

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, please consult your stockbroker, solicitor, accountant, bank manager 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 JOINT DEVELOPMENT BETWEEN STELLAR PLATINUM SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF BKG DEVELOPMENT SDN BHD, WHICH IN TURN IS A WHOLLY-OWNED SUBSIDIARY OF CHIN HIN GROUP PROPERTY BERHAD, AND IVORY MEADOWS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF IVORY PROPERTIES GROUP BERHAD TO UNDERTAKE, IN A JOINT MANNER, THE DEVELOPMENT OF A PARCEL OF FREEHOLD LAND HELD UNDER H.S.(D) 19318, LOT 10012 SEKSYEN 1 BANDAR TANJONG PINANG, DAERAH TIMOR LAUT, PULAU PINANG**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*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 : Saturday, 14 October 2023 at 2.30 p.m.  
Date and time for the EGM : Monday, 16 October 2023 at 2.30 p.m. or at any adjournment thereof

**This Circular is dated 29 September 2023**

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## DEFINITIONS

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Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“Act”	:	Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
“BNM”	:	Bank Negara Malaysia Berhad
“BKGD”	:	BKG Development Sdn Bhd (201301040447 (1070270-M)), a wholly-owned subsidiary of CHGP
“Board”	:	Board of Directors of CHGP
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“CCC”	:	Certificate of completion and compliance
“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
“CHGP Warrant(s)” or “Warrant(s)”	:	Warrant(s) 2013/2023 in CHGP which has expired on 7 July 2023 (5.00 p.m.) and delisted on 10 July 2023 (9.00 a.m.)
“Chin Hin”	:	Chin Hin Group Berhad (201401021421 (1097507-W))
“Chin Hin Group”	:	Chin Hin and its subsidiaries, collectively
“Circular”	:	This circular to the shareholders of CHGP in relation to the Proposed Joint Development
“Constitution”	:	Constitution of CHGP
“Developer’s Entitlement”	:	Means all the proceeds derived from or in relation to the Project, when will accrue to SPSB
“Developer’s Financier”	:	Means SPSB’s financier, in relation to the Project
“Director(s)”	:	Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007  Director includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of CHGP or any other company which is a subsidiary of CHGP or a holding company of CHGP
“Divine Inventions”	:	Divine Inventions Sdn Bhd (201401043770 (1119952-P))
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per share
“FYE”	:	Financial year ended/ending, as the case may be

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**DEFINITIONS (Cont'd)**

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"FPE"	:	Financial period ended/ending, as the case may be
"GDC"	:	Gross development cost
"GDV"	:	Gross development value
"GP"	:	Gross profit
"HBPM" or "Valuer"	:	Henry Butcher Malaysia (Penang) Sdn Bhd (198901000192 (177498-P))
"IMSB" or "Purchaser"	:	Ivory Meadows Sdn Bhd (199901017223 (492123-A)), a wholly-owned subsidiary of IVORY
"IVORY"	:	Ivory Properties Group Berhad (200401034702 (673211-M))
"JDA"	:	Joint development agreement dated 3 May 2023 between SPSB and IMSB to develop the Land into the Project, including all supplemental thereto
"Land"	:	A parcel of freehold land held under H.S.(D) 19318, Lot 10012 Seksyen 1 Bandar Tanjong Pinang, Daerah Timor Laut, Pulau Pinang measuring approximately 8,093 s.m.
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
"LPD"	:	15 September 2023, being the latest practicable date prior to the printing of this Circular
"M&A Securities" or "Adviser"	:	M & A Securities Sdn Bhd (197301001503 (15017-H))
"Major Shareholder(s)"	:	Means a person who has an interest or interests in one or more voting shares in a company and the number or the aggregate number of those shares, is:  (a) 10% or more of the total number of all the voting shares in the company; or  (b) 5% or more of the total number of all the voting shares in the company where such person is the largest shareholder of the company,  For the purpose of this definition, "interest in shares" has the meaning given in Section 8 of the Act  Major Shareholder includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company
"MPC"	:	Monetary Policy Committee

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**DEFINITIONS (Cont'd)**

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"NA"	:	Net assets
"NAPIC"	:	National Property Information Centre
"NTA"	:	Net tangible assets
"OPR"	:	Overnight Policy Rate
"Parties"	:	SPSB and IMSB, collectively
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"Project" or "Crown Penang"	:	Development of the Land into a 41-storey service residence building comprising 30 levels of service suites, 8 levels of car park and 3 levels of facilities and services known as " <b>Crown Penang</b> "
"Proposed Joint Development"	:	Proposed joint development between SPSB and IMSB to undertake the Project on the Land
"Reimbursement Sum"	:	Total sum of RM71.00 million, payable by SPSB in the manner set out in Appendix I
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Shareholders"	:	Shareholders of CHGP
"s.m."	:	Square metre
"SPA"	:	Sale and purchase agreement dated 11 November 2019 entered between Zenith (as vendor) and IMSB (as purchaser) for the sale and purchase of the Land at the total purchase price of RM65.00 million
"SPSB" or "Developer"	:	Stellar Platinum Sdn Bhd (202101023661 (1423961-A)), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP
"sq ft"	:	Square feet
"Substantial Shareholder(s)"	:	A person who has interest or interests in one or more voting shares in a Company and the number of that share, or aggregate number of those shares, is not less than 5% of the total number of all the voting Shares in the company
"Term Loan"	:	Means a term loan facility of at least 70% loan margin from the Developer's Financier
"Zenith"	:	Zenith Urban Development Sdn Bhd (201301025241 (1055071-A)), the previous registered owner of the Land

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**DEFINITIONS (Cont'd)**

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Any reference in this Circular to any statues, rules, regulations or rules of the stock exchange is a reference to such statues, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

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**TABLE OF CONTENTS**

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	<b>Page(s)</b>
<b>EXECUTIVE SUMMARY</b>	
<b>LETTER TO THE SHAREHOLDERS OF CHGP IN RELATION TO THE PROPOSED JOINT DEVELOPMENT CONTAINING:</b>	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED JOINT DEVELOPMENT	2
3. RATIONALE FOR THE PROPOSED JOINT DEVELOPMENT	7
4. RISK FACTORS	7
5. OUTLOOK AND PROSPECTS	9
6. FINANCIAL EFFECTS OF THE PROPOSED JOINT DEVELOPMENT	15
7. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSED JOINT DEVELOPMENT	16
8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM	17
9. HIGHEST PERCENTAGE RATIO	17
10. TENTATIVE TIMETABLE	17
11. DIRECTORS' STATEMENT AND RECOMMENDATION	17
12. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION	17
13. EGM	17
14. FURTHER INFORMATION	18
<b>APPENDICES</b>	
I SAILENT TERMS	19
II VALUATION CERTIFICATE	25
III FURTHER INFORMATION	33
<b>NOTICE OF EGM FORM OF PROXY</b>	<b>ENCLOSED ENCLOSED</b>

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**EXECUTIVE SUMMARY**

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED JOINT DEVELOPMENT. SHAREHOLDERS OF CHGP ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDICES FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED JOINT DEVELOPMENT BEFORE VOTING AT THE FORTHCOMING EGM.**

The Board is recommending shareholders of CHGP to vote **IN FAVOUR** of the resolution in relation to the Proposed Joint Development to be tabled at the forthcoming EGM.

