

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021  
(The figures have not been audited)

|  | Note | Individual Quarter |                    | Cumulative Quarter |                    |
|--|------|--------------------|--------------------|--------------------|--------------------|
|  |      | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 |
| Revenue  | 17   | 31,169             | 30,082             | 31,169             | 30,082             |
| Cost of sales  |      | (27,732)           | (26,505)           | (27,732)           | (26,505)           |
| <b>Gross Profit</b>  |      | <u>3,437</u>       | <u>3,577</u>       | <u>3,437</u>       | <u>3,577</u>       |
| Other income   |      | 411                | 275                | 411                | 275                |
| Administrative and selling expenses                                    |      | (4,867)            | (1,846)            | (4,867)            | (1,846)            |
| <b>(Loss)/Profit from operations</b>                                   |      | <u>(1,019)</u>     | <u>2,006</u>       | <u>(1,019)</u>     | <u>2,006</u>       |
| Finance costs  |      | (795)              | (765)              | (795)              | (765)              |
| Share of results of associate company                                  |      | 3,782              | 81                 | 3,782              | 81                 |
| <b>Profit before taxation</b>  | 18   | <u>1,968</u>       | <u>1,322</u>       | <u>1,968</u>       | <u>1,322</u>       |
| Taxation   | 19   | (288)              | (309)              | (288)              | (309)              |
| <b>Profit for the period</b>   |      | <u>1,680</u>       | <u>1,013</u>       | <u>1,680</u>       | <u>1,013</u>       |
| <b>Other comprehensive income</b>                                      |      |                    |                    |                    |                    |
| Realisation of revaluation surplus upon depreciation                   |      | 42                 | 42                 | 42                 | 42                 |
| Transfer from realisation of revaluation surplus to retained profits   |      | (42)               | (42)               | (42)               | (42)               |
| <b>Total comprehensive income for the period</b>                       |      | <u>1,680</u>       | <u>1,013</u>       | <u>1,680</u>       | <u>1,013</u>       |
| Attributable to :  |      |                    |                    |                    |                    |
| Owners of the Parent Company   |      | 1,681              | 1,013              | 1,681              | 1,013              |
| Non-controlling interests  |      | (1)                | -                  | (1)                | -                  |
| <b>Profit for the period</b>   |      | <u>1,680</u>       | <u>1,013</u>       | <u>1,680</u>       | <u>1,013</u>       |
| Attributable to :  |      |                    |                    |                    |                    |
| Owners of the Parent Company   |      | 1,681              | 1,013              | 1,681              | 1,013              |
| Non-controlling interests  |      | (1)                | -                  | (1)                | -                  |
| <b>Total comprehensive income for the period</b>                       |      | <u>1,680</u>       | <u>1,013</u>       | <u>1,680</u>       | <u>1,013</u>       |
| <b>Earnings per share attributable to owners of the parent company</b> |      |                    |                    |                    |                    |
| - Basic (sen)  | 23   | <u>0.48</u>        | <u>0.34</u>        | <u>0.48</u>        | <u>0.34</u>        |
| - Diluted (sen)  | 23   | <u>0.45</u>        | <u>0.33</u>        | <u>0.45</u>        | <u>0.33</u>        |

Notes:

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

**CHIN HIN GROUP PROPERTY BERHAD ("CHGP")**  
**Company No. 200101017677 (553434-U)**

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021**  
**(The figures have not been audited)**

