of business/ Country of Incorporation	Effective interest		Principal activities
		2022 %	2021 %	
Indirect holding: (Cont'd)				
Subsidiary companies of BKG Development Sdn. Bhd.: (Cont'd)				
Chin Hin Construction Engineering Sdn. Bhd. ("CHCESB") (f.k.a Chin Hin Construction Sdn. Bhd.)	Malaysia	–	100	Property development, property construction and investment holding
Stellar Trinity Sdn. Bhd. ("STSB")	Malaysia	100	100	Property development and investment holding
Stellar Platinum Sdn. Bhd. ("SPSB")	Malaysia	100	100	Property development
Subsidiary companies of Chin Hin Construction Engineering Sdn. Bhd.:				
Makna Setia Sdn. Bhd. ("MSSB")	Malaysia	60	–	Other specialized construction activities
Subsidiary companies of Kayangan Kemas Sdn. Bhd.:				
5th Capital Sdn. Bhd. ("5CSB")	Malaysia	65	65	Property investment

* Subsidiary company not audited by UHY

Under members' voluntary liquidation

^ Strike off during the financial year 2022

(a) Material partly-owned subsidiary companies

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
	2022	2021	2022	2021	2022	2021
	%	%	RM	RM	RM	RM
BKA	49	49	(415,659)	(109,394)	624,681	(184,660)
BKC	30	30	(315,795)	(36,596)	(382,086)	(66,291)
KKSB	35	35	4,078,639	2,041,739	24,692,471	20,613,832
MSSB	40	–	(322,052)	–	6,790,332	–
Individually immaterial subsidiaries with non-controlling interests					31,725,398	20,362,881
					250,197	250,196
Total non-controlling interests					31,975,595	20,613,077

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. 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.

	BKA		BKC		KKSB		MSSB	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Summarised statements of financial position								
Non-current assets	1,300,956	22,500,511	2,071,360	63,201,261	19,552,359	12,350,078	16,651,191	-
Current assets	31,770,041	96,841	68,601,009	839,078	204,827,610	107,351,553	37,676,099	-
Non-current liabilities	(15,602,789)	-	(42,245,627)	(41,835,920)	(7,169,260)	(7,920,571)	(1,405,355)	-
Current liabilities	(16,193,490)	(22,974,351)	(29,700,360)	(22,425,388)	(146,660,795)	(52,884,598)	(35,946,104)	-
Net assets/(liabilities)	1,274,718	(376,999)	(1,273,618)	(220,969)	70,549,914	58,896,462	16,975,831	-

	BKA		BKC		KKSB		MSSB	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
	Summarised statements of profit or loss and other comprehensive income							
Revenue	-	-	-	-	204,201,609	32,426,742	28,563,390	-
(Loss)/Profit for the financial year/period	(848,283)	(223,253)	(1,052,650)	(125,315)	11,653,254	5,833,539	(805,130)	-
Total comprehensive (loss)/income for the financial year/period	(848,283)	(223,253)	(1,052,650)	(125,315)	11,653,254	5,833,539	(805,130)	-

Summarised statements of cash flows								
Net cash (used in)/from operating activities	(21,347,600)	(11,997,407)	(8,057,083)	(63,120,031)	32,809,268	(9,627,037)	647,341	-
Net cash from/(used in) investing activities	-	3,030	221	2,104	(2,880,200)	(2,809,787)	(515,809)	-
Net cash from/(used in) financing activities	22,345,335	12,000,466	8,599,289	63,852,540	(4,425,011)	(709,260)	(2,038,698)	-
Net increase/(decrease) in cash and cash equivalents	997,735	6,089	542,427	734,613	25,504,057	(13,146,084)	(1,907,166)	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary company

During the financial year

(i) Internal reorganisation

On 25 January 2022, BKG Development Sdn. Bhd. ("BKGD") disposed off its entire shareholdings in Chin Hin Construction Engineering Sdn. Bhd. ("CHCESB") (formerly known as Chin Hin Construction Sdn. Bhd.) to the Company, for a total consideration of RM2. Upon completion of internal reorganisation, CHCESB became the direct subsidiary of the Company.

(ii) Allotment of shares in subsidiary company

On 29 April 2022, BK Alliance Sdn. Bhd. ("BKA"), has increased its issued and paid-up share capital from RM2,500,000 to RM5,000,000 by issuance of 2,500,000 ordinary shares for a total cash consideration of RM2,500,000. Consequently, 51% of shareholding owned by BKGD in BKA remained the same.

(iii) Acquisition of Makna Setia Sdn. Bhd.

On 12 August 2022, CHCESB, a wholly owned subsidiary company of the Company had acquired 1,500,000 ordinary shares, representing 60% equity interest in Makna Setia Sdn. Bhd. ("Makna Setia") for a total cash consideration of RM7,916,977.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2022 RM
Cash consideration paid	7,916,977
<u>Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition</u>	
	2022 RM
Property, plant and equipment	3,576,584
Right-of-use assets	3,032,765
Trade and other receivables	18,544,460
Contract assets	23,853,965
Fixed deposits with licensed bank	2,306,113
Cash and bank balances	5,283,844
Trade and other payables	(23,833,224)
Lease liabilities	(924,142)
Bank borrowings	(13,978,892)
Tax payable	(80,512)
Total identifiable net assets	17,780,961

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary company (Cont'd)

During the financial year (Cont'd)

(iii) Acquisition of Makna Setia Sdn. Bhd. (Cont'd)

Net cash outflows arising from acquisition of subsidiary companies

	2022 RM
Purchase consideration settled in cash	7,916,977
Less: Cash and cash equivalents of subsidiary acquired	(5,283,844)
- Cash and bank	(2,306,113)
- Fixed deposit	(7,589,957)
Less: Pledged fixed deposit	1,025,000
	(6,564,957)
Net cash outflows arising from acquisition of subsidiary	1,352,020

Goodwill arising from business combination

	2022 RM
Fair value of consideration transferred	7,916,977
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	7,112,384
Fair value of identifiable assets acquired and liabilities assumed	(17,780,961)
Bargain purchase	(2,751,600)

Acquisition related costs

The Group incurred acquisition-related costs of RM190,000 (2021: RM166,616) related to external legal fees, due diligence costs and other related expenses. The expenses have been included in administrative expenses in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary company (Cont'd)

In the previous financial period

(i) Acquisition of Kayangan Kemas Sdn. Bhd.

On 23 November 2021, the Company had acquired 6,500,000 ordinary shares, representing 65% equity interest in Kayangan Kemas Sdn. Bhd. for a total consideration of RM37,950,000, satisfied partially by cash consideration of RM29,150,000 and issuance of 11,000,000 new ordinary shares of the Company at an issue price of RM0.80 per share.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2021 RM
Cash consideration paid	29,150,000
Allotment of shares	8,800,000
	37,950,000

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2021 RM
Property, plant and equipment	2,011,129
Right-of-use assets	917,768
Investment properties	2,810,000
Investment in associate company	1,640,209
Investment in joint venture company	1,384,613
Other investment	70,000
Contract assets	13,000,846
Trade and other receivables	49,645,045
Tax recoverable	1,138,755
Fixed deposit with licensed banks	9,876,850
Cash and bank balances	12,554,889
Trade and other payables	(38,438,733)
Lease liabilities	(1,065,102)
Bank borrowings	(2,471,995)
Deferred tax liabilities	(11,151)
	53,063,123

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary company (Cont'd)

In the previous financial period (Cont'd)

(i) Acquisition of Kayangan Kemas Sdn. Bhd. (Cont'd)

Net cash outflows arising from acquisition of subsidiary companies

	2021 RM
Purchase consideration settled in cash	29,150,000
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank	(12,554,889)
- Fixed deposit	(9,876,850)
- Bank overdraft	1,499,994
	(20,931,745)
Less: Pledged fixed deposit	9,876,850
	(11,054,895)
Net cash outflows arising from acquisition of subsidiary	18,095,105

Goodwill arising from business combination

	2021 RM
Fair value of consideration transferred	37,950,000
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	18,572,093
Fair value of identifiable assets acquired and liabilities assumed	(53,063,123)
	3,458,970

(ii) Allotment of shares in subsidiary company

(a) On 30 June 2021, Stellar Trinity Sdn. Bhd. ("STSB"), a wholly owned subsidiary company of BKG Development Sdn. Bhd. ("BKGD"), which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM2 to RM250,000 by issuance of 249,998 new ordinary shares for a total cash consideration of RM249,998 to BKGD.

On 31 December 2021, STSB increased its issued and paid-up share capital from RM250,000 to RM14,250,000 by issuance of 14,000,000 new ordinary shares for a total cash consideration of RM14,000,000 to BKGD.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary company (Cont'd)

In the previous financial period (Cont'd)

(ii) Allotment of shares in subsidiary company (Cont'd)

- (b) On 31 December 2021, BKHS Capital Sdn. Bhd. ("BKHS"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM200,000 to RM1,700,000 by issuance of 1,500,000 new ordinary shares for a total cash consideration of RM1,500,000 to BKGD. Consequently, BKHS remained as a wholly owned subsidiary company of BKGD.
- (c) On 31 December 2021, BKSP Autoworld Sdn. Bhd. ("BKSP"), a wholly owned subsidiary company of BKGD, which in turn is a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM100,000 to RM13,000,000 by issuance of 12,900,000 new ordinary shares for a total cash consideration of RM12,900,000 to BKGD. Consequently, BKSP remained as a wholly owned subsidiary company of BKGD.
- (d) On 31 December 2021, BKGD, a wholly owned subsidiary company of the Company increased its issued and paid-up share capital from RM1,000,000 to RM29,400,000 by issuance of 28,400,000 new ordinary shares for a total cash consideration of RM28,400,000 to the Company. Consequently, BKGD remained as a wholly owned subsidiary company of the Company.

(iii) Incorporation of new subsidiary company

On 8 July 2021, BKGD, a wholly owned subsidiary company of the Company, incorporated a 100% owned subsidiary company, Stellar Platinum Sdn. Bhd. ("SPSB") with cash subscription of RM2.

(iv) Internal Reorganisation

On 1 December 2021, the Company disposed off its entire shareholdings in Boon Koon Capital Sdn. Bhd. ("BKCAP") to BKGD, a wholly owned subsidiary company of the Company, for a total consideration of RM3,846,000 ("Internal Reorganisation"). Upon completion of Internal Reorganisation, BKCAP became direct subsidiary of BKGD.

The Internal Reorganisation did not have any effect on the issued and paid up share capital of the Company or its major shareholders' shareholding or material effect on the earnings, net assets or gearing of the Group on a consolidated basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Disposal to non-controlling interests

In the previous financial period

On 30 August 2021, the Company had disposed 300,000 shares, representing 30% of equity interest in Boon Koon Commercial Sdn. Bhd. ("BKC"), a wholly owned subsidiary company of the Company for a total consideration of RM300,000. Upon the completion of disposal, the Company's equity interest in BKC decreased from 100% to 70%.

