

## CHIN HIN GROUP PROPERTY BERHAD

# INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2021

### CHIN HIN GROUP PROPERTY BERHAD

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

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## CONTENTS

<b>Unaudited Condensed Consolidated Statement of Comprehensive Income</b>	.....	<b>1-2</b>
<b>Unaudited Condensed Consolidated Statement of Financial Position</b>	.....	<b>3-4</b>
<b>Unaudited Condensed Consolidated Statement of Changes in Equity</b>	.....	<b>5</b>
<b>Unaudited Condensed Consolidated Statement of Cash Flows</b>	.....	<b>6-7</b>
<b>Notes To The Interim Financial Report</b>	.....	<b>8-22</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

*(The figures have not been audited)*

	Individual Financial Quarter Ended 30 September 2021	Cumulative Financial Period Ended 30 September 2021
Note	RM'000	RM'000
Revenue	27,365	58,534
Cost of sales	(25,126)	(52,858)
<b>Gross Profit</b>	2,239	5,676
Other operating income	321	731
Finance income	2	3
Impairment loss on trade receivables	-	(2,770)
Administrative and selling expenses	(2,684)	(4,781)
<b>Loss from operations</b>	(122)	(1,141)
Finance costs	(796)	(1,591)
Share of results of associate company	1,824	5,606
<b>Profit before taxation</b>	906	2,874
Taxation	(133)	(421)
<b>Profit after taxation</b>	773	2,453
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the financial period</b>	773	2,453

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (Cont'd)**
*(The figures have not been audited)*

	Note	Individual Financial Quarter Ended 30 September 2021 RM'000	Cumulative Financial Period Ended 30 September 2021 RM'000
<b>PROFIT AFTER TAX ATTRIBUTABLE TO:</b>			
Owners of the Company		774	2,455
Non-controlling interests		(1)	(2)
		773	2,453
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the Company		774	2,455
Non-controlling interests		(1)	(2)
		773	2,453
Earnings per share attributable to owners of the Company:			
- Basic (sen)	<b>B9</b>	0.22	0.69
- Diluted (sen)	<b>B9</b>	0.20	0.64

**Notes:**

There is no comparative for the financial quarter/period ended 30 September 2021 due to the change in the financial year end from 31 March to 31 December as stated in Note 3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2021 are not comparable with the individual and cumulative quarter previously reported.

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2021**
*(The figures have not been audited)*

	As At 30 September 2021 RM'000	(Audited) As At 31 March 2021 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	38,869	39,285
Right-of-use assets	2,657	2,966
Investment properties	28,800	28,800
Investment in associate companies	46,082	40,476
Inventories	884	884
Deferred tax assets	93	293
<b>TOTAL NON-CURRENT ASSETS</b>	<b>117,385</b>	<b>112,704</b>
<b>CURRENT ASSETS</b>		
Inventories	38,907	30,548
Trade receivables	109,162	109,087
Other receivables	66,572	33,091
Tax recoverable	14	11
Cash and bank balances	15,420	11,898
<b>TOTAL NON-CURRENT ASSETS</b>	<b>230,075</b>	<b>184,635</b>
<b>TOTAL ASSETS</b>	<b>347,460</b>	<b>297,339</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	115,037	80,191
Treasury shares	(255)	(255)
Foreign currency translation reserve	176	176
Revaluation reserve	14,326	14,410
Capital reserve	(28)	(28)
Warrant reserve	4,137	7,034
Retained profits	50,003	47,134
Equity attributable to owners of the parent	183,396	148,662
Non-controlling interest	144	176
<b>TOTAL EQUITY</b>	<b>183,540</b>	<b>148,838</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021 (Cont'd)**  
*(The figures have not been audited)*

	As At 30 September 2021 RM'000	(Audited) As At 31 March 2021 RM'000
<b>NON-CURRENT LIABILITIES</b>		
Contract liabilities	27	35
Bank borrowings	726	746
Lease liabilities	874	1,112
Deferred tax liabilities	3,426	3,425
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>5,053</b>	<b>5,318</b>
<b>CURRENT LIABILITIES</b>		
Contract liabilities	282	290
Trade payables	20,991	14,949
Other payables	52,155	39,511
Bank borrowings	81,440	84,188
Lease liabilities	498	531
Tax Payable	3,501	3,714
<b>TOTAL CURRENT LIABILITIES</b>	<b>158,867</b>	<b>143,183</b>
<b>TOTAL LIABILITIES</b>	<b>163,920</b>	<b>148,501</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>347,460</b>	<b>297,339</b>
<b>NET ASSET PER SHARE (RM)</b>	<b>0.43</b>	<b>0.43</b>