|   | Note | As At<br>30.06.21<br>RM'000 | (Audited)<br>As At<br>31.03.21<br>RM'000 |
|---|------|-----------------------------|--|
| <b>ASSETS</b>   |      |                             |  |
| <b>Non-current assets</b>   |      |                             |  |
| Property, plant and equipment   |      | 39,022                      | 39,285                                   |
| Right-of-use assets   |      | 2,806                       | 2,966                                    |
| Investment properties   |      | 28,800                      | 28,800                                   |
| Investment in associate companies                                     |      | 44,258                      | 40,476                                   |
| Inventories   |      | 884                         | 884                                      |
| Deferred tax assets   |      | 193                         | 293                                      |
|   |      | <u>115,963</u>              | <u>112,704</u>                           |
| <b>Current assets</b>   |      |                             |  |
| Inventories   |      | 32,408                      | 30,548                                   |
| Trade receivables   |      | 111,921                     | 109,087                                  |
| Other receivables   |      | 40,645                      | 33,091                                   |
| Tax recoverable   |      | 12                          | 11                                       |
| Cash and bank balances  |      | 12,197                      | 11,898                                   |
|   |      | <u>197,183</u>              | <u>184,635</u>                           |
| <b>TOTAL ASSETS</b>   |      | <b><u>313,146</u></b>       | <b><u>297,339</u></b>                    |
| <b>EQUITY AND LIABILITIES</b>   |      |                             |  |
| <b>Equity attributable to owners of the Parent Company</b>            |      |                             |  |
| Share capital   |      | 80,929                      | 80,191                                   |
| Treasury shares   |      | (255)                       | (255)                                    |
| Foreign currency translation reserve                                  |      | 176                         | 176                                      |
| Revaluation reserve   |      | 14,410                      | 14,410                                   |
| Capital reserve   |      | (28)                        | (28)                                     |
| Warrant reserve   |      | 6,863                       | 7,034                                    |
| Retained profits  |      | 48,815                      | 47,134                                   |
|   |      | <u>150,910</u>              | <u>148,662</u>                           |
| Non-controlling interest  |      | 175                         | 176                                      |
| <b>Total equity</b>   |      | <u>151,085</u>              | <u>148,838</u>                           |
| <b>Non-current liabilities</b>  |      |                             |  |
| Contract liabilities  |      | 32                          | 35                                       |
| Bank borrowings   | 22   | 736                         | 746                                      |
| Lease liabilities   |      | 991                         | 1,112                                    |
| Deferred tax liabilities  |      | 3,426                       | 3,425                                    |
|   |      | <u>5,185</u>                | <u>5,318</u>                             |
| <b>Current liabilities</b>  |      |                             |  |
| Contract liabilities  |      | 285                         | 290                                      |
| Trade payables  |      | 19,126                      | 14,949                                   |
| Other payables  |      | 51,282                      | 39,511                                   |
| Bank borrowings   | 22   | 81,992                      | 84,188                                   |
| Lease liabilities   |      | 508                         | 531                                      |
| Tax Payable   |      | 3,683                       | 3,714                                    |
|   |      | <u>156,876</u>              | <u>143,183</u>                           |
| <b>Total liabilities</b>  |      | <u>162,061</u>              | <u>148,501</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <b><u>313,146</u></b>       | <b><u>297,339</u></b>                    |
| <b>Net assets per share attributable to owners of the Parent (RM)</b> |      | 0.43                        | 0.43                                     |

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021  
(The figures have not been audited)

|   | -----Attributable to Owners of the Parent----- |                           |                           |  |                         |                               | Retained Earnings<br>RM'000 | Total<br>RM'000 | Non-controlling interests<br>RM'000 | Total Equity<br>RM'000 |
|---|--|---------------------------|---------------------------|--|-------------------------|-------------------------------|-----------------------------|-----------------|-------------------------------------|------------------------|
|   | -----Non-Distributable-----                    |                           |                           | Distributable                                  |                         |                               |                             |                 |                                     |                        |
|   | Share Capital<br>RM'000                        | Treasury Shares<br>RM'000 | Warrant Reserve<br>RM'000 | Foreign Currency Translation Reserve<br>RM'000 | Other Reserve<br>RM'000 | Revaluation Reserve<br>RM'000 |                             |                 |                                     |                        |
| (Audited)   |  |                           |                           |  |                         |                               |                             |                 |                                     |                        |
| <u>12 months period ended 31 March 2021</u>       |  |                           |                           |  |                         |                               |                             |                 |                                     |                        |
| At 1 April 2020                                   | 62,536   | (255)                     | 7,720                     | 176  | (28)                    | 14,578                        | 34,560                      | 119,287         | 256                                 | 119,543                |
| Profit for the financial year                     | -  | -                         | -                         | -  | -                       | -                             | 11,102                      | 11,102          | (1)                                 | 11,101                 |
| Other comprehensive income for the financial year | -  | -                         | -                         | -  | -                       | -                             | -                           | -               | -                                   | -                      |
| Total comprehensive income for the financial year | -  | -                         | -                         | -  | -                       | -                             | 11,102                      | 11,102          | (1)                                 | 11,101                 |
| Realisation of revaluation surplus                | -  | -                         | -                         | -  | -                       | (168)                         | 168                         | -               | -                                   | -                      |
| <b>Transactions with owners:</b>                  |  |                           |                           |  |                         |                               |                             |                 |                                     |                        |
| Issuance of ordinary shares                       | 14,700   | -                         | -                         | -  | -                       | -                             | -                           | 14,700          | -                                   | 14,700                 |
| Exercise of warrants                              | 2,955  | -                         | (686)                     | -  | -                       | -                             | -                           | 2,269           | -                                   | 2,269                  |
| Disposal of equity interest to NCI                | -  | -                         | -                         | -  | -                       | -                             | 1,304                       | 1,304           | (79)                                | 1,225                  |
| Total transactions with owners of the Company     | 17,655   | -                         | (686)                     | -  | -                       | -                             | 1,304                       | 18,273          | (79)                                | 18,194                 |
| At 31 March 2021                                  | 80,191   | (255)                     | 7,034                     | 176  | (28)                    | 14,410                        | 47,134                      | 148,662         | 176                                 | 148,838                |

