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If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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CHIN HIN GROUP PROPERTY BERHAD
(200101017677 (553434-U))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED PRIVATE PLACEMENT OF UP TO 110,066,000 NEW ORDINARY SHARES IN CHIN HIN GROUP PROPERTY BERHAD ("CHGP"), REPRESENTING NOT MORE THAN 20% OF THE ISSUED SHARES IN CHGP (EXCLUDING TREASURY SHARES) AT AN ISSUE PRICE TO BE DETERMINED LATER ("PROPOSED PRIVATE PLACEMENT")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



M & A SECURITIES SDN BHD
(Registration No. 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of Chin Hin Group Property Berhad will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur. The notice of EGM together with the Form of Proxy, are enclosed. The completed and signed Form of Proxy should be lodged at our registered office at 48, Jalan Chow Thye, 10050 George Town, Penang on or before the date and time indicated below in order for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you wish to do so.

Last date and time for lodging the Form of Proxy : Monday, 20 November 2023 at 2.30 p.m.
Date and time for the EGM : Wednesday, 22 November 2023 at 2.30 p.m. or at any adjournment thereof

This Circular is dated 7 November 2023

DEFINITIONS

In this Circular including the accompanying appendices, the following abbreviations shall have the following meanings unless otherwise stated:

“Act”	:	Companies Act 2016
“AGM”	:	Annual General Meeting
“BNM”	:	Bank Negara Malaysia
“Board”	:	Board of Directors of CHGP
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“CHGP” or the “Company”	:	Chin Hin Group Property Berhad (200101017677 (553434-U))
“CHGP Group” or “Group”	:	CHGP and its subsidiaries, collectively
“CHGP Share(s)” or “Share(s)”	:	Ordinary share(s) in CHGP
“Circular”	:	This circular to shareholders dated 7 November 2023 in relation to the Proposed Private Placement
“Constitution”	:	Our constitution
“COVID-19”	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
“CPI”	:	Consumer price index
“Director(s)”	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per share
“FPE”	:	Financial period ended/ending
“FYE”	:	Financial year ended/ending 31 December, as the case may be
“GDP”	:	Gross domestic product
“Indicative Issue Price(s)”	:	RM0.90, being the indicative issue price for the Placement Shares
“KKS B”	:	Kayangan Kemas Sdn Bhd (199901001146 (476046-U)), a 95.0% subsidiary of CHGP
“LPD”	:	31 October 2023, being the latest practicable date prior to the issuance of this Circular
“M&A Securities” or “Principal Adviser”	:	M & A Securities Sdn Bhd (197301001503 (15017-H))
“MMLR”	:	Main Market Listing Requirements of Bursa Securities

DEFINITIONS (Cont'd)

"MPC"	:	Monetary policy committee
"NA"	:	Net assets
"NAPIC"	:	National Property Information Centre
"OPR"	:	Overnight policy rate
"PAT"	:	Profit after taxation
"Placee(s)"	:	Independent third party investor(s)
"Placement Share(s)"	:	Up to 110,066,000 new CHGP Share(s) to be issued under the Proposed Private Placement
"Proposed Private Placement"	:	Proposed private placement of up to 110,066,000 Placement Shares, representing not more than 20% of the existing total number of issued CHGP Shares (excluding treasury shares) to independent third party investor(s) to be identified at a later date
"Quaver"	:	Quaver Sdn Bhd (200301033512 (635933-H)), a wholly owned subsidiary of CHGP
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"5D-VWAMP"	:	5-day volume weighted average market price

In this Circular, words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactments is a reference to that enactment as for the time being amended or re-enacted. For the purpose of this Circular, any reference to time of day shall be a reference to Malaysian time, unless otherwise stated.

References to "we", "us", "our" and "ourselves" are to our Company save where the context otherwise requires, the subsidiaries and to "you" or "your" are to the shareholders of our Company.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSED PRIVATE PLACEMENT. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE APPENDIX, BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM.

Our Board is recommending the shareholders of CHGP to **VOTE IN FAVOUR** of the resolution in relation to the Proposed Private Placement to be tabled at the forthcoming EGM to be convened.

Key information	Description	Reference to Circular								
Details of the Proposed Private Placement	: The Proposed Private Placement will involve the issuance of up to 110,066,000 new CHGP Shares representing not more than 20% of the issued ordinary shares of our Company as at LPD (excluding treasury shares). However, the actual number of CHGP Shares to be issued pursuant to the Proposed Private Placement will be determined at a later date, after obtaining the relevant approvals.	Section 2								
Utilisation of proceeds	: Based on the proposed placement of up to 110,066,000 Placement Shares and assuming the Placement Shares are issued at the Indicative Issue Price, the Proposed Private Placement is expected to raise gross proceeds of RM99.06 million. The proceeds raised are expected to be utilised by our Group in the following manner: <table><thead><tr><th>Details</th><th>RM'000</th></tr></thead><tbody><tr><td>Working capital</td><td>98,259</td></tr><tr><td>Estimated expenses for the Proposed Private Placement</td><td>800</td></tr><tr><td>Total estimated proceeds</td><td><u>99,059</u></td></tr></tbody></table>	Details	RM'000	Working capital	98,259	Estimated expenses for the Proposed Private Placement	800	Total estimated proceeds	<u>99,059</u>	Section 2.5
Details	RM'000									
Working capital	98,259									
Estimated expenses for the Proposed Private Placement	800									
Total estimated proceeds	<u>99,059</u>									
Rationale	: The Proposed Private Placement will enable our Group: (a) to raise the necessary funds for the purposes set out in Section 2.5 without incurring additional interest costs associated with bank borrowings or the issuance of debt instruments thereby minimising any potential cash outflow in respect of interest servicing costs; (b) to raise funds expeditiously from the capital market as opposed to other forms of fund raising; (c) to strengthen the shareholders' fund and capital base of our Group; and (d) to improve the liquidity and financial flexibility of our Group by strengthening our Group's financial position.	Section 3								

EXECUTIVE SUMMARY (Cont'd)

<u>Key information</u>	<u>Description</u>	<u>Reference to Circular</u>
Approvals required	<p>The Proposed Private Placement is subject to approvals from the following:</p> <ul style="list-style-type: none">(a) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, which was obtained on 3 November 2023;(b) shareholders of CHGP at the forthcoming EGM and the waiver of their pre-emptive rights under Section 85(1) of the Act read together with Article 57 of the Constitution of our Company to be offered new CHGP Shares to be issued pursuant to the Proposed Private Placement at the forthcoming EGM which will result in a dilution of their shareholding percentage in our Company; and(c) any other relevant persons or authorities, if required.	Section 7



CHIN HIN GROUP PROPERTY BERHAD
(200101017677 (553434-U))

Registered Office:

48, Jalan Chow Thye
10050 George Town
Penang

7 November 2023

Board of Directors:

Datuk Seri Chiau Beng Teik (*Non-Independent Non-Executive Chairman*)
Chiau Haw Choon (*Executive Director*)
Khor Kai Fu (*Executive Director*)
Shelly Chiau Yee Wern (*Executive Director*)
Kwan Sook Peng (*Independent Non-Executive Director*)
Datuk Cheng Lai Hock (*Independent Non-Executive Director*)
Datuk Hj Mohd Yusri Bin Md Yusof (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sirs,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On 4 September 2023, M&A Securities on behalf of our Board, announced our Company proposes to undertake the Proposed Private Placement.