*Notes:*

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter and comparative financial period is calculated based on the total equity divided by the weighted average number of ordinary shares in issue for the quarter and comparative financial period.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (Cont'd)**

*(The figures have not been audited)*

	Attributable to Owners of the Parent							Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable			Distributable						
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserve RM'000	Foreign Currency Translation Reserve RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000			
<b>At 1 April 2021</b>	80,191	(255)	7,034	176	(28)	14,410	47,134	148,662	176	148,838
Profit for the period	-	-	-	-	-	-	2,455	2,455	(2)	2,453
Other comprehensive income for the financial period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	-	-	-	-	2,455	2,455	(2)	2,453
Realisation of revaluation surplus	-	-	-	-	-	(84)	84	-	-	-
<b>Transactions with owners:</b>										
Issuance of shares	22,367	-	-	-	-	-	-	22,367	-	22,367
Exercise of warrants	12,479	-	(2,897)	-	-	-	-	9,582	-	9,582
Disposal of equity interest to non-controlling interests	-	-	-	-	-	-	330	330	(30)	300
Total transactions with owners of the Company	34,846	-	(2,897)	-	-	-	330	32,279	(30)	32,249
<b>At 30 September 2021</b>	<b>115,037</b>	<b>(255)</b>	<b>4,137</b>	<b>176</b>	<b>(28)</b>	<b>14,326</b>	<b>50,003</b>	<b>183,396</b>	<b>144</b>	<b>183,540</b>

**Notes:**

*There is no comparative for the financial quarter/period ended 30 September 2021 due to change of financial year end from 31 March to 31 December as stated in Note 3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2021 is not comparable with the cumulative quarter previously reported.*

*The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**
*(The figures have not been audited)*

	<b>Cumulative Financial Period Ended 30 September 2021 RM'000</b>
<b>Cash Flows From Operating Activities</b>	
Profit before taxation	2,874
Adjustments for :	
Depreciation of property, plant and equipment	473
Depreciation of right-of-use assets	309
Gain on disposal of property, plant and equipment	(96)
Impairment loss on trade receivables	2,770
Interest expense	1,591
Interest income	(3)
Inventories written down	576
Reversal of impairment loss on trade receivables	(90)
Share of results of associate company	(5,606)
Unrealised loss on foreign exchange	54
Operating profit before changes in working capital	2,852
Changes in working capital	
Changes in contract liabilities	(16)
Changes in inventories	(8,949)
Changes in receivables	(14,018)
Changes in payables	18,782
Cash used in operations	(1,349)
Interest received	1
Interest paid	(1,591)
Tax paid	(436)
<b>Net cash flows used in operating activities</b>	<b>(3,375)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (Cont'd)**
*(The figures have not been audited)*

	<b>Cumulative Financial Period Ended 30 September 2021 RM'000</b>
<b>Cash Flows From Investing Activities</b>	
Interest received	2
Purchase of property, plant and equipment	(107)
Proceeds from disposals of property, plant and equipment	161
Proceeds from disposals of equity interest to NCI	300
<b>Net cash flows from investing activities</b>	<u>356</u>
<b>Cash Flows From Financing Activities</b>	
Payment of lease liabilities	(272)
Net changes in banker's acceptances	(3,750)
Net changes in term loans	(19)
Net changes in revolving credit	1,000
Proceeds from exercise of warrants	9,582
<b>Net cash flows from financing activities</b>	<u>6,541</u>
<b>Net increase in cash and cash equivalents</b>	3,522
Effects of changes in exchange rates	-
<b>Cash and cash equivalents at beginning of the financial period</b>	11,898
<b>Cash and cash equivalents at end of the financial period</b>	<u><u>15,420</u></u>

**Notes:**

There is no comparative for the financial quarter/period ended 30 September 2021 due to change of financial year end from 31 March to 31 December as stated in Note 3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 30 September 2021 is not comparable with the cumulative quarter previously reported.