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary</b>	: The Proposed Joint Development entails a joint development between SPSB and IMSB to undertake, the development of a 41-storey service residence building comprising 30 levels of service suites, 8 levels of car park and 3 levels of facilities and services known as " <b>Crown Penang</b> " on a parcel of freehold land held under H.S.(D) 19318, Lot 10012 Seksyen 1 Bandar Tanjung Pinang, Daerah Timor Laut, Pulau Pinang measuring approximately 8,093 s.m.	Section 2
<b>Rationale</b>	: The Proposed Joint Development is in line with the Group's objective to expand its property development and construction business.	Section 3
<b>Approvals required</b>	: The Proposed Joint Development is subject to approvals from the following:  (a) Shareholders of CHGP at the forthcoming EGM;  (b) IVORY shareholders' approval at their forthcoming EGM to be convened; and  (c) any other relevant authorities and/or parties, if required.	Section 7

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

**Registered Office:**  
48, Jalan Chow Thye  
10050 George Town  
Penang

29 September 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*)

Dear Shareholders,

**PROPOSED JOINT DEVELOPMENT**

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**1. INTRODUCTION**

On 3 May 2023, the Company announced that its wholly-owned subsidiary, SPSB had entered into the JDA with IMSB for the purpose of the Proposed Joint Development.

On 18 September 2023, M&A Securities on behalf of the Board announced that SPSB and IMSB had mutually agreed to extend the conditional period of the JDA for a further period of 3 months from 3 November 2023 and expiring on 3 February 2024.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED JOINT DEVELOPMENT AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED JOINT DEVELOPMENT TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING BY WAY OF POLL ON THE RESOLUTION PERTAINING TO THE PROPOSED JOINT DEVELOPMENT TO BE TABLED AT THE FORTHCOMING EGM.**



## 2. DETAILS OF THE PROPOSED JOINT DEVELOPMENT

### 2.1 Information of IMSB

IMSB is the registered owner of the Land. Pursuant to the Proposed Joint Development, IMSB will contribute the Land and shall be entitled the Reimbursement Sum, while SPSB will be appointed by IMSB to implement and complete the development of the Land, and be entitled to the Developer's Entitlement. HBPM has on 18 May 2023 performed valuations on the Land, deriving a market value of RM71.00 million. Further details of the basis on determining the Reimbursement Sum is set out in Section 2.4.

IMSB was incorporated in Malaysia on 21 August 1999 under the then Companies Act 1965 and is deemed registered under the Act. IMSB is principally engaged in property development.

As at LPD, the total issued share capital of IMSB is RM2,500,000 comprising 2,500,000 ordinary shares.

As at LPD, the Directors of IMSB are Dato' Low Eng Hock, Loh Chin Chuen and Low Wei Shane.

IMSB is a wholly-owned subsidiary of IVORY, a public company listed on the Main Market of Bursa Securities. IVORY was incorporated in Malaysia on 27 November 2004 and listed on the Main Market of Bursa Securities on 28 July 2010. IVORY is principally engaged in investment holding and provision of management and marketing services.

As at LPD, the substantial shareholders of IVORY and their respective shareholdings are as below:

Substantial shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Low Eng Hock	133,552,150	27.25	<sup>(1)</sup> 28,228,404	5.76
NLY Development Sdn Bhd ("NLY Development") <sup>(2)</sup>	93,497,100	19.08	-	-
Datin Khoo Siew Siew	28,228,404	5.76	-	-
Ooi Choi Kiat	30,149,097	6.15	-	-

#### Notes:

(1) Deemed interested by virtue of his spouse's shareholdings in IVORY in accordance with Section 59(11)(c) of the Act.

(2) NLY Development was incorporated in Malaysia on 11 November 2002 under the then Companies Act 1965 and is deemed registered under the Act. The company is principally engaged in property development and investment holding. As at LPD, the total issued share capital of the company is RM1,000,000 comprising of 1,000,000 ordinary shares and the directors of the company are Tey Kock Yew, Tey Kok Keng and Tey Kock Leong.

As at LPD, the substantial shareholders of NLY Development and their respective shareholdings are as below:

Substantial shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Tey Kock Leong	200,000	20.0	-	-
Tey Kock Yew	200,000	20.0	-	-
Tey Kok Keng	250,000	25.0	-	-
Tey Kok Sang	150,000	15.0	-	-

<b>Substantial shareholders</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Tey Kok Teng	50,000	5.0	-	-
Tey Kok Tooi	150,000	15.0	-	-

## 2.2 Information of SPSB and BKGD

SPSB was incorporated in Malaysia on 8 July 2021 under the Act. SPSB is principally involved in the construction of buildings.

As at LPD, the total issued share capital of SPSB is RM2 comprising 2 ordinary shares.

As at LPD, the Directors of SPSB are Datuk Seri Chiau Beng Teik and Chiau Haw Choon.

SPSB is a wholly-owned subsidiary of BKGD.

BKGD was incorporated in Malaysia on 14 November 2013 under the then Companies Act 1965 and is deemed registered under the Act. Its principal activities are investment holding and property development and property construction. BKGD in turn, is a wholly-owned subsidiary of CHGP.

As at LPD, the total issued share capital of BKGD is RM29,400,000 comprising 29,400,000 ordinary shares.

As at LPD, the Directors of BKGD are Datuk Seri Chiau Beng Teik and Chiau Haw Choon.