Notes:

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2021  
(The figures have not been audited)

| Note  | -----Attributable to Owners of the Parent----- |                              |                              |   |                            |                                  |                                | Total<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total<br>Equity<br>RM'000 |
|---|--|------------------------------|------------------------------|---|----------------------------|----------------------------------|--------------------------------|-----------------|--|---------------------------|
|   | -----Non-Distributable-----                    |                              |                              | Distributable   |                            |                                  |                                |                 |  |                           |
|   | Share<br>Capital<br>RM'000                     | Treasury<br>Shares<br>RM'000 | Warrant<br>Reserve<br>RM'000 | Foreign<br>Currency<br>Translation<br>Reserve<br>RM'000 | Other<br>Reserve<br>RM'000 | Revaluation<br>Reserve<br>RM'000 | Retained<br>Earnings<br>RM'000 |                 |  |                           |
| <u>3 months period ended 31 March 2022</u>          |  |                              |                              |   |                            |                                  |                                |                 |  |                           |
| At 1 April 2021                                     | 80,191   | (255)                        | 7,034                        | 176   | (28)                       | 14,410                           | 47,134                         | 148,662         | 176                                    | 148,838                   |
| Profit for the period                               | -  | -                            | -                            | -   | -                          | -                                | 1,681                          | 1,681           | (1)                                    | 1,680                     |
| Other comprehensive income for the financial period | -  | -                            | -                            | -   | -                          | -                                | -                              | -               | -                                      | -                         |
| Total comprehensive income for the financial period | -  | -                            | -                            | -   | -                          | -                                | 1,681                          | 1,681           | (1)                                    | 1,680                     |
| <b>Transactions with owners:</b>                    |  |                              |                              |   |                            |                                  |                                |                 |  |                           |
| Exercise of warrants                                | 738  | -                            | (171)                        | -   | -                          | -                                | -                              | 567             | -                                      | 567                       |
| Total transactions with owners of the Company       | 738  | -                            | (171)                        | -   | -                          | -                                | -                              | 567             | -                                      | 567                       |
| At 30 June 2021                                     | 80,929   | (255)                        | 6,863                        | 176   | (28)                       | 14,410                           | 48,815                         | 150,910         | 175                                    | 151,085                   |

Notes:

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2021**  
**(The figures have not been audited)**

|   | <b>Cumulative<br/>Quarter<br/>30.06.21<br/>RM'000</b> | <b>(Audited)<br/>Year to date<br/>31.03.21<br/>RM'000</b> |
|---|---|---|
| <b>Cash Flows From Operating Activities</b>                 |   |   |
| Profit before taxation                                      | 1,968   | 17,052  |
| Adjustments for :   |   |   |
| Depreciation of property, plant and equipment               | 243   | 1,065   |
| Depreciation of right-of-use assets                         | 160   | 741   |
| Gain on disposal of property, plant and equipment           | (45)  | (75)  |
| Gain on disposal of right-of-use assets                     | -   | (60)  |
| Gain on lease modification                                  | -   | (24)  |
| Impairment loss on trade receivables                        | 2,770   | 1,875   |
| Impairment loss on other receivables                        | -   | 405   |
| Interest expense  | 796   | 3,065   |
| Interest income   | (1)   | (13)  |
| Inventories written down                                    | 260   | 1,088   |
| Reversal of impairment loss on trade receivables            | (20)  | (1,501)   |
| Share of results of associate company                       | (3,782)   | (3,934)   |
| Unrealised gain on foreign exchange                         | (104)   | (43)  |
| Waiver of debts by an associate company                     | -   | (8)   |
| Operating profit before changes in working capital          | <u>2,245</u>  | <u>19,633</u>   |
| Changes in working capital                                  |   |   |
| Changes in contract liabilities                             | (8)   | (30)  |
| Changes in inventories                                      | (2,120)   | 26,145  |
| Changes in receivables                                      | (13,055)  | (67,079)  |
| Changes in payables   | <u>15,969</u>   | <u>1,975</u>  |
| Cash from/(used in) operations                              | <u>3,031</u>  | <u>(19,356)</u>   |
| Interest received   | -   | 10  |
| Interest paid   | (796)   | (3,098)   |
| Tax paid  | <u>(219)</u>  | <u>(3,720)</u>  |
| <b>Net cash flows from/(used in) operating activities</b>   | <u><u>2,016</u></u>                                   | <u><u>(26,164)</u></u>                                    |
| <b>Cash Flows From Investing Activities</b>                 |   |   |
| Acquisition of equity interest of non-controlling interests | -   | 1,225   |
| Interest received   | 1   | 3   |
| Purchase of property, plant and equipment                   | (18)  | (503)   |
| Proceeds from disposals of property, plant and equipment    | 83  | 75  |
| Proceeds from disposals of right-of-use assets              | -   | 60  |
| <b>Net cash flows from investing activities</b>             | <u><u>66</u></u>                                      | <u><u>860</u></u>   |