The effect of changes in equity interest in BKC is attributable to owners of the Company as follows:

	2021
	RM
Carrying amount of shares disposed	29,695
Consideration received from non-controlling interests	300,000
Increase in parent's equity	329,695

9. INVESTMENTS IN ASSOCIATE COMPANY

	2022	Group	2021
	RM		RM
Unquoted shares			
At cost	1,640,209		900,000
Acquisition through business combination	-		1,640,209
Share of post-acquisition reserves	(100,178)		31,578
Disposal of associate	-		(900,000)
	1,540,031		1,671,787

Movement in the allowance for impairment losses are as follows:

	2022	Group	2021
	RM		RM
At 1 January/1 April	-		900,000
Disposal of associate	-		(900,000)
At 31 December	-		-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENTS IN ASSOCIATE COMPANY (CONT'D)

Details of the associate company are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest		Principal activities
		2022 %	2021 %	
<i>Held through Kayangan Kemas Sdn. Bhd.</i>				
Weida Kayangan Sdn. Bhd. *	Malaysia	32	32	Building contractor

* Associate company not audited by UHY

(a) Summarised statements of financial position

	WKS B	
	2022 RM	2021 RM
Non-current assets	46,764	372,170
Current assets	9,299,359	9,767,358
Non-current liabilities	–	(11,900)
Current liabilities	(3,573,404)	(6,715,819)
Net assets	5,772,719	3,411,809
Interest in associate companies	32%	32%
Group's share of net assets, representing carrying value of Group's interest in associate company	2,828,632	1,671,786
(Loss)/Profit for the financial year/period, representing total comprehensive (loss)/income for the financial year/period	(259,188)	20,525

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENTS IN JOINT VENTURE COMPANIES

	2022 RM	Group 2021 RM
Unquoted shares		
At cost	36,384,613	35,000,000
Acquisition through business combination	–	1,384,613
Share of post-acquisition reserves	21,006,741	11,159,420
	57,391,354	47,544,033

Details of the joint venture companies are as follows:

Name of company	Place of business/ Country of Incorporation	Effective interest 2022 %	2021 %	Principal activities
<i>Held through Kayangan Kemas Sdn. Bhd.</i>				
R Synergy Sdn. Bhd. *	Malaysia	21	21	Building contractor
<i>Held through BKG Development Sdn. Bhd.</i>				
Stellar 8 Sdn. Bhd. *	Malaysia	47	47	Property Development

* Joint venture companies not audited by UHY

11. OTHER INVESTMENT

	2022 RM	Group 2021 RM
Club memberships		
At cost		
At 1 January/1 April	70,000	–
Acquisition through business combination	–	70,000
At 31 December	70,000	70,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INVENTORIES

	Note	2022 RM	Group 2021 RM
Non-current asset			
Land held for property development	(a)	63,267,027	159,366,624
Current assets			
Property development cost	(b)	214,224,494	1,613,083
Other inventories	(c)	15,987,429	17,661,049
		230,211,923	19,274,132
		293,478,950	178,640,756

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
Group At cost 2022				
At 1 January 2022, as previously stated	137,039,213	22,500,511	–	159,539,724
Reclassification	(4,983,597)	(707,143)	5,517,640	(173,100)
At 1 January 2022, as restated	132,055,616	21,793,368	5,517,640	159,366,624
Additions	2,285,612	–	757,872	3,043,484
Disposal	(695,295)	–	–	(695,295)
Transfer to property development costs	(71,497,197)	(21,793,368)	(5,157,221)	(98,447,786)
At 31 December 2022	62,148,736	–	1,118,291	63,267,027
At cost 2021				
At 1 April 2021	884,475	–	–	884,475
Additions	131,171,141	21,793,368	5,517,640	158,482,149
At 31 December 2021	132,055,616	21,793,368	5,517,640	159,366,624

The freehold land of RM62,148,736 (2021: RM121,669,091) is pledged to a licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INVENTORIES (CONT'D)

(b) Property development costs

	Freehold land RM	Leasehold land RM	Group Development costs RM	Total RM
At cost				
2022				
At 1 January	1,205,617	-	-	1,205,617
Disposal	(1,205,617)	-	-	(1,205,617)
At 31 December	-	-	-	-
Cummulative property development costs				
At 1 January	-	-	150,467,147	150,467,147
Transfer from land held for future property development	71,497,197	21,793,368	5,157,221	98,447,786
Cost incurred during the financial year	-	3,226,590	112,550,118	115,776,708
Disposal	-	-	(407,466)	(407,466)
At 31 December	71,497,197	25,019,958	267,767,020	364,284,175
Less: Cummulative costs recognised in profit or loss				
At 1 January/31 December	-	-	150,059,681	150,059,681
Total property development costs	71,497,197	25,019,958	117,707,339	214,224,494

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INVENTORIES (CONT'D)

(b) Property development costs (Cont'd)

	Freehold land RM	Group Development costs RM	Total RM
At cost 2021			
At 1 April/31 December	1,205,617	–	1,205,617
Cummulative property development costs			
At 1 April	–	143,907,652	143,907,652
Acquisition of subsidiary			
Cost incurred during the financial period	–	6,559,495	6,559,495
At 31 December	–	150,467,147	150,467,147
Less: Cummulative costs recognised in profit or loss			
At 1 April	–	142,645,302	142,645,302
Recognised during the financial period	–	7,414,379	7,414,379
At 31 December	–	150,059,681	150,059,681
Total property development costs	1,205,617	407,466	1,613,083

(i) During the financial year, the following costs are capitalised to property development costs:

Group	2022 RM	2021 RM
Finance costs	3,783,051	24,658

The Group capitalised sales commission in relation to the property development contracts entered into as incremental costs of obtaining contracts with customers in property development costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised.

- (ii) The property development costs of the Group represent expenditures incurred in relation to the mixed residential and commercial development.
- (iii) The freehold land of RM71,497,197 (2021: RM1,205,617) is pledged to licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 23 the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INVENTORIES (CONT'D)

(c) Other inventories

	2022 RM	Group 2021 RM
At cost		
Raw materials	1,794,630	2,063,601
Work-in-progress	2,265,017	1,375,690
Finished goods	7,401,342	9,014,720
	11,460,989	12,454,011
At net realisable value		
Raw materials	1,226,870	1,237,054
Work-in-progress	973,000	1,142,073
Finished goods	2,326,570	2,827,911
	4,526,440	5,207,038
	15,987,429	17,661,049
Recognised in profit or loss		
Inventories recognised as cost of sales	90,219,358	75,546,851
Inventories written down	504,820	252,325
Inventories written off	-	56,236

13. TRADE RECEIVABLES

	2022 RM	Group 2021 RM
Non-current		
Trade receivables		
- Retention sum	15,277,442	3,185,712
Current		
Trade receivables		
- Third parties	92,582,126	54,477,786
- Retention sum	6,331,857	111,044
- Related parties	9,762,869	73,904,976
	108,676,852	128,493,806
Less: Accumulated impairment losses	(12,183,185)	(13,297,049)
	96,493,667	115,196,757
	111,771,109	118,382,469

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally on 30 to 210 days (2021: 30 to 210 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables consists of amount due from related parties, as below:-

	2022 RM	Group 2021 RM
Amount due from a subsidiary company of the holding company	46,551	–
Amount due from a company which certain Directors of the Company have significant financial interest	9,716,318	73,904,976
	9,762,869	73,904,976

Movements in the allowance for impairment losses are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
Group 2022			
At 1 January 2022	9,546,212	3,750,837	13,297,049
Impairment loss recognised	569,941	1,156,212	1,726,153
Impairment loss reversed	(915,110)	(1,924,907)	(2,840,017)
At 31 December 2022	9,201,043	2,982,142	12,183,185
2021			
At 1 April 2021	7,809,237	2,884,131	10,693,368
Acquisition through business combination	7,668	559,640	567,308
Impairment loss recognised	1,952,493	402,474	2,354,967
Impairment loss reversed	(223,186)	(95,408)	(318,594)
At 31 December 2021	9,546,212	3,750,837	13,297,049

Impairment losses reversed during the financial year amounting to RM2,840,017 (2021: RM318,594) are pertaining to previously impaired receivables recovered during the financial year/period.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. TRADE RECEIVABLES (CONT'D)

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

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2022			
Neither past due nor impaired	48,831,813	(209,907)	48,621,906
Past due not impaired:			
Less than 30 days	22,368,230	(16,661)	22,351,569
31 to 60 days	18,311,853	(8,009)	18,303,844
61 to 90 days	1,509,464	(30,129)	1,479,335
More than 90 days	23,731,891	(2,717,436)	21,014,455
	65,921,438	(2,772,235)	63,149,203
	114,753,251	(2,982,142)	111,771,109
Individually impaired	9,201,043	(9,201,043)	-
	123,954,294	(12,183,185)	111,771,109
2021			
Neither past due nor impaired	24,187,258	(444,363)	23,742,895
Past due not impaired:			
Less than 30 days	4,426,767	(28,847)	4,397,920
31 to 60 days	1,877,201	(14,094)	1,863,107
61 to 90 days	425,491	(44,391)	381,100
More than 90 days	91,216,589	(3,219,142)	87,997,447
	97,946,048	(3,306,474)	94,639,574
	122,133,306	(3,750,837)	118,382,469
Individually impaired	9,546,212	(9,546,212)	-
	131,679,518	(13,297,049)	118,382,469

As at 31 December 2022, trade receivables of the Group amounting to RM63,149,203 (2021: RM94,639,574) were past due but not impaired. These relate to a number of customers from whom there is no recent history of default.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or dispute billings. These receivables are not secured by any collateral or credit enhancements.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM9,201,043 (2021: RM9,546,212) related to customers have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets:				
At 1 January/1 April	–	292,605	–	–
Recognised in profit or loss	(256,849)	(292,605)	–	–
Underprovision in prior years	1,073,067	–	–	–
At 31 December	816,218	–	–	–
Deferred tax liabilities:				
At 1 January/1 April	(3,833,111)	(3,424,995)	(1,087,574)	(1,087,574)
Acquisition through business combination	–	(11,151)	–	–
Changes in tax rate	(484,528)	–	–	–
Recognised directly in equity	(545,026)	–	–	–
Recognised in profit or loss	(585,328)	(676,443)	301,803	–
Over/(Under)provision in prior years	78,668	279,478	(228,333)	–
At 31 December	(5,369,325)	(3,833,111)	(1,014,104)	(1,087,574)
Deferred tax assets/(liabilities)	(4,553,107)	(3,833,111)	(1,014,104)	(1,087,574)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets	1,568,899	1,232,990	426,357	953
Deferred tax liabilities	(6,122,006)	(5,066,101)	(1,440,461)	(1,088,527)
	(4,553,107)	(3,833,111)	(1,014,104)	(1,087,574)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deferred tax assets:				
Unutilised tax losses				
At 1 January/1 April	1,231,405	2,003,285	541	–
Recognised in profit or loss	(693,229)	(877,266)	301,311	541
Underprovision in prior years	124,093	105,386	124,093	–
At 31 December	662,269	1,231,405	425,945	541
Unabsorbed capital allowances				
At 1 January/1 April	1,585	354	412	–
Recognised in profit or loss	765	100	412	(719)
(Over)/Underprovision in prior years	(412)	1,131	(412)	1,131
At 31 December	1,938	1,585	412	412
Other temporary deductible differences				
At 1 January/1 April	–	–	–	–
Recognised in profit or loss	(179,239)	–	–	–
Underprovision in prior years	1,083,931	–	–	–
At 31 December	904,692	–	–	–
	1,568,899	1,232,990	426,357	953
Deferred tax liabilities:				
Deferred tax on fair value changes in investment properties				
At 1 January/1 April	(1,087,574)	(1,087,574)	(1,087,574)	(1,087,574)
Changes in tax rate	(352,426)	–	(352,426)	–
At 31 December	(1,440,000)	(1,087,574)	(1,440,000)	(1,087,574)
Revaluation surplus on property, plant and equipment				
At 1 January/1 April	(2,162,878)	(2,180,926)	–	–
Changes in tax rate	(484,528)	–	–	–
Recognised directly in equity	(545,026)	–	–	–
Recognised in profit or loss	40,350	18,048	–	–
Overprovision in prior years	58,457	–	–	–
At 31 December	(3,093,625)	(2,162,878)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Accelerated capital allowances				
At 1 January/1 April	(1,815,649)	(1,867,529)	(953)	-
Acquisition of business combination	-	(11,151)	-	-
Recognised in profit or loss	(10,824)	(109,930)	80	178
Over/(Under)provision in prior years	238,092	172,961	412	(1,131)
At 31 December	(1,588,381)	(1,815,649)	(461)	(953)
	(6,122,006)	(5,066,101)	(1,440,461)	(1,088,527)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses	9,662,700	8,343,333	-	-
Unabsorbed capital allowances	175,145	163,898	-	-
Other deductible temporary differences	4,828,538	6,344,542	-	-
	14,666,383	14,851,773	-	-

Deferred tax assets have not been utilised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Under the Malaysia Finance Act 2018 which was unutilised on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of unutilised. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum year of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to 7 consecutive years was extended to a maximum of 10 consecutive years of assessment under the current tax legislation. The other temporary differences not expire under current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CONTRACT ASSETS/(LIABILITIES)

	2022 RM	Group 2021 RM
Non-current		
Contract liabilities		
Deferred income:		
- Extended warranty and services	-	24,613
<hr/>		
Current		
Contract assets		
Construction contracts (Note a)	90,450,319	25,375,594
<hr/>		
Contract liabilities		
Deferred income:		
- Extended warranty and services	33,668	13,724
<hr/>		
At 31 December:		
Contract assets	90,450,319	25,375,594
Contract liabilities	(33,668)	(38,337)
<hr/>		
	90,416,651	25,337,257
<hr/>		

Contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its contracted project activities. The amount due from contract customers will be transferred to trade receivables when the rights become unconditional.