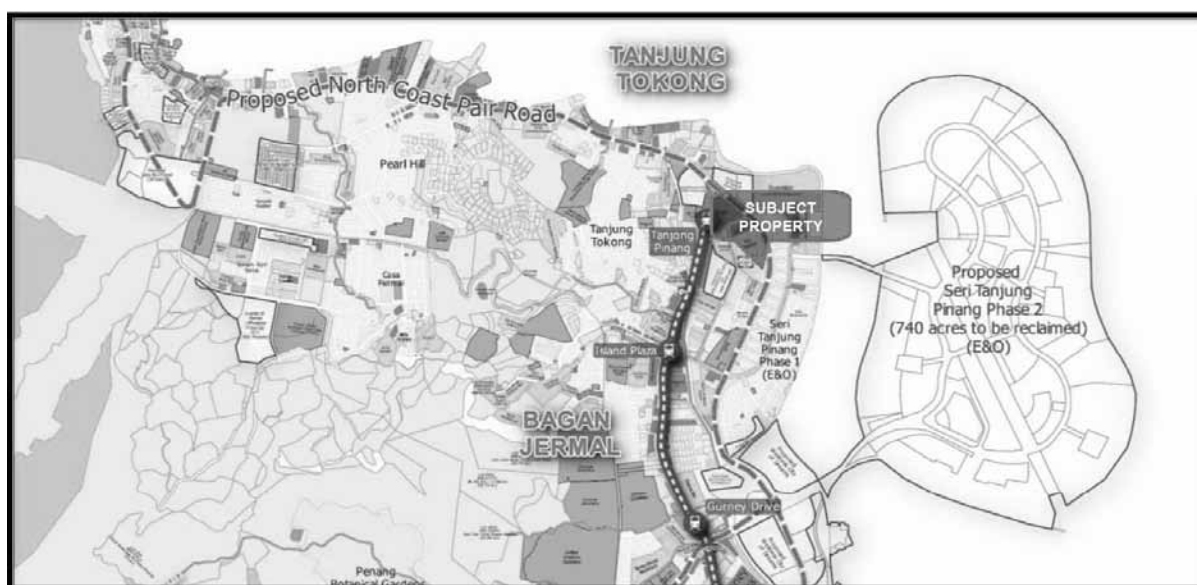
## 2.3 Information of the Land

Lot No.	10012, Section 1, Town of Tanjung Pinang, District of Timor Laut, Pulau Pinang
Title No.	H.S.(D) 19318
Tenure	Freehold
Land area	8,093 s.m.
Category of land use	Building
Encumbrances	Charged to Malayan Banking Berhad vide Presentation No. 0799SC2020023930 registered on 13 October 2020
Expressed condition	The Land shall be used for mixed development purposes (residential and business only)
Endorsement	Nil
Restriction in interest	The Land cannot be transferred, mortgaged, leased, sub-leased or any other form of transaction without the prior consent of the State Authority
Registered owner	IMSB
Market value	RM71.00 million
Carrying amount as at 31 March 2023	RM69.49 million

The Land is currently vacant. It is strategically located adjacent an upmarket waterfront township development popularly known as Seri Tanjung Pinang. It is sited at the north-eastern tip of Penang Island and is situated at the fringe of the established Tanjung Tokong town.

The Land is located along the northern part of proposed Lebuh Raya Lingkaran Luar Pulau Pinang and situated off the eastern side of the main thoroughfare of Jalan Tanjung Tokong. Jalan Tanjung Tokong is the main coastal road which leads to the acclaimed international hotel and commercial precinct within the vicinity of Batu Ferringhi and along the northern coast of Penang Island.

The location of the Land is set out as below:



(Source: HBPM)

## 2.4 Basis and justification of the Reimbursement Sum

The Reimbursement Sum of RM71.00 million was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

- (a) the market value of the Land of RM71.00 million, as appraised by HBPM, based on its valuation letter dated 18 May 2023 using the Comparison Approach and counter checked by the Residual Method of Income Approach;
- (b) the original cost of investment and cash purchase consideration paid by IMSB of RM65.00 million;
- (c) the costs incurred by IMSB for the Project, including costs for the construction of a sales gallery of RM6.00 million<sup>(1)</sup>; and
- (d) the property development potential of the Land.

The Board is of the opinion that the Reimbursement Sum is fair as it is at the market value of the Land as appraised by HBPM.

### Note:

- (1) The sales gallery is a temporary structure which consists of show units to show case the Project's interior layout, visual poster displays, scale model area as well as a discussion area.

Other than the Reimbursement Sum and contract value in the event IMSB is appointed as contractor of the Project, IMSB shall not be entitled to any of the proceeds, profits or units of the Project.

## 2.5 Information of the Project

IMSB intends to develop the Land as a service residence development with a 41-storey service residence building comprising 30 levels of service suites with 588 units ranging from 590 sq ft to 1,575 sq ft, 8 levels of car park, and 3 levels of facilities and services known as "**Crown Penang**".

SPSB estimates the Project to have a GDV of RM475.00 million and GDC of RM365.00 million. Further details of the Project are as follows:

Number of phase	:	1
Type of development	:	A serviced residence comprising a 41-storey building comprising 30 levels of serviced suites with 588 units, 8 levels of car park and 3 levels of facilities and services
Expected commencement date	:	Fourth quarter of 2024
Expected completion date	:	Fourth quarter of 2028
Estimated GDV	:	RM475.00 million
Estimated GDC	:	RM365.00 million
Stage of completion as at LPD	:	Nil

IMSB and SPSB are desirous to enter into the JDA to undertake the Project in a joint manner. IMSB and SPSB agree that SPSB shall have the full control and management of the Project and shall carry out and complete each and every phase of the Project upon the terms and subject to the conditions of the JDA.

Zenith, the previous registered owner<sup>(1)</sup> of the Land, had under its name applied for a planning permission on the Land before the execution of the SPA and had thereafter obtained the planning permission (Kebenaran Merancang) from Majlis Bandaraya Pulau Pinang on 20 October 2022 in relation to the Project. Prior to the execution of the JDA, Zenith and IMSB had an agreement to continue the application for the planning permission under Zenith's name and only transfer the said planning permission to IMSB upon obtaining the relevant approval. Upon the execution of the JDA, Zenith, IMSB and SPSB reached the consensus to make the assignment of the said planning permission from Zenith to SPSB as part of conditions precedent under the JDA which failure in assignment of the said planning permission shall cause the conditions precedent under the JDA deemed not fulfilled and thereafter SPSB is entitled to rescind the JDA. Any terms and conditions imposed on the assignment of the planning permission in favour SPSB and the cost of assignment of the planning permission from Zenith to SPSB shall be fulfilled and borne by IMSB.

### Note:

(1) Zenith had on 11 November 2019 entered into a sale and purchase agreement with IMSB to dispose of the Land at the total purchase price of RM65.00 million. The transfer of the ownership of the Land has been completed on 13 October 2020.

## 2.6 Implementation of Project

In consideration of SPSB's undertaking to comply with its covenants and obligations stated in the JDA, IMSB hereby appoints SPSB to implement and complete the development of the Project. To this end, SPSB shall be conferred with the following absolute rights in respect of the Project:

- (a) the right to design, develop, build and complete the Project on the Land;
- (b) the right to apply and maintain all necessary approvals, licenses and permits for the purpose of the Project;
- (c) the right to manage and implement the Project including the appointment of all consultants, advisers, contractors and suppliers in relation thereto;
- (d) the right to dispose of the components and Parcels (as hereinafter defined) comprised in the Project; and
- (e) the right to receive, collect, demand and utilise all proceeds and/or profits derived from the sale of the parcel units comprised in the Project ("**Parcels**") and to any other form of revenue derived from the Project,

(collectively, "**Development Rights**").