On 3 November 2023, M&A Securities on behalf of our Board, announced that Bursa Securities had vide its letter dated 3 November 2023 approved the listing and quotation of up to 110,066,000 new CHGP Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

No.	Conditions	Status of compliance
(a)	CHGP and M&A Securities must fully comply with the relevant provisions under the MMLR of Bursa Securities pertaining to the implementation of the Proposed Private Placement;	To be complied
(b)	CHGP is required to furnish Bursa Securities with a certificate true copy of the resolution passed by its shareholders at a general meeting for the Proposed Private Placement;	To be complied
(c)	M&A Securities is required to furnish Bursa Securities with details of the placees in accordance with paragraph 6.15 of the MMLR as soon as practicable after each tranche of placement and before the listing of the new shares to be issued pursuant to the Proposed Private Placement;	To be complied

No.	Conditions	Status of compliance
(d)	CHGP and M&A Securities are required to inform Bursa Securities upon the completion of the Proposed Private Placement; and	To be complied
(e)	CHGP is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.	To be complied

The purpose of this Circular is to provide you with details of the Proposed Private Placement, to set out our Board's opinion and recommendation in relation thereto and to seek your approval for the resolution pertaining to the Proposed Private Placement to be tabled at our forthcoming EGM. The Notice of EGM together with the Proxy Form are enclosed in this Circular.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE ENTIRE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED PRIVATE PLACEMENT AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

As at LPD, our Company has an issued share capital of RM183,776,715 comprising 551,031,524 CHGP Shares, of which 700,000 CHGP Shares are held as treasury shares.

Based on the above, the Proposed Private Placement will entail the issuance of up to 110,066,000 Placement Shares, representing not more than 20% of the existing number of issued CHGP Shares (excluding treasury shares). However, the actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will be determined at a later date, after obtaining the relevant approvals.

Subject to the prevailing market conditions, the Proposed Private Placement may be implemented in multiple tranches, if required, within 6 months from the date of approval of Bursa Securities for the Proposed Private Placement (depending on investors' interest at the point of implementation) or any extended period as may be approved by Bursa Securities.

M&A Securities has also been appointed as the Placement Agent for the Proposed Private Placement.

2.1. Basis of determining the issue price of the Placement Shares

The issue price of each tranche of the Placement Shares, where applicable, shall be determined separately and fixed by our Board at a later date after obtaining the relevant approvals for the Proposed Private Placement. Our Board will take into consideration amongst others, the prevailing market conditions in determining the issue price of the Placement Shares which shall not be at a discount of more than 10% from the 5D-VWAMP of CHGP Shares immediately preceding the price fixing date(s).

The issue price of each tranche of the Placement Shares shall be determined separately in accordance with market-based principles. As the Proposed Private Placement may be implemented in a single tranche or multiple tranches, there could potentially be several price fixing dates depending on the number of tranches and timing of implementation of the Proposed Private Placement.

For illustrative purposes, the Placement Shares are assumed to be RM0.90. The Indicative Issue Price represents a discount of approximately 1.8% to the 5D-VWAMP up to and including LPD of RM0.9166 per CHGP Share. Based on the Indicative Issue Price, the Proposed Private Placement will raise gross proceeds of approximately RM99.06 million.

2.2. Placement arrangement

The Placement Shares will be placed to independent investor(s) to be identified later ("**Placees**"), where the Placees shall be person(s) or party(ies) who/which qualify under Schedule 6 and Schedule 7 of the Capital Markets and Services Act 2007.

The Placement Shares will not be placed to the following parties:

- (a) the interested director, interested major shareholder, interested chief executive of CHGP or a holding company of CHGP, or interested persons connected with such director, major shareholder or chief executive of CHGP; and
- (b) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

2.3. Ranking of Placement Shares

The Placement Shares shall, upon issuance and allotment, rank equally in all respects with the existing issued CHGP Shares, save and except that the holders of the Placement Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of our Company, for which the relevant entitlement date is prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of our Constitution.

2.4. Listing of Placement Shares

The approval-in-principal of Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities was obtained on 3 November 2023.

2.5. Utilisation of proceeds

For illustrative purposes, the placement proceeds to be raised from the Proposed Private Placement of approximately RM99.06 million will be utilised by our Group in the following manner:

Details	Notes	Amount RM'000	#Expected timeframe for utilisation of proceeds
Working capital	(i)	98,259	Within 6 months
Estimated expenses for the Proposed Private Placement	(ii)	800	Immediate
Total		99,059	

Notes:

From the listing date of Placement Shares on the Main Market of Bursa Securities.

(i) Our Company proposes to utilise up to RM98.26 million of the proceeds for working capital of our Group which includes the gross development costs for the following projects:

Project name Brief description	Developer	(a)Gross development cost		% of completion	Project launching date / expected completion date
		RM'000	(a)Proposed utilisation RM'000		
1. Quaver Residence Development of 2 blocks of 29 storey and 20 storey serviced apartments (684 units) and retail lot (15 units) at Sungai Besi	Quaver	382,954	25,547	13.9	24 August 2022 / 30 September 2026
2. Ayanna Resort Residences Development of 2 blocks of 42 storey and 44 storey (total 824 units) residential apartments at Bukit Jalil	BKSP Autoworld Sdn Bhd	487,602	32,425	8.1	22 July 2023 / 20 October 2027
3. Avantro Residences Development of 2 blocks of 31 storey and 33 storey serviced apartments (842 units) with 5 storey office (21 units) at Bandar Kinrara	Boon Koon Commercial Sdn Bhd	413,851	27,513	2.0	23 September 2023 / 31 October 2027
4. Solarvest Tower Development of 1 block of 34 storey office building (355 units) at KL Gateway	BK Alliance Sdn Bhd	187,776	12,774	14.3	(b) 4 th quarter of 2023 / 31 December 2026
		1,472,183	98,259		

The gross development cost of the above projects will be funded from a combination of proceeds from the Proposed Private Placement, proceeds from the sales of development units, bank borrowings and internally generated funds. The proposed allocation of the net proceeds from the Proposed Private Placement was determined based on our best estimates, taking into consideration the respective property development projects' sales, expected collection and construction progress.