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134- Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“Listing Requirements”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 March 2021, except for the adoption of standards and interpretations that are mandatory for the Group for financial year beginning 1 April 2021:-

Amendment to MFRS 16 Covid-19-Related Concessions beyond 30 June 2021

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysia Accounting Standards Boards as they have yet to be effective for the Group:

<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective dates for financial period beginning on and after</b>
Annual Improvements to MFRS Standards 2018-2020	
– Amendment to MFRS 1	1 January 2022
– Amendment to MFRS 9	1 January 2022
– Amendment to MFRS 141	1 January 2022
Amendments to MFRS 3 – Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 – Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 – Onerous Contracts (Cost of Fulfilling a Contract)	1 January 2022
MFRS 17 and Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 101– Classification of Liabilities as Current or Non- Current	1 January 2023
Amendments to MFRS 101– Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108– Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112– Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)**

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

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

**A3. Change of financial year end**

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

**A4. Seasonal or cyclical factors**

The businesses of the Group were not affected by seasonal or cyclical factors during the current financial quarter and financial period-to-date.

**A5. Unusual items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

**A6. Material changes in estimates**

There were no material changes in estimates used in reporting the current financial quarter and financial period-to-date as compared to the audited financial statements of the Group for the financial year ended 31 March 2021.

**A7. Debt and equity securities**

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

During the current financial period to-date, there were issuance of 47,910,000 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for a total cash consideration of RM9,582,000.

During the current financial year to-date, there were issuance of 30,226,000 new ordinary shares at the issue price of RM0.74 each for a total cash consideration of RM22,367,240. The proceed was subsequently received on 1 October 2021.

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

As at 30 September 2021, the number of treasury shares held was 700,000 ordinary shares.

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)**

**A8. Dividend**

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

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

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

**A10. Valuation of investment properties**

The Group has not carried out any valuation on its investment properties in the current financial quarter and financial period to-date.

**A11. Capital commitments**

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

- (i) BK Alliance Sdn. Bhd., a 51% owned subsidiary company of BKG Development Sdn. Bhd. ("BKGD") has on 13 January 2021 entered into a Sale and Purchase Agreement ("SPA") with Suez Domain Sdn. Bhd. to acquire a piece of leasehold land located at Mukim Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan for a total cash consideration of RM20,914,280. This acquisition was completed on 22 October 2021.
- (ii) Stellar Trinity Sdn. Bhd. ("STSB"), a wholly-owned subsidiary company of BKGD has on 27 January 2021 entered into the followings:-
  - (a) 3 SPAs with Frazel World Sdn. Bhd. to acquire 3 pieces of freehold lands at Mukim Serendah, Selangor for a cash consideration of RM45,114,934; and
  - (b) 2 SPAs with Frazel Icon Sdn. Bhd. to acquire 2 pieces of freehold lands at Mukim Serendah, Selangor for a cash consideration of RM9,407,411.
- (iii) Boon Koon Capital Sdn. Bhd, a wholly-owned subsidiary of the Company had on 8 February 2021 entered into a SPA with SMD Real Estate Sdn. Bhd. to acquire a piece of freehold land at Bandar Cyberjaya, Daerah Sepang, Selangor for a cash consideration of RM50,223,330.
- (iv) Boon Koon Commercial Sdn. Bhd, a wholly-owned subsidiary of BKGD had on 18 February 2021 entered into a SPA with Perumahan Kinrara Berhad to acquire a piece of freehold land located at Daerah Petaling, Pekan Kinrara, Selangor for a cash consideration of RM59,765,600. This acquisition was completed on 1 November 2021.
- (v) STSB had on 15 April 2021 entered into a SPA with private owners to acquire a piece of agricultural land with development potential located at Mukim Serendah, Daerah Hulu Selangor, Selangor for a cash consideration of RM2,391,522. This acquisition was completed on 12 August 2021.

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)**

**A11. Capital commitments (Cont'd)**

- (vi) BKSP Autoworld Sdn. Bhd., a wholly-owned subsidiary of BKGD had on 28 October 2021 entered into a SPA with Frazel Luxe Sdn. Bhd. to acquire a piece of freehold land located at Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM85,000,000.