The building development works shall commence within 9 months from the Unconditional Date, i.e. the date of fulfilment and/or waiver of the last Conditions Precedent (as hereinafter defined in **Appendix I**) or such further period to be mutually agreed by the Parties. The words "commence building development works" shall mean the commencement of the piling works in respect of the construction of the Project.

In view that this Project is CHGP's first foray into the Penang property development market, CHGP intends to collaborate with IMSB, a local developer in Penang with well-known branding and good build quality track record, by granting the right of first refusal to IMSB to carry out the construction works of the Project at the provisional sum of RM180.00 million and other rights in taking the roles for sales and marketing, administration and project management of the Project as set out in Section 8 of **Appendix I**. This is to ensure that the Project shall be co-marketed under "Chin Hin Property" brand name to establish CHGP's brand name as a property developer in northern region. The provisional sum of RM180.00 million was arrived based on the initial building design and build specifications as well as the prevailing construction cost and material price guides. The provisional sum may be revised and is subjected to the finalisation of the building plans and related construction work contracts.

## 2.7 Source of funding

The Reimbursement Sum is expected to be funded via a combination of bank borrowings (approximately 70% of the Reimbursement Sum amounting to RM49.70 million) and internally generated funds (for the remaining 30% amounting to RM21.30 million).

SPSB shall obtain the Term Loan from the Developer's Financier to pay the total Reimbursement Sum in accordance with the terms of the JDA.

## 2.8 Liabilities to be assumed

There are no liabilities including contingent liabilities and/or guarantees to be assumed by CHGP from the Proposed Joint Development. However, SPSB shall obtain the Term Loan to partially pay the total Reimbursement Sum as set out in Section 2.7 and additional funding to finance the other components of GDC as set out in Section 2.9.

## 2.9 Additional financial commitments required

Save for the development costs to be incurred for the development of “**Crown Penang**” on the Land, there is no additional financial commitment expected to be incurred by the Group in relation to the Proposed Joint Development. The Board expects to finance the development cost through a combination of the sales proceeds of the Parcels, bank borrowings and/or internally-generated funds.

The details of the estimated GDV and GDC based on the feasibility studies undertaken by CHGP’s management on the Land dated 31 May 2023 are as follows:

No of units	588
Average selling price per unit (RM)	808,000
<b>Estimated GDV (RM’000)</b>	<b>475,000</b>

<b>Items</b>	<b>RM’000</b>
Land cost (being the Reimbursement Sum)	71,000
Construction cost	221,394
Contribution cost	15,766
Professional fees	14,575
Sales and marketing charges	25,399
Finance charges	16,866
<b>Estimated GDC</b>	<b>365,000</b>

## 3. RATIONALE FOR THE PROPOSED JOINT DEVELOPMENT

CHGP Group is involved in the property development business and the JDA is in line with the overall strategy of CHGP Group to source for new landbank and expand its property development segment.

Given the strategic location of the Land and barring any unforeseen circumstances, the Board is confident that the Project will contribute positively to the earnings of CHGP Group in future. As such, the JDA augurs well for CHGP Group as it is in line with the Group’s strategy to strengthen its property development segment and at the same time, diversify its presence to Penang.

## 4. RISK FACTORS

The Proposed Joint Development is subject to the risks inherent in the real estate and construction industry, of which CHGP Group is presently subject to. Therefore, the enlarged CHGP Group would be exposed to similar risks after completion of the Proposed Joint Development. Nonetheless, the potential risks that may have an impact on CHGP Group, which may not be exhaustive, pertaining to the Proposed Joint Development are set out below:

### 4.1 Completion risk

The completion of the JDA is conditional upon the fulfilment of the Conditions Precedent. If any of the Conditions Precedent is not met or waived, the JDA may be terminated and CHGP will not be able to complete the JDA. However, CHGP shall use its best endeavours to ensure that every effort is made to obtain all necessary approvals, including approval from CHGP’s shareholders for the JDA.

## **4.2 Project risk**

The Project is expected to contribute positively to CHGP Group. However, there is no assurance that the anticipated benefits arising from the Project will fully materialise in the future. As such, the anticipated benefits of the Project to be realised may be insufficient to offset the cost associated with the JDA. The GDV of the Project to be undertaken on the Land are estimated based on market conditions as at the date of valuation of the property development projects. However, certain assumptions may not be reflective of the prevailing market conditions at the point of sale of the Parcels. These assumptions include the demand for the Parcels and selling prices. Any unfavourable change in the basis of certain forecasts, projections and conditions of the property market may result in not being able to realise its projected GDV. As such, the anticipated benefits of the JDA to be realised may be insufficient to offset the cost associated with the JDA.

On 27 July 2023, IVORY had submitted an application for extension of time to submit its regularisation plan to Bursa Securities. Bursa Securities had on 18 September 2023 granted an extension of time of 6 months, i.e. up to 28 January 2024 to submit its regularisation plan. The Proposed Joint Development serves as an interim measure to enable IVORY to raise the amount of RM71.00 million to meet its immediate funding requirements. The Proposed Joint Development will also help and support IVORY in attracting new investors and/or potential joint venture parties for IVORY's future projects to be included in the regularisation plan to uplift the company from the PN17 status.

As the right of first referral is granted to IMSB to carry out the construction works on the Project pursuant to the terms of the JDA, CHGP will assess the suitability of IMSB (or any of its related companies as defined under Section 7 of the Act) to carry out construction works of the Project against other contractors tendering for the same construction works. The evaluation shall include, amongst others, their financial stability, track record and technical expertise. As part of CHGP's internal control process, CHGP shall request for adequate performance bond from its contractor and/or impose retention sum on the contract sum as securities for due performance of the construction contract by the contractor. In addition, CHGP will ensure that it shall be entitled to exercise its step-in rights if the contractor defaults in performance of contractual obligation. The Group believes that each measurement will sufficiently protect the Group against the construction risk of the Project stemming from the appointment of third party contractors including IMSB.

## **4.3 Financing risk**

CHGP Group will be seeking external financing to partially fund the JDA and Project. Its ability to obtain external financing and the cost of such financing are dependent on numerous factors, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, or any restrictions imposed by the Government as well as the political, social and economic conditions in Malaysia. The Group may also be exposed to fluctuations in interest rate movements. Any future significant fluctuation of interest rates could have an effect on the Group's cash flows and profitability. Nevertheless, CHGP Group will endeavor to manage its cash flow position and funding requirements prudently, to address the risk.

## **4.4 Political, economic and regulatory risk**

Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of the property development business. Amongst the political, economic and regulatory uncertainties are the changes in the risks of economic downturn, unfavourable monetary and fiscal policy changes, exchange control regulations or introductions of new rules or regulations affecting the property development industry, changes in interest rates, inflation, taxation method, general employment outlook and political leadership.