Notes:

- (a) Mainly comprising construction costs, land cost, sales and marketing costs and professional fees payable to project consultants; details as follows:

Project name Brief description	Gross development cost RM'000	Proposed utilisation RM'000
Quaver Residence		
• Construction cost	258,846	17,268
• Land cost	67,493	4,502
• Sales & marketing	28,959	1,932
• Professional fees	16,825	1,122
• Miscellaneous	10,831	723
	382,954	25,547
Ayanna Resort Residences		
• Construction cost	311,574	20,719
• Land cost	69,438	4,618
• Sales & marketing	50,271	3,343
• Professional fees	18,695	1,243
• Miscellaneous	37,624	2,502
	487,602	32,425
Avantro Residences		
• Construction cost	267,236	17,765
• Land cost	81,376	5,410
• Sales & marketing	34,109	2,268
• Professional fees	16,034	1,066
• Miscellaneous	15,096	1,004
	413,851	27,513
Solarvest Tower		
• Construction cost	126,656	8,616
• Land cost	30,367	2,066
• Sales & marketing	15,239	1,037
• Professional fees	7,471	508
• Miscellaneous	8,043	547
	187,776	12,774
	1,472,183	98,259

- (b) Being the expected project launching date.

- (ii) The estimated expenses consist of fees payable to the relevant authorities, advisory and placement fees as well as other miscellaneous expenses to be incurred pursuant to the Proposed Private Placement. The breakdown of the estimated expenses are as follows:

Details	RM'000
Professional fees	190
Fees payable to authorities	27
Placement fees	512
Miscellaneous expenses ⁽¹⁾	71
	800

Note:

- (1) Other incidental or related expenses such as out-of-pocket expenses in relation to the Proposed Private Placement.

The actual proceeds to be raised from the Proposed Private Placement will be dependent on the issue price of the Placement Shares and actual number of Placement Shares issued.

Pending full utilisation of the proceeds raised from the Proposed Private Placement, our Company will place these proceeds (including accrued interest, if any) or the balance thereof in interest-bearing deposit accounts with licensed financial institutions or in short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional funds for the working capital of our Group.

2.6. Details of equity fund raising exercises undertaken in the past 12 months

Save as disclosed below, CHGP has not undertaken any other fund-raising exercises in the past 12 months preceding the date of this Circular:

Our Company had on 25 August 2022 announced a private placement of up to 75,952,650 new CHGP Shares representing not more than 15% of the then issued ordinary shares of our Company assuming full exercise of 53,974,800 outstanding warrants 2013/2023 ("**Warrants**"), which had since expired on 7 July 2023. Subsequently, our Company had on 17 January 2023, 22 February 2023, 6 April 2023 and 20 April 2023 completed the listing of and quotation for total of 45,167,620 new CHGP Shares. The status of the utilisation of proceeds is as follows:

	⁽⁴⁾ Original proposed utilisation	Actual proceeds received	Actual utilisation as at LPD	Balance unutilised as at LPD
	RM'000	RM'000	RM'000	RM'000
Proposed acquisition of Quaver ⁽¹⁾	1,250	1,250	1,250	-
Proposed settlement of advances ⁽²⁾	23,085	23,085	23,085	-
Proposed acquisition of KKS ⁽³⁾	16,700	16,700	16,700	-
Working capital	12,500	459	459	-
Estimated expenses for the Proposed Private Placement	750	750	750	-
	54,285	42,244	42,244	-

Notes:

- (1) Being the acquisition of 100% equity interests in Quaver for a cash consideration of RM1.25 million, which was completed on 14 March 2023.
- (2) Being the settlement of advances owing by Quaver to Aera Property Sdn Bhd, as part of the terms for the proposed acquisition of Quaver.
- (3) Being the acquisition of 30% equity interest in KKS for a cash consideration of RM16.70 million, which was completed on 11 August 2023.
- (4) Based on the base scenario which entails the proposed issuance of 67,856,430 new CHGP Shares (assuming that none of the Warrants are exercised) at an indicative issue price of RM0.80 each, as announced on 25 August 2022.

2.7. Dilution to the shareholdings of our shareholders

The issuance of the Placement Shares will dilute the percentage shareholdings of the existing shareholders in our Company, whereby the degree of dilution will depend on the number of Placement Shares to be issued.

Notwithstanding the dilutive effects on the percentage shareholdings of our existing shareholders resulting from the issuance of Placement Shares to third party investors, the Proposed Private Placement is expected to have a positive impact on our Group's earnings as we realise the economic and financial benefits from the utilisation of proceeds, which are to fund our property development projects. This will enhance our shareholders' value and financial performance. In addition, the enlarged capital base from the issuance of the Placement Shares is also expected to strengthen our financial position.

3. RATIONALE

After due consideration of the various methods of fund raising, our Board opines that the Proposed Private Placement is the most appropriate avenue of fund raising as the Proposed Private Placement enables our Company to raise funds expeditiously without incurring interest costs as compared to fund raising via conventional bank borrowings or issuance of debt instruments thereby minimising any potential cash outflow in respect of interest servicing costs.

The Proposed Private Placement also provides our Company an expeditious way of raising funds from the capital market as opposed to other forms of fund raising. Upon completion of the Proposed Private Placement, the enlarged capital base is also expected to further strengthen the financial position of our Company through the strengthening of our shareholders' fund. The Proposed Private Placement will improve the liquidity and financial flexibility of our Group by strengthening our financial position.

4. INDUSTRY OVERVIEW AND PROSPECTS

4.1. Outlook and overview of the Malaysian economy

The Malaysian economy expanded moderately in the second quarter of 2023 (2.9%; 1Q 2023: 5.6%), weighed mainly by slower external demand. Domestic demand remained the key driver of growth, supported by private consumption and investment. Household spending was supported by further growth in employment and wages. Meanwhile, investment activity was underpinned by capacity expansion, progress of multi-year projects and higher fixed asset spending by the government. Continued recovery in inbound tourism partially offset the slower goods export growth. Growth during the quarter was also affected by the high base effect in the second quarter of 2022 when the economy experienced strong growth from reopening effects and policy measures. On the supply side, the services and construction sectors continued to support growth. Meanwhile, production in the agriculture and mining sectors were affected by hot weather and plant maintenance. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.5% (1Q 2023: 0.9%).