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 90 days.

(a) Construction contracts

	2022 RM	Group 2021 RM
Contract costs incurred to date	598,900,171	209,188,172
Attributable profits or losses	77,710,645	12,805,633
<hr/>		
Less: Progress billings	676,610,816 (586,160,497)	221,993,805 (196,618,211)
<hr/>		
	90,450,319	25,375,594
<hr/>		
Presented as:		
Contract assets	90,450,319	25,375,594
<hr/>		

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction contracts (Cont'd)

The costs incurred to date on construction contracts include the following costs during the financial year/period:

	2022 RM	Group 2021 RM
Lease of equipments and machineries	9,115,886	183,597
Lease of motor vehicles	2,483,523	17,458
Lease of workers house	-	19,915
Staff cost	8,054,214	600,427

(b) Property development activities

	2022 RM	Group 2021 RM
At 1 January/1 April	-	(264,053)
Property development revenue recognised during the financial year/period	-	8,773,418
Less: Progress billings during the financial year/period	-	(8,509,365)
At 31 December	-	-

(c) Contract value yet to be recognised as revenue

The followings table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date:

	2023 RM	2024 RM	2025 RM	Total RM
Construction contract	580,247,327	431,396,127	348,048,994	1,359,692,448
Deferred income	(33,668)	-	-	(33,668)
	580,213,659	431,396,127	348,048,994	1,359,658,780

The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 - 36 months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables				
- Third parties	16,675,888	19,516,645	195,489	-
- Related parties	3,295,506	13,738,887	-	-
Less: Accumulated impairment losses	(1,439,792)	(3,674,922)	-	-
	18,531,602	29,580,610	195,489	-
Deposits	22,710,622	29,188,554	8,800	8,800
Prepayments	1,633,083	2,160,590	12,955	11,371
GST recoverable	4	1,444	-	-
	42,875,311	60,931,198	217,244	20,171

Included in the Group's other receivables are:

- (a) Amount due from a joint venture company amounting to RM3,295,506 (2021: RM10,269,783);
- (b) Deposits paid related to purchase of goods amounting to RM12,107,182 (2021: RM24,246,169); and
- (c) Deposits paid for cash collateral pledged with licensed banks as security for bank guarantees amounting to RM3,838,752 (2021: RMNil).

Related parties refer to companies in which certain Directors of the Group have substantial financial interests. The amount due from related parties represent unsecured, non-interest bearing and repayable on demand.

Movements in the allowance for impairment losses are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
Group			
2022			
At 1 January 2022	3,136,142	538,780	3,674,922
Acquisition through business combination	10,300	-	10,300
Impairment loss recognised	230,715	462,062	692,777
Impairment loss reversed	(28,505)	(409,702)	(438,207)
Written off	(2,500,000)	-	(2,500,000)
At 31 December 2022	848,652	591,140	1,439,792
2021			
At 1 April 2021	418,600	-	418,600
Acquisition through business combination	2,717,542	115,612	2,833,154
Impairment loss recognised	-	423,168	423,168
At 31 December 2021	3,136,142	538,780	3,674,922

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2022 RM	2021 RM
Amount due from subsidiary companies		
Non-trade	54,828,944	55,454,577
Less: Accumulated impairment losses	(5,672,596)	(5,780,006)
	49,156,348	49,674,571
Amount due to subsidiary companies		
Non-trade	(15,482,162)	(12,597,252)

Movements in the allowance for impairment losses are as follows:

	Company	
	2022 RM	2021 RM
At 1 January/1 April	5,780,006	5,775,452
Impairment losses recognised	–	4,554
Impairment losses reversed	(107,410)	–
At 31 December	5,672,596	5,780,006

During the financial year, the Company carried out a review of the recoverable amounts using the fair value less cost of disposal approach. Impairment losses amounting RM107,410 has been reversed during the financial year while RM4,554 was recognised in the previous financial period.

The amount due from/(to) subsidiary companies are non-trade in nature, unsecured, bear interest at rate of 1.8% (2021:1.3%) per annum and repayable on demand.

18. FIXED DEPOSITS WITH LICENSED BANKS

	Group	
	2022 RM	2021 RM
Fixed deposits pledged with bank	19,343,579	12,505,088
Fixed deposits not pledged with bank	1,530,043	–
Short-term placements	1,001,491	–
	21,875,113	12,505,088

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. FIXED DEPOSITS WITH LICENSED BANKS (CONT'D)

The fixed deposits of the Group which are pledged with licensed banks as security for credit facilities granted to the Group as disclosed in Note 23 to the financial statements.

The range of interest rates and maturities of deposits are 1.40% to 2.60% (2021: 1.55% to 3.10%) per annum and 1 to 12 months.

	2022 %	Group 2021 %
Fixed deposits	1.40 - 2.60	1.55 - 3.10
Short-term placement	3.29	-

19. ASSETS CLASSIFIED AS HELD FOR SALE

	Group 2022 RM
At 1 January	-
Reclassified from right-of-use assets	1,223,281
At 31 December	1,223,281

On 21 July 2022, Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI"), a wholly owned subsidiary company of the Company entered into a Sale and Purchase Agreement to dispose of a piece of leasehold land for a total cash consideration of RM1,257,765. The disposal is pending completion as at the date of this report.

20. SHARE CAPITAL

	Number of shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Ordinary shares with no par value				
Issued and fully paid				
At 1 January/1 April	440,393,900	348,790,500	124,479,577	80,190,781
Shares issued during the financial year/period	-	41,226,000	-	31,167,240
Warrants exercised	39,673,356	50,377,400	10,333,525	13,121,556
At 31 December	480,067,256	440,393,900	134,813,102	124,479,577

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. SHARE CAPITAL (CONT'D)

During the financial year, the Company issued 39,673,356 new ordinary shares through exercise of Warrants at an exercise price of RM0.20 for a total cash consideration of RM7,934,671;

In the previous financial period, the Company issued:

- (a) 50,377,400 new ordinary shares through exercise of Warrants at an exercise price of RM0.20 for a total cash consideration of RM10,075,480;
- (b) 30,266,000 new ordinary shares for a total consideration of RM22,367,240; and
- (c) 11,000,000 new ordinary shares for a total consideration of RM8,800,000 for the acquisition of new subsidiary, Kayangan Kemas Sdn. Bhd. ("KKSb").

The new ordinary shares issued during the financial year shall rank 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	
	2022 Units	2021 Units	2022 RM	2021 RM
At 1 January/1 April/31 December	700,000	700,000	255,208	255,208

Treasury shares related to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

As at 31 December 2022, the total shares held as treasury shares amounted to 700,000 (2021: 700,000) ordinary shares at a total cost of RM255,208 (2021: RM255,208).

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. RESERVES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:					
- Warrant reserve	(a)	1,589,249	3,988,103	1,589,249	3,988,103
- Foreign currency translation reserve	(b)	–	176,013	–	–
- Capital reserve	(c)	(27,934)	(27,934)	–	–
- Revaluation reserve	(d)	15,911,883	14,284,200	–	–
		17,473,198	18,420,382	1,589,249	3,988,103

The nature of other reserves of the Group and of the Company are as follows:

(a) Warrant reserve

The warrant reserve is in respect of the allocated fair value of the 138,375,000 warrants issued pursuant to the Company's right issue exercise.

The fair value allocated to the warrant reserve is derived by adjusting the proceeds from the Company's rights issue to the fair value of the shares and warrants on a proportionate basis. A charge to the retained profits is created by the same amount to preserve the par value of the ordinary shares (prior to the Companies Act 2016) issued pursuant to the rights issue. This charge will be reversed upon exercise or expiry of the warrants.

The warrants may be exercised at any time during the tenure of the warrants of ten (10) years including and commencing from the issue date of the warrants and ending on the expiry date, 7 July 2023. Each warrant carries the entitlement to subscribe for one (1) new ordinary share in the Company at the exercise price of RM0.20 which shall be satisfied fully in cash and shall be subject to adjustments in accordance with the Deed Poll.

Subject to the provision in the Deed Poll, the exercise price and the number of warrants held by each warrant holder shall be adjusted by the Board of Directors of the Company in consultation with the adviser and certification of the external auditor in the event of addition to the share capital of the Company.

As at 31 December 2022, the total number of Warrants that remain unexercised were 26,283,744 (2021: 65,957,100).

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. RESERVES (CONT'D)

The nature of other reserves of the Group and of the Company are as follows: (Cont'd)

(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:

	2022 RM	Group 2021 RM
At 1 January/1 April	14,284,200	14,410,105
Revaluation of land and buildings	2,280,084	-
Deferred tax liabilities recognised directly in equity	(484,528)	-
Realisation of revaluation surplus	(167,873)	(125,905)
At 31 December	15,911,883	14,284,200

22. TRADE PAYABLES

	2022 RM	Group 2021 RM
Non-current		
Retention sum	6,605,541	6,681,175
Current		
Trade payables		
- Third parties	119,240,849	39,044,855
- Related parties	14,925,628	14,762,324
Retention sum	9,966,440	3,391,993
	144,132,917	57,199,172
	150,738,458	63,880,347

- (a) The normal trade credit terms granted to the Group range from 30 to 120 days (2021: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.
- (b) Included in trade payables is an amount of RM14,762,324 (2021: RM14,762,324) and RM163,304 (2021: RMNil) due to Platinum Eminent Sdn. Bhd. and Signature Metal Treatment Sdn. Bhd respectively, where the companies in which certain Directors of the Company have significant financial interests.
- (c) Related parties refer to companies in which certain Directors of the Company have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. BANK BORROWINGS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Secured				
Bankers' acceptances	24,092,000	11,000,000	-	-
Revolving credit	25,000,000	60,000,000	-	-
Term loans	192,628,789	112,290,597	19,438,000	22,726,000
Invoice financing	1,961,767	516,132	-	-
Bills discounting	4,923,512	-	-	-
Bank overdrafts	4,877,530	4,860,718	-	-
	253,483,598	188,667,447	19,438,000	22,726,000
Analysed as:				
Non-current				
Term loans	188,820,928	108,764,303	16,150,000	19,438,000
Current				
Bankers' acceptances	24,092,000	11,000,000	-	-
Revolving credit	25,000,000	60,000,000	-	-
Term loans	3,807,861	3,526,294	3,288,000	3,288,000
Invoice financing	1,961,767	516,132	-	-
Bills discounting	4,923,512	-	-	-
Bank overdrafts	4,877,530	4,860,718	-	-
	64,662,670	79,903,144	3,288,000	3,288,000
	253,483,598	188,667,447	19,438,000	22,726,000

(a) The above credit facilities are secured by the following:

- (i) Legal charge over the freehold land and buildings, investment properties, land held for development and land held under property development cost of the Company and subsidiary companies as disclosed in Notes 4, 6 and 12 respectively;
- (ii) Debenture incorporating fixed specific charges over freehold land and land held for development of the Company and subsidiary companies;
- (iii) Corporate guarantee by the holding company, the Company and a subsidiary company;
- (iv) Joint and several guaranteed by certain Director of the Company and a subsidiary company;
- (v) Charge over a subsidiary company's shares owned by the Company;
- (vi) Pledge of the fixed deposits of the Group as disclosed in Note 18; and
- (vii) Debentures incorporating fixed and floating charge over all present and future assets of a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. BANK BORROWINGS (CONT'D)

(b) Maturity of bank borrowings are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Within one year	64,662,670	79,903,144	3,288,000	3,288,000
Between one to two years	19,268,932	63,631,658	3,288,000	13,152,000
Between two to five years	136,256,789	–	9,864,000	–
Over five years	33,295,207	45,132,645	2,998,000	6,286,000
	253,483,598	188,667,447	19,438,000	22,726,000

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

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Bankers' acceptances	4.50 - 5.65	2.13 - 2.45	–	–
Revolving credit	3.95 - 5.40	3.60 - 3.95	–	–
Term loans	4.02 - 6.65	3.44 - 6.54	4.70	3.70
Invoice financing	5.64	6.42	–	–
Bills discounting	6.70 - 6.92	–	–	–
Bank overdrafts	5.60 - 7.56	6.85	–	–

24. LEASE LIABILITIES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January/1 April	2,294,271	1,643,353	224,193	287,935
Acquisition through business combination	924,142	1,065,102	–	–
Additions	3,037,754	–	482,941	–
Modification to lease term	–	68,228	–	–
Derecognition arising from termination of lease contract	–	–	(217,854)	–
Payments	(1,896,379)	(482,412)	(78,928)	(63,742)
At 31 December	4,359,788	2,294,271	410,352	224,193
Presented as:				
Non-current	2,333,613	1,289,338	329,092	148,615
Current	2,026,175	1,004,933	81,260	75,578
	4,359,788	2,294,271	410,352	224,193

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. LEASE LIABILITIES (CONT'D)

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Within one year	2,156,595	1,053,049	97,200	84,400
Between one to two years	1,551,690	745,581	97,200	78,000
Between two to five years	923,258	636,626	259,600	78,000
Less: Future finance charges	4,631,543 (271,755)	2,435,256 (140,985)	454,000 (43,648)	240,400 (16,207)
Present value of lease liabilities	4,359,788	2,294,271	410,352	224,193

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.

25. OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables				
- Third parties	8,296,385	1,568,311	44,333	7,754
- Related parties	43,338,126	21,518,790	-	-
Accruals	51,634,511	23,087,101	44,333	7,754
Advance payment received from project customers	38,207,584	2,967,956	421,902	261,446
Deposits received	-	8,339,632	-	-
GST payables	13,063,030	27,489,750	-	6,000
	-	35,273	-	-
	102,905,125	61,919,712	466,235	275,200

Included in the Group's other payables is an amount of RM26,807,700 (2021: RM10,720,000) due to a joint venture company and deposit received consist an amount of RM12,897,626 (2021: RM27,481,378) are related to deposit received for the purchase of goods and are non-refundable.

Related parties refer to companies in which certain Directors of the Company have substantial financial interests. The amount due to related parties represents unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. AMOUNT DUE TO HOLDING COMPANY

These represent non-trade balance which is unsecured, bear interest at rate of 1.8% (2021: 1.3%) per annum and repayable on demand.

27. AMOUNT DUE TO RELATED COMPANIES

These represent trade balance which is unsecured, non-interest bearing and credit term ranging from 60 to 90 days (2021 : 60 to 90 days).

28. AMOUNT DUE TO A DIRECTOR

These represent non-trade balance which is unsecured, non-interest bearing and repayable on demand.

29. REVENUE

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Revenue from contract customers:				
Sales of commercial vehicles and body works	99,000,617	81,381,532	–	–
Rental and fleet management service income	2,916,788	2,233,812	–	–
Property development	1,617,439	8,773,418	–	–
Construction contract	223,473,016	22,731,502	–	–
Precast beam	–	8,198,403	–	–
Sales of goods	–	1,496,837	–	–
Management fee income	–	–	672,000	504,000
	327,007,860	124,815,504	672,000	504,000
Revenue from other sources:				
Interest income	1,073	1,415	1,073	1,415
Rental income	6,300	9,450	6,300	9,450
	7,373	10,865	7,373	10,865
	327,015,233	124,826,369	679,373	514,865

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. REVENUE (CONT'D)

Group	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction contracts RM	Precast beam RM	Sales of goods RM	Total RM
1.1.2022 to 31.12.2022							
Timing of revenue recognition:							
At a point in time	99,000,617	2,916,788	-	-	-	-	101,917,405
Over time	-	-	1,617,439	223,473,016	-	-	225,090,455
Total revenue from contracts with customers	99,000,617	2,916,788	1,617,439	223,473,016	-	-	327,007,860
1.4.2021 to 31.12.2021							
Timing of revenue recognition:							
At a point in time	81,359,752	2,233,812	-	-	8,198,403	1,496,837	93,288,804
Over time	21,780	-	8,773,418	22,731,502	-	-	31,526,700
Total revenue from contracts with customers	81,381,532	2,233,812	8,773,418	22,731,502	8,198,403	1,496,837	124,815,504

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. REVENUE (CONT'D)

	Management fee income RM
Company	
1.1.2022 to 31.12.2022	
Timing of revenue recognition:	
At a point in time	672,000
<hr/>	
1.4.2021 to 31.12.2021	
Timing of revenue recognition:	
At a point in time	504,000
<hr/>	

30. FINANCE COSTS

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Interest expenses on:				
Holding company	132,604	349	132,604	349
Subsidiary companies	–	–	156,992	126,123
Bank overdraft	306,344	33,031	–	–
Bank commitment fees	32,560	–	–	–
Banker's acceptances	462,470	253,972	–	–
Bank guarantee and facility fees	7,637	850,773	–	–
Lease liabilities	181,905	61,099	18,272	9,158
Revolving credit	1,933,481	2,049,767	–	–
Term loans	962,096	104,402	841,415	90,096
Invoice financing	328,236	–	–	–
Unwinding of discount on trade payables	–	152,275	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
	4,347,333	3,505,668	1,149,283	225,726
	<hr/>			

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. PROFIT/(LOSS) BEFORE TAXATION

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Auditors' remuneration				
- statutory audit				
- current year/period	239,300	146,533	38,000	38,000
- other services	5,000	5,000	5,000	5,000
Depreciation of:				
- property, plant and equipment	2,130,502	765,100	2,066	2,521
- right-of-use assets	1,807,100	520,048	86,314	63,993
Non-executive Directors' remuneration				
- fees	129,000	74,500	129,000	74,500
- allowance	9,600	7,200	9,600	7,200
Impairment loss on:				
- trade receivables	1,726,153	2,354,967	-	-
- other receivables	692,777	423,168	-	-
- amount due from subsidiary companies	-	-	-	4,554
Reversal of impairment loss on:				
- trade receivables	(2,840,017)	(318,594)	-	-
- other receivables	(438,207)	-	-	-
Net (gain)/loss on impairment of financial instrument	(859,294)	2,459,541	-	-
Net effect of unwinding of interest from discounting arising from:				
- trade receivables	(111,045)	(252,541)	-	-
- trade payables	-	152,275	-	-
Inventories written down	504,820	252,325	-	-
Inventories written off	-	56,236	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Lease expenses relating to short term lease				
- motor vehicle	83,721	41,600	-	-
- building	178,250	34,600	-	-
Lease expenses relating to low value asset				
- photocopy machine	21,043	9,785	-	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	(446,792)	(95,874)	-	-
- right-of-use assets	-	36,438	-	-
- investment in associate company	-	(1)	-	-
- land held for property development	(481,547)	-	-	-
Gain on lease modification	-	(2,888)	-	-
Gain on termination of lease contract	-	-	(14,298)	-
Gain on bargain purchase	(2,751,600)	-	-	-
(Gain)/Loss on strike off of a subsidiary company	(176,013)	-	1	-
(Gain)/Loss on foreign exchange:				
- realised	867,853	(417,859)	-	-
- unrealised	458,667	461,212	(600)	(64)
Interest income				
- Bank interest	(1,167,232)	(55,264)	(1,073)	(1,415)
- Intercompany	-	-	(801,205)	(516,070)
Rental income	(217,500)	(9,450)	-	(9,450)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. TAXATION

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Tax expenses recognised in profit or loss:				
Current tax provision	5,760,479	3,440,204	-	123,856
(Over)/Underprovision in prior years	(32,049)	(235,450)	-	42
	5,728,430	3,204,754	-	123,898
Deferred tax: (Note 14) Relating to origination and reversal of temporary differences	842,177	969,048	(301,803)	-
(Over)/Underprovision in prior years	(1,151,735)	(279,478)	228,333	-
	(309,558)	689,570	(73,470)	-
Tax expenses/(credit) for the financial year/period	5,418,872	3,894,324	(73,470)	123,898

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. TAXATION (CONT'D)

A reconciliation of income tax expense/(credit) applicable to profit/(loss) before tax to the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Profit/(Loss) before taxation	16,066,667	9,389,916	(2,038,106)	(1,479,620)
Taxation at statutory tax rate of 24%	3,856,000	2,253,580	(489,146)	(355,109)
Income not subject to tax	(732,881)	(661,133)	(25,922)	(16)
Expenses not deductible for tax purposes	4,085,272	2,657,809	213,265	310,746
Deferred tax assets not recognised	280,011	176,106	-	168,235
Utilisation of previously unrecognised deferred tax asset	(324,504)	-	-	-
Effect of share of results of associates	(4,753)	47,821	-	-
Effect of share of results of joint venture	(604,643)	(64,931)	-	-
Real property gain tax ("RPGT")	48,155	-	-	-
(Over)/Under provision of taxation in prior years	(32,049)	(235,450)	-	42
(Over)/Under provision of deferred taxation in prior years	(1,151,735)	(279,478)	228,333	-
Tax expenses for the financial year/period	5,418,872	3,894,324	(73,470)	123,898

The Group and the Company have the following estimated unutilised tax losses, unabsorbed capital allowances and other temporary deductible differences available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax losses	12,422,153	14,793,844	1,774,769	1,217,829
Unabsorbed capital allowances	183,221	171,172	1,718	1,718
Other temporary deductible differences	14,101,142	-	-	-
	26,706,516	14,965,016	1,776,487	1,219,547

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. TAXATION (CONT'D)

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028) under the current tax legislation. The unabsorbed capital allowances and other temporary differences do not expire under current tax legislation.

The unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised tax loss expiring:				
- Year of Assessment 2028	9,211,269	8,330,669	-	-
- Year of Assessment 2029	45,463	5,174,036	37,289	37,289
- Year of Assessment 2030	482,020	482,020	482,020	482,020
- Year of Assessment 2031	807,119	807,119	698,520	698,520
- Year of Assessment 2032	1,876,282	-	556,940	-
	12,422,153	14,793,844	1,774,769	1,217,829

33. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Profit for the financial year/period, attributable to owners of the parent	7,622,662	3,601,152
Weighted average number of ordinary shares issue	453,362,533	385,922,964
Effect of treasury shares held	(700,000)	(700,000)
Weighted average number of ordinary shares at 31 December	452,662,533	385,222,964
Basic earnings per share (in sen)	1.68	0.93

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	Group	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Profit for the financial year/period, attributable to owners of the parent	7,622,662	3,601,152
Weighted average number of ordinary shares used in the calculation of basic earnings per share	452,662,533	385,222,964
Adjustment for assumed exercise of Warrants	20,836,294	50,325,398
Weighted average number of ordinary shares at 31 December	473,498,827	435,548,362
Diluted earnings per share (in sen)	1.61	0.83

34. INTEREST IN JOINT OPERATION

The details of the joint operation are as follows:

Name of Company	Country of incorporation	Effective Participating Interest		Principal activities
		2022 %	2021 %	
Platinum Eminent Sdn. Bhd. *	Malaysia	60	60	Property Development

* Joint operation not audited by UHY

On 29 June 2017, subsidiary company of the Group, BKG Development Sdn. Bhd. ("BKGD") had entered into a joint venture development agreement with Platinum Eminent Sdn. Bhd. ("Platinum Eminent"), a wholly-owned subsidiary company of Aera Property Group Sdn Bhd (formerly known as Asthetik Property Group Sdn. Bhd.), for the implementation and completion of a mixed residential and commercial development project.