CHGP Group will continue to review its business development strategies in response to the changes in political, monetary, fiscal and economic conditions. Nonetheless, no assurance that any change to these factors would not have any material adverse impact on the CHGP Group's business in the future.

## **5. OUTLOOK AND PROSPECTS**

### **5.1 Overview and outlook of the Malaysian economy**

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; 4Q 2022: 7.1%; 1Q 2011 - 4Q 2019 average: 5.1%), driven mainly by domestic demand. Further improvement in the labour market, with strong growth in employment and continued expansion in wages, have supported private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. Inbound tourism continued to recover, lifting services exports and partially offsetting the slower goods export growth. On the supply side, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (4Q 2022: -1.7%).

Headline inflation during the quarter trended lower to 3.6% (4Q 2022: 3.9%). This was due mainly to the moderation in core inflation and lower RON97 price. The decline in core inflation (1Q 2023: 3.9%; 4Q 2022: 4.2%) was largely contributed by selected services. These include telephone and telefax service, food away from home, and personal transport repair and maintenance. Even as cost pressures, particularly global commodity prices, continued to ease, core inflation remained elevated during the quarter amid continued strength in demand. Price pressures remained pervasive. The share of Consumer Price Index (CPI) items recording monthly price increases rose to 56.0% during the quarter (4Q 2022: 51.2%). This in part reflected price adjustments by firms typically done at the beginning of the year (1Q average from 2011 - 2019: 52.2%; Overall average from 2011 - 2019: 45.6%), as well as continued price increases for some food-related items.

Domestic financial conditions remained broadly stable despite uncertainties surrounding the global economic outlook. Financial market expectations for US monetary policy were affected by evolving concerns over the US economy. These include the pace of disinflation and sustainability of its economic momentum. By the end of the quarter, risks from banking sector stress in the US and Europe weighed further on these expectations. As a result, the US dollar broadly depreciated amid shifting sentiments surrounding these developments, reversing its appreciation gains during first half of the quarter.

Against this backdrop, the ringgit continued to exhibit two-way movements with an overall marginal appreciation of 0.1% against the US dollar during the quarter. Moving forward, Bank Negara Malaysia will continue to closely monitor the global and domestic financial conditions while ensuring orderly financial market adjustments.

Credit to the private non-financial sector expanded by 4.2% (4Q 2022: 4.7%). This was accounted mainly by slower growth in outstanding loans (1Q 2023: 4.7%; 4Q 2022: 5.7%) and outstanding corporate bonds (1Q 2023: 4.4%, 4Q 2022: 4.6%). Outstanding business loans grew by 2.4%, following slower growth in working capital loans. Nonetheless, investment-related loans remained forthcoming, especially in the SME segment. For households, outstanding loan growth expanded by 5.2%. This was supported by sustained growth in outstanding loans for the purchase of big-ticket items, with higher growth recorded particularly for car purchases.

Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity. Moreover, higher inbound tourism activity would lift high-touch services industries.



Governor Tan Sri Nor Shamsiah Mohd Yunus said, "Risks to Malaysia's growth outlook are relatively balanced. Upside risks stem mainly from domestic factors. These include stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks could emanate from lower exports due to weaker-than-expected global growth and more volatile global financial market conditions." Headline and core inflation are expected to moderate but would remain above historical average in 2023. The moderation reflects lower global cost factors amid easing supply chain disruptions and lower commodity prices. However, core inflation will remain at elevated levels amid firm demand conditions. Existing price controls and fuel subsidies will continue to partly contain the extent of upward inflationary pressures. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes in domestic policy, financial market developments and global commodity prices.

*(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2023, BNM, 12 May 2023)*

## **5.2 Overview and outlook of the construction and property sectors in Malaysia**

In Q4 2022, Malaysia's economy grew by 7%, 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)*

In the first 9 months of 2022, property transaction activities in Penang registered a significant rebound year-on-year, with a total of 17,297 properties valued at RM9.51 billion. This reflected year-on-year increases of 44.4% and 31.5% of transaction volume and value respectively (as compared to 11,981 properties valued at RM7.23 billion in 2021).

The Penang residential property market resumed being active in 2022. Transaction volume increased by 18% to 10,885 units while transaction value grew to RM4.67 billion, up 14% as compared to the corresponding period last year. This sector has been cushioned from the pandemic due to housing being a necessity and high aspiration for home ownership as well as low-interest rates. Although transactions picked up, new launches by developers have been subdued, in the wake of soaring construction costs and labour shortages. Cautious optimism would prevail in such a property development scene. The residential property sector has also been spurred by Federal and State Government initiatives. The 100% stamp duty exemption for first-time homeowners remains, applicable for properties priced RM500,000 and below through the Keluarga Malaysia Home Ownership Initiative (iMiliki) from 1 June 2022 to December 2023 remains applicable. The 75% stamp duty exemption on properties priced between RM500,001 and RM1.0 million will also pique the interest of middle-to upper-income

first-time homebuyers as well as those who are looking to upgrade their property. Furthermore, the State Government has also extended its home ownership campaign until 31 December 2023 which will assist first-time buyers as well as facilitate developers in promoting affordable housing. The initiatives would continue to spur the residential property market in 2023.

*(Source: Malaysia Real Estate Market Outlook 2023, CBRE | WTW Research)*

The MPC of BNM decided to increase the OPR by 25 basis points to 3.00 percent. The ceiling and floor rates of the corridor of the OPR are correspondingly increased to 3.25% and 2.75%, respectively.

The global economy continues to be driven by resilient domestic demand supported by strong labour market conditions, and a stronger-than-expected rebound of China's economy. Nevertheless, the global economy continues to be weighed down by elevated cost pressures and higher interest rates. Headline inflation continued to moderate, but core inflation has persisted 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 an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and a sharp tightening in financial market conditions including from further stress in the banking sector.

For the Malaysian economy, latest developments point towards further expansion in economic activity in the first quarter of 2023 after the strong performance in 2022. While exports are expected to moderate, growth in 2023 will be driven by domestic demand. Household spending remains resilient, underpinned by better labour market conditions as unemployment continues to decline to pre-pandemic levels. The pickup in tourist arrivals is expected to lift tourism-related activities. Further progress of multi-year infrastructure projects will support investment activity. Domestic financial conditions also remain conducive to financial intermediation, with no signs of excessive tightening affecting consumption and investment activities. Risks to the domestic growth outlook are relatively balanced. Upside risks mainly emanate from domestic factors such as stronger-than-expected tourism activity and implementation of projects including those from the re-tabled Budget 2023, while downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

As expected, headline inflation trended lower in recent months on account of moderating cost factors. Both headline and core inflation are expected to moderate over the course of 2023, averaging between 2.8% – 3.8%. However, core inflation will remain at elevated levels amid firm demand conditions. Existing price controls and fuel subsidies will continue to partly contain the extent of upward pressures to inflation. The balance of risk to the inflation outlook is tilted to the upside and remains highly subject to any changes to domestic policy including on subsidies and price controls, financial market developments, as well as global commodity prices. With the domestic growth prospects remaining resilient, the MPC judges that it is timely to further normalise the degree of monetary accommodation. With this decision, the MPC has withdrawn the monetary stimulus intended to address the COVID-19 crisis in promoting economic recovery. In light of the continued strength of the Malaysian economy, the MPC also recognises the need to ensure that the stance of monetary policy is appropriate to prevent the risk of future financial imbalances. At the current level, the monetary policy stance is slightly accommodative and remains supportive of the economy. The MPC will continue to ensure that the monetary policy stance remains consistent with the outlook of domestic inflation and growth.