Headline inflation during the quarter continued to moderate to 2.8% (1Q 2023: 3.6%). The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation, while declining, remained elevated relative to its long-term average (2011-2019 average: 2.0%). The moderation in core inflation (2Q 2023: 3.4%; 1Q 2023: 3.9%) was largely contributed by selected services. These included food away from home, telephone and telefax services, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of CPI items recording monthly price increases moderated to 42.7% during the quarter (1Q 2023: 56.0%), below the second quarter long-term average (2011-2019) of 43.9%. Notably, inflation pervasiveness dropped in June after a transitory uptick in May following the festive season.

Global developments continued to be the dominant factor in driving domestic financial conditions during the quarter. Global financial market sentiments were dampened by concerns over a slower global economic outlook, and weaker-than-expected rebound in China's economy. This was further compounded by concerns over the US debt ceiling crisis during the first two months of the quarter, alongside on-going financial market expectations of continued monetary policy tightening in advanced economies. Lower commodity prices and global semiconductor demand also weighed on domestic financial markets.

Reflecting these developments, the RM depreciated by 5.8% in the second quarter of 2023. However, the RM has appreciated by 1.1% so far over the third quarter (as at 15 August 2023), amid growing expectations that monetary policy tightening in the US is nearing its end. BNM will continue to closely monitor global and domestic financial conditions and ensure market adjustments remain orderly. BNM's presence in the foreign exchange market is to stem currency movements that are deemed excessive.

The growth in credit to the private non-financial sector moderated to 3.8% (1Q 2023: 4.1%) on account of slower growth in outstanding business loans. Outstanding corporate bonds growth, however, improved to 4.9% (1Q 2023: 4.4%). Outstanding business loans grew by 0.7%, due mainly to lower growth in working capital loans to non-SMEs. Notwithstanding this, investment-related loan growth remained sustained, with steady growth recorded for the purchase of fixed assets and non-residential properties. For households, outstanding loans expanded by 5.1%, mainly driven by loans for the purchase of residential properties and cars.

For the remainder of 2023, growth to remain moderate amid external headwinds but continues to be supported by resilient domestic demand.

With the challenging global environment, the Malaysian economy is projected to expand close to the lower end of the 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic demand amid improving employment and income as well as implementation of multi-year projects. Tourist arrivals are expected to continue rising, which would support tourism-related activities. Governor Datuk Shaik Abdul Rasheed Ghaffour explained, "Risks to Malaysia's growth outlook is subject to downside risk stemming primarily from weaker-than-expected global growth. There are, however, upside risk factors such as stronger-than-expected tourism activity and faster implementation of projects."

For the second half of 2023, both headline and core inflation are projected to trend lower within expectations, partly due to the higher base in the corresponding period last year. Nonetheless, risks to the inflation outlook are subject to the changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2023, BNM, 18 August 2023)

4.2. Overview and outlook of the construction and property sectors in Malaysia

In Q4 2022, Malaysia's economy grew by 7.0%, with a full-year growth of 8.7% in 2022. The growth was supported by labour market recovery and domestic demand expansions. Despite weaker external demand, the recovery of the tourism sector and the performance of electrical and electronic exports offset the slower growth. Inflation remains a concern for home seekers, but headline inflation decreased to 3.9% in Q4 from 4.5% in Q3. Due to the cooling inflation, BNM extended its rate pause for the second straight meeting in March. BNM is also assessing the impact of previous rate increases on the economy given the uncertain global economic outlook. The economy's recovery helped the residential market. In 2022, NAPIC recorded 243,190 transactions worth RM94.27 billion, up by 22.3%. The residential overhang figures fell in Q4 2022 to 27,746 units worth RM18.41 billion, down by 24.7% and

19.2% in volume and value, respectively. NAPIC's Malaysia House Price Index slightly rose by 2.8% in 2022.

The market still faces challenges despite recent positive developments. BNM predicts a slower growth of 4.0% to 5.0% in 2023 for the Malaysian economy. Although domestic demand, significant infrastructure projects, and an increase in tourist arrivals may benefit the economy, external factors such as weaker global growth, higher risk aversion in financial markets, and geopolitical conflicts and tensions are still exerting downward pressure on growth. Additionally, inflation is unlikely to decrease further due to supply cuts announced by Organisation of the Petroleum Exporting Countries.

(Source: Malaysia Property Market Report Q2 2023, Property Guru, 8 May 2023)

The MPC of BNM decided to maintain the OPR at 3.0%.

The global economy continues to expand, driven by resilient domestic demand supported by strong labour market conditions. Global growth, however, remains weighed down by persistent core inflation and higher interest rates. While China's reopening remains supportive of the global economy, its pace of recovery has slowed in recent months. Globally, headline inflation continued to moderate, but core inflation remains above historical averages. For most central banks, the monetary policy stance is likely to remain tight. The growth outlook remains subject to downside risks, mainly from a slower momentum in major economies, higher-than-anticipated inflation outturns, an escalation of geopolitical tensions, and a sharp tightening in financial market conditions.

Following a strong outturn in the first quarter of the year, the Malaysian economy expanded at a more moderate pace in recent months as exports were weighed down by slower external demand, as expected. Growth for the remainder of the year will continue to be driven by resilient domestic demand. Household spending continues to be underpinned by favourable labour market conditions, particularly in the domestic-oriented sectors. Tourist arrivals have been steadily improving, and are expected to continue rising, thereby lifting tourism-related activities. Investment activity would be supported by continued progress of multi-year infrastructure projects. Domestic financial conditions also remain conducive to financial intermediation amid sustained credit growth. While the growth outlook is subject to some downside risks stemming from weaker-than-expected global growth, upside risks mainly emanate from domestic factors such as stronger-than-expected tourism activity and faster implementation of projects.