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2021**  
**(The figures have not been audited)**

|  | <b>Cumulative<br/>Quarter<br/>30.06.21<br/>RM'000</b> | <b>(Audited)<br/>Year to date<br/>31.03.21<br/>RM'000</b> |
|--|---|---|
| <b>Cash Flows From Financing Activities</b>                      |   |   |
| Payment of lease liabilities                                     | (144)   | (693)   |
| Net changes in banker's acceptances                              | (3,197)   | (10,265)  |
| Net changes in term loans  | (9)   | (19)  |
| Net changes in revolving credit                                  | 1,000   | 26,500  |
| Proceeds from exercise of warrants                               | 567   | 2,269   |
| Proceeds from issuance of shares                                 | -   | 14,700  |
| <b>Net cash flows (used in)/from financing activities</b>        | <u>(1,783)</u>  | <u>32,492</u>   |
| <b>Net increase in cash and cash equivalents</b>                 | 299   | 7,188   |
| Effects of changes in exchange rates                             | -   | -   |
| <b>Cash and cash equivalents at beginning of the period/year</b> | 11,898  | 4,710   |
| <b>Cash and cash equivalents at end of the period/year</b>       | <u><u>12,197</u></u>                                  | <u><u>11,898</u></u>                                      |

Notes :

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

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2021**

**1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (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.

**2. Changes in Accounting Policies**

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

Amendments to MFRS 9, MFRS 139, MFRS 7, Interest Rate Benchmark Reform - Phase 2  
MFRS 4 and MFRS 16

The Group has not applied the following standards, amendments and interpretations under MFRS framework that have been issued by the Malaysian Accounting Standards Board 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 periods beginning on or after</b> |
|--|--|
| Amendments to MFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021  | 1 April 2021   |
| Amendments to MFRS 3 - References 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   |
| Annual Improvements to MFRS Standards 2018-2020  | 1 January 2022   |
| - Amendment to MFRS 1  |  |
| - Amendment to MFRS 9  |  |
| - Amendment to MFRS 16   |  |
| - Amendment to MFRS 141  |  |
| 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                                      |

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 March 2021 was not subject to any qualification.

**4. Seasonality or Cyclicity**

The Group's performance was not significantly affected by any seasonal or cyclical factors during the current financial quarter.

**5. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter, except as disclosed in Note 13, for lands acquisitions capital commitments.

**6. Material Changes in Estimates**

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

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2021**

**7. Debt and Equity Securities**

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

During the current financial quarter, there were certain issuance of 2,832,700 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 RM566,540.

During the current financial quarter, none of the treasury shares were distributed as share dividend to the shareholders.

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

**8. Dividend**

No dividend was declared or paid during the current financial quarter.

**9. Valuation of Property, Plant and Equipment**

The Group has not carried out valuation update on certain property, plant and equipment. There were no additional resultant of revaluation surplus recognised in revaluation reserve during the current financial quarter.

**10. Valuation of Investment Properties**

There were no changes in the valuation of investment properties since the last audited financial statements for the financial year ended 31 March 2021.

**11. Changes in the Composition of the Group**

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

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

**12. Contingencies**

Corporate guarantee extended by the Company to banks and financial institutions for credit facilities granted to subsidiaries as at the date of this quarterly report were as follows :-

|                      | <b>As At</b>    | <b>As At</b>    |
|----------------------|-----------------|-----------------|
|                      | <b>30.06.21</b> | <b>31.03.21</b> |
|                      | <b>RM'000</b>   | <b>RM'000</b>   |
| - Limit of guarantee | <u>103,775</u>  | <u>103,812</u>  |
| - Amount utilised    | <u>82,773</u>   | <u>84,980</u>   |