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September 2021</b>	<b>31 March 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Acquisition of property, plant and equipment		
- Approved and contracted for	104,745	20,915
- Contracted and subject to shareholders' approval	85,000	164,511

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

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

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

**A13. Contingent liabilities and contingent assets**

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 September 2021</b>	<b>31 March 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Unsecured</b>		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	82,166	84,980
Bank guarantee issued to third parties	45	45

**A14. Material events subsequent to the end of the quarter**

There were no other material events subsequent to the end of current quarter and financial period-to-date that have not been reflected in this interim financial report.

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (CONT'D)**
**A15. Related party transactions**

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

	<b>Individual Financial Quarter Ended 30 September 2021 RM'000</b>	<b>Cumulative Financial Period Ended 30 September 2021 RM'000</b>
Rental expense paid/payables	(54)	(107)
Rental income received/receivables	3	6
Progress billing receivables	1,104	7,134
Contract cost payables	-	(3,577)

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

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

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

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

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

**B1. Review of performance (Cont'd)**

	Individual Financial Quarter Ended 30 September 2021 RM'000	Individual Financial Quarter Ended 30 June 2021 RM'000	Cumulative Financial Period Ended 30 September 2021 RM'000
<b>Revenue</b>			
(a) Commercial vehicles and bodyworks	25,514	24,293	49,807
(b) Property development	1,104	6,030	7,134
(c) Rental and fleet management services	741	845	1,586
(d) Others segment	172	171	343
	27,531	31,339	58,870
Less : Elimination	(166)	(170)	(336)
<b>Total</b>	27,365	31,169	58,534
<b>Profit before taxation</b>			
(a) Commercial vehicles and bodyworks	1,119	(2,080)	(961)
(b) Property development	(1,709)	328	(1,381)
(c) Rental and fleet management services	296	159	455
(d) Others segment	(627)	(224)	(851)
	(921)	(1,817)	(2,738)
Less : Elimination	3	3	6
	(918)	(1,814)	(2,732)
Share of results of associates	1,824	3,782	5,606
<b>Total</b>	906	1,968	2,874

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

- (a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM25.51 million, an increase of RM1.22 million as compared to RM24.29 million in the preceding quarter. The revenue hike was due to higher demand for rebuilt commercial vehicles in the current quarter. Profit before taxation ("PBT") in the current quarter was RM1.12 million, an increase of RM3.20 million as compared to losses before taxation ("LBT") of RM2.08 million in the preceding quarter. The higher PBT was due to higher profit margin earned on the rebuilt commercial vehicles and nil provision for impairment on trade receivables in the current quarter.
- (b) For property development segment, revenue for the current quarter was RM1.10 million, a decrease of RM4.93 million as compared to RM6.03 million in the preceding quarter. As at 30 September 2021, the stage of recognition for Aera Project was 99.16% (as at 30 June 2021: 98.45%). This segment has suffered a LBT of RM1.71 million, a decrease of RM2.04 million as compared to a PBT of RM0.33 million in the preceding quarter. The LBT was attributable to a much lower construction activities at site as the project already reach tail end.

The "8th & Stellar" Project has recorded a share of joint venture profit ("share of results of associates") of RM1.82 million for the current quarter, with weighted stage of recognition of approximately at 20.63% for commercial lots and 19.24% for residential lots as at 30 September 2021 (as at 30 June 2021: commercial lots: 20.67%, residential lots: 16.23%).

- (c) For the rental and fleet management services segment, revenue for the current quarter was recorded at RM0.74 million, a decrease of RM0.10 million as compared to RM0.84 million recorded in the preceding quarter. PBT in the current quarter was RM0.30 million, an increase of RM0.14 million as compared to RM0.16 in the preceding quarter. The higher PBT was mainly attributable to the subsidy received from SOCSO in the current quarter.
- (d) Other segment's revenue for the current quarter was recorded at RM0.17 million, which was the same as preceding quarter. However, LBT for the current quarter was RM0.62 million, an increase of RM0.40 million as compared to LBT of RM0.22 million in the preceding quarter. The higher LBT suffered was due to higher administrative expenses incurred for corporate exercise in the current quarter.

