



## CHIN HIN GROUP PROPERTY BERHAD

# INTERIM FINANCIAL REPORT SECOND QUARTER ENDED 30<sup>TH</sup> JUNE 2022

### CHIN HIN GROUP PROPERTY BERHAD

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(Incorporated in Malaysia)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022**
*(The figures have not been audited)*

	Note	Individual Quarter 30 June 2022 RM'000	Cumulative Period 30 June 2022 RM'000
Revenue		35,851	69,458
Cost of sales		(29,238)	(58,899)
<b>Gross Profit</b>		6,613	10,559
Other income		1,363	4,680
Finance income		60	156
Gain on liquidation of a subsidiary company		-	176
Administrative and selling expenses		(7,074)	(13,343)
		962	2,228
Finance costs		(1,144)	(2,286)
Share of results of associate companies		541	2,830
Share of results of joint venture company		575	867
<b>Profit before taxation</b>		934	3,639
Taxation		(529)	(895)
<b>Profit after taxation</b>		405	2,744
<b>Other comprehensive loss</b>			
Exchange translation differences		-	(176)
<b>Total comprehensive income for the financial period</b>		405	2,568

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022 (CONT'D)**

*(The figures have not been audited)*

	Note	Individual Quarter 30 June 2022 RM'000	Cumulative Period 30 June 2022 RM'000
<b>PROFIT AFTER TAX ATTRIBUTABLE TO:</b>			
Owners of the Company		64	1,370
Non-controlling interests		341	1,374
		405	2,744
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Owners of the Company		64	1,194
Non-controlling interests		341	1,374
		405	2,568
Earnings per share attributable to owners of the Company:			
Basic (sen)	<b>B9</b>	0.01	0.31
Diluted (sen)	<b>B9</b>	0.01	0.29

*Notes:*

There is no comparative for the financial quarter/period ended 30 June 2022 due to the change in the financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the financial quarter/period ended 30 June 2022 is 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 period ended 31 December 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 JUNE 2022**
*(The figures have not been audited)*

	As At 30 June 2022 RM'000	(Audited) As At 31 December 2021 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	42,970	40,865
Right-of-use assets	4,655	3,448
Investment properties	31,610	31,610
Goodwill on consolidation	3,459	3,459
Investment in associate companies	50,451	47,625
Investment in joint venture company	2,249	1,590
Other investment	70	70
Inventories	125,428	159,540
Trade receivables	3,186	3,186
<b>TOTAL NON-CURRENT ASSETS</b>	<b>264,078</b>	<b>291,393</b>
<b>CURRENT ASSETS</b>		
Inventories	60,258	19,274
Contract assets	34,776	19,288
Trade receivables	97,971	131,554
Other receivables	54,634	50,661
Tax recoverable	2,325	11
Fixed deposits with licensed banks	11,819	12,505
Cash and bank balances	44,163	21,341
<b>TOTAL CURRENT ASSETS</b>	<b>305,946</b>	<b>254,634</b>
<b>TOTAL ASSETS</b>	<b>570,024</b>	<b>546,027</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	125,256	124,480
Treasury shares	(255)	(255)
Foreign currency translation reserve	-	176
Revaluation reserve	14,201	14,284
Capital reserve	(28)	(28)
Warrant reserve	3,808	3,988
Retained earnings	52,643	51,190
Equity attributable to owners of the parent	195,625	193,835
Non-controlling interest	21,987	20,613
<b>TOTAL EQUITY</b>	<b>217,612</b>	<b>214,448</b>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022 (CONT'D)**
*(The figures have not been audited)*

	As At 30 June 2022 RM'000	(Audited) As At 31 December 2021 RM'000
<b>NON-CURRENT LIABILITIES</b>		
Contract liabilities	18	25
Trade payables	6,681	6,681
Bank borrowings	106,991	108,764
Lease liabilities	2,041	1,289
Deferred tax liabilities	4,034	3,833
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>119,765</b>	<b>120,592</b>
<b>CURRENT LIABILITIES</b>		
Contract liabilities	12	14
Trade payables	79,513	57,199
Other payables	47,548	61,920
Amount due to holding company	12,374	9,501
Amount due to related companies	1,958	274
Bank borrowings	89,495	79,903
Lease liabilities	1,455	1,004
Current tax liabilities	292	1,172
<b>TOTAL CURRENT LIABILITIES</b>	<b>232,647</b>	<b>210,987</b>
<b>TOTAL LIABILITIES</b>	<b>352,412</b>	<b>331,579</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>570,024</b>	<b>546,027</b>
<b>NET ASSET PER SHARE (RM)</b>	<b>0.49</b>	<b>0.49</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 period ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter/period 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 SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022**

*(The figures have not been audited)*

	Attributable to Owners of the Company										
	Non-Distributable						Distributable				Total Equity RM'000
	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	Total RM'000	Non-controlling Interests RM'000		
<b>At 1 January 2022</b>	124,480	(255)	3,988	176	(28)	14,284	51,190	193,835	20,613	214,448	
Profit for the financial period	-	-	-	-	-	-	1,370	1,370	1,374	2,744	
Foreign currency translation reserve	-	-	-	(176)	-	-	-	(176)	-	(176)	
Total comprehensive income for the financial period	-	-	-	(176)	-	-	1,370	1,194	1,374	2,568	
Realisation of revaluation surplus	-	-	-	-	-	(83)	83	-	-	-	
<b>Transactions with owners:</b>											
Exercise of warrants	776	-	(180)	-	-	-	-	596	-	596	
Total transactions with owners of the Company	776	-	(180)	-	-	-	-	596	-	596	
<b>At 30 June 2022</b>	125,256	(255)	3,808	-	(28)	14,201	52,643	195,625	21,987	217,612	

**Notes:**

*There is no comparative for the financial quarter/period ended 30 June 2022 due to the change of financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2022 is not comparable with the cumulative period 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 period ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022**
*(The figures have not been audited)*

	<b>Cumulative Period 30 June 2022 RM'000</b>
<b>Cash Flows From Operating Activities</b>	
Profit before taxation	3,639
Adjustments for :	
Depreciation of property, plant and equipment	759
Depreciation of right-of-use assets	719
Gain on disposal of property, plant and equipment	(123)
Interest expense	2,286
Interest income	(156)
Gain on liquidation of a subsidiary company	(176)
Reversal of impairment loss on trade receivables	(1,193)
Share of results of associate company	(2,830)
Share of results of joint venture company	(867)
Unrealised gain on foreign exchange	(952)
Operating profit before changes in working capital	1,106
Changes in working capital:	
Inventories	(6,872)
Trade receivables	34,776
Other receivables	(3,171)
Trade payables	22,468
Other payables	(14,372)
Contract assets	(15,488)
Contract liabilities	(8)
Cash generated from/(used in) operations	18,439
Interest paid	(2,286)
Tax refund	3
Tax paid	(3,679)
<b>Net cash flows from operating activities</b>	<b>12,477</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022 (CONT'D)**
*(The figures have not been audited)*

	<b>Cumulative Period 30 June 2022 RM'000</b>
<b>Cash Flows From Investing Activities</b>	
Interest received	156
Acquisition of property, plant and equipment	(2,864)
Proceeds from disposal of property, plant and equipment	123
<b>Net cash flows used in investing activities</b>	<u>(2,585)</u>
<b>Cash Flows From Financing Activities</b>	
Advance from holding company	2,873
Advance from related companies	1,684
Increase in fixed deposits pledged as security values	686
Payment of lease liabilities	(725)
Net changes in banker's acceptances, revolving credit and trust receipts	5,028
Repayment of term loans	(1,754)
Proceeds from exercise of warrants	596
<b>Net cash flows from financing activities</b>	<u>8,388</u>
<b>Net increase in cash and cash equivalents</b>	18,280
Effects of changes in exchange rates	(3)
<b>Cash and cash equivalents at beginning of the financial period</b>	16,480
<b>Cash and cash equivalents at end of the financial period</b>	<u>34,757</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2022 (CONT'D)**
*(The figures have not been audited)*
**Cumulative Period  
 30 June 2022  
 RM'000**

Analysis of cash and cash equivalents:-

Cash and bank balances	44,163
Fixed deposits with licensed banks	11,819
Bank overdrafts	(9,406)
	46,576
Less: Fixed deposits pledged with licensed banks	(11,819)
	34,757

Notes:

There is no comparative for the financial quarter/period ended 30 June 2022 due to the change of financial year end from 31 March to 31 December as stated in Note A3 of Explanatory Notes to the Unaudited Interim Financial Report. The Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 30 June 2022 is not comparable with the cumulative period 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 period ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- SECOND QUARTER ENDED 30 JUNE 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022

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 period ended 31 December 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 period ended 31 December 2021, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2022:-

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 - 2020	
- Amendment to MFRS 1	
- Amendment to MFRS 9	
- Amendment to MFRS 16	
- Amendment to MFRS 141	

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

	<b>Effective dates for financial period beginning on and after</b>
<b>MFRSs and IC Interpretations (Including The Consequential Amendments)</b>	
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 (Comparative information)	1 January 2023
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (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. Due to the change, the Unaudited Condensed Consolidated Statement of Comprehensive Income, Unaudited Condensed Consolidated Statement of Changes in Equity and Unaudited Condensed Consolidated Statement of Cash Flows for the financial period ended 30 June 2022 are not comparable with the individual and cumulative quarter previously reported.

**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 period ended 31 December 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 financial period to-date, there was an issuance of 2,980,800 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 RM596,160.

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

As of 30 June 2022, the number of treasury shares held was 700,000 ordinary shares.

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (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 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:-

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June 2022</b>	<b>31 December 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for:		
- acquisition of land held for property development	126,723	50,223
- acquisition of property, plant and equipment	1,351	-
Contracted and subject to shareholders' approvals:		
- acquisition of land held for property development	-	85,000
	<u>128,074</u>	<u>135,223</u>

**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:-

- (i) Boon Koon Vehicles Pte. Ltd. ("BKVPL"), a wholly-owned subsidiary of the Company has been struck off from the register on 7 February 2022.
- (ii) On 12 August 2022, Chin Hin Construction Sdn. Bhd., a wholly-owned subsidiary of the Company acquired 1,500,000 ordinary shares in Makna Setia Sdn. Bhd. ("Makna Setia"), representing 60% equity interest in Makna Setia for a total consideration of RM9.00 million, satisfied by cash.

**A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)**
**A13. Contingent liabilities and contingent assets**

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

	Unaudited 30 June 2022 RM'000	Audited 31 December 2021 RM'000
<b>Unsecured</b>		
Bank guarantee issued for execution of contract of the subsidiary companies	45	45
Bank guarantee in favour of third parties granted in the ordinary course of its construction business of the subsidiary company	69,791	66,482
Corporate guarantees by a subsidiary for credit facilities granted to a joint venture company	11,550	11,550
Corporate guarantees given to licensed banks for credit facilities granted to subsidiary companies	164,312	159,638
	<hr/>	<hr/>

**A14. Significant subsequent events**

There were no significant events subsequent to the end of the quarter under review.

**A15. Related party transactions**

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

	Individual Quarter 30 June 2022 RM'000	Cumulative Quarter 30 June 2022 RM'000
Rental expense paid/payables	55	109
Rental income received/receivables	3	6
Purchase of goods	2,086	3,150
Progress billing receivables	463	2,322
Project management fee received/receivables	1,304	1,304
Road tax and insurance paid	2	68
	<hr/>	<hr/>

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 forklifts, provision of fleet management and other related services.
- (d) Construction – Building and general construction.
- (e) Other segment - Investment holding and the provision of management services.

	Unaudited Individual Quarter 30 June 2022 RM'000	Unaudited Individual Quarter 31 March 2022 RM'000	Unaudited Cumulative Quarter 30 June 2022 RM'000
<b>Revenue</b>			
(a) Commercial vehicles and bodyworks	11,770	18,201	29,971
(b) Property development	1,279	-	1,279
(c) Rental and fleet management services	717	755	1,472
(d) Construction	22,081	14,648	36,729
(e) Others segment	171	171	342
	36,018	33,775	69,793
Less : Elimination	(167)	(168)	(335)
<b>Total</b>	35,851	33,607	69,458
<b>Profit before taxation</b>			
(a) Commercial vehicles and bodyworks	760	637	1,397
(b) Property development	(1,637)	(2,790)	(4,427)
(c) Rental and fleet management services	138	365	503
(d) Construction	1,164	2,692	3,856
(e) Others segment	(629)	(763)	(1,392)
	(204)	141	(63)
Less : Elimination	22	(17)	5
	(182)	124	(58)
Share of results of associates	541	2,289	2,830
(f) Share of results of joint venture company	575	292	867
<b>Total</b>	934	2,705	3,639

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

- (a) For the commercial vehicles and bodyworks segment, revenue for the current quarter was RM11.77 million as compared to RM18.20 million in the preceding quarter. This was due to lower demand for rebuilt commercial vehicles in the current quarter. Profit before taxation ("PBT") in the current quarter was RM0.76 million as compared to RM0.64 million in the preceding quarter. The higher PBT was attributable to lower administrative expenses in the current quarter.
- (b) For the property development segment, revenue for the current quarter was RM1.28 million as compared to RM Nil in the preceding quarter, this was mainly due to the project management fee charged to the related party in the current quarter. There was no development revenue due to the completion of the existing project and the new project has yet to launch. This segment has recorded a loss before taxation ("LBT") of RM1.64 million, as compared to LBT of RM2.79 million in the preceding quarter. The lower LBT was attributable to the abovementioned project management fees.

The share of results of associates derived from the "8th & Stellar" Project has recorded profits of RM0.49 million for the current quarter, with the stage of recognition of 25.18% for commercial lots (Q1 FYE 2022: 21.95%) and 33.44% for residential lots (Q1 FYE 2022: 30.50%).

- (c) For the rental and fleet management services segment, revenue for the current quarter was recorded at RM0.72 million as compared to RM0.76 million in the preceding quarter. Correspondingly, PBT in the current quarter reduced to RM0.14 million as compared to RM0.37 million in the preceding quarter.
- (d) For the construction segment, revenue for the current quarter was recorded at RM22.08 million, an increase of RM7.43 million as compared to RM14.65 million in the preceding quarter. This was mainly due to the higher work progress. However, PBT reduced to RM1.16 million as compared to RM2.69 million in the preceding quarter mainly due to recognition of a one-off other income in the preceding quarter and higher operating costs in the current quarter.
- (e) Other segment's revenue for the current quarter was recorded at RM0.17 million, which was the same as the preceding quarter. LBT for the current quarter was RM0.63 million as compared to RM0.76 million in the preceding quarter mainly due to lower administrative expenses in the current quarter.



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

**B2. Prospects**

After enduring the painful pandemic impact for two years, Malaysia transitioned into an endemic phase in April 2022. Following the reopening of the country's international borders, we are confident that the economic environment will return to a more vibrant state.

(i) Commercial vehicles and bodyworks

The commercial vehicles market remains challenging in view of the weakening Malaysian Ringgit against other major currencies which put pressure on the profit margin. The effect of the weakening Ringgit has become more pronounced in recent years. The division will continue to enhance productivity excellence with cost optimization to minimize the negative impact on its profitability. The demand for the light/big truck models and prime movers remains strong for the logistic and food delivery business. Moving forward, the division is strengthening its marketing efforts for the food truck model and passenger van for the tourism industry to increase its market share.

(ii) Property development and construction

The property development division has intensified its marketing effort to drive sales for the "8th & Stellar" joint development project which comprises mixed residential and commercial lots in Sri Petaling. The project has recorded sales of 93% as of 30 June 2022. The division has embarked on a landbank accumulation strategy especially in the Klang Valley in anticipation of a positive market recovery in 2022. Aggressive properties launching will be in the pipeline soon.

The construction division expects gradual improvement in contract flows as Malaysia embraces endemicity with private-sector opportunities and roll-outs of public projects like the Johor Bahru-Singapore Rapid Transit System, East Coast Rail Link, and Mass Rapid Transit Line 3 to keep the tap running in 2022. The division's outstanding order book currently stands at RM578.3 million and it is expected to improve with the resumption of construction activities. The recent acquisition of Makna Setia Sdn Bhd will enable the division to further diversify and tap into the infrastructure projects.

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

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B3. Profit forecast and profit guarantee**

There is no profit forecast and profit guarantee provided by the Group and as such, this disclosure requirement is not applicable.

**B4. Taxation**

	Individual Quarter 30 June 2022 RM'000	Cumulative Quarter 30 June 2022 RM'000
Income tax expense		
- Current financial period	(429)	(694)
Deferred tax		
- Current financial period	(100)	(201)
	<u>(529)</u>	<u>(895)</u>

The Group's effective tax rate for the period to-date was higher than the statutory tax rate mainly due to business losses of some subsidiaries and certain expenses not deductible for tax purposes.

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

**B5. Status of corporate proposals**

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

(a) Proposed acquisition of a parcel of land from SMD Real Estate Sdn Bhd (“Proposed Acquisition 1”)

On 8 February 2021, the Company announced that Boon Koon Capital Sdn Bhd (“BKC”), a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA 1”) with SMD Real Estate Sdn Bhd to purchase a parcel of land identified as HSD 52600, PT No 65618, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for cash consideration of RM50,223,329.60.

On 6 December 2021, the parties agreed to extend the conditional period of the SPA 1 to 5 June 2022. On 3 June 2022, the parties agreed to further extend the conditional period to 6 March 2023. This is to enable BKC to procure the necessary funding to finance the Proposed Acquisition 1.

(b) Proposed Acquisition of a parcel of freehold land from Frazel Luxe Sdn Bhd and proposed private placement of up to 10% of the issued ordinary shares in the Company

(i) On 28 October 2021, the Company announced that BKSP Autoworld Sdn Bhd (“BKSP”), a wholly-owned subsidiary of BKG Development Sdn Bhd, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (“SPA 2”) with Frazel Luxe Sdn Bhd to acquire a parcel of 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 (“Proposed Acquisition 2”)

On 27 January 2022, the Company announced that the parties agreed to extend the conditional period of the SPA 2 to 28 March 2022.

On 12 August 2022, the Company announced that the Proposed Acquisition 2 has been completed.

(ii) On 28 October 2021, the Company proposed to undertake a private placement of up to 10% of the issued ordinary shares of the Company (“Proposed Private Placement”).

On 30 November 2021, the Company announced that Bursa Malaysia Securities Berhad had via its letter dated 29 November 2021, approved the listing and quotation of up to 49,535,100 new ordinary shares pursuant to the Proposed Private Placement.

On 30 May 2022, the Company announced that the Proposed Private Placement has lapsed on 29 May 2022.

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

**B5. Status of corporate proposals**

- (c) Proposed Acquisition of 60% equity stake in Makna Setia Sdn Bhd for a purchase consideration of RM9.00 million, subject to adjustment, to be satisfied in cash

On 10 December 2021, the Company announced that Kayangan Kemas Sdn Bhd (“Kayangan”), a 65% owned subsidiary of the Company entered into a conditional share sale agreement (“SSA 1”) with Liew Jor Ho, Chai Yan Min and Yap Seng Hee (“the Vendors”) to acquire 1,500,000 ordinary shares in Makna Setia Sdn Bhd (“Makna Setia”), representing 60% equity interest in Makna Setia, for a purchase consideration of RM9 million, which will be satisfied fully via cash (“Proposed Acquisition 3”).

On 15 April 2022, Kayangan entered into a novation agreement with the Vendors and Chin Hin Construction Sdn Bhd, a wholly-owned subsidiary of the Company to novate the SSA 1.

On 12 July 2022, the condition precedent of the SSA 1 have been fulfilled and the SSA 1 had been rendered unconditional on 22 July 2022. The purchase consideration was adjusted to RM7,916,977.20 based on the audited net assets value as at financial period ended 31 December 2021. The completion period falls on 12 August 2022.

On 12 August 2022, the Company announced that the Proposed Acquisition 3 has been completed.

- (d) Proposed Acquisition by Chin Hin Construction Sdn Bhd (“CHCSB”), a subsidiary of the Company, of 60% equity stake in Asia Baru Construction Sdn Bhd (“ABC”) for a purchase consideration of RM30.00 million, to be satisfied in cash

On 16 February 2022, the Company announced that CHCSB entered into a conditional share sale agreement (“SSA 2”) with Dato’ Ong Boon Hai, Low Siang Tim, Goh Bee Tin, Pan Heng Seong, Teoh Teik Leong and Law & Loo Development Sdn Bhd (“Vendors”) to acquire 15,000,000 ordinary shares in ABC, representing 60% equity interest in ABC, for a purchase consideration of RM30 million, which will be satisfied fully via cash (“Proposed Acquisition 4”).

On 17 May 2022, the Company announced that the parties agreed to extend the conditional period of SSA 2 to 16 June 2022.

On 16 June 2022, the Company announced that the conditions precedent of the SSA 2 have failed to be satisfied within the extended conditional period. As such, the SSA 2 has ceased to have any effect.

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

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

(e) Multiple Proposals

On 25 August 2022, the Company announced to propose to undertake the followings:-

(i) Proposed Acquisition of Quaver Sdn Bhd ("Quaver")

BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company on 25 August 2022 entered into a share sale agreement with Aera Property Group Sdn Bhd to acquire 11,500,000 ordinary shares in Quaver, representing 100% equity interest in Quaver, for cash consideration of RM1.25 million;

(ii) Proposed Acquisition of Kayangan Kemas Sdn Bhd ("Kayangan")

CHGP on 25 August 2022 entered into a share sale agreement with Chan Kin Keong to acquire 3,000,000 ordinary shares in Kayangan, representing 30% equity interest in Kayangan for a cash consideration of RM16.70 million;

(iii) Proposed Related Party Project

Kayangan on 25 August 2022 received a letter of award from Ace Logistic Sdn Bhd for the design, construction and completion of a proposed single-storey factory with 3-storey office and hostel at Mukim Labu, Bandar Baru Enstek, Negeri Sembilan for a contract sum of RM57.09 million; and

(iv) Proposed Private Placement

CHGP proposed to undertake a private placement of up to 15% of its issued ordinary shares.

The Proposed Acquisition of Quaver and Proposed Related Party Project are deemed related party transactions pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Proposed Private Placement is subject to and conditional upon the approvals from Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities.

The Proposed Acquisition of Quaver, Proposed Acquisition of Kayangan and Proposed Related Party Project are subject to the following:

- (i) Approval from CHGP's shareholders at an extraordinary general meeting ("EGM") to be convened; and
- (ii) Approval/consent from any other relevant parties, if required.

**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: -

	<b>As at</b>	<b>(Audited)</b>
	<b>30 June 2022</b>	<b>As at</b>
	<b>RM'000</b>	<b>31 December 2021</b>
		<b>RM'000</b>
Banker's acceptances	15,450	11,000
Revolving credits	60,000	60,000
Term loans	110,536	112,290
Trust receipts	1,094	516
Bank overdrafts	9,406	4,861
<b>Total bank borrowings</b>	<b>196,486</b>	<b>188,667</b>

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

Banker's acceptances	15,450	11,000
Revolving credits	60,000	60,000
Term loans	3,545	3,526
Trust receipts	1,094	516
Bank overdrafts	9,406	4,861
	<b>89,495</b>	<b>79,903</b>

**Non-current:**

Term loans	106,991	108,764
	<b>196,486</b>	<b>188,667</b>

**B7. Lease liabilities**

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

	<b>As at</b>	<b>(Audited)</b>
	<b>30 June 2022</b>	<b>As at</b>
	<b>RM'000</b>	<b>31 December 2021</b>
		<b>RM'000</b>
Present value of minimum lease payments:-		
Repayable within twelve months	1,455	1,004
Repayables after twelve months	2,041	1,289
	<b>3,496</b>	<b>2,293</b>

**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B8. Material litigation**

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

**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 Quarter 30 June 2022	Cumulative Quarter 30 June 2022
Profit for the period attributable to the owners of the Company (RM'000)	64	1,370
Number of ordinary shares in issues as at 1 January ('000)	440,394	440,394
Effect of ordinary share issued during the financial period ('000)	1,005	1,005
Effect of treasury shares held ('000)	(700)	(700)
	<u>440,699</u>	<u>440,699</u>
Basic earnings per share (sen)	<u>0.01</u>	<u>0.31</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 Quarter 30 June 2022	Cumulative Quarter 30 June 2022
Profit for the period attributable to the owners of the Company (RM'000)	64	1,370
Weighted average number of ordinary shares as above ('000)	440,699	440,699
Adjustment for assumed conversion of warrants ('000)	24,289	24,289
Weighted average number of ordinary shares ('000)	<u>464,988</u>	<u>464,988</u>
Diluted earnings per share (sen)	<u>0.01</u>	<u>0.29</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 Quarter 30 June 2022 RM'000	Cumulative Quarter 30 June 2022 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Audit remuneration		
- Current year	41	105
Depreciation of property, plant and equipment	350	759
Depreciation of right-of-use assets	422	719
Directors' fee	43	78
Directors' remuneration		
- Salary, EPF and Socso	131	790
- Other emoluments	6	7
Interest expense	1,144	2,286
Rental expenses	59	117
Unrealised gain on foreign exchange	(1,083)	(952)
Interest income	(60)	(156)
Gain on liquidation of a subsidiary company	-	(176)
Gain on disposal of property, plant and equipment	(42)	(123)
Realised gain on foreign exchange	(80)	(111)
Rental income	(3)	(6)
Reversal of impairment loss on trade receivables	(271)	(1,193)
Share of results of associate companies	(541)	(2,830)
Share of results of joint venture company	(575)	(867)

**BY ORDER OF THE BOARD****26 August 2022**