**Notes to the Interim Financial Statements for the first quarter ended 30 June 2021**

**13. 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 of BKG Development Sdn. Bhd. ("BKGD") has on 13 January 2021 entered into Sale and Purchase Agreement ("SPA") with Suez Domain Sdn. Bhd. to acquire a piece of leasehold land,
- (ii) Stellar Trinity Sdn. Bhd. ("STSB"), a wholly-owned subsidiary of BKGD has on 27 January 2021 entered into SPAs with Frazel World Sdn. Bhd. and Frazel Icon Sdn. Bhd. to acquire five (5) pieces of freehold lands,
- (iii) The Company has on 3 February 2021 entered into an offer letter with Frazel Luxe Sdn. Bhd. (formerly known as Frasers Luxe Sdn. Bhd.) to acquire a piece of freehold land,
- (iv) Boon Koon Capital Sdn. Bhd, a wholly-owned subsidiary of the Company had on 8 February 2021 entered into SPA with SMD Real Estate Sdn. Bhd. to acquire a piece of freehold land,
- (v) Boon Koon Commercial Sdn. Bhd, a wholly-owned subsidiary of BKGD had on 18 February 2021 entered into SPA with Perumahan Kinrara Berhad to acquire a piece of freehold land, and
- (vi) STSB had on 15 April 2021 entered into SPA with private owners to acquire a piece of land at Serendah. This acquisition was completed on 12 August 2021.

The above acquisition is contracted for, except for the offer letter, and certain acquisition are subject for approval from the relevant authorities and statutory bodies.

|                             |                |
|-----------------------------|----------------|
|                             | <b>RM'000</b>  |
| <b>Capital commitments:</b> |                |
| Contracted for and approved | <u>185,426</u> |

**14. Profit Forecast Variance**

Not applicable.

**15. Status of Corporate Proposals and Utilisation of Proceeds**

**A) Status of Corporate Proposals**

There were no corporate proposals that were announced but yet to be completed as at the date of this interim report, except for the followings:-

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

On 24 May 2019 announced that the Company proposed to undertake the Proposed Special Issue.

- The proposed special issue of shares of up to 84,885,000 new ordinary shares in CHGP to independent third party investor(s) to be identified at an issue price to be determined at a later date.
- Bursa Securities had on 18 June 2020 re-approved the extension of time up to 3 January 2021 for the Company to complete the Proposed Special Issue.
- On 10 September 2020, the first tranche of Special Issue of Shares of 30,000,000 new ordinary shares of the Company had been issued and allotted to the independent third parties at the issued price of RM0.35 each. On 14 September 2020, the 30,000,000 new ordinary shares were listed on Bursa Securities.
- On 21 October 2020, the second tranche of Special Issue of Shares of 10,000,000 new ordinary shares of the Company had been issued and allotted to the independent third parties at the issued price of RM0.42 each. On 23 October 2020, the 10,000,000 new ordinary shares were listed on Bursa Securities.
- Bursa Securities had on 12 January 2021 re-approved the extension of time up to 3 July 2021 for the Company to complete the remaining Proposed Special Issue.
- Bursa Securities had on 1 July 2021 re-approved a further extension of time up to 3 October 2021 Company to complete the remaining Proposed Special Issue.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2021

15. Status of Corporate Proposals and Utilisation of Proceeds (Cont'd)

A) Status of Corporate Proposals (Cont'd)

Multiple Proposals

- On 10 March 2021 announced that the Company proposed to undertake the followings:-
  - (i) Proposed acquisition of 45% equity interest in Aima Construction Sdn. Bhd. ("Aima") with Uniplaza Sdn. Bhd. ("Uniplaza") for a purchase consideration of RM31.50 million, subject to adjustment, to be satisfied via the issuance of 35,795,400 new ordinary shares of the Company at an issue price of RM0.88 per share pursuant to conditional share sale agreement with
  - (ii) Proposed diversification into construction business
- Bursa Securities had on 4 May 2021 approved the extension of time of up to 30 July 2021, to submit the draft circular and additional listing application in relation to the Multiple Proposals.
- On 2 July 2021, the Company announced that the sale share agreement was rescinded as the Company and Aima were unable to mutually agree on the adjustments to the purchase consideration.