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

**B2. Prospects**

The COVID-19 pandemic continues to remain a major concern worldwide with the economies of many countries taking a huge hit. With the ramping up of national Covid-19 vaccination program, it is expected that the herd immunity can be achieved and the economy to regain more positive momentum. The Group has managed to repositioning itself to cope with the challenges and remain vigilant for new opportunities.

(i) Commercial vehicles and bodyworks

The Group anticipates that the commercial vehicles market to remain challenging in view of the weakening Malaysian Ringgit against others major currencies which put pressure on the profit margin. It is expected that the USD/MYR to retrace higher in line with a broad recovery in the USD as the Federal Reserve's ("FED") normalizing plans come into focus. However, due to the Group's competitive costs advantage strategy especially in the light-trucks models, where demand remains strong for logistic and food delivery business, and moving forward, the Group will also be strengthening its marketing efforts for the heavy trucks model to increase its market share.

(ii) Property development

The Group has accentuated on applying social media and Zoom Application Portability Profile ("App") to drive sales for "8th & Stellar" joint developments project which comprises mixed residential and commercial lots in Sri Petaling during the pandemic period. The Company managed boost sales up to 72.86% as at 30 September 2021.

The unit sold to-date for Aera Project already reached the tail end of 99%, the Group will continue with speed up efforts for vacant possession and deliver to the end purchasers in the coming quarter.

The property development division has embarked on a landbank accumulation strategy in the Klang Valley in anticipation of a market recovery in 2022. This aggressive move is expected to bear fruit and contribute positively to CHGP Group in the long term. The Group believes that it is the right timing for the Group to embark on the land acquisitions in view of the comparable lower cost of acquisitions.

The Group has also diversified its existing businesses to include the construction business via the acquisition of a construction company, Kayangan Kemas Sdn Bhd with Construction Industry Development Board ("CIDB")'s G7 license will enable the Group to tap into the construction industry, which is complementary to the Group property development business. The Group will consolidate the financial results of Kayangan Group after the acquisition was completed on 23 November 2021. Kayangan Group is expected to contribute more than 25% of Chin Hin Group Property Bhd's future earnings.

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

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

### B3. Estimates/Forecast

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

### B4. Taxation

	Individual Financial Quarter Ended 30 September 2021 RM'000	Cumulative Financial Period Ended 30 September 2021 RM'000
Income tax expense:-		
- Current tax	33	220
- Deferred tax	100	201
	133	421

The effective tax rate for the financial period ended 30 September 2021 is lower than the statutory tax rate due to unutilised tax losses and unabsorbed capital allowances.

## B5. Status of corporate proposals and utilisation of proceeds

### I. Status of corporate proposal

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

#### (a) Proposed Special Issue of Shares ("Proposed Special Issue")

On 24 May 2019, the Company has announced to undertake the proposed special issue of shares of up to 84,885,000 new ordinary shares in Chin Hin Group Property Berhad ("CHGP" or "the Company") to independent third-party investor(s) to be identified at an issue price to be determined at a later date ("Proposed Special Issue"). Bursa Malaysia Securities Berhad ("Bursa Securities") had on 18 June 2020 approved the extension of time up to 3 January 2021 for the Company to complete the Proposed Special Issue. On 10 September 2020, the Company issued the first tranche of Special Issue of Shares of 30,000,000 new ordinary shares at the issued price of RM0.35 per share for a total cash consideration of RM10,500,000. On 21 October 2020, the Company issued the second tranche of Special Issue of Shares of 10,000,000 new ordinary shares at an issued price of RM0.42 per share for a total cash consideration of RM4,200,000. Bursa Securities had on 12 January 2021 approved the extension of time up to 3 July 2021 for the Company to complete the Proposed Special Issue. Bursa Securities had on 1 July 2021 approved a further extension of time up to 3 October 2021 for the Company to complete the Proposed Special Issue. On 29 September 2021, the Company issued the third tranche of Special Issue of Shares of 30,226,000 new ordinary shares at an issued price of RM0.74 per share for a total cash consideration of RM22,367,240. On 6 October 2021, the Company announced that the Special Issue was completed.

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

On 10 March 2021, the Company announced the following proposals:-

- (i) Proposed acquisition of 45% equity interest in Aima Construction Sdn. Bhd. ("Aima") for a purchase consideration of RM31.50 million, subject to adjustment, to be satisfied via allotment and issuance of 35,795,400 new ordinary shares in the Company at an issue price of RM0.88 per share pursuant to conditional share sale agreement with Uniplaza Sdn. Bhd dated 10 March 2021; and
- (ii) Proposed diversification of CHGP and its subsidiaries' existing businesses to include construction business.