Under the Proposed Joint Development, Platinum Eminent shall implement and complete the Development Project in its capacity as the developer for the Development Project and BKGD shall facilitate the implementation and completion of the Development Project. BKGD is required to pay Platinum Eminent the Participation Fees. In return, BKGD shall be effectively entitled to 60% of the gross development profits of the Development Project estimated at RM93.5 million. The project was completed in the previous financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. INTEREST IN JOINT OPERATION (CONT'D)

The following are recognised in profit or loss in respect of interest in joint operations:

	2022 RM	2021 RM
Group		
Revenue	–	8,773,418
Cost of sales	–	(7,414,379)

35. STAFF COSTS

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Salaries, wages, allowances and bonus	18,230,796	5,540,830	699,000	449,340
Fees	38,800	–	38,800	–
Defined contribution plans	2,103,581	533,655	75,600	42,984
Social security contribution	126,075	45,898	899	1,864
Employment insurance system	14,438	4,912	103	213
Others	52,557	–	–	–
	20,566,247	6,125,295	814,402	494,401

Included in the staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of the subsidiary companies as shown below:

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Executive Directors				
<i>Company's Directors</i>				
Salaries, wages, allowances and bonus	940,960	352,680	630,000	137,400
Fee	38,800	27,000	38,800	27,000
Defined contribution plans	110,052	42,039	75,600	16,200
Social security contribution	1,798	1,243	899	621
Employment insurance system	206	142	103	71
	1,091,816	423,104	745,402	181,292

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. STAFF COSTS (CONT'D)

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Executive Directors				
<i>Subsidiary Companies' Directors</i>				
Salaries, wages, allowances and bonus	2,436,512	289,240	-	-
Executive Directors				
Company's Directors	1,091,816	423,104	745,402	181,292
Subsidiary Companies' Directors	2,436,512	289,240	-	-
	3,528,328	712,344	745,402	181,292

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. 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 January 2022 RM	Financing cash flows RM	Non-cash changes			At 31 December 2022 RM
			Acquisition through business combination RM	New lease RM	Termination of lease contract RM	
Group						
2022						
Amount due to holding company	9,500,349	(4,666,006)	-	-	-	4,834,343
Amount due to related companies	273,781	3,601,654	-	-	-	3,875,435
Bankers' acceptances	11,000,000	4,563,000	8,529,000	-	-	24,092,000
Lease liabilities	2,294,271	(1,896,379)	924,142	3,037,754	-	4,359,788
Revolving credit	60,000,000	(35,000,000)	-	-	-	25,000,000
Term loans	112,290,597	79,430,032	908,160	-	-	192,628,789
Invoice financing	516,132	1,445,635	-	-	-	1,961,767
Bills discounting	-	556,410	4,367,102	-	-	4,923,512
Promissory notes	-	(174,630)	174,630	-	-	-
Amount due to Director	-	7,020,000	-	-	-	7,020,000
	195,875,130	54,879,716	14,903,034	3,037,754	-	268,695,634
Company						
2022						
Amount due to holding company	9,500,349	(4,666,006)	-	-	-	4,834,343
Amount due to subsidiary companies	12,597,252	2,884,910	-	-	-	15,482,162
Lease liabilities	224,193	(78,928)	-	482,941	(217,854)	410,352
Term loan	22,726,000	(3,288,000)	-	-	-	19,438,000
	45,047,794	(5,148,024)	-	482,941	(217,854)	40,164,857

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 April 2021 RM	Financing cash flows RM	Non-cash changes				At 31 December 2021 RM
			Acquisition through business combination RM	Modification to lease term RM	Accrued Interest RM		
Group							
2021							
Amount due to holding company	–	9,500,000	–	–	349	9,500,349	
Amount due to related companies	–	273,781	–	–	–	273,781	
Bankers' acceptances	15,150,000	(4,150,000)	–	–	–	11,000,000	
Lease liabilities	1,643,353	(482,412)	1,065,102	68,228	–	2,294,271	
Revolving credit	69,000,000	(9,000,000)	–	–	–	60,000,000	
Term loans	784,560	110,534,037	972,000	–	–	112,290,597	
Invoice financing	–	516,132	–	–	–	516,132	
	86,577,913	107,191,538	2,037,102	68,228	349	195,875,130	
Company							
2021							
Amount due to holding company	–	9,500,000	–	–	349	9,500,349	
Amount due to subsidiary companies	14,898,214	(2,427,085)	–	–	126,123	12,597,252	
Lease liabilities	287,935	(63,742)	–	–	–	224,193	
Term loans	–	22,726,000	–	–	–	22,726,000	
	15,186,149	29,735,173	–	–	126,472	45,047,794	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. 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:

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Transactions with subsidiary companies				
- Management fee income	-	-	672,000	504,000
- Operating expenses	-	-	(154)	(153)
- Rental expenses	-	-	(78,000)	(58,500)
- Interest expenses	-	-	(156,992)	(126,123)
Transactions with holding company				
- Interest expense	(132,604)	(349)	(132,604)	(349)
- Rental income	6,300	9,450	6,300	9,450
Transactions with related companies				
- Purchase of goods	(12,896,854)	(283,382)	-	-
- Rental expense	(223,600)	(9,600)	-	-
- Road tax and insurance	(111,043)	(51,429)	(4,798)	(4,738)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Transactions with joint venture companies				
- Sales	8,198,403	-	-	-
Transactions with companies in which certain Directors of the Company have significant financial interests				
- Progress billing receivables	43,966,900	8,773,418	-	-
- Project management fees	1,641,469	-	-	-
- Contract cost payable	(5,514,275)	(5,611,244)	-	-
- Rental expenses	(217,600)	(151,200)	(19,200)	(14,400)
Transaction with a person connected to a Director of the Company				
- Rental expenses	(188,300)	-	-	-

(c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
- Fees	-	101,500	-	101,500
- Salaries, allowances, and bonus	2,351,476	621,312	-	144,600
- Defined contribution plans	260,158	74,571	-	16,200
- Social security contribution	4,923	1,933	-	621
- Employment insurance system	506	221	-	71
	2,617,063	799,537	-	262,992

38. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

Manufacturing and trading	Manufacturing and trading of rebuilt and new commercial vehicles and the manufacture of body works and their related services.
Rental and fleet management services	Rental of commercial vehicles and provision of fleet management and other related services.
Property development	Property development activities.
Construction	Construction activities
Others	Investment holding and the provision of management services.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. 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	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2022							
Revenue							
External sales	99,000,617	2,916,788	1,617,440	223,473,015	7,373	-	327,015,233
Inter-segment	213,221	-	7,932,616	9,291,983	672,000	(18,109,820)	-
Total revenue	99,213,838	2,916,788	9,550,056	232,764,998	679,373	(18,109,820)	327,015,233
Results							
Segment results	(92,953,173)	(2,094,305)	(8,690,051)	(223,940,524)	(2,439,642)	12,023,195	(318,094,500)
Interest income	176,369	103,934	870,535	1,151,259	802,277	(1,936,069)	1,168,305
Finance costs	(616,844)	(28,827)	(3,609,882)	(894,733)	(1,149,283)	1,952,236	(4,347,333)
Share of results of associates	-	-	-	(127,002)	-	-	(127,002)
Share of results of joint venture	-	-	-	2,519,347	-	7,932,617	10,451,964
Profit/(Loss) before tax	5,820,190	897,590	(1,879,342)	11,473,345	(2,107,275)	1,862,159	16,066,667
Taxation	(645,152)	(277,422)	(426,959)	(4,141,115)	73,472	(1,696)	(5,418,872)
Profit/(Loss) for the financial year	5,175,038	620,168	(2,306,301)	7,332,230	(2,033,803)	1,860,463	10,647,795

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2022							
Assets							
Segment assets	115,943,005	8,242,817	434,507,724	253,197,722	182,233,408	(278,589,096)	715,535,580
Tax recoverable	3,623	–	2,623,189	20,000	13,661	–	2,660,473
Cash and bank balances	7,580,947	3,566,620	10,275,449	33,629,085	3,348,190	–	58,400,291
Total assets	123,527,575	11,809,437	447,406,362	286,846,807	185,595,259	(278,589,096)	776,596,344
Liabilities							
Segment liabilities	40,202,698	1,168,164	169,677,154	181,726,963	21,193,091	(140,201,253)	273,766,817
Borrowings	17,150,000	–	196,594,789	20,300,809	19,438,000	–	253,483,598
Tax liabilities	1,053	164,162	2,255	821,750	–	–	989,220
Deferred tax liabilities	2,881,908	28,397	25,691	–	1,014,104	1,419,225	5,369,325
Total liabilities	60,235,659	1,360,723	366,299,889	202,849,522	41,645,195	(138,782,028)	533,608,960

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2022							
Non-cash expenses/ (income)							
Depreciation of:							
- property, plant and equipment	646,339	195,926	195,920	1,097,129	2,066	(6,878)	2,130,502
- rights-of-use assets	54,036	208,044	821,348	706,200	86,316	(68,844)	1,807,100
Gain on disposal of:							
- property, plant and equipment	-	(285,842)	-	(160,950)	-	-	(446,792)
- land held for property development	-	-	(481,547)	-	-	-	(481,547)
Gain on termination of lease contract	-	-	-	-	(14,298)	14,298	-
Impairment loss on:							
- trade receivables	554,768	34,521	-	1,136,864	-	-	1,726,153
- other receivables	-	-	-	692,777	-	-	692,777
Inventories written down	504,820	-	-	-	-	-	504,820
Net effect of unwinding of interest from discounting arising from:							
- trade receivables	-	-	-	(111,045)	-	-	(111,045)
Reversal of impairment loss on:							
- trade receivables	(2,100,871)	(7,000)	(621,101)	-	-	-	(2,728,972)
- other receivables	-	-	-	(438,207)	-	-	(438,207)
- amount due from subsidiary companies	(132,974)	-	-	-	(107,410)	-	(240,384)
Gain on bargain purchase	-	-	-	-	-	(2,751,600)	(2,751,600)
Loss/(Gain) on strike off of a subsidiary company	-	-	-	-	1	(176,014)	(176,014)
Unrealised loss/(gain) on foreign exchange	(458,067)	-	-	-	600	-	458,667