Proposals

- On 5 July 2021 announced that the Company proposed to undertake the followings:-
  - (i) Proposed acquisition of 65% equity interest in Kayangan Kemas Sdn. Bhd. for a purchase consideration of RM37.95 million, subject to adjustment, to be satisfied partially via share swap through issuance of 11,000,000 new ordinary shares of the Company at an issue price of RM0.80 per share pursuant to conditional share sale agreement with Chan Kin Keong and Khor Chee Yong ("Proposed Acquisition"); and
  - (ii) Proposed diversification into construction business ("Proposed Diversification")

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

B) Utilisation of Proceeds from Special Issue of Shares

As at 30 June 2021, the status of the utilisation of the proceeds of RM14.70 million raised from the Special Issue of Shares is as follows:-

|   | <b>Fully<br/>utilised<br/>RM'000</b> |
|---|--------------------------------------|
| Proceeds raised from Special Issue of Shares for lands acquisitions | 14,700                               |

Notes to the Interim Financial Statements for the first quarter ended 30 June 2021

16. Related Party Transactions

There were no related party transactions during the current financial quarter, except for the followings:-

|  | Individual Quarter |                    | Cumulative Quarter |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 |
| Rental expense paid to other related party*                            | (53)               | (53)               | (53)               | (53)               |
| Rental income received from other related party*                       | 3                  | 3                  | 3                  | 3                  |
| Sales to other related party*  | 6,030              | 13,707             | 6,030              | 13,707             |
| Purchases from other related party*                                    | (3,577)            | (9,916)            | (3,577)            | (9,916)            |
| Road tax and insurance paid to other related party*                    | -                  | (6)                | -                  | (6)                |
| Rental expense paid to a person connected to a director of the Company | -                  | (4)                | -                  | (4)                |

\* Being corporations in which certain directors of the Company have financial interest.

17. Detailed Analysis 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  |

|                | Individual Quarter                   |                    |                    | Cumulative Quarter |                    |               |
|----------------|--------------------------------------|--------------------|--------------------|--------------------|--------------------|---------------|
|                | 30.06.21<br>RM'000                   | 31.03.21<br>RM'000 | 30.06.20<br>RM'000 | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 |               |
| <b>Revenue</b> |                                      |                    |                    |                    |                    |               |
| (a)            | Commercial vehicles and bodyworks    | 24,293             | 21,866             | 15,622             | 24,293             | 15,622        |
| (b)            | Property development                 | 6,030              | 30,863             | 13,706             | 6,030              | 13,706        |
| (c)            | Rental and fleet management services | 845                | 943                | 752                | 845                | 752           |
| (d)            | Others Segment                       | 171                | 172                | 171                | 171                | 171           |
|                |                                      | 31,339             | 53,844             | 30,251             | 31,339             | 30,251        |
|                | Less : Elimination                   | (170)              | (168)              | (169)              | (170)              | (169)         |
|                | <b>Total</b>                         | <b>31,169</b>      | <b>53,676</b>      | <b>30,082</b>      | <b>31,169</b>      | <b>30,082</b> |

**Profit before taxation**

|     |                                      |              |              |              |              |              |
|-----|--------------------------------------|--------------|--------------|--------------|--------------|--------------|
| (a) | Commercial vehicles and bodyworks    | (2,080)      | 2,074        | 369          | (2,080)      | 369          |
| (b) | Property development                 | 328          | 4,968        | 816          | 328          | 816          |
| (c) | Rental and fleet management services | 159          | 330          | 154          | 159          | 154          |
| (d) | Others Segment                       | (224)        | 3,288        | (95)         | (224)        | (95)         |
|     |                                      | (1,817)      | 10,660       | 1,244        | (1,817)      | 1,244        |
|     | Less : Elimination                   | 3            | (4,030)      | (3)          | 3            | (3)          |
|     |                                      | (1,814)      | 6,630        | 1,241        | (1,814)      | 1,241        |
|     | Share of results of associates       | 3,782        | 2,554        | 81           | 3,782        | 81           |
|     | <b>Total</b>                         | <b>1,968</b> | <b>9,184</b> | <b>1,322</b> | <b>1,968</b> | <b>1,322</b> |

**Notes to the Interim Financial Statements for the first quarter ended 30 June 2021**

**17. Detailed Analysis of Performance (Cont'd)**

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.29 million, an increase of RM8.67 million compared to RM15.62 million in the previous year's corresponding quarter. The higher revenue was mainly due to higher demand for rebuilt commercial vehicles as a result of recovery of economy in the current quarter. Loss before taxation in the current quarter was RM2.08 million, a decrease of RM2.45 million compared to profit before taxation of RM0.37 million in the previous year's corresponding quarter. The loss profit before taxation was mainly due to provision for impairment on trade receivables in the current quarter.

(b) For property development segment, revenue for the current quarter was RM6.03 million, a decrease of RM7.68 million compared to RM13.71 million in the previous year's corresponding quarter. As at 30 June 2021, the stage of recognition of the project was at 98.45% (as at 30 June 2020: 61.07%). Profit before taxation was RM0.33 million, a decrease of RM0.49 million compared to RM0.82 million in the previous year's corresponding quarter. The lower profit before taxation was mainly attributable to lower delivery of construction resulted in lower recognition in the current quarter.