*(Source: Monetary Policy Statement, BNM, 3 May 2023)*

### 5.3 Prospects of CHGP

#### 5.3.1 Property development segment

As at LPD, the Group's property development segment has successfully completed a project located in the Klang Valley and is undertaking 2 on-going projects. The Group will continue to leverage on its expertise to deliver differentiated products to buyers and investors. The recent notable completed and on-going projects are as follows:

<u>Project details</u>	<u>Estimated GDV (RM'000)</u>	<u>% of sales</u>	<u>Commencement date / completion date</u>
<b><u>Completed project</u></b>			
<b>Aera Residence</b>	343,230	100.0	
2 blocks of 29-storey service apartment comprising total 752 units of service apartments and 13 units of retail outlets which set in an ideal location with easy access to Subang Jaya, Sunway City, Puchong and Kuala Lumpur, Aera Residence offers a unique lakeside living experience			24 Jan 2017/ 20 May 2022
<b><u>On-going project</u></b>			
<b>8th &amp; Stellar</b>			
Located at Sri Petaling, 8th & Stellar introduces a collection of stylish residences perfect for modern homeowners, located alongside exceptional corporate spaces that are available for leasing	564,768	100.0	69.7
			17 January 2019/ 31 December 2023
<b>Quaver</b>			
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	538,784	54.4	13.6
			24 August 2022/ 30 September 2026

As mentioned in the table above, the Group's property development projects are all located in the Klang Valley. In line with the Group's objectives and the long-term strategy, the Proposed Joint Development provides an opportunity for the Group to expand further into the northern region market. Given the strategic location of the Project which is a prime location at the main busy thoroughfare with connectivity to the city of Georgetown and Batu Ferringhi, the Project would be able to generate demand for accommodation and residential properties within the area. The Group expects the project to be profitable and shall contribute positively to the Group's earnings in the future.

(Source: Management of CHGP)

### 5.3.2 Construction segment

The Group's construction segment is primarily involved in general building contracting, civil works and structural construction. The 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.

Among the notable construction projects completed as at LPD are as follows:

	<b>Project details</b>	<b>Contract value (RM'000)</b>	<b>Commencement date / completion date</b>
<b>Building Construction Projects</b>	<u>Tanah Merah Hospital</u> Main design and building work for the construction of additional facilities for the hospital located at Kelantan	113,300	12 April 2018 / 2 October 2022
<b>Civil and Infrastructure Projects</b>	<u>Sunway Serene Major Infrastructure</u> Major infrastructure work for existing road located at Kelana Jaya	16,349	1 November 2019 / 30 November 2021

As at LPD, the Group has 20 on-going construction projects with a total contract value of RM1.86 billion which is expected to be completed within the next 1 to 3 years. Among the notable on-going construction projects as at LPD are as follows:

	<b>Project details</b>	<b>% of completion</b>	<b>Outstanding order book as at LPD (RM'000)</b>	<b>Commencement date / expected completion date</b>
<b>Building Construction Projects</b>	<u>Hospital Seri Iskandar</u> Main building works for the construction of hospital located in Perak	38.2	90,137	12 August 2021 / 28 October 2024
	<u>Hospital Sultanah Maliha</u> Subcontracting building works for the construction of additional facilities for a	16.0	332,666	16 December 2021 / 16 July 2025

<b>Project details</b>	<b>% of completion</b>	<b>Outstanding order book as at LPD (RM'000)</b>	<b>Commencement date / expected completion date</b>
hospital located in Langkawi			
<u>Intel Pelican Project</u>	55.2	143,565	14 June 2022 / 4 October 2023
Main building works for the construction of shell & core worksite substructure and superstructure located in Pulau Pinang			
<u>Solarvest Tower</u>	15.8	92,783	1 November 2021 / 31 December 2024
Main building works for the construction of 34-storey office building located in Kuala Lumpur			
<u>SUKE CA2 &amp; Parapet</u>	98.7	1,283	20 March 2019 / 17 September 2023
Construction of mainline and other associated works for Sungai Besi - Ulu Kelang Highway located in Kuala Lumpur			
<u>West Coast Expressway Section 3</u>	81.3	7,840	15 April 2021 / 31 December 2023
Construction of Lebuhraya Persisiran Pantai Barat Section 3 Shah Alam Expressway Interchange bridge			
<u>Pan Borneo Highway</u>	74.1	13,215	24 August 2020 / 24 June 2024
Construction, completion and maintenance of the interchanges of Pan Borneo Highway located in Sabah			

**Civil and Infrastructure Projects**

*(Source: Management of CHGP)*

### 5.3.3 Commercial vehicles and bodyworks segment

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

The 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 due to multiple assembly locations.

The demand for light trucks remains strong for logistic and food delivery business. The 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.

*(Source: Management of CHGP)*

## 6. FINANCIAL EFFECTS OF THE PROPOSED JOINT DEVELOPMENT

The Proposed Joint Development will not have any effect on the issued share capital and substantial shareholders' shareholdings of the Company.

### 6.1 NA and gearing

Based on the latest audited consolidated statement of financial position of CHGP Group as at 31 December 2022, the pro forma effects on the NA and gearing of CHGP group are as follows:

	Audited as at 31 December 2022	I <sup>(1)</sup> Adjusted for subsequent events	II After I and after Proposed Joint Development
	RM'000	RM'000	RM'000
Share capital	134,813	183,777	183,777
Treasury shares	(255)	(255)	(255)
Reserves	17,473	15,884	15,884
Retained earnings	58,981	59,010	<sup>(3)</sup> 58,810
<b>Equity attributable to the owners of the Company</b>	<b>211,012</b>	<b>258,416</b>	<b>258,216</b>
Non-controlling interest	31,975	31,975	31,975
<b>Total equity</b>	<b>242,987</b>	<b>290,391</b>	<b>290,191</b>
No. of shares ('000)	480,067	551,031	551,031
Treasury shares ('000)	700	700	700

	<b>Audited as at 31 December 2022</b>	<b>I (<sup>1</sup>)Adjusted for subsequent events</b>	<b>II After I and after Proposed Joint Development</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
NA per share attributable to owners of the Company (RM)	0.44	0.47	0.47
Bank borrowings (RM'000)	253,484	253,484	<sup>(2)</sup> 303,184
Gearing (times)	1.2	1.0	1.2

**Notes:**

- (1) After adjusting for the issuance of CHGP Shares for the following:
- (a) 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) 45,167,620 Shares pursuant to the private placement on 13 January 2023, 20 February 2023, 4 April 2023 and 18 April 2023 after 31 December 2022 up to and including LPD.
- (2) Assuming that 70% of the Reimbursement Sum (approximately RM49.70 million) is funded by bank borrowings and the balance through internally generated funds.
- (3) After adjusting for the estimated expenses relating to the Proposed Joint Development of approximately RM0.20 million.