Headline inflation has continued to ease amid lower cost factors. While core inflation has also moderated, it remains elevated relative to the long-term average amid lingering demand and cost factors. For the second half of 2023, both headline and core inflation are projected to trend lower, broadly within expectations. Risks to the inflation outlook remain highly subject to the degree of persistence in core inflation, changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

At the current OPR level, the monetary policy stance is slightly accommodative and remains supportive of the economy. The MPC continues to see limited risks of future financial imbalances. The MPC remains vigilant to on-going developments, and will continue to monitor incoming data to inform the assessment on the outlook of domestic inflation and growth. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

(Source: Monetary Policy Statement, BNM, 6 July 2023)

4.3. Prospects of our Group

4.3.1. Property development segment

As at LPD, our Group's property development segment has successfully completed a project located in the Klang Valley and is undertaking 5 on-going projects. Our Group will continue to leverage on our expertise to deliver differentiated products to its buyers and investors. Our recent notable completed and on-going projects are as follows:

<u>On-going project</u>	<u>Estimated gross development value (RM'000)</u>	<u>% of sales</u>	<u>% of completion</u>	<u>Project launching date / expected completion date</u>
<p>8th & Stellar</p> <p>2 blocks of 22 storey and 36 storey of service apartment (660 units) located at Sri Petaling</p>	564,768	100.0	70.8	17 January 2019/ 31 December 2023
<p>Quaver Residence</p> <p>Development of 2 blocks of 29-storey and 20-storey service apartments together with rooftop landscape (684 units) together with a level of commercial space (15 units of retail lot) located at Sungai Besi</p>	538,784	57.5	13.9	24 August 2022/ 30 September 2026
<p>Ayanna Resort Residences</p> <p>Development of 2 blocks of 42 storey and 44 storey (total 824 units) residential apartment at Bukit Jalil</p>	732,109	20.7	8.1	22 July 2023 / 20 October 2027
<p>Avantro Residences</p> <p>Development of 2 blocks of 31 storey and 33 storey serviced apartments (842 units) with 5 storey of office (21 units) at Bandar Kinrara</p>	517,344	-	2.0	23 September 2023 / 31 October 2027
<p>Solarvest Tower</p> <p>Development of 1 block of 34 storey office building (355 units) at KL Gateway</p>	234,783	-	14.3	^(a) Q4 2023 / 31 December 2026

Note:

^(a) Being the expected project launching date.

Premised on the above and after taking into consideration the outlook and overview of the property industry in Malaysia, our Board is of the view that our Group will achieve sustainable business growth industry in long term.

(Source: Management of CHGP)

4.3.2. Construction segment

Our Group's construction segment is primarily involved in general building contracting, civil works and structural construction. Our Group has obtained a Grade 7 contractor certification and Sijil Perolehan Kerja Kerajaan (SPKK) Certificate, and can undertake construction projects of unlimited value, including government projects, throughout Malaysia.

As at LPD, our Group has 20 on-going construction projects with a total contract value of RM1.77 billion which is expected to be completed within the next 1 to 3 years. Our notable on-going construction projects as at LPD includes amongst others, the following:

Building construction projects

Project details	% of completion	Outstanding order book as at LPD (RM'000)	Commencement date / expected completion date
<u>Hospital Seri Iskandar</u> Main building works for the construction of a hospital located in Perak	43.0	83,072	12 August 2021 / 28 October 2024
<u>Hospital Sultanah Maliha</u> Subcontracting building works for the construction of additional facilities for a hospital located in Langkawi	18.0	324,720	16 December 2021 / 16 July 2025
<u>Intel Pelican Project</u> Main building works for the construction of shell & core worksite substructure and superstructure located in Pulau Pinang	60.0	128,027	14 June 2022 / 4 October 2023
<u>Solarvest Tower</u> Main building works for the construction of 34-storey office building located in Kuala Lumpur	17.0	91,434	1 November 2021 / 31 December 2024

Civil and infrastructure projects

Project details	% of completion	Outstanding order book as at LPD (RM'000)	Commencement date / expected completion date
<u>SUKE CA2 & Parapet</u> Construction of mainline and other associated works for Sungai Besi - Ulu Kelang Highway located in Kuala Lumpur	98.7	1,283	20 March 2019 / 17 September 2023
<u>West Coast Expressway Section 3</u> Construction of Lebuhraya Persisiran Pantai Barat Section 3 Shah Alam Expressway Interchange bridge	83.5	6,900	15 April 2021 / 31 December 2023
<u>Pan Borneo Highway</u> Construction, completion and maintenance of the interchanges of Pan Borneo Highway located in Sabah	76.6	11,950	24 August 2020 / 24 June 2024

Our construction segment is expecting a gradual improvement in contract flows. The construction division's outstanding order book stands at RM647.39 million. The replenishment of its order book will depend on the rollout of infrastructure projects by the Malaysian government and private construction projects.

(Source: Management of CHGP)

4.3.3. Commercial vehicles and bodyworks segment

Our Group anticipates the commercial vehicles market to remain challenging given the market competition, and expects the current weakening of RM against other major currencies to put pressure on the profit margin. However, due to our Group's competitive costs advantage strategy in the light/big trucks models and prime movers, our Group is expected to continue to generate sustainable positive earnings for its commercial vehicles segment.

Our Group has implemented some competitive cost advantage strategies which resulted in time and cost savings in the light/big truck models and prime movers vehicle segment as follows:

- (a) to provide an in-house one-stop solution sales and service centre in order to reduce outsourcing costs such as engaging sub-contractor for assembly, repair and reconditioning the trucks;
- (b) setting up an internal engineering department with a team of professional engineers for all documentation required for Jabatan Pengangkutan Jalan (JPJ) registration; and
- (c) setting up an assembly location for light/big truck models and prime movers at Northern (Penang), Centre (Puchong) and Southern (Pasir Gudang) region respectively in order to reduce logistic costs.

The demand for light trucks remains strong for logistic and food delivery business. Our Group will also strengthen its marketing efforts for food trucks model and passenger van for tourism industry to support the growth of its commercial vehicles and bodyworks segment.

The market for commercial vehicles is anticipated to experience continuous challenges. In addition, the weakening of the RM against other major currencies placed pressure on the profit margin of this segment. Nevertheless, the Group remains cautiously optimistic about the prospect of this segment due to the strong demand for light/ big truck models and prime movers from the logistics and food delivery businesses.

(Source: Management of CHGP)

5. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1. Share capital

The pro forma effects of the Proposed Private Placement on our issued share capital are set out below:

	<u>No. of shares</u>	<u>RM</u>
Share capital as at LPD ⁽¹⁾	551,031,524	183,776,715
To be issued pursuant to the Proposed Private Placement ⁽²⁾	110,066,000	99,059,400
Enlarged share capital	<u>661,097,524</u>	<u>282,836,115</u>

Notes:

(1) Including a total of 700,000 treasury shares as at LPD.