As for the share of joint venture result recorded a profit of RM3.78 million for the current quarter, with weighted stage of recognition approximately at 20.67% for commercial lots and 16.23% for residential lots as at 30 June 2021 (as at 30 June 2020: commercial lots: 15.28%, residential lots: 4.57%).

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.84 million, an increase of RM0.09 million compared to RM0.75 million in the previous year's corresponding quarter. The higher revenue was mainly due to higher rental rate in the current quarter. Profit before taxation in the current quarter of RM0.16 million was almost consistent with previous year's corresponding quarter.

(d) Other Segment's revenue for the current quarter was RM0.17 million was same as previous year's corresponding quarter. Loss before taxation in the current quarter was RM0.22 million, a decrease of RM0.13 million compared to loss before taxation of RM0.09 million in the previous year's corresponding quarter. The higher loss before taxation was mainly attributable to higher administrative expenses incurred in the current quarter.

Comparison with preceding quarter

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM24.29 million, an increase of RM2.42 million compared to RM21.87 million in the preceding quarter. Higher revenue was recorded due to higher demand for rebuilt commercial vehicles in the current quarter. Loss before taxation in the current quarter was RM2.08 million, a decrease of RM4.15 million compared to profit before taxation of RM2.07 million in the preceding quarter. The lower profit before taxation was due to lower profit margin and provision for impairment on trade receivables in the current quarter.

(b) For property development segment, revenue for the current quarter was RM6.03 million, a decrease of RM24.83 million compared to RM30.86 million in the preceding quarter. As at 30 June 2021, the stage of recognition of the project was 98.45% (as at 31 March 2021: 95.60%). Profit before taxation in the current quarter was RM0.33 million, a decrease of RM4.64 million compared to RM4.97 million in the preceding quarter. The lower profit before taxation was attributable to lower delivery of construction resulted in lower recognition in the current quarter.

As for the share of joint venture result recorded a profit of RM3.78 million for the current quarter, with weighted stage of recognition approximately at 20.67% for commercial lots and 16.23% for residential lots as at 30 June 2021 (as at 31 March 2021: commercial lots: 19.59%, residential lots: 10.83%).

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.84 million, a decrease of RM0.10 million compared to RM0.94 million in the preceding quarter. Profit before taxation in the current quarter was RM0.16 million, a decrease of RM0.17 million as compared to RM0.33 in the preceding quarter. The lower profit before taxation was mainly attributable to higher administrative expenses in the current quarter.

(d) Other Segment's revenue for the current quarter of RM0.17 million was same as preceding quarter. Loss before taxation in the current quarter was RM0.22 million, a decrease of RM3.51 million as compared to profit before taxation of RM3.29 million in the preceding quarter. The profit before taxation in the preceding quarter mainly attributable to internal restructured of corporate and segmental lining-up activities.

Notes to the Interim Financial Statements for the first quarter ended 30 June 2021

18. Profit before taxation

This was arrived at :

|   | Individual Quarter |                    | Cumulative Quarter |                    |
|---|--------------------|--------------------|--------------------|--------------------|
|   | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 |
| After charging :                                  |                    |                    |                    |                    |
| Depreciation of property, plant and equipment     | 243                | 275                | 243                | 275                |
| Depreciation of right-of-use assets               | 160                | 194                | 160                | 194                |
| Impairment loss on trade receivables              | 2,770              | -                  | 2,770              | -                  |
| Inventories impairment                            | 260                | 260                | 260                | 260                |
| Interest expenses                                 | 796                | 765                | 796                | 765                |
| Lease expenses relating to short term lease       | 12                 | 11                 | 12                 | 11                 |
| And crediting :                                   |                    |                    |                    |                    |
| Interest income                                   | 1                  | -                  | 1                  | -                  |
| Gain on disposal of property, plant and equipment | 45                 | -                  | 45                 | -                  |
| Realised gain on foreign exchange                 | 129                | 112                | 129                | 112                |
| Rental income                                     | 3                  | 3                  | 3                  | 3                  |
| Reversal of impairment loss on trade receivables  | 20                 | 23                 | 20                 | 23                 |
| Share of results of associate company             | 3,782              | 81                 | 3,782              | 81                 |
| Unrealised gain on foreign exchange               | 104                | 58                 | 104                | 58                 |