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2021							
Revenue							
External sales	81,271,426	2,343,919	8,773,417	32,426,742	1,415	-	124,816,919
Inter-segment	7,252	-	-	-	513,450	(511,252)	9,450
Total revenue	81,278,678	2,343,919	8,773,417	32,426,742	514,865	(511,252)	124,826,369
Results							
Segment results	1,495,145	429,416	4,459,328	8,663,252	(1,771,378)	(6,167,725)	7,108,038
Interest income	114,693	62,001	91,629	50,130	517,484	(780,673)	55,264
Finance costs	(349,030)	(26,223)	(2,650,070)	(1,043,952)	(225,726)	789,333	(3,505,668)
Share of results of associates	-	-	-	(16,244)	-	5,477,982	5,461,738
Share of results of joint venture	-	-	-	270,544	-	-	270,544
Profit/(Loss) before tax	1,260,808	465,194	1,900,887	7,923,730	(1,479,620)	(681,083)	9,389,916
Taxation	(705,457)	(220,865)	(744,400)	(2,097,409)	(123,898)	(2,295)	(3,894,324)
Profit/(Loss) for the financial period	555,351	244,329	1,156,487	5,826,321	(1,603,518)	(683,378)	5,495,592
Assets							
Segment assets	106,679,812	7,579,949	344,056,383	113,895,982	182,363,551	(229,899,866)	524,675,811
Tax recoverable	556	-	-	10,500	-	-	11,056
Cash and bank balances	7,362,578	3,670,270	2,356,415	5,800,544	2,150,755	-	21,340,562
Total assets	114,042,946	11,250,219	346,412,798	119,707,026	184,514,306	(229,899,866)	546,027,429

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations* RM	Per consolidated financial statements RM
31.12.2021							
Liabilities							
Segment liabilities	45,462,602	1,264,856	116,358,085	54,062,885	22,596,994	(101,838,625)	137,906,797
Borrowings	11,000,000	-	148,592,597	6,348,850	22,726,000	-	188,667,447
Tax liabilities	13,734	121,238	513,357	400,044	123,711	-	1,172,084
Deferred tax liabilities	2,566,021	35,580	35,987	11,151	1,087,574	96,798	3,833,111
Total liabilities	59,042,357	1,421,674	265,500,026	60,822,930	46,534,279	(101,741,827)	331,579,439
Non-cash expenses/ (income)							
Depreciation of: - property, plant and equipment	462,301	149,915	90,285	67,303	2,521	(7,225)	765,100
- rights-of-use asset	27,216	196,303	204,938	78,488	63,994	(50,891)	520,048
(Gain)/Loss on disposal of: - property, plant and equipment	-	(95,874)	-	-	-	-	(95,874)
- right-of-use assets	-	36,438	-	-	-	-	36,438
Gain on lease modification	-	-	(2,888)	-	-	-	(2,888)
Impairment loss on: - trade receivables	1,698,237	277,074	379,656	-	-	-	2,354,967
- other receivables	-	-	-	423,168	-	-	423,168
Inventories written down	252,325	-	-	-	-	-	252,325
Inventories written off	56,236	-	-	-	-	-	56,236
Gain on disposal of investment in an associate company	(1)	-	-	-	-	-	(1)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

	Manufacturing and trading RM	Rental and fleet management services RM	Property development RM	Construction RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
31.12.2021							
Non-cash expenses/ (income) (Cont'd)							
Net effect of unwinding of interest from discounting arising from:							
- trade receivables	-	-	-	(252,541)	-	-	(252,541)
- trade payable	-	-	-	152,275	-	-	152,275
Reversal of impairment loss on:							
- trade receivables	(262,720)	(17,318)	-	(38,556)	-	-	(318,594)
- amount due from related companies	(39)	-	-	-	-	39	-
- investment in subsidiary company	-	-	(1,450,305)	-	-	1,450,305	-
Unrealised loss/(gain) on foreign exchange	461,276	-	-	-	(64)	-	461,212

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. SEGMENTAL INFORMATION (CONT'D)

Geographic information

Geographical segment information has not been prepared as the Group's operations are all confined to Malaysia.

Major Customer

The following is the major customer with revenue 10% equal or more than ten percent of Group's revenue:

Customer	Revenue		Segment
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	
A	40,999,767	13,148,388	Construction
B	37,725,424	–	Construction
	78,725,191	13,148,388	

39. CAPITAL COMMITMENT

	2022 RM	Group 2021 RM
Approved and contracted for:		
- Land held for property development	50,223,330	50,223,330
- Computer software	417,736	–
- Acquisitions of subsidiary	17,825,000	–
Contracted and subject for shareholders' approvals	–	85,000,000
	68,466,066	135,223,330

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. 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.

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 2022 RM	2021 RM	Company 2022 RM	2021 RM
Financial Assets				
Other investment	70,000	70,000	–	–
Trade receivables	111,771,109	118,382,469	–	–
Other receivables	41,242,224	58,769,164	204,289	8,800
Amount due from subsidiary companies	–	–	49,156,348	49,674,571
Fixed deposits with licensed banks	21,875,113	12,505,088	–	–
Cash and bank balances	58,400,291	21,340,562	3,348,191	2,150,755
Total financial assets	233,358,737	211,067,283	52,708,828	51,834,126
Financial Liabilities				
Trade payables	150,738,458	63,880,347	–	–
Other payables	102,905,125	61,884,439	466,236	275,200
Amount due to holding company	4,834,343	9,500,349	4,834,343	9,500,349
Amount due to subsidiary companies	–	–	15,482,162	12,597,252
Amount due to related companies	3,875,435	273,781	–	–
Bank borrowings	253,483,598	188,667,447	19,438,000	22,726,000
Lease liabilities	4,359,788	2,294,271	410,352	224,193
Total financial liabilities	520,196,747	326,500,634	40,631,093	45,322,994

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net losses arising from financial instruments

	Group		Company	
	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM	1.1.2022 to 31.12.2022 RM	1.4.2021 to 31.12.2021 RM
Net gain/(loss) on impairment of financial instruments				
- Financial assets at amortised cost	859,294	(2,459,539)	-	(4,554)

(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 of the receivables are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Credit risk (Cont'd)

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 Group's maximum exposure in this respect is RM59,032,925 (2021: RM78,076,663) while the Company's maximum exposure in this respect is RM439,423,231 (2021: RM159,637,597), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary would default on repayment as at the end of the reporting period.

Credit risk concentration

At the reporting date, approximately 52% (2021: 56%) of the Group's trade receivables were due from 1 (2021: 1) major customers which contribute from construction segment for the current year and property development segment in prior financial period.

(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)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
Group						
2022						
Trade payables	144,132,917	6,605,541	-	-	150,738,458	150,738,458
Other payables	102,905,125	-	-	-	102,905,125	102,905,125
Amount due to holding company	4,834,343	-	-	-	4,834,343	4,834,343
Amount due to related companies	3,875,435	-	-	-	3,875,435	3,875,435
Bank borrowings	74,021,181	28,317,775	149,804,897	36,133,474	288,277,327	253,483,598
Lease liabilities	2,156,595	1,551,690	923,258	-	4,631,543	4,359,788
Finance guarantee*	59,032,925	-	-	-	59,032,925	-
Total financial liabilities	390,958,521	36,475,006	150,728,155	36,133,474	614,295,156	520,196,747
2021						
Trade payables	57,199,172	2,948,682	3,732,493	-	63,880,347	63,880,347
Other payables	61,884,439	-	-	-	61,884,439	61,884,439
Bank borrowings	9,500,349	-	-	-	9,500,349	9,500,349
Amount due to holding company	273,781	-	-	-	273,781	273,781
Amount due to related companies	84,809,959	7,990,167	70,808,326	49,926,232	213,534,684	188,667,447
Lease liabilities	1,053,049	745,581	636,626	-	2,435,256	2,294,271
Finance guarantee*	78,076,663	-	-	-	78,076,663	-
Total financial liabilities	292,797,412	11,684,430	75,177,445	49,926,232	429,585,519	326,500,634

* Based on the maximum amount that can be called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

Company	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
2022						
Other payables	466,236	-	-	-	466,236	466,236
Amount due to holding company	4,834,343	-	-	-	4,834,343	4,834,343
Amount due to subsidiary companies	15,482,162	-	-	-	15,482,162	15,482,162
Term loan	4,117,791	3,965,229	10,962,548	3,056,575	22,102,143	19,438,000
Lease liabilities	97,200	97,200	259,600	-	454,000	410,352
Financial guarantee*	439,423,231	-	-	-	439,423,231	-
Total financial liabilities	464,420,963	4,062,429	11,222,148	3,056,575	482,762,115	40,631,093
2021						
Other payables	275,200	-	-	-	275,200	275,200
Amount due to holding company	9,500,349	-	-	-	9,500,349	9,500,349
Amount due to subsidiary companies	12,597,252	-	-	-	12,597,252	12,597,252
Term loan	4,075,198	3,951,239	11,125,334	6,517,844	25,669,615	22,726,000
Lease liabilities	84,400	78,000	78,000	-	240,400	224,193
Financial guarantee*	159,637,597	-	-	-	159,637,597	-
Total financial liabilities	186,169,996	4,029,239	11,203,334	6,517,844	207,920,413	45,322,994

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Liquidity risk (Cont'd)

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial 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 RM439,423,231 as at 31 December 2022 (2021: RM159,637,597). The earliest year 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.

(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"), UK Pound ("GBP"), United States Dollar ("USD"), Chinese Renminbi ("RMB") and Indonesian Rupiah ("IDR").

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in							Total RM
	JPY RM	SGD RM	HKD RM	GBP RM	USD RM	RMB RM	IDR RM	
Group								
2022								
Other receivables	22,534	8,003	31,524	-	-	23,492	-	85,553
Cash and bank balances	41	15,163	26,290	291	13,469	69,826	17	125,097
Trade payables	(10,316,835)	(504,133)	(152,420)	(110,246)	(1,175,028)	(19,606)	-	(12,278,268)
	(10,294,260)	(480,967)	(94,606)	(109,955)	(1,161,559)	73,712	17	(12,067,618)
2021								
Other receivables	17,390,223	207,590	2,305,139	2,426,328	131,261	23,492	-	22,484,033
Cash and bank balances	44	14,278	24,931	310	12,778	72,275	18	124,634
Trade payables	(3,554,328)	(485,988)	(187,433)	(202,991)	(3,566)	(19,470)	-	(4,453,776)
	13,835,939	(264,120)	2,142,637	2,223,647	140,473	76,297	18	18,154,891

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows: (Cont'd)

	← Denominated in →			Total RM
	SGD RM	USD RM	IDR RM	
Company				
2022				
Cash and bank balances	111	11,603	17	11,731
<hr/>				
2021				
Cash and bank balances	105	11,009	18	11,132

Sensitivity analysis for foreign currency exchange risk

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the JPY, SGD, HKD, GBP, USD, RMB and IDR exchange rates against RM, with all other variables held constant.

	2022		2021	
	Change in currency rate RM	Effect on profit before tax RM	Change in currency rate RM	Effect on profit before tax RM
Group				
JPY	Strengthened 5%	(514,713)	Strengthened 5%	691,797
	Weakened 5%	514,713	Weakened 5%	(691,797)
SGD	Strengthened 5%	(24,048)	Strengthened 5%	(13,206)
	Weakened 5%	24,048	Weakened 5%	13,206
HKD	Strengthened 5%	(4,730)	Strengthened 5%	107,132
	Weakened 5%	4,730	Weakened 5%	(107,132)
GBP	Strengthened 5%	(5,498)	Strengthened 5%	111,182
	Weakened 5%	5,498	Weakened 5%	(111,182)
USD	Strengthened 5%	(58,078)	Strengthened 5%	7,024
	Weakened 5%	58,078	Weakened 5%	(7,024)
RMB	Strengthened 5%	3,686	Strengthened 5%	(974)
	Weakened 5%	(3,686)	Weakened 5%	974
IDR	Strengthened 5%	1	Strengthened 5%	1
	Weakened 5%	(1)	Weakened 5%	(1)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. 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 (Cont'd)

	2022		2021	
	Change in currency rate RM	Effect on profit before tax RM	Change in currency rate RM	Effect on profit before tax RM
Company				
SGD	Strengthened 5%	6	Strengthened 5%	5
	Weakened 5%	(6)	Weakened 5%	(5)
USD	Strengthened 5%	580	Strengthened 5%	550
	Weakened 5%	(580)	Weakened 5%	(550)
IDR	Strengthened 5%	1	Strengthened 5%	–
	Weakened 5%	(1)	Weakened 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.