(2) Based on the Indicative Issue Price.

5.2. NA and gearing

The pro forma effects of the Proposed Private Placement on our NA and gearing are set out below:

	<u>Audited as at 31 December 2022 RM'000</u>	<u>I (1)Adjusted for subsequent events RM'000</u>	<u>II (2)After I and Proposed Private Placement RM'000</u>
Share capital	134,813	183,777	282,836
Treasury shares	(255)	(255)	(255)
Reserves	17,473	15,884	15,884
Retained earnings	58,981	59,010	58,210
Equity attributable to the owners of our Company	<u>211,012</u>	<u>258,416</u>	<u>356,675</u>
Non-controlling interest	31,975	31,975	31,975
Total equity	<u>242,987</u>	<u>290,391</u>	<u>388,650</u>
No. of shares ('000)	480,067	551,032	661,098
Treasury shares ('000)	700	700	700

	Audited as at 31 December 2022	I (1)Adjusted for subsequent events	II (2)After I and Proposed Private Placement
	RM'000	RM'000	RM'000
NA per share attributable to owners of our Company (RM)	0.44	0.47	0.54
Bank borrowings (RM'000)	253,484	253,484	253,484
Gearing (times)	1.2	1.0	0.7

Notes:

(1) After adjusting for the:

- (a) issuance of 25,796,648 Shares at RM0.20 per CHGP share pursuant to the exercise of Warrants after 31 December 2022 up to and including LPD; and
- (b) issuance and listing of and quotation for 45,167,620 Shares pursuant to a previous private placement exercise on 17 January 2023, 22 February 2023, 6 April 2023 and 20 April 2023.

(2) After adjusting for the estimated expenses relating to the Proposed Private Placement of approximately RM800,000.

5.3. Earnings and EPS

The Proposed Private Placement is expected to be earnings accretive arising from the utilisation of proceeds to fund our Group's property development projects. As such, the Proposed Private Placement is expected to contribute positively to the earnings of our Group for the financial year ending 31 December 2023 thereon when the benefit of the utilisation of proceeds are realised.

The EPS of our Group may however be proportionately diluted as a result of the increase in the number of Shares after the Proposed Private Placement.

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5.4. Substantial shareholders' shareholding

The pro forma effects of the Proposed Private Placement on the shareholding of our substantial shareholders are set out in the table below:

Name	As at LPD			After Proposed Private Placement		
	Direct		Indirect	Direct		Indirect
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Chin Hin Group Berhad ("Chin Hin")	326,632,735	59.4	-	-	326,632,735	49.5
Datuk Seri Chiau Beng Teik	-	-	(2)326,632,735	59.4	-	(2)326,632,735
Dato' Goh Boon Koon	16,343,161	3.0	(3)34,259,997	6.2	16,343,161	2.5
Datin Lee Teoh Kee	3,870,412	0.7	(3)34,259,997	6.2	3,870,412	0.6
BKNT Resources Sdn Bhd ("BKNT Resources")	34,259,997	6.2	-	-	34,259,997	5.2
Goh Boon Leong	300,000	0.1	(3)34,259,997	6.2	300,000	0.1
Divine Inventions Sdn Bhd ("Divine")	-	-	(5)326,632,735	59.4	-	(5)326,632,735
Chiau Haw Choon	-	-	(2)326,632,735	59.4	-	(2)326,632,735
PP Chin Hin Realty Sdn Bhd ("PP CH Realty")	-	-	(4)326,632,735	59.4	-	(4)326,632,735

Notes:

- (1) Excluding 700,000 treasury shares in CHGP.
- (2) Deemed interest by virtue of his direct shareholding in Chin Hin and his shareholdings in PP CH Realty, which is the holding company of Divine pursuant to Section 8 of the Act.
- (3) Deemed interest through BKNT Resources pursuant to Section 8 of the Act.
- (4) Deemed interest through its wholly owned subsidiary, Divine pursuant to Section 8 of the Act.
- (5) Deemed interest by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.

5.5. Convertible securities

As at LPD, our Company does not have any existing convertible securities.

5.6. Dividends

The Proposed Private Placement will not have any effect on the dividend policy of our Company, if any. Future dividends to be declared by our Company will be dependent on, among others the future financial performance as well as cash position of our Group, after taking into consideration the working capital requirements, capital expenditures needed for future growth and business expansion.

6. HISTORICAL SHARE PRICE

The following table sets out the monthly highest and lowest market prices of CHGP Shares for the past 12 months as transacted on Bursa Securities:

	<u>High (RM)</u>	<u>Low (RM)</u>
<u>2022</u>		
November	1.170	1.000
December	1.280	1.070
<u>2023</u>		
January	1.170	1.030
February	1.200	1.040
March	1.060	0.960
April	1.090	1.010
May	1.100	0.985
June	1.070	0.985
July	1.050	1.000
August	1.010	0.985
September	0.990	0.920
October	0.960	0.900

The last transacted price of CHGP Shares on 1 September 2023, being the market day immediately preceding the date of announcement of the Proposed Private Placement on 4 September 2023 was RM0.98 per CHGP Share.

The last transacted price of CHGP Shares on LPD was RM0.93 per CHGP Share.

(Source: Bloomberg)

7. APPROVALS REQUIRED

The Proposed Private Placement is subject to approvals being obtained from the following:

- (a) Bursa Securities, for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, which was obtained on 3 November 2023;
- (b) shareholders of CHGP at the forthcoming EGM including the waiver of their pre-emptive rights under Section 85(1)* of the Act read together with Article 57 of our Constitution to be offered new CHGP Shares to be issued pursuant to the Proposed Private Placement which will result in a dilution of their shareholding percentage in our Company; and
- (c) any other relevant persons or authorities, if required.

Note:

* Section 85(1) of the Act provides that:

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Article 57 of our Constitution states that:

Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities of whatever kind shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to the shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Article.

In order for our Board to issue any new Shares free of pre-emptive rights, such pre-emptive rights must be waived. As such, the waiving of such pre-emptive rights over new Shares to be issued pursuant to the Proposed Private Placement will be tabled at our forthcoming EGM under the Ordinary Resolution to seek our shareholders' approval. The passing of Ordinary Resolution will exclude your pre-emptive rights to be offered any new Shares to be issued by our Company pursuant to the Proposed Private Placement and accordingly, dilute your percentage of shareholding in our Company. Please refer to the Notice of EGM for Ordinary Resolution as set out in this Circular.