19. Taxation

|  | Individual Quarter |                    | Cumulative Quarter |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 | 30.06.21<br>RM'000 | 30.06.20<br>RM'000 |
| Malaysian taxation based on profit for the period: |                    |                    |                    |                    |
| -Current tax                                       | (187)              | (208)              | (187)              | (208)              |
| -Deferred tax                                      | (101)              | (101)              | (101)              | (101)              |
|  | <u>(288)</u>       | <u>(309)</u>       | <u>(288)</u>       | <u>(309)</u>       |

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

Notes to the Interim Financial Statements for the first quarter ended 30 June 2021

20. Commentary of Prospects

Despite with the current tough market condition due to Covid-19 outbreak impacts and Malaysia MCO 3.0, the Group managed to repositioning itself to cope with the sluggish economy:-

(i) Commercial vehicles and bodyworks

The Group anticipates that the commercial vehicles market to remain challenging due to the uncertainties with the recent implementation of Movement Control Order 3.0 (MCO) and Pelan Pemulihan phases, and expects the current weakening Malaysian Ringgit against others major currencies will put pressure on the profit margin. However, due to the Group's competitive costs advantage strategy especially in the light-trucks models, 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 revenue and profit.

(ii) Property development

The joint developments project of "8th & Stellar", couple with its current mixed residential and commercial development in Sri Petaling, the Group is emphases in implementing social media and digital marketing strategy, managed to low down the inventory for less than 50% at the end of this financial year.

As for Aera project, 98% of the inventory already sold previously, the Group will continue with speed up efforts for vacant possession and deliver to the end purchasers in the coming next financial periods.

The recent EGM approved the lands acquisitions will enable the Group to increase its land bank to expand its property development business, and will contribute positively to CHGP in the long term as it allows the Group to invest in new land banks within Klang Valley for potential development. The Group believes that it is a right timing for the Group to embark on the recent lands acquisitions in view of comparable lower cost of acquisitions.

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

Despite with the current uncertainties and tough market conditions, the Group has been resilient through its efforts over the years to build up own brands and deliver outstanding products and quality services, and will continuously monitor the Covid-19 pandemic outbreak impacts and re-position itself to cope with the sluggish domestic economy.

Barring any further unforeseen circumstances, the Board continue optimistic for current financial year performance.

21 Material Litigation

There were no material litigation during the current financial quarter.

22 Group Borrowings and Debt Securities

Group borrowings as at 30 June 2021 were as below:-

|                                | <b>Total<br/>Secured<br/>RM'000</b> |
|--------------------------------|-------------------------------------|
| <u>Current liabilities</u>     |                                     |
| Banker's acceptances           | 11,953                              |
| Revolving credits              | 70,000                              |
| Term loans                     | 39                                  |
| Sub-total                      | <u>81,992</u>                       |
| <u>Non-current liabilities</u> |                                     |
| Term loans                     | 736                                 |
| Sub-total                      | <u>736</u>                          |
| Total                          | <u><u>82,728</u></u>                |

Notes to the Interim Financial Statements for the first quarter ended 30 June 2021

23 Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent

**Basic Earnings Per 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 in issue as follows:

|   | Individual Quarter |          | Cumulative Quarter |          |
|---|--------------------|----------|--------------------|----------|
|   | 30.06.21           | 30.06.20 | 30.06.21           | 30.06.20 |
| Profit for the period attributable to the owners of the Parent (RM'000) | 1,681              | 1,013    | 1,681              | 1,013    |
| Weighted average number of ordinary shares in issue ('000 units)        | 348,791            | 297,445  | 348,791            | 297,445  |
| Effect of ordinary share issued during the financial period             | 438                | 40       | 438                | 40       |
| Effect of treasury shares held ('000 units)                             | (700)              | (700)    | (700)              | (700)    |
|   | 348,529            | 296,785  | 348,529            | 296,785  |
| Basic Earnings Per Share (sen)  | 0.48               | 0.34     | 0.48               | 0.34     |

23 Basis of Calculation of Basic and Diluted Earnings Per Share Attributable to Owners of the Parent (Cont'd)

**Diluted Earnings Per 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:

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Profit for the period attributable to the owners of the Parent (RM'000) | 1,681   | 1,013   | 1,681   | 1,013   |
| Weighted average number of ordinary shares in issue ('000 units)        | 348,529 | 296,785 | 348,529 | 296,785 |
| Adjustment for dilutive effect of warrants ('000 units)                 | 21,762  | 13,775  | 21,762  | 13,775  |
| Weighted average number of shares assumed to be in issue ('000 units)   | 370,291 | 310,560 | 370,291 | 310,560 |
| Diluted Earnings Per Share (sen)  | 0.45    | 0.33    | 0.45    | 0.33    |

Date : 3 September 2021