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

	2022 RM	2021 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	21,875,113	12,505,088
Financial liability		
Lease liabilities	4,359,788	2,294,271
Floating rate instrument		
Financial liability		
Bank borrowings	253,483,598	188,667,447

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

	2022 RM	2021 RM
Company		
Fixed rate instrument		
Financial liability		
Lease liabilities	410,352	224,193
<hr/>		
Floating rate instrument		
Financial asset		
Bank borrowings	19,438,000	22,726,000
<hr/>		

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.

	2022 RM	2021 RM
Effect to profit or loss		
Group		
Interest rate increased by 0.5%	1,267,418	943,337
Interest rate decreased by 0.5%	(1,267,418)	(943,337)
<hr/>		
Company		
Interest rate increased by 0.5%	97,190	113,630
Interest rate decreased by 0.5%	(97,190)	(113,630)
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

40. 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		
2022		
Financial Liabilities		
Contingent liabilities	59,032,925	@
2021		
Financial Liabilities		
Contingent liabilities	78,076,663	@
Company		
2022		
Financial Liability		
Contingent liabilities	439,423,231	@
2021		
Financial Liability		
Contingent liabilities	159,637,597	@

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

41. CONTINGENCIES

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Bank guarantees issued				
- for execution of contracts of the subsidiary companies	45,000	45,000	-	-
- in favour of third parties granted in the ordinary course of its construction business of subsidiary company	47,437,925	66,481,663	-	-
Corporate guarantees to licensed banks for credit facilities granted to subsidiary companies				
- Limit of guarantees	-	-	639,797,041	191,592,597
- Amount utilised	-	-	439,423,231	159,637,597
Corporate guarantees by a subsidiary for credit facilities granted to a joint venture company	11,550,000	11,550,000	-	-
	59,032,925	78,076,663	1,079,220,272	351,230,194

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

42. 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:

	2022 RM	Group 2021 RM
Total loans and borrowings	257,843,386	190,961,718
Less: Deposits, bank and cash balances	(75,397,874)	(28,984,932)
Net debt	182,445,512	161,976,786
Total equity	211,011,789	193,834,913
Gearing ratio	0.86	0.84

43. SIGNIFICANT EVENTS

(i) Internal reorganisation

Acquisition of Chin Hin Construction Engineering Sdn. Bhd. ("CHCESB")

On 25 January 2022, BKG Development Sdn. Bhd. ("BKGD") disposed off its entire shareholdings in CHCESB to the Company, for a total consideration of RM2. Upon completion of internal recognition, CHCESB became the direct subsidiary of the Company.

(ii) Struck off of a subsidiary company

Boon Koon Vehicles Pte. Ltd. ("BKVPL"), a wholly-owned subsidiary of the Company had on 18 October 2021 submitted the application for striking off to Accounting and Corporate Regulatory Authority ("ACRA"). Subsequently, name of BKVPL has been struck off from the register on 7 February 2022.

(iii) Allotment of shares in subsidiary company

On 29 April 2022, BK Alliance Sdn. Bhd. ("BKA"), has increased its issued and paid-up share capital from RM2,500,000 to RM5,000,000 by issuance of 2,500,000 ordinary shares for a total cash consideration of RM2,500,000. Consequently, 51% shareholding owned by BKGD in BKA remained the same.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

43. SIGNIFICANT EVENTS (CONT'D)

(iv) Acquisition of subsidiary company

Acquisition of Makna Setia Sdn. Bhd. ("MSSB")

On 10 December 2021, Kayangan Kemas Sdn. Bhd. ("KKSb"), a 65% owned subsidiary of the Company entered into a conditional Share Sale Agreement ("SSA") with Liew Jor Ho, Chai Yan Min and Yap Seng Hee ("the Vendors") to acquire 1,500,000 ordinary shares, representing 60% equity interest in Makna Setia Sdn. Bhd. ("Makna Setia"), for a purchase consideration of RM9,000,000 which will be satisfied fully via cash.

On 15 April 2022, KKSb has entered into a novation agreement with the Vendors and Chin Hin Construction Engineering Sdn. Bhd' ("CHCESB"), a wholly-owned subsidiary of the Company to novate the SSA and the Supplemental SSA with immediate effect.

On 12 August 2022, the acquisition of Makna Setia by CHCESB was completed, for a total cash consideration of RM7,916,977.

(v) Acquisition of land

(a) On 8 February 2021, the Company announced that Boon Koon Capital Sdn. Bhd. ("BKC"), a wholly owned subsidiary of the BKGD, entered into a conditional sale and purchase agreement ("SPA") with SMD Real Estate Sdn. Bhd. to purchase a parcel of land identified as HSD 52600, PT No. 65618, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for cash considerations of RM50,223,330.

On 6 December 2021, both parties agreed to extend conditional period of the SPA to 5 June 2022, then further extend to 6 March 2023, to provide the Group with sufficient time to secure the required the funding for the proposed acquisition.

However, due to the unfortunate passing of Dawn Chu Wei Wern, the liquidator of the Vendor, the extension of time is pending approval of the Jabatan Insolvency of Malaysia of the new liquidator to be appointed by the High Court of Malaysia.

(b) On 28 October 2021, BKSP, a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement ("SPA") with Frazel Luxe Sdn Bhd ("FLSB") to acquire a freehold land identified as Geran Mukim 98, Lot 797, Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan for a cash consideration of RM85,000,000.

The proposed acquisition was completed on 12 August 2022.

(vi) Disposal of land

(a) On 21 July 2022, Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI") a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement ("SPA") with OVBB Sdn. Bhd. ("OKBB") for the disposal of a unit of leasehold land identified as Pajakan Mukim 8584, Lot 16377, Mukim Dengkil, Daerah Sepang, Negeri Selangor for a total consideration of RM1,257,765.

A deposit of RM125,777 has been received as at the end of the reporting period.

The disposal transaction has not completed at the end of the reporting period.

(b) On 20 September 2022, BKHS Capital Sdn. Bhd. ("BKHS"), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement ("SPA") with YJ Valley Sdn. Bhd. ("YJ Valley") for the disposal of a unit of freehold land identified as GM 132, Lot 4590 & 4592, Tempat Padang Lalang, Mukim Bagan Samak, Daerah Bandar Baharu, Negeri Kedah for a total consideration of RM2,789,925.

The disposal was completed on 28 October 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

44. SUBSEQUENT EVENTS

(i) Increase in paid up share capital

Subsequent to the financial year, the Company increased its issued and paid-up ordinary share capital from RM134,813,102 to RM151,068,093, by the way of:-

(a) Conversion of Warrants

On 11 January 2023, 17 January 2023, 26 January 2023, 21 February 2023, 24 February 2023, 7 March 2023, 27 March 2023, 10 April 2023 and 13 April 2023 the Company issued 1,845,700 ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM 369,140, and;

(b) Private Placements

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

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

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

On 6 April 2023, the third tranche of the Private Placement shares of 17,000,000 was issued at an issue price of RM0.90 per share, total proceeds raised was RM15,300,000.

On 20 April 2023, the fourth tranche of the Private Placement shares of 11,987,620 was issued at an issue price of RM0.93 per share, total proceeds raised was RM11,148,487.

(ii) Proposed acquisition of subsidiary company

- (a) On 25 August 2022, BKGD entered into a share sale agreement with Aera Property Group Sdn. Bhd. ("Aera") to acquire 11,500,000 ordinary shares in Quaver Sdn. Bhd. ("Quaver"), representing 100% equity interest, for a cash consideration of RM1,250,000.

The acquisition of Quaver was completed on 13 March 2023, settled by cash considerations of RM1,250,000.

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

Approval from the shareholders was obtained at an extraordinary general meeting ("EGM") convened on 30 December 2022.

(iii) Subscription of Placement Shares in NCT Alliance Berhad

On 23 March 2023, the Company accepted the offer letter from AmInvestment Bank Berhad, the placement agent appointed by NCT Alliance Berhad ("NCT") to subscribe 75,045,000 ordinary shares in NCT via private placement ("Placement Shares") at RM0.32 per Placement Share, representing 5.61% voting shares in NCT for a total consideration of RM24,129,600 only.

On 27 March 2023, NCT had allotted the Placement Shares to the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

45. COMPARATIVE FIGURES

- (i) The figures for the financial statement of previous financial period were for the financial periods from 1 April 2021 to 31 December 2021. As they reflect the results for less than 12 months, they were not comparable with current year results.
- (ii) Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2022.

	As previously stated RM	Reclassification RM	As restated RM
Group			
Statement of Financial Position as at 31 December 2021			
Property, plant and equipment	40,864,872	173,100	41,037,972
Investments in associate companies	47,625,594	(45,953,807)	1,671,787
Investments in joint venture companies	1,590,226	45,953,807	47,544,033
Inventories	178,813,856	(173,100)	178,640,756
Contract assets	19,288,485	6,087,109	25,375,594
Trade receivables	134,739,361	(16,356,892)	118,382,469
Other receivables	50,661,415	10,269,783	60,931,198
Statement of Profit or Loss and Other Comprehensive Income from 1 April 2021 to 31 December 2021			
Share of results of associate company	5,461,738	(5,477,982)	(16,244)
Share of results of joint venture companies	270,544	5,477,982	5,748,526
Statement of Cash Flows from 1 April 2021 to 31 December 2021			
Operating Activities			
Share of results of:			
- associate company	5,461,738	(5,477,982)	(16,244)
- joint venture companies	270,544	5,477,982	5,748,526
Changes in working capital:			
Inventories	(147,704,385)	173,100	(147,531,285)
Receivables	3,607,337	6,087,109	9,694,446
Contract assets/liabilities	(6,573,472)	(6,087,109)	(12,660,581)
Investing Activities			
Purchase of property, plant and equipment	(387,096)	(173,100)	(560,196)

46. 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 20 April 2023.

GROUP PROPERTIES

AS AT 31 DECEMBER 2022

Location of properties	Tenure	Area (Square metre)	Description	Date of acquisition/ revaluation	Carrying amount At 31.12.2022 RM'000
Chin Hin Group Property Berhad					
GM 266 Lot No. 240 GM 755 Lot No. 44506 Mukim Tebrau, District of Johor Bahru, Johor	Freehold	22,383	Land & building	20 August 2007/7 February 2022	28,800
Boon Koon Vehicles Industries Sdn. Bhd.					
GM 975, Lot 1804 GM 454, Lot 1808 GM 455, Lot 1809 GM 456, Lot 1810 & H.S. (M) 592, Lot 5025 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold	42,007	Office & factory	16 February 2023	Note A: 39,670
PM 8584, Lot No. 16388 Mukim Dengkil, Daerah Sepang, Sungai Rasau Puchong, Negeri Selangor	Leasehold ending 19 March 2080	1,558	Vacant land	16 December 2019	1,223
Kayangan Kemas Sdn. Bhd.					
No. C-41, Jalan Zuhail U5/178, Pusat Komersial Arena Bintang, Shah Alam, 40150 Shah Alam, Selangor.	Leasehold ending 6 May 2111	593	3-storey shop office (end lot)	4 March 2022	2,200
Lot No, P.T 21659, Geran No. 15441 7 ½ Mile, Sg. Binjai Road, Mukim Kapar, Daerah Klang, Negeri Selangor	Freehold	6,758	Agriculture Land	–	1,832

GROUP PROPERTIES (CONT'D)

Location of properties	Tenure	Area (Square metre)	Description	Date of acquisition/ revaluation	Carrying amount At 31.12.2022 RM'000
Makna Setia Sdn. Bhd.					
N-0-6, N-1-6, N-2-6, Pusat Perdagangan Kuchai, No.2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 KL	Freehold	–	3-storey shop office	11 May 2016 / 31 December 2022	1,992
Lot 11837, Batu 8, Sijangkang, Teluk Panglima Garang, 42500 Kuala Langat, Selangor	Leasehold ending 18 January 2094	8,794	Agriculture land	3 October 2019 / 31 December 2022	1,710
BK Alliance Sdn. Bhd.					
Pajakan Negeri 53073, Lot 481445 Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Leasehold ending 5 September 2112	1,943	Land held for commercial development	22 October 2021	29,545
Boon Koon Commercial Sdn. Bhd.					
Geran No. Hakmilik 326333, Lot 484, Pekan Kinrara, Daerah Petaling, Negeri Selangor	Freehold	13,881	Land held for mixed development	1 November 2021	59,765
Stellar Trinity Sdn. Bhd.					
GM 3734, Lot 648 GM 4035, Lot 650 GM 4036, Lot 651 GM 3418, Lot 652 Geran 23462, Lot 1301 & GM4662, Lot 32661 Mukim Serendah, Daerah Hulu Selangor or Ulu Selangor, Negeri Selangor	Freehold	226,125	Land held for township development	12 August 2021	62,977
BKSP Autoworld Sdn. Bhd.					
Geran Mukim 98, Lot 797, Mukim Petaling, Tempat 9 ¾ Mile, Kuchai Road, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan.	Freehold	33,340	Land held for mixed development	12 August 2022	114,782

Note A:

Building erected on the adjoining parcels of land comprising of large single storey factory building with the following annexe:-

- 3 storey office building; and
- 2 storey Sales & Marketing office building

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Class of Shares : Ordinary Shares
 Voting Rights : One vote for each ordinary share held

ANALYSIS BY SIZE OF SHAREHOLDINGS

(Excluding 700,000 treasury shares)

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 99	206	9.82	8,805	0.00
100 - 1,000	503	23.99	169,724	0.04
1,001 - 10,000	775	36.96	4,125,193	0.83
10,001 - 100,000	468	22.32	16,869,944	3.39
100,001 to less than 5% of issued shares	139	6.63	178,235,458	35.84
5% and above of issued shares	6	0.28	297,900,332	59.90
TOTAL	2,097	100	497,309,456	100

DIRECTORS' SHAREHOLDINGS

INTEREST IN THE COMPANY

		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Datuk Seri Chiau Beng Teik	–	–	306,572,335*	61.65
2	Datuk Cheng Lai Hock	–	–	–	–
3	Datuk Hj. Mohd Yusri Bin Md Yusof	–	–	–	–
4	Chiau Haw Choon	–	–	306,572,335*	61.65
5	Kwan Sook Peng	–	–	–	–
6	Khor Kai Fu	–	–	–	–
7	Shelly Chiau Yee Wern	–	–	–	–

* Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.

INTEREST IN HOLDING COMPANY CHIN HIN GROUP BERHAD

		Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Datuk Seri Chiau Beng Teik	372,919,700	21.076	662,414,700	37.437
2	Datuk Cheng Lai Hock	300,000	0.017	–	–
3	Datuk Hj. Mohd Yusri Bin Md Yusof	–	–	–	–
4	Chiau Haw Choon	101,373,600	5.729	662,414,700	37.437
5	Kwan Sook Peng	–	–	–	–
6	Khor Kai Fu	4,080,100	0.23	–	–
7	Shelly Chiau Yee Wern	1,000,000	0.057	–	–

* Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct 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. of Shares	%	No. of Shares	%
1	Datuk Seri Chiau Beng Teik	–	–	306,572,335	(ii) 61.65
2	Dato' Goh Boon Koon	2,650,000	0.53	35,327,997	(i) 7.10
3	Datin Lee Teoh Kee	1,045,900	0.21	35,327,997	(i) 7.10
4	BKNT Resources Sdn Bhd	35,327,997	7.10	–	–
5	Goh Boon Leong	300,000	0.06	35,327,997	(i) 7.10
6	Divine Inventions Sdn Bhd	–	–	306,572,335	(iv) 61.65
7	Chiau Haw Choon	–	–	306,572,335	(ii) 61.65
8	PP Chin Hin Realty Sdn Bhd	–	–	306,572,335	(iii) 61.65
9	Chin Hin Group Berhad	306,572,335	61.65	–	–

- (i) Deemed interest through BKNT Resources Sdn Bhd by virtue of his/her shareholdings of not less than 20% in BKNT Resources Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
- (ii) Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.
- (iii) Deemed interest pursuant to Section 8 of the Companies Act 2016 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.	SJ Sec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Al Rajhi Bank For Chin Hin Group Bhd</i>	84,000,000	16.89
2.	UOBM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chin Hin Group Berhad</i>	71,600,000	14.40
3.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank Islamic Berhad For Chin Hin Group Berhad</i>	40,000,000	8.04
4.	Chin Hin Group Berhad	36,972,335	7.43
5.	BKNT Resources Sdn Bhd	35,327,997	7.10
6.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank Islamic Berhad For Chin Hin Group Berhad</i>	30,000,000	6.03
7.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chin Hin Group Berhad (MY4563)</i>	22,000,000	4.42
8.	RHB Nominees (Tempatan) Sdn Bhd <i>Bank of China (Malaysia) Berhad Pledged Securities Account For Chin Hin Group Bhd</i>	22,000,000	4.42
9.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Desiran Realiti Sdn Bhd (MY3933)</i>	12,900,000	2.59
10.	Chan Wah Kiang	12,161,000	2.45

ANALYSIS OF SHAREHOLDINGS (CONT'D)

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

No.	Name	No. of Shares	%
11.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Dato' Ong Choo Meng (PB)</i>	10,000,000	2.01
12.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Su Ming Keat</i>	7,900,000	1.59
13.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Ong Choo Meng</i>	6,000,000	1.21
14.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Beng Hoo</i>	5,024,800	1.01
15.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Desiran Realiti Sdn Bhd</i>	4,300,000	0.86
16.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Soon Teong (Solaris-CL)</i>	3,886,600	0.78
17.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ooi Chen Seng</i>	3,520,000	0.71
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Che Halin Bin Mohd Hashim</i>	3,000,000	0.60
19.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Sejuta Dimensi Sdn Bhd (MY4989)</i>	3,000,000	0.60
20.	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Choo Meng (Dato')</i>	3,000,000	0.60
21.	Goh Boon Koon	2,650,000	0.53
22.	TA Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Ong Choo Meng</i>	2,300,000	0.46
23.	Su Ming Keat	2,100,000	0.42
24.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ong Tzu Chuen</i>	1,650,000	0.33
25.	Ng Soon Teong	1,618,000	0.33
26.	HSBC Nominees (Asing) Sdn Bhd <i>Societe Generale Paris</i>	1,585,500	0.32
27.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chee Hong Leong (MY1830)</i>	1,550,000	0.31
28.	CGS-CIMB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Eric Leong Kai Meng (MY4497)</i>	1,500,000	0.30
29.	Goh Yin Ling	1,500,000	0.30
30.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teh Boon Beng (M01)</i>	1,467,000	0.29
TOTAL		434,513,232	87.37

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2023

Total Number of Warrants Outstanding : 24,521,544
Exercise Price Per Warrant : RM0.20 each

ANALYSIS BY SIZE OF WARRANT HOLDINGS

Size of Holdings	No. of Warrant holders	%	No. of Warrants	%
1 – 99	7	5.93	242	0.00
100 - 1,000	24	20.34	11,218	0.05
1,001 - 10,000	39	33.05	173,136	0.71
10,001 - 100,000	38	32.21	1,239,075	5.05
100,001 to less than 5% of issued warrants	7	5.93	3,750,500	15.29
5% and above of issued warrants	3	2.54	19,347,373	78.90
TOTAL	118	100	24,521,544	100

DIRECTORS' WARRANTS HOLDINGS IN THE COMPANY

		Direct		Indirect	
		No. of Warrants	%	No. of Warrants	%
1	Datuk Seri Chiau Beng Teik	–	–	–	–
2	Datuk Cheng Lai Hock	318,500	1.30	–	–
3	Datuk Hj. Mohd Yusri Bin Md Yusof	–	–	–	–
4	Chiau Haw Choon	–	–	–	–
5	Kwan Sook Peng	–	–	–	–
6	Khor Kai Fu	50,000	0.20	–	–
7	Shelly Chiau Yee Wern	–	–	–	–

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant holders	No. of Warrants	% of total issued Warrants
1.	Goh Boon Koon	13,693,161	55.84
2.	Lee Teoh Kee	4,154,212	16.94
3.	Goh Yin Ling	1,500,000	6.12
4.	Ng Soon Teong	1,218,000	4.97
5.	Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Woo Ching Yuen (REM 157)</i>	1,040,000	4.24
6.	Janice Eng Jinying	574,000	2.34
7.	Cheng Lai Hock	318,500	1.30
8.	Inmost Tech Sdn Bhd	250,000	1.02

ANALYSIS OF WARRANT HOLDINGS (CONT'D)

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant holders	No. of Warrants	% of total issued Warrants
9.	Wang Chin Yee	200,000	0.82
10.	RHB Capital Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Khee Eng (CEB)</i>	150,000	0.61
11.	Lim Swee Ying	100,000	0.41
12.	Lim Kian Hin	69,300	0.28
13.	Khor Leong Kee	64,000	0.26
14.	Seow Bee Bee	60,000	0.24
15.	HLB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chang Chai Kin</i>	50,000	0.20
16.	Khor Kai Fu	50,000	0.20
17.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Teoh Hin Huat</i>	50,000	0.20
18.	Tan Leiong Boon	50,000	0.20
19.	Heng Ding Ding	48,500	0.20
20.	Apex Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Gan Chow Tee (Margin)</i>	40,000	0.16
21.	Tan Wei Ling	40,000	0.16
22.	Maziah Binti Mohamed	36,000	0.15
23.	Maybank Nominees (Tempatan) Sdn Bhd <i>Chua Kia Ngee</i>	35,000	0.14
24.	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Low Han Yuan (E-BSA/TCL)</i>	31,000	0.13
25.	Goh Jiok Vui @ Henry Goh Jiok Vui	30,000	0.12
26.	Lim Yean Fong	30,000	0.12
27.	Maybank Nominees (Tempatan) Sdn Bhd <i>Lim Shiau Thien</i>	30,000	0.12
28.	Teng Lih Hong	30,000	0.12
29.	Ng Zuo Zhi	28,000	0.11
30.	Ng Choo Ting (Ling) Ng Chor Teng	26,100	0.11
TOTAL		23,995,773	97.86



CHIN HIN GROUP PROPERTY BERHAD
 [Registration 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/member(s) 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,

(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 Twenty-First Annual General Meeting of the Company to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Tuesday, 30 May 2023 at 2.00 p.m. or at any adjournment thereof.

AGENDA

	Receive the Audited Financial Statements for the financial year ended 31 December 2022 and the Reports of the Directors and Auditors thereon		
Ordinary Resolutions		For	Against
1	Approval of payment of Directors' fees for the year ending 31 December 2023		
2	Approval of payment of benefits payable to the Directors of the Company for the period from 1 January 2023 until the conclusion of the next Annual General Meeting		
3	Re-election of Datuk Seri Chiau Beng Teik as Director		
4	Re-election of Ms Shelly Chiau Yee Wern as Director		
5	Re-election of Ms Kwan Sook Peng as Director		
6	Re-election of Mr Khor Kai Fu as Director		
7	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix the Auditors' remuneration		
8	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
9	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature		
10	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, 2023.

.....
 Contact number

.....
 Signature of Member(s)/Common Seal

* Strike out whichever is not desired



Notes :

1. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. The proxy form must be duly completed and deposited at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Penang not less than forty-eight (48) hours before the time appointed for holding the meeting.
3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("**Central Depositories Act**"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**Omnibus Account**"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
8. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to the Article 69 of the Company's Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors ("**ROD**") as at **18 May 2023** 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 Twenty-First 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

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Fold This Flap For Sealing

ANNUAL REPORT

financial period ended 31 December 2022



CHIN HIN GROUP PROPERTY BERHAD
Registration No. 200101017677 (553434-U)