## 6.2 Earnings and EPS

The Proposed Joint Development is not expected to have a material effect on the earnings and EPS of the Group for FYE 31 December 2023.

Nevertheless, barring any unforeseen circumstances, the Proposed Joint Development is expected to contribute positively to the future earnings and EPS of the Group as and when the Project progresses and the launched Parcels are sold. Any profit attributable would be realised in stages over the expected 4 years development period of the Project based on the sales of the Parcel and construction progress.

## 6.3 Convertible securities

The Proposed Joint Development is not expected to result in any adjustment to the number of outstanding Warrants or its exercise price.

## 7. APPROVALS REQUIRED AND CONDITIONALITY OF THE PROPOSED JOINT DEVELOPMENT

The Proposed Joint Development is subject to the following:

- (a) CHGP shareholders' approval at the forthcoming EGM to be convened;
- (b) IVORY shareholders' approval at their forthcoming EGM to be convened; and
- (c) Approval/consent from any other relevant parties, if required.

The Proposed Joint Development is not conditional upon any other corporate exercises undertaken or to be undertaken by CHGP.

## **8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Joint Development.

## **9. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio for the Proposed Joint Development pursuant to Paragraph 10.02(g) of the Listing Requirements is 33.65% calculated based on the Reimbursement Sum and the latest audited consolidated NA of CHGP as at 31 December 2022.

## **10. TENTATIVE TIMETABLE**

The tentative timetable for the implementation of the Proposed Joint Development is as follows:

<b>Events</b>	<b>Tentative timeline</b>
EGM to approve the Proposed Joint Development	Mid October 2023
Fulfilment of the conditions precedent for the JDA	End October 2023

## **11. DIRECTORS' STATEMENT AND RECOMMENDATION**

After having considered all aspects of the Proposed Joint Development, the Board is of the opinion that the Proposed Joint Development is in the best interest of CHGP.

The Board arrived at their decision after having considered, inter-alia, the terms and conditions of the JDA, the rationale for the Proposed Joint Development and prospects of the Project. Accordingly, the Board recommends you to **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Joint Development to be tabled at the forthcoming EGM.

## **12. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION**

As at LPD, save for the Proposed Joint Development and the following, CHGP Group has no other corporate proposals that has been announced but has yet to be completed:

- (i) Proposed private placement of up to 20% of its issued ordinary shares (excluding treasury shares), announced on 4 September 2023.

## **13. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting 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 Monday, 16 October 2023 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Joint Development.



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.

#### **14. FURTHER INFORMATION**

Please refer to the appendices of this Circular for further information.

Yours faithfully,  
For and on behalf of the Board of Directors of,  
**CHIN HIN GROUP PROPERTY BERHAD**

**DATUK SERI CHIAU BENG TEIK**  
Non-Independent Non-Executive Chairman

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## APPENDIX I – SALIENT TERMS

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The salient terms of the JDA are as follows:

### 1. REIMBURSEMENT SUM

In consideration of IMSB providing the Land for the purpose of the Project, SPSB shall, subject to the drawdown of the Term Loan (as hereinafter defined in Section 7, **Appendix I**), pay the Reimbursement Sum in the following manner:

- (a) within 30 days from the Unconditional Date, to pay a sum equivalent to RM68,000,000.00 towards:
  - (i) first, to Malayan Banking Berhad being the existing charge of the Land ("**Existing Chargee**") for the redemption sum for the purpose of discharging the Land ("**Redemption Sum**");
  - (ii) secondly, to Zenith of RM2,950,996.00<sup>(1)</sup> (if applicable); and
  - (iii) any balance thereof to IMSB or such third party authorised by IMSB.
- (b) within 7 days from the date of the CCC of the Project and subject to the positive cash flow of SPSB, and IMSB not breaching any written law or provision under the JDA, to pay a sum equivalent to RM3,000,000.00 to IMSB,

(collectively, the "**Reimbursement Sum**"),

failing which, SPSB shall be liable to pay IMSB a late payment interest calculated at 8% per annum on the outstanding sum commencing from the date such sum falls due up until day of actual payment.

**Note:**

- <sup>(1)</sup> RM2,950,996.00 is the sum claimed by Zenith against IMSB ("**Claimed Sum**") under the Pulau Pinang High Court case no. PA-22NCVC-53-04/2023. IMSB informed and authorised SPSB to pay a sum equivalent to the Claimed Sum from the Reimbursement Sum to Zenith directly in the event IMSB and Zenith achieved a settlement arrangement. As at the date of this Circular, the payment has been settled by IMSB.

### 2. BASIS OF REIMBURSEMENT SUM

The Reimbursement Sum is arrived at and agreed by the Parties after taking into consideration the following:

- (a) the indicative market value of the Land;
- (b) the original cost of investment and purchase consideration paid by IMSB in respect of the Land, and
- (c) the costs incurred by IMSB for the Project, including costs for the construction of a sales gallery.

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## APPENDIX I – SALIENT TERMS

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### 3. DEVELOPER'S ENTITLEMENT

In consideration of the Reimbursement Sum payable by SPSB, the Parties agree that all the proceeds derived from or in relation to the Project shall be fully retained by and belongs to SPSB.

### 4. PARCEL ENTITLEMENT

The Parties shall use their best endeavours to complete the Project and to procure all Parcels to be completely disposed of on or before the completion of the Project. In the event there are unsold Parcels on the completion of the Project ("**Unsold Parcels**"), IMSB irrevocably undertakes to do all such acts (including but not limited to the execution of sale and purchase agreement and all ancillary documents related thereto) in order to assign and/or transfer such Unsold Parcels in favour of SPSB or its permitted assigns with vacant possession. The Parties further agree that, pending the foregoing transfer, IMSB shall hold all the Unsold Parcels as bare trustee in favour of SPSB.