Bursa Securities had on 4 May 2021 approved the extension of time of up to 30 July 2021 for the Company to submit the draft circular and additional listing application in relation to the Multiple Proposals. However, on 2 July 2021 the Company announced that the share sale agreement was rescinded as the Company and Aima were unable to mutually agree on the adjustments to the purchase consideration.

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

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

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

(Collectively, referred as the "Proposals")

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

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

**B5. Status of corporate proposals and utilisation of proceeds (Cont'd)**

**I. Status of corporate proposal (Cont'd)**

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

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

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

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

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

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

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

- (d) Proposed Acquisition of a piece of freehold land from Frazel Luxe Sdn Bhd and proposed private placement of up to 10% of the issued ordinary shares in CHGP

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

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

**II. Utilisation of proceeds**

As at 30 September 2021, the status of the utilisation of the proceeds of RM37.07 million raised from the Special Issue of Shares is as follows:-

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance RM'000</b>
Proceeds raised from Special Issue of Shares for lands acquisitions	37,067	14,700	22,367

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

## B6. Borrowings

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

	As at 30 September 2021 RM'000	(Audited) As at 31 March 2021 RM'000
Banker's acceptances	11,400	15,150
Revolving credits	70,000	69,000
Term loans	766	784
<b>Total bank borrowings</b>	<b>82,166</b>	<b>84,934</b>

**Total bank borrowings comprises:-****Current:**

Banker's acceptances	11,400	15,150
Revolving credits	70,000	69,000
Term loans	40	38
	<b>81,440</b>	<b>84,188</b>

**Non-current:**

Term loans	726	746
	<b>82,166</b>	<b>84,934</b>

## B7. Lease liabilities

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

	As at 30 September 2021 RM'000	(Audited) As at 31 March 2021 RM'000
Present value of minimum lease payments:-		
Repayable within twelve months	498	531
Repayables after twelve months	874	1,112
	<b>1,372</b>	<b>1,643</b>

## B8. Material litigation

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

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B9. Earnings per share****Basic earnings per ordinary share**

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	Individual Financial Quarter Ended 30 September 2021	Cumulative Financial Period Ended 30 September 2021
Profit for the period attributable to the owners of the Parent (RM'000)	774	2,455
Weighted average number of ordinary shares issue ('000)	348,791	348,791
Effect of ordinary share issued during the financial period	6,514	6,514
Effect of treasury shares held ('000)	(700)	(700)
	<u>354,605</u>	<u>354,605</u>
Basic earnings per share (sen)	<u>0.22</u>	<u>0.69</u>

**Diluted earnings per ordinary share**

The diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of warrants as follows:

	Individual Financial Quarter Ended 30 September 2021	Cumulative Financial Period Ended 30 September 2021
Profit for the period attributable to the owners of the Parent (RM'000)	774	2,455
Weighted average number of ordinary shares as above ('000)	354,605	354,605
Adjustment for assumed conversion of warrants ('000)	26,100	26,100
Weighted average number of ordinary shares ('000)	<u>380,705</u>	<u>380,705</u>
Diluted earnings per share (sen)	<u>0.20</u>	<u>0.64</u>

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B10. Disclosure on selected expense/income items as required by the Listing Requirements**

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

	Individual Financial Quarter Ended 30 September 2021 RM'000	Cumulative Financial Period Ended 30 September 2021 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Depreciation of property, plant and equipment	230	473
Depreciation of right-of-use assets	149	309
Impairment loss on trade receivables	-	2,770
Inventories written down	316	576
Interest expenses	795	1,591
Lease expenses relating to short term lease	21	33
Unrealised loss on foreign exchange	158	54
Interest income	(2)	(3)
Gain on disposal of property, plant and equipment	(51)	(96)
Realised gain on foreign exchange	(216)	(345)
Rental income	(3)	(6)
Reversal of impairment loss on trade receivables	(70)	(90)
Share of results of associate company	(1,824)	(5,606)

**BY ORDER OF THE BOARD****26 November 2021**