The Proposed Private Placement is not conditional upon any other corporate proposals undertaken or to be undertaken by CHGP.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders, chief executive of CHGP and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Private Placement.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Private Placement (including, but not limited to the proposed utilisation of proceeds, rationale and effects of the Proposed Private Placement), is of the opinion that the Proposed Private Placement is in the best interest of our Group and our shareholders.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

The tentative timetable for the implementation of the Proposed Private Placement is as follows:

Tentative dates	Events
Mid November 2023	EGM to approve the Proposed Private Placement
Early May 2024	Listing of and quotation for all the Placement Shares on the Main Market of Bursa Securities

Barring any unforeseen circumstances, the Proposed Private Placement are expected to be completed/effectuated by the second quarter of 2024.

11. OUTSTANDING PROPOSALS ANNOUNCED BUT PENDING IMPLEMENTATION

Save for the following, there is no other corporate exercise/scheme being undertaken by our Company which has been announced but not yet completed as at the date of this Circular:

- (a) the Proposed Private Placement; and
- (b) the proposed joint development as announced on 3 May 2023, approved by our shareholders at the EGM held on 16 October 2023 and pending fulfilment of the conditions precedent.

12. EGM

An EGM, the notice of which is enclosed together with this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 22 November 2023 at 2.30 p.m. or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution so as to give effect to the Proposed Private Placement.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained, as soon as possible and in any event so as to arrive at our registered office, not less than 48 hours before the time appointed for holding the EGM or any adjourned thereof. The lodging of the Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

13. FURTHER INFORMATION

Please refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of

CHIN HIN GROUP PROPERTY BERHAD

DATUK SERI CHIAU BENG TEIK
NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirms that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement contained in this Circular false and misleading.

2. CONSENTS AND DECLARATIONS

M&A Securities, being the Adviser and Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references in the form and context in which it appears in this Circular.

M&A Securities has given its confirmation that no conflict of interest or of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Adviser and Placement Agent for the Proposed Private Placement.

3. MATERIAL LITIGATION

As at LPD, save as disclosed below, our Group is not engaged in any litigation, claims or arbitration, either as plaintiff or defendant, which may have a material effect on the financial position of our Group and our Board is not aware of any proceedings, pending or threatened, against our Group or of any fact which is likely to give rise to any proceeding which may materially and adversely affect the business or financial position of our Group:

(a) Alor Setar High Court Writ of Summons No. KA-22NCVC-80-12/2020

On 19 June 2020, KKS B filed a writ against Moza Six Sdn Bhd ("**MSSB**") for a sum of RM1,500,000.00 for fundamental breach of contract and/or total failure of consideration. MSSB counterclaimed for a total sum of RM1,500,000.00 being the initial payment for the agreement. On 30 March 2023, a consent judgment has been obtained for the amount of RM1,200,000.00 payable to KKS B in 25 monthly instalments and MSSB has withdrawn their counterclaim.

MSSB has defaulted payment of the instalments and KKS B therefore invoked their rights under the default clause of the consent judgment to recall the whole judgment sum of RM1,200,000.00 with the interest of RM6,410.96.

A notice pursuant to Section 466(1)(a) of the Act 2016 dated 20 June 2023 was served to MSSB by registered post on 28 June 2023. KKS B has filed in a winding up petition ("**Petition**") dated 1 September 2023 and served the same to MSSB on 21 September 2023. The Petition will be heard before the High Court sitting at Alor Setar on 3 December 2023.

(b) Shah Alam High Court Writ of Summons No. BA-22C-50-11/2020

On 26 November 2020, KKS B filed a writ against Kay Corporation Sdn Bhd ("**KCSB**") for a sum of RM1,429,178.19 for breach of contract. KCSB counterclaimed for a total sum of RM5,669,347.55 being the alleged outstanding payment for the balance contract sum, retention sum of RM750,000.00, general damages, specific damages and interests. The latter subsequently extended until 11 September 2023. The decision will be delivered by the judge on 28 November 2023.

APPENDIX I – FURTHER INFORMATION (Cont'd)

(c) Shah Alam High Court Writ of Summons No. BA-22C-32-09/2021 (previously was filed under Shah Alam Sessions Court Writ of Summons No. BA-A52C4-01/2021)

On 11 September 2021, KCSB filed a writ against KKSBB claiming for a declaration that the retention sum of RM12,778.85 is now payable and to be released to KCSB, an outstanding sum of RM14,746.48, interests and general damages. The matter is now transferred to be heard together with Suit No. BA-22C-50-11/2020.

(d) Shah Alam High Court Writ of Summons No. BA-22C-33-09/2021 (previously was filed under Shah Alam Sessions Court Writ of Summons No. BA-A52C-4-01/2021)

On 13 January 2021, KCSB filed a writ against KKSBB claiming for a declaration that the retention sum of RM186,500.00 is now payable and to be released to KCSB, an outstanding contract sum of RM345,892.28, interests and general damages. KKSBB then filed a counterclaim for the sum of RM1,429,778.19 being back charges owed by KCSB. The matter is now transferred to be heard together with Suit No. BA-22C-50-11/2020.

(e) Butterworth Sessions Court Writ of Summons No. PB-B52NCC-13-02/2023

On 27 February 2023, Boon Koon Vehicles Industries Sdn Bhd (“**BKVISB**”) filed a writ against B Mover Industries Sdn Bhd (“**BMISB**”) to recover an outstanding debt of RM554,767.50 for BKVISB supplying them the commercial vehicle part and components. However, BMISB had failed to enter appearance to the suit and the court has awarded a judgment in default in appearance against BMISB with the total judgement sum and costs of RM555,970.50 to BKVISB.

4. MATERIAL COMMITMENTS

Save as disclosed below, as at LPD, our Board is not aware of any material commitments contracted or known to be contracted by CHGP Group, that is likely to have an impact on CHGP Group’s profits or NA upon becoming enforceable:

	RM’000
Approved and contracted for:	
• Property, plant and equipment	<u>184</u>

5. CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, our Board is not aware of any contingent liabilities incurred or known to be incurred by CHGP Group, which upon becoming enforceable, may have a material impact in the ability of our Group to meet the obligations as and when they fall due:

	RM’000
Guarantees given to third parties in respect of trade & contracts	11,448
Guarantees given to financial institutions for borrowings	<u>359,919</u>
	<u>371,367</u>

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at CHGP's registered office at 48, Jalan Chow Thye, 10050 George Town, Penang, during normal business hours from Mondays to Fridays (except public holidays), from the date of this Circular up to and including the date of the EGM:

- (a) Constitution of our Company;
- (b) Audited consolidated financial statements of CHGP for the past 2 FYE 2021 and 2022 and the unaudited consolidated financial statements for 6-months FPE 30 June 2023;
- (c) Letters of consents and declarations referred to in Section 2 above; and
- (d) The relevant cause papers in respect of material litigation referred to in Section 3 above.

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CHIN HIN GROUP PROPERTY BERHAD
[200101017677 (553434-U)]
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of Chin Hin Group Property Berhad (“**CHGP**” or the “**Company**”) will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting (“**RPV**”) Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 22 November 2023 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

ORDINARY RESOLUTION

PROPOSED PRIVATE PLACEMENT OF UP TO 110,066,000 NEW ORDINARY SHARES IN CHIN HIN GROUP PROPERTY BERHAD (“CHGP” OR THE “COMPANY”) (“PLACEMENT SHARE(S)”), REPRESENTING NOT MORE THAN 20% OF THE ISSUED SHARES IN CHGP (EXCLUDING TREASURY SHARES) AT AN ISSUE PRICE TO BE DETERMINED LATER (“PROPOSED PRIVATE PLACEMENT”)

“THAT subject to all approvals of the relevant authorities and/or persons (if required) being obtained, approval be and is hereby given to the Board of Directors of the Company (“**Board**”) to issue and allot up to 110,066,000 new ordinary shares in CHGP (“**CHGP Shares**” or “**Shares**”), representing not more than 20% of its issued shares (excluding treasury shares), by way of private placement to independent investor(s) to be identified later (“**Placees**”), in single or multiple tranches, at an issue price for each tranche to be determined and fixed by the Board at a later date after all the relevant approvals have been obtained;

AND THAT, the issue price shall, in no event, be at a discount of more than 10% from the 5-day volume weighted average market price of CHGP Shares immediately preceding the price-fixing date;

THAT the Board be and is hereby authorised to utilise the proceeds to be derived from the Proposed Private Placement for such purposes as set out in the Circular to Shareholders dated 7 November 2023 and the Board be and is hereby authorised with full power to vary the manner and/or purpose of the utilisation of such proceeds from the Proposed Private Placement in the manner as the Board may deem fit, necessary and/or expedient, in the best interest of the Company, subject to the compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad and the approval of the relevant authorities (where required);

THAT such Placement Shares shall, upon allotment and issuance, rank equally in all respect with the existing CHGP Shares, except that holders of the Placement Shares shall not be entitled to any dividends, rights, allotments or other forms of distributions, that may be declared, made or paid to the shareholders of the Company, for which the relevant entitlement date(s) are prior to the date of allotment and issuance of the Placement Shares and the Placement Shares will be subject to all the provisions of the Company’s Constitution;

THAT pursuant to Section 85(1) of the Companies Act 2016 read together with Article 57 of the Company’s Constitution, approval be and is hereby given to waive and approve the disapplication of the pre-emptive rights of the existing shareholders of the Company to be offered new Shares ranking equally to the existing issued Shares arising from the allotment and issuance of the Placement Shares pursuant to the Proposed Private Placement **AND THAT** the Board is exempted from the obligation to

offer such Placement Shares first to the existing shareholders of the Company in respect of the allotment and issuance of the Placement Shares to the Placees pursuant to the Proposed Private Placement;

AND THAT the Board be and is hereby empowered and authorised to do all such acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangement as may be necessary to give full effect and complete the Proposed Private Placement, with full powers to assent to any conditions, modifications, variations and/or amendments deemed necessary or expedient in the interest of the Company and/or as may be required by the relevant authorities and to take all steps and actions as deemed fit, necessary and/or expedient in order to implement, finalise, give full effect to and complete the Proposed Private Placement.”

**BY ORDER OF THE BOARD OF
CHIN HIN GROUP PROPERTY BERHAD**

CHEE WAI HONG (BC/C/1470)
SSM PC No. 202008001804
TAN SHE CHIA (MAICSA 7055087)
SSM PC No. 202008001923

Company Secretaries
Penang
7 November 2023

Notes:

- (1) A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- (2) The proxy form must be duly completed and deposited at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Penang not less than 48 hours before the time appointed for holding the meeting.
- (3) A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
- (4) Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (5) If the appointor is a corporation, this form must be executed under its Common Seal or under the hand of its attorney.
- (6) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“**Central Depositories Act**”), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
- (7) Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**Omnibus Account**”), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
- (8) For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 69 of the Company’s Constitution and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors (“**ROD**”) as at 15 November 2023 and only a Depositor whose name appears on such ROD shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend and/or speak and/or vote in his/her behalf.
- (9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.



CHIN HIN GROUP PROPERTY BERHAD
 [200101017677 (553434-U)]
 (Incorporated in Malaysia)

PROXY FORM

CDS Account No.												
				-				-				

I/We
 (FULL NAME OF SHAREHOLDERS AS PER NRIC/PASSPORT/CERTIFICATE OF
 INCORPORATION IN CAPITAL LETTERS)
 (NRIC No.) of

 (ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)
 being a member/member(s) of the abovenamed Company, hereby appoints

.....
 (FULL NAME of proxy as per NRIC/Passport in capital letters)
 (NRIC No.) of

 (FULL ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)
 or failing
 him,
 (FULL NAME of proxy as per NRIC/Passport in capital letters)

(NRIC No.) of

 (FULL ADDRESS)

(EMAIL ADDRESS:.....) (MOBILE NO.:.....)

or failing him, THE CHAIRMAN OF THE MEETING, as *my/our proxy to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 22 November 2023 at 2.30 p.m. or at any adjournment thereof and to vote as indicated below:

RESOLUTION		FOR	AGAINST
Ordinary Resolution	Proposed Private Placement		

Please indicate with an "X" in the appropriate spaces provided above on how you wish your vote to be casted. If no specific instruction is given, the proxy may vote as he thinks fit.



No of shares held

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:

	No of shares	%
Proxy 1		
Proxy 2		
		<hr/>
		100

Dated this _____ day of _____ 2023

Signature of member(s) /Common Seal

* Strike out whoever is not desired

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- (9) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by way of poll.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretaries

CHIN HIN GROUP PROPERTY BERHAD
[200101017677 (553434-U)]

48, Jalan Chow Thye
10050 George Town
Penang

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