### 5. DEFICIT SUM AND DIFFERENTIAL SUM

In the event that the Reimbursement Sum shall be less than the Redemption Sum, IMSB undertakes to deposit the shortfall with SPSB's Solicitors, Messrs Phang Tham Teoh & Co as stakeholder within 7 Days from the date of the IMSB's Solicitors' receipt of the redemption statement and keep SPSB indemnified against such shortfall. In addition, to facilitate the release of the Term Loan, IMSB shall execute a written undertaking favouring the Developer's Financier (as hereinafter defined in Section 7, Appendix I) to refund to the Developer's Financier the loan sum in the event the JDA cannot be completed or the third party charge cannot be registered in favour of the Developer's Financier for any reason whatsoever ("**IMSB's Undertaking**") within 7 days from SPSB's Solicitors' receipt of the differential sum between the Reimbursement Sum and the Term Loan sum save for the sum contemplated under item Section 1(b), **Appendix I**.

### 6. CONDITIONS PRECEDENT

The JDA is subjected to the following conditions precedent being fulfilled within the Conditional Period:

- (a) satisfactory legal, financial and/or business due diligence on the Land and the Project by SPSB (including valuation on current market value of the Land);
- (b) the approval of board of directors and/or shareholders of the Parties (including CHGP) and/or appropriate authority in relation to the JDA and/or its implementation thereof (if applicable);
- (c) the litigation initiated by Zenith against IMSB, being withdrawn by Zenith or resolved to SPSB's satisfaction<sup>(1)</sup>;
- (d) consent and/or approval from the Existing Chargee in relation to IMSB entering into the JDA (if applicable); and
- (e) the assignment of the approved plot ratio (of at least 5) from Zenith to SPSB and non-imposition of affordable units comprised within the Project<sup>(2)</sup>.

(collectively, the "**Conditions Precedent**"),

The JDA shall be deemed unconditional upon the receipt of all the approvals, waivers or consents and/or fulfilment or waiver or the deemed acceptance of the same and the compliance and fulfilment of other conditions as set out in Section 6(a) to (e), **Appendix I** above.

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## APPENDIX I – SALIENT TERMS

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### Notes:

- (1) Zenith had on 12 April 2023 filed a Writ of Summons and Statement of Claims to Pulau Pinang High Court case no. PA-22NCvC-53-04/2023 against IMSB and the remaining 4 defendants for the claim of RM2,950,996.00 being part of the balance purchase price of the SPA. As at the date of this Circular, this civil case has been settled by Zenith and IMSB.
- (2) The assignment of plot ratio shall be done by way of assignment of planning permission (Kebenaran Merancang) with the plot ratio of not less than 5 from Zenith with no affordable units being imposed or to be built by the developer on the Project.

## 7. LOAN AND CHARGING OF LAND

The Parties acknowledge that SPSB shall be entitled to obtain the Term Loan to pay the total Reimbursement Sum in accordance with the terms of the JDA. To this end, IMSB agrees to facilitate and allow the registration of third party charge on the Land in favour of the Developer's Financier.

In order to finance the development cost of the Project, SPSB agrees to procure a bridging loan from its bridging financier ("**Bridging Financier**") to pay the construction costs of the Project in accordance with the terms of the JDA.

IMSB agrees to charge the Land in favour of the Developer's Financier and/or Bridging Financier as security for repayment of the Term Loan and/or Bridging Loan obtained by SPSB subject to SPSB shall have notified IMSB in writing of its intention, the particulars of the financier (in whose favour SPSB is required to procure the creation of third party charge over the Land), and the securities which are required to be provided by SPSB, prior to acceptance of the loan from the Financier.

## 8. UNDERSTANDING OF THE PARTIES

### (a) Right of first refusal in relation to construction works

SPSB agrees that its shall not engage with any contractors in relation to the construction works of the Project without first making an offer to engage IMSB's (or any of its related companies as defined under Section 7 of the Act) service to carry out the same construction works of the Project at the provisional sum of RM180,000,000.00 being the total construction costs. In the event that IMSB rejects the offer, then SPSB shall be entitled to engage any contractor to carry out the same construction works at a price not higher than the price offered to IMSB.

### (b) Sales and marketing of the Project

The Parties acknowledge and agree that SPSB shall grant IMSB (or any of its related companies as defined under Section 7 of the Act) the right to participate jointly with SPSB in the sales and marketing of the Project and in assuming the administrative role in respect of the sales and marketing of the Project (which shall include managing all sale and purchase of agreements and perfection of transfer by the Purchasers) in accordance with the terms in the JDA. SPSB agrees to pay the administration fees of not more than 0.5% of the GDV of the Project (inclusive of sale and services tax and/or any applicable tax). The said administration fees shall not include any legal fees, agent commissions or marketing collateral payable or out-of-pocket expenses incurred in relation to the Project.

**(c) Project management and consultation**

Subject to the terms and the scope of works mutually agreed by the Parties in writing, SPSB further agrees to grant the role of project management and consultant to IMSB (or any of its related companies as defined under Section 7 of the Act) during the construction period and property management period at the project management fees of not more than 1% and consultation fees of not more than 5.61% of the total construction cost of the Project (inclusive of sale and services tax and/or any applicable tax).

**(d) Material change in policy**

SPSB and IMSB shall discuss a solution towards any material changes in policy that affects the assigned plot ratio type of property erected on the Project and/or the development order in relation of the Project. In the event SPSB and IMSB fail to reach a solution, then the aggrieved party shall be entitled to rescind the JDA and IMSB thereafter shall repay SPSB all money paid and costs incurred under this JDA and the power of attorney shall be revoked.

**9. GRANT OF POWER OF ATTORNEY**

Simultaneous with the execution of the JDA, IMSB shall execute and deliver a power of attorney in favour of SPSB to do all the necessary for the purpose of the Land and the Project subject to the following:

- (a) the execution of a deed of revocation to revoke the power of attorney and deposit the same with the SPSB's Solicitors; and
- (b) in the event of termination of the JDA according to the terms of the JDA, the grant of the power of attorney shall be deemed as revoked and SPSB shall return all copies of the power of attorney to IMSB and thereafter the SPSB's Solicitors shall present the deed of revocation for registration with relevant authorities.

Amongst other rights provided in the power of attorney, some of the salient rights are as follows:

- (a) Execute all documents and do all acts to perfect the transfer of the registered title of the Land to SPSB;
- (b) Raise and borrow moneys on security of the Land for the purpose of financing the construction and completion of the Project;
- (c) Apply for and sign all applications to all relevant authorities for the approval in connection with the project, including but not limited to planning permission and development order;
- (d) Apply for and sign all applications for the application of licenses, permissions, permits and consents required;
- (e) Apply to the relevant authorities for the housing developer's license, advertising and sales permit and housing development account (which will be applied for in the name of IMSB);
- (f) Apply for and sign all applications for the issuance of the quantified and/or final titles to the Land; and
- (g) Enter into sale and purchase agreements with end-purchasers of the units in relation to the Project in its capacity as the developer of the Project.

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**APPENDIX I – SALIENT TERMS**

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**10. DELIVERY OF VACANT POSSESSION**

Subