

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FOURTH QUARTER ENDED 31 MARCH 2020  
(The figures have not been audited)

|  | Note | Individual Quarter |                    | Cumulative Quarters |                    |
|--|------|--------------------|--------------------|---------------------|--------------------|
|  |      | 31.03.20<br>RM'000 | 31.03.19<br>RM'000 | 31.03.20<br>RM'000  | 31.03.19<br>RM'000 |
| Revenue  | 17   | 35,210             | 39,568             | 139,619             | 151,436            |
| Operating expenses   |      | (32,573)           | (36,923)           | (133,234)           | (145,097)          |
| Share of joint venture result  |      | 1,924              | -                  | 1,542               | -                  |
| Other income   |      | 1,048              | 230                | 2,167               | 1,146              |
| <b>Operating income</b>  |      | <u>5,609</u>       | <u>2,875</u>       | <u>10,094</u>       | <u>7,485</u>       |
| Finance costs  |      | (834)              | (270)              | (2,250)             | (1,084)            |
| <b>Profit before taxation</b>  | 18   | <u>4,775</u>       | <u>2,605</u>       | <u>7,844</u>        | <u>6,401</u>       |
| Taxation   | 19   | (3,645)            | (2,418)            | (4,156)             | (3,014)            |
| <b>Profit for the period/year</b>                                    |      | <u>1,130</u>       | <u>187</u>         | <u>3,688</u>        | <u>3,387</u>       |
| <b>Other comprehensive income</b>                                    |      |                    |                    |                     |                    |
| Revaluation surplus on land and buildings                            |      | -                  | 2,963              | -                   | 2,963              |
| Foreign currency translation differences on foreign operations       |      | -                  | -                  | -                   | (1)                |
| Realisation of revaluation surplus upon:                             |      |                    |                    |                     |                    |
| - Depreciation   |      | 48                 | 35                 | 192                 | 142                |
| - Disposal of Property, plant and equipment                          |      | 1,231              | -                  | 1,231               | -                  |
| Transfer from realisation of revaluation surplus to retained profits |      | (1,279)            | (35)               | (1,423)             | (142)              |
| <b>Total comprehensive income for the period/year</b>                |      | <u>1,130</u>       | <u>3,150</u>       | <u>3,688</u>        | <u>6,349</u>       |
| Attributable to :  |      |                    |                    |                     |                    |
| Owners of the Parent   |      | 1,130              | 177                | 3,704               | 3,410              |
| Non-controlling interests  |      | -                  | 10                 | (16)                | (23)               |
| <b>Profit for the period/year</b>                                    |      | <u>1,130</u>       | <u>187</u>         | <u>3,688</u>        | <u>3,387</u>       |
| Attributable to :  |      |                    |                    |                     |                    |
| Owners of the Parent   |      | 1,130              | 3,140              | 3,704               | 6,372              |
| Non-controlling interests  |      | -                  | 10                 | (16)                | (23)               |
| <b>Total comprehensive income for the period/year</b>                |      | <u>1,130</u>       | <u>3,150</u>       | <u>3,688</u>        | <u>6,349</u>       |
| <b>Earnings per share attributable to owners of the parent</b>       |      |                    |                    |                     |                    |
| - Basic (sen)  | 24   | <u>0.38</u>        | <u>0.06</u>        | <u>1.25</u>         | <u>1.15</u>        |
| - Diluted (sen)  | 24   | <u>0.37</u>        | <u>0.06</u>        | <u>1.09</u>         | <u>0.93</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020**  
**(The figures have not been audited)**

|   |      | As At<br>31.03.20<br>RM'000 | (Audited)<br>As At<br>31.03.19<br>RM'000 |
|---|------|-----------------------------|--|
|   | Note |                             |  |
| <b>ASSETS</b>   |      |                             |  |
| <b>Non-current assets</b>   |      |                             |  |
| Land held for development   |      | 884                         | 884                                      |
| Property, plant and equipment   |      | 39,831                      | 45,142                                   |
| Investment properties   |      | 28,800                      | 28,800                                   |
| Right-of-use assets   |      | 3,036                       | -  |
| Investment in joint arrangement                                       |      | 35,000                      | -  |
| Deferred tax assets   |      | 1,508                       | 2,688                                    |
|   |      | <u>109,059</u>              | <u>77,514</u>                            |
| <b>Current assets</b>   |      |                             |  |
| Inventories   |      | 58,047                      | 60,659                                   |
| Trade receivables   |      | 66,424                      | 71,672                                   |
| Other receivables, deposits and prepayments                           |      | 11,065                      | 12,291                                   |
| Tax recoverable   |      | 2                           | 23                                       |
| Fixed deposit with licensed bank                                      |      | -                           | 110                                      |
| Cash and bank balances  | 21   | 4,710                       | 10,505                                   |
|   |      | <u>140,248</u>              | <u>155,260</u>                           |
| <b>TOTAL ASSETS</b>   |      | <b><u>249,307</u></b>       | <b><u>232,774</u></b>                    |
| <b>EQUITY AND LIABILITIES</b>   |      |                             |  |
| <b>Equity attributable to owners of the Parent</b>                    |      |                             |  |
| Share capital   |      | 62,536                      | 62,449                                   |
| Treasury shares   |      | (255)                       | (255)                                    |
| Foreign currency translation reserve                                  |      | 176                         | 176                                      |
| Revaluation reserve   |      | 14,578                      | 16,001                                   |
| Capital reserve   |      | (28)                        | (28)                                     |
| Warrant reserve   |      | 7,720                       | 7,740                                    |
| Retained profits  |      | 34,512                      | 29,829                                   |
|   |      | <u>119,239</u>              | <u>115,912</u>                           |
| Non-controlling interest  |      | 256                         | 385                                      |
| <b>Total equity</b>   |      | <u>119,495</u>              | <u>116,297</u>                           |
| <b>Non-current liabilities</b>  |      |                             |  |
| Contract liabilities  |      | 58                          | 56                                       |
| Bank borrowings   | 23   | 778                         | 975                                      |
| Lease liabilities   |      | 1,158                       | -  |
| Deferred tax liabilities  |      | 3,411                       | 3,900                                    |
|   |      | <u>5,405</u>                | <u>4,931</u>                             |
| <b>Current liabilities</b>  |      |                             |  |
| Contract liabilities  |      | 296                         | 283                                      |
| Trade payables  |      | 32,522                      | 64,092                                   |
| Other payables  |      | 20,244                      | 14,801                                   |
| Bank borrowings   | 23   | 67,992                      | 30,515                                   |
| Lease liabilities   |      | 649                         | -  |
| Tax Payable   |      | 2,704                       | 1,855                                    |
|   |      | <u>124,407</u>              | <u>111,546</u>                           |
| <b>Total liabilities</b>  |      | <u>129,812</u>              | <u>116,477</u>                           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                   |      | <b><u>249,307</u></b>       | <b><u>232,774</u></b>                    |
| <b>Net assets per share attributable to owners of the Parent (RM)</b> |      | 0.40                        | 0.39                                     |

Notes:

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CHIN HIN GROUP PROPERTY BERHAD ("CHGP")**

Company No. 553434-U

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**

(The figures have not been audited)

|   | -----Attributable to Owners of the Parent----- |                    |                    |   |                  |                        |                      |         |                              |                 |
|---|--|--------------------|--------------------|---|------------------|------------------------|----------------------|---------|------------------------------|-----------------|
|   | -----Non-Distributable-----                    |                    |                    |   |                  |                        | Distributable        |         |                              |                 |
|   | Share<br>Capital                               | Treasury<br>Shares | Warrant<br>Reserve | Foreign<br>Currency<br>Translation<br>Reserve | Other<br>Reserve | Revaluation<br>Reserve | Retained<br>Earnings | Total   | Non-controlling<br>interests | Total<br>Equity |
|   | RM'000   | RM'000             | RM'000             | RM'000  | RM'000           | RM'000                 | RM'000               | RM'000  | RM'000                       | RM'000          |
| (Audited)   |  |                    |                    |   |                  |                        |                      |         |                              |                 |
| 12 months period ended 31 March 2019              |  |                    |                    |   |                  |                        |                      |         |                              |                 |
| At 1 April 2018, as previously reported           | 62,449   | -                  | 7,740              | 177   | (28)             | 13,180                 | 30,012               | 113,530 | 408                          | 113,938         |
| Effect of adoption of MFRS 9                      | -  | -                  | -                  | -   | -                | -                      | (3,735)              | (3,735) | -                            | (3,735)         |
| At 1 April 2018, as restated                      | 62,449   | -                  | 7,740              | 177   | (28)             | 13,180                 | 26,277               | 109,795 | 408                          | 110,203         |
| Profit for the financial year                     | -  | -                  | -                  | -   | -                | -                      | 3,410                | 3,410   | (23)                         | 3,387           |
| Other comprehensive income for the financial year | -  | -                  | -                  | (1)   | -                | 2,963                  | -                    | 2,962   | -                            | 2,962           |
| Total comprehensive income for the financial year | -  | -                  | -                  | (1)   | -                | 2,963                  | 3,410                | 6,372   | (23)                         | 6,349           |
| Realisation of revaluation surplus                | -  | -                  | -                  | -   | -                | (142)                  | 142                  | -       | -                            | -               |
| Transactions with owners:                         |  |                    |                    |   |                  |                        |                      |         |                              |                 |
| Shares repurchased                                | -  | (255)              | -                  | -   | -                | -                      | -                    | (255)   | -                            | (255)           |
| At 31 March 2019                                  | 62,449   | (255)              | 7,740              | 176   | (28)             | 16,001                 | 29,829               | 115,912 | 385                          | 116,297         |

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**  
(The figures have not been audited)

|  | -----Attributable to Owners of the Parent----- |          |         |               |         |             |          |         |                 |         |
|--|--|----------|---------|---------------|---------|-------------|----------|---------|-----------------|---------|
|  | -----Non-Distributable-----                    |          |         | Distributable |         |             |          |         |                 |         |
|  | Share  | Treasury | Warrant | Foreign       | Other   | Revaluation | Retained | Total   | Non-controlling | Total   |
|  | Capital  | Shares   | Reserve | Currency      | Reserve | Reserve     | Earnings | RM'000  | interests       | Equity  |
|  | RM'000   | RM'000   | RM'000  | Reserve       | RM'000  | RM'000      | RM'000   | RM'000  | RM'000          | RM'000  |
| <u>12 months period ended 31 March 2020</u>              |  |          |         |               |         |             |          |         |                 |         |
| At 1 April 2019  | 62,449   | (255)    | 7,740   | 176           | (28)    | 16,001      | 29,829   | 115,912 | 385             | 116,297 |
| Effect of adoption of MFRS 16                            | -  | -        | -       | -             | -       | -           | (31)     | (31)    | -               | (31)    |
| At 1 April 2019, as restated                             | 62,449   | (255)    | 7,740   | 176           | (28)    | 16,001      | 29,798   | 115,881 | 385             | 116,266 |
| Profit for the period                                    | -  | -        | -       | -             | -       | -           | 3,704    | 3,704   | (16)            | 3,688   |
| Foreign currency translation reserve                     | -  | -        | -       | -             | -       | -           | -        | -       | -               | -       |
| Realisation of revaluation surplus                       | -  | -        | -       | -             | -       | (1,423)     | 1,423    | -       | -               | -       |
| Total comprehensive income for the financial year        | -  | -        | -       | -             | -       | (1,423)     | 5,127    | 3,704   | (16)            | 3,688   |
| Transactions with owners:                                |  |          |         |               |         |             |          |         |                 |         |
| Premium paid on acquisition of non-controlling interests | -  | -        | -       | -             | -       | -           | (413)    | (413)   | -               | (413)   |
| Arising from conversion of warrants                      | 87   | -        | (20)    | -             | -       | -           | -        | 67      | -               | 67      |
| Total transactions with owners                           | 87   | -        | (20)    | -             | -       | -           | (413)    | (346)   | (113)           | (459)   |
| At 31 March 2020   | 62,536   | (255)    | 7,720   | 176           | (28)    | 14,578      | 34,512   | 119,239 | 256             | 119,495 |

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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**

|   | <b>Cumulative Quarters</b> | <b>(Audited)</b>    |
|---|----------------------------|---------------------|
|   | <b>31.03.20</b>            | <b>Year to date</b> |
|   | <b>RM'000</b>              | <b>31.03.19</b>     |
|   |                            | <b>RM'000</b>       |
| <b>Cash Flows From Operating Activities</b>               |                            |                     |
| Profit before taxation                                    | 7,844                      | 6,401               |
| Adjustments for :   |                            |                     |
| Bad debts written off                                     | 2                          | 9                   |
| Depreciation of property, plant and equipment             | 1,696                      | 2,169               |
| Depreciation of right-of-use                              | 367                        | -                   |
| Gain on disposal of property, plant and equipment         | (547)                      | (158)               |
| Impairment loss on trade receivables                      | 1,058                      | 499                 |
| Impairment loss on other receivables                      | 38                         | -                   |
| Interest expense  | 2,233                      | 1,127               |
| Interest expenses for lease liabilities                   | 58                         | -                   |
| Interest income   | (53)                       | (78)                |
| Inventories written down                                  | 2,868                      | -                   |
| Property, plant and equipment written off                 | 411                        | 4                   |
| Reversal of impairment loss on trade receivables          | (6)                        | (155)               |
| Unrealised loss on foreign exchange                       | 405                        | 268                 |
| Waiver of debts   | (929)                      | -                   |
| Operating profit before changes in working capital        | <u>15,445</u>              | <u>10,086</u>       |
| Changes in working capital                                |                            |                     |
| Changes in contract liabilities                           | 15                         | 339                 |
| Changes in inventories                                    | (257)                      | (8,884)             |
| Changes in receivables                                    | 5,509                      | (31,559)            |
| Changes in payables                                       | (25,753)                   | 27,461              |
| Changes in lease liabilities                              | 3,059                      | -                   |
| Cash generated used in operations                         | <u>(1,982)</u>             | <u>(2,557)</u>      |
| Interest received   | 53                         | 78                  |
| Interest paid   | (2,291)                    | (1,127)             |
| Tax refund  | 21                         | 102                 |
| Tax paid  | <u>(2,617)</u>             | <u>(2,164)</u>      |
| <b>Net cash flows used in operating activities</b>        | <u>(6,816)</u>             | <u>(5,668)</u>      |
| <b>Cash Flows From Investing Activities</b>               |                            |                     |
| Fully acquired of non-controlling interests               | (526)                      | -                   |
| Investment in joint venture                               | (35,000)                   | -                   |
| Purchase of property, plant and equipment                 | (680)                      | (85)                |
| Purchase of right-of-use                                  | (2,367)                    | -                   |
| Proceeds from disposals of property, plant and equipment  | 3,092                      | 162                 |
| <b>Net cash flows (used in)/from investing activities</b> | <u>(35,481)</u>            | <u>77</u>           |

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE FOURTH QUARTER ENDED 31 MARCH 2020**  
**(The figures have not been audited)**

|  | <b>Cumulative Quarters</b> | <b>(Audited)</b>    |
|--|----------------------------|---------------------|
|  | <b>31.03.20</b>            | <b>Year to date</b> |
|  | <b>RM'000</b>              | <b>31.03.19</b>     |
|  |                            | <b>RM'000</b>       |
| <b>Cash Flows From Financing Activities</b>                              |                            |                     |
| Decrease/(Increase) in fixed deposits pledged                            | 110                        | (3)                 |
| Net changes in finance lease payables                                    | (950)                      | (471)               |
| Net changes in lease liabilities   | (411)                      | -                   |
| Net changes in banker's acceptances                                      | (4,794)                    | 8,272               |
| Repayment of term loans  | (25)                       | (23)                |
| Drawdown of bank borrowings  | 42,500                     | -                   |
| Proceeds from exercise of Warrants                                       | 67                         | -                   |
| Purchase of treasury shares  | -                          | (255)               |
| <b>Net cash flows from financing activities</b>                          | <u>36,497</u>              | <u>7,520</u>        |
| <b>Net (decrease)/ increase in cash and cash equivalents</b>             | (5,800)                    | 1,929               |
| Effects of changes in exchange rates                                     | 5                          | 3                   |
| <b>Cash and cash equivalents at beginning of the year</b>                | 10,505                     | 8,573               |
| <b>Cash and cash equivalents at end of the year</b>                      | <u>4,710</u>               | <u>10,505</u>       |
| <b>Cash and cash equivalents at end of the financial year comprises:</b> |                            |                     |
| Fixed deposit with licensed bank   | -                          | 110                 |
| Cash and bank balances   | 4,710                      | 10,505              |
|  | <u>4,710</u>               | <u>10,615</u>       |
| Less: Fixed deposit pledged with licensed bank                           | -                          | (110)               |
|  | <u>4,710</u>               | <u>10,505</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 2019 and the accompanying explanatory notes attached to the interim financial statements.

**Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020**

**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 2019 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 2019, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:-

|                      |  |
|----------------------|--|
| MFRS 16              | Leases                                 |
| IC Interpretation 23 | Uncertainty over Income Tax Treatments |

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 References to the Conceptual Framework in MFRS Standards  | 1 January 2020   |
| MFRS 3 Definition of a Business (Amendments to MFRS 3)  | 1 January 2020   |
| MFRS 7 Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)   | 1 January 2020   |
| MFRS 10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)  | Deferred   |
| MFRS 17 Insurance Contracts   | 1 January 2021   |
| MFRS 101 Definition of Material (Amendments to MFRS 101)  | 1 January 2020   |
| MFRS 108 Definition of Material (Amendments to MFRS 108)  | 1 January 2020   |
| MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) | Deferred   |
| MFRS 139 Interest Rate Benchmark Reform (Amendments to MFRS 9, MFRS 139 and MFRS 7)   | 1 January 2020   |

The adoption of these new MFRSs, amendments and IC Interpretations did not have any material impact on the interim financial report of the Group, except for the followings:-

MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis.

The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117. In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirement in MFRS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group and the Company are assessing the impact of the above new standard on the financial statements of the Group and of the Company in the year of initial adoption.

**3. Audit Report**

The auditors' report on the financial statements for the year ended 31 March 2019 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 under review.

**Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020**

**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 under review.

**6. Material Changes in Estimates**

There were no material changes in the estimates used in reporting the current financial quarters under review as compared to the audited financial statements of the Group for the financial year ended 31 March 2019.

**7. Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter under review except for issuance of 334,300 new ordinary shares pursuant to the conversion of Warrants 2013/2023 at an exercise price of RM0.20 per ordinary share for cash.

The shares repurchased are held as treasury shares in accordance with Section 127 (6) of the Companies Act 2016.

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

As at 31 March 2020, the number of treasury shares held was 700,000 ordinary shares.

**8. Dividend**

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

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

The Group has carried out valuation update on its property, plant and equipment and there were no additional resultant of revaluation surplus recognized in revaluation reserve in the current quarter under review.

**10. Valuation of Investment Properties**

The Group has carried out valuation update on its investment property and there was no additional resultant of revaluation surplus recognized in revaluation reserve in the current quarter under review.

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

(i) Additional Acquisition

BKG Development Sdn. Bhd. (Company No. 1070270-M) ("BKG"), a wholly-owned subsidiary of the Company had on 10 December 2018 entered into a Share Sale Agreement ("SSA") with Dato' Cheah Suan Lee and Mr. Goh Chin Aun (hereinafter collectively referred to as "the Vendors") for the proposed acquisition of the remaining 50% equity interest in BKHS Capital Sdn. Bhd. (Company No. 966615-K) (BKHS") from the Vendors for a total cash consideration of Ringgit Malaysia Five Hundred Twenty Five Thousand Eight Hundred Seventy and Cents Twenty Six (RM525,870.26) only ("Purchase Consideration for the Sale Shares"), upon the terms and conditions as stipulated in the SSA ("Proposed Acquisition").

Upon the completion of the Proposed Acquisition, BKHS shall become a wholly-owned subsidiary of BKG, which in turn a wholly-owned subsidiary of the Company.

The Proposed Acquisition was completed on 3 May 2019.

(ii) Subsidiary Voluntary Strike Off

On 14 November 2019, the Company announced the voluntary striking off of BK Sepadu Sdn Bhd, a 62.5% owned subsidiary of Boon Koon Vehicles Industries Sdn Bhd, which in turn a subsidiary of the Company, from the Register of the Companies Commission of Malaysia pursuant to Section 439(1)(b) of the Companies Act 2016.



Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020

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 financial report were as follows :-

|                      | As At<br>31.03.20<br>RM'000 | As At<br>31.03.19<br>RM'000 |
|----------------------|-----------------------------|-----------------------------|
| - Limit of guarantee | 103,885                     | 90,121                      |
| - Amount utilised    | 68,718                      | 30,955                      |

13. Capital Commitments

There were no outstanding capital commitments as at the date of this interim financial report.

14. Profit Forecast Variance

Not applicable.

15. 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:-

A) Multiple Proposals

The Company had on 24 May 2019 announced that the Company proposed to undertake the followings:-

(i) Proposed Subscription of Redeemable Preference Shares

The proposed subscription of 35,000,000 new redeemable preference shares ("RPS") of RM 1.00 each in Stellar 8 Sdn Bhd ("Stellar 8") (formerly known as Midas Prosperity Sdn Bhd) via a conditional subscription agreement between Stellar 8 and BKG Development Sdn Bhd ("BKG"), a wholly-owned subsidiary of CHGP.

The Subscription Agreement was completed and RPS subscribed on 1 November 2019.

(ii) Proposed Joint Development

The proposed joint development via a conditional joint venture agreement between Stellar 8 and BKG for the implementation and completion of a mixed and integrated residential and commercial development project known as 8th & Stellar ("Development Project").

(iii) Proposed Special Issue of Shares

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 ("Proposed Special Issue").

Bursa Securities had on 18 July 2019 approved the extension of time of up to 31 July 2019, to issue the circular and independent advice letter in relation to the Proposals.

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.

The shareholders had on 28 August 2019 approved all the above Multiple Proposals.

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020

16. Related Party Transactions

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

|  | Individual Quarter |          | Cumulative Quarters |          |
|--|--------------------|----------|---------------------|----------|
|  | 31.03.20           | 31.03.19 | 31.03.20            | 31.03.19 |
|  | RM'000             | RM'000   | RM'000              | RM'000   |
| Rental expense paid to other related party*                            | (52)               | (17)     | (158)               | (71)     |
| Rental income received from other related party*                       | 5                  | 5        | 21                  | 19       |
| Sales to other related party*  | 23,031             | 18,693   | 50,071              | 40,270   |
| Purchases from other related party*                                    | (22,584)           | (34,166) | (35,479)            | (52,292) |
| Road tax and insurance paid to other related party*                    | (74)               | (29)     | (153)               | (61)     |
| Purchases from a company connected to directors of the Company         | -                  | -        | (159)               | (349)    |
| Rental expense paid to a person connected to a director of the Company | (4)                | (4)      | (16)                | (16)     |

\* 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 Quarters |                |                |
|-------------------------------|--------------------------------------|---------------|---------------|---------------------|----------------|----------------|
|                               | 31.03.20                             | 31.12.19      | 31.03.19      | 31.03.20            | 31.03.19       |                |
|                               | RM'000                               | RM'000        | RM'000        | RM'000              | RM'000         |                |
| <b>Revenue</b>                |                                      |               |               |                     |                |                |
| (a)                           | Commercial vehicles and bodyworks    | 20,844        | 26,246        | 20,152              | 95,055         | 107,443        |
| (b)                           | Property development                 | 13,371        | 16,176        | 18,429              | 40,410         | 39,886         |
| (c)                           | Rental and fleet management services | 992           | 974           | 982                 | 4,147          | 4,089          |
| (d)                           | Others Segment                       | 171           | 174           | 176                 | 697            | 710            |
|                               |                                      | 35,378        | 43,570        | 39,739              | 140,309        | 152,128        |
|                               | Less : Elimination                   | (168)         | (177)         | (171)               | (690)          | (692)          |
|                               | <b>Total</b>                         | <b>35,210</b> | <b>43,393</b> | <b>39,568</b>       | <b>139,619</b> | <b>151,436</b> |
| <b>Profit before taxation</b> |                                      |               |               |                     |                |                |
| (a)                           | Commercial vehicles and bodyworks    | (2,246)       | 296           | 372                 | (656)          | 2,918          |
| (b)                           | Property development                 | 7,055         | 942           | 2,263               | 8,679          | 4,651          |
| (c)                           | Rental and fleet management services | 317           | 615           | 168                 | 1,204          | (104)          |
| (d)                           | Others Segment                       | (351)         | (264)         | (198)               | (1,383)        | (1,064)        |
|                               |                                      | 4,775         | 1,589         | 2,605               | 7,844          | 6,401          |

**Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020**

Comparison with corresponding period in the previous year

(a) For commercial vehicles and bodyworks segment, revenue for the current quarter was RM20.84 million, an increase of RM0.69 million compared to RM20.15 million in the previous year's corresponding quarter. The higher revenue was mainly due to higher demand for rebuilt commercial vehicles in the current quarter. The loss before taxation in the current quarter was RM2.25 million, a decrease of RM2.62 million compared to profit before taxation of RM0.37 million in the previous year's corresponding quarter. The loss before taxation was mainly due to impairment of inventory and trade receivables.

(b) For property development segment, revenue for the current quarter was RM13.71 million, a decrease of RM4.72 million compared to RM18.43 million in the previous year's corresponding quarter. The revenue was recognised from the development project jointly developed with Platinum Eminent Sdn Bhd. The stage of recognition of the project was 53.05% as at 31 March 2020 (as at 31 March 2019: 31.29%). Profit before taxation was RM7.05 million, an increase of RM4.79 million compared to RM2.26 million in the previous year's corresponding quarter. The higher profit before taxation was mainly attributable to higher revenue being recognised in the current quarter.

The share of joint venture result has no comparative figure for the preceding year corresponding quarter as the agreement was commenced on 1 November 2019. The weighted stage of completion for the Project was approximate 14.99% for commercial lots and 4.4% for residential lots and share of profit was RM1.92 million for the current quarter.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.99 million, an increase of RM0.01 million compared to RM0.98 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 was increased by RM0.15 million compared to the previous year's corresponding quarter. The higher profit before taxation was attributable to reversal of loss allowance in the current quarter.

(d) Other Segment's revenue for the current quarter was RM0.17 million was consistent with the previous year's corresponding quarter. The loss before taxation in the current quarter was RM0.35 million, an increase of RM0.15 million compared to loss before taxation of RM0.20 million in the previous year's corresponding quarter. The 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 RM20.84 million, a decrease of RM5.41 million compared to RM26.25 million in the preceding quarter. Lower revenue was recorded due to lower demand for rebuilt commercial vehicles in the current quarter. The loss before taxation in the current quarter was RM2.25 million, a decrease of RM2.55 million compared to profit before taxation of RM0.30 million in the preceding quarter. The loss before taxation in the current quarter was due to impairment of inventory and trade receivables.

(b) For property development segment, revenue for the current quarter was RM13.71 million, a decrease of RM2.47 million compared to RM16.18 million in the preceding quarter. The stage of recognition of the project was 53.05% as at 31 March 2020 (as at 31 December 2019: 45.94%). Profit before taxation in the current quarter was RM7.05 million, an increase of RM6.11 million compared to profit before taxation of RM0.94 million in the preceding quarter. The higher profit before taxation was attributable to higher revenue being recognised.

For the share of joint venture result, the weighted stage of completion for the Project was approximate 14.99% for commercial lots and 4.4% for residential lots as at 31 March 2020 (as at 31 December 2019: commercial lots: 13.09%, residential lots: 3.88%) and share of profit of RM1.92 million in the current quarter. The share of loss of RM0.38 million in preceding quarter was attributable to the initial beginning stages of the project.

(c) For rental and fleet management services segment, revenue for the current quarter was RM0.99 million, an increase of RM0.02 million compared to RM0.97 million in the preceding quarter. Profit before taxation in the current quarter was RM0.32 million, a decrease of RM0.30 million as compared to profit before taxation of RM0.62 million in the preceding quarter. The lower profit before taxation was mainly attributable to higher administrative expenses and impairment loss on trade receivables in the current quarter.

(d) Other Segment's revenue for the current quarter of RM0.17 million was almost consistent with preceding quarter. The loss before taxation in the current quarter was RM0.35 million, an increase of RM0.09 million compared loss before taxation of RM0.26 million in the preceding quarter. The loss before taxation was mainly due to higher administrative expenses incurred in the current quarter.

**Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020**

**18. Profit before taxation**

This was arrived at :

|  | Individual Quarter |          | Cumulative Quarters |          |
|--|--------------------|----------|---------------------|----------|
|  | 31.03.20           | 31.03.19 | 31.03.20            | 31.03.19 |
|  | RM'000             | RM'000   | RM'000              | RM'000   |
| After charging :   |                    |          |                     |          |
| Bad debts written off                                    | 2                  | 9        | 2                   | 9        |
| Depreciation of property, plant and equipment            | 417                | 464      | 1,696               | 2,169    |
| Depreciation of right-of-use                             | 434                | -        | 434                 | -        |
| Impairment loss on trade receivables                     | 979                | 499      | 1,058               | 499      |
| Impairment loss on other receivables                     | 38                 | -        | 38                  | -        |
| Inventories written down                                 | 2,868              | -        | 2,868               | -        |
| Interest expenses  | 817                | 270      | 2,233               | 1,084    |
| Interest expenses for lease liabilities                  | 75                 | -        | 75                  | -        |
| Property, plant and equipment written off                | 411                | -        | 411                 | 4        |
| Rental of equipment                                      | 7                  | -        | 7                   | -        |
| Rental of hostel   | 9                  | 12       | 33                  | 44       |
| Rental of premises                                       | 99                 | 53       | 349                 | 201      |
| Rental of vehicles                                       | 15                 | 16       | 64                  | 75       |
| Unrealised loss/(gain) on foreign exchange               | 336                | (209)    | 404                 | 268      |
| And crediting :  |                    |          |                     |          |
| Interest income  | 8                  | 25       | 53                  | 78       |
| (Loss)/Gain on disposal of property, plant and equipment | (10)               | 40       | 547                 | 158      |
| Realised gain on foreign exchange                        | 113                | 128      | 626                 | 677      |
| Rental income  | 3                  | -        | 19                  | 90       |
| Reversal of impairment loss on trade receivables         | 6                  | 35       | 6                   | 155      |
| Share of joint venture result                            | 1,924              | -        | 1,542               | -        |
| Waiver of debts  | 929                | -        | 929                 | -        |

**19. Taxation**

|  | Individual Quarter |                | Cumulative Quarters |                |
|--|--------------------|----------------|---------------------|----------------|
|  | 31.03.20           | 31.03.19       | 31.03.20            | 31.03.19       |
|  | RM'000             | RM'000         | RM'000              | RM'000         |
| Malaysian taxation based on profit for the year: |                    |                |                     |                |
| -Current tax                                     | (2,766)            | (1,885)        | (3,478)             | (2,557)        |
| -Deferred tax                                    | (560)              | (553)          | (562)               | (555)          |
| Real property gain tax                           | (148)              | -              | (148)               | -              |
| (Under)/Over provision in prior years:           |                    |                |                     |                |
| -Current tax                                     | -                  | (492)          | 203                 | (414)          |
| -Deferred tax                                    | (171)              | 512            | (171)               | 512            |
|  | <u>(3,645)</u>     | <u>(2,418)</u> | <u>(4,156)</u>      | <u>(3,014)</u> |

The effective tax rate for the financial period ended 31 March 2020 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 fourth quarter ended 31 March 2020**

**20. Commentary of Prospects**

In view of recent Covid-19 outbreak and economic adverse impacts due to Malaysia MCO and RMCO:-

(i) Commercial vehicles and bodyworks

Though the market for rebuilt commercial vehicles remains much challenging, however, it is sustainable due to our competitive costs advantage and repositioning on our marketing strategy in lite-trucks model suitable for logistic and foods delivery with possible of more demand for these usage.

(ii) Property development

The joint developments project of "8th & Stellar", couple with its current mixed residential and commercial development in Bandar Petaling Jaya Selatan, the Group shall continuously emphases in implementing massive marketing strategy for "8th & Stellar" inventory and focus on affordable mid-range products.

As for Aera project, 90 % of the inventory already sold previously, the Group will continue with speed up efforts to complete and deliver to end purchasers.

Despite of possible slowdown in Malaysia economy, the Board is continue optimistic of next year performance.

**21. Cash and Bank Balances**

|   | <b>As At</b>    | <b>As At</b>    |
|---|-----------------|-----------------|
|   | <b>31.03.20</b> | <b>31.03.19</b> |
|   | <b>RM'000</b>   | <b>RM'000</b>   |
| Cash and bank balances                                | 4,710           | 2,890           |
| Short-term funds with licensed financial institutions | -               | 7,615           |
|   | <u>4,710</u>    | <u>10,505</u>   |

**22. Material Litigation**

There were no material litigation during the current financial quarter under review.

**23. Group Borrowings and Debt Securities**

Group borrowings as at 31 March 2020 were as below:-

|                                | <b>Secured</b> | <b>Unsecured</b> | <b>Total</b>  |
|--------------------------------|----------------|------------------|---------------|
|                                | <b>RM'000</b>  | <b>RM'000</b>    | <b>RM'000</b> |
| <u>Current liabilities</u>     |                |                  |               |
| Banker's acceptances           | 25,415         | -                | 25,415        |
| Finance lease payables         | 46             | -                | 46            |
| Revolving credits              | 42,500         |                  |               |
| Term loans                     | 31             | -                | 31            |
| Sub-total                      | <u>67,992</u>  | <u>-</u>         | <u>25,492</u> |
| <u>Non-current liabilities</u> |                |                  |               |
| Finance lease payables         | 6              | -                | 6             |
| Term loans                     | 772            | -                | 772           |
| Sub-total                      | <u>778</u>     | <u>-</u>         | <u>778</u>    |
| Total                          | <u>68,770</u>  | <u>-</u>         | <u>68,770</u> |

Notes to the Interim Financial Statements for the fourth quarter ended 31 March 2020

24. 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 Quarters |                |
|---|--------------------|----------------|---------------------|----------------|
|   | 31.03.20           | 31.03.19       | 31.03.20            | 31.03.19       |
| Profit for the period attributable to the owners of the Parent (RM'000) | 1,130              | 177            | 3,704               | 3,410          |
| Weighted average number of ordinary shares in issue ('000 units)        | 297,111            | 297,111        | 297,111             | 297,111        |
| Effect of ordinary share issued during the financial year               | 10                 | -              | 10                  | -              |
| Effect of treasury shares held ('000 units)                             | (700)              | (53)           | (700)               | (53)           |
|   | <u>296,421</u>     | <u>297,058</u> | <u>296,421</u>      | <u>297,058</u> |
| Basic Earnings Per Share (sen)  | <u>0.38</u>        | <u>0.06</u>    | <u>1.25</u>         | <u>1.15</u>    |

**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) | 1,130          | 177            | 3,704          | 3,410          |
| Weighted average number of ordinary shares in issue ('000 units)        | 296,421        | 297,111        | 296,421        | 297,058        |
| Adjustment for dilutive effect of warrants ('000 units)                 | 10,643         | 13,782         | 44,182         | 68,254         |
| Weighted average number of shares assumed to be in issue ('000 units)   | <u>307,064</u> | <u>310,893</u> | <u>340,603</u> | <u>365,312</u> |
| Diluted Earnings Per Share (sen)  | <u>0.37</u>    | <u>0.06</u>    | <u>1.09</u>    | <u>0.93</u>    |

Date : 26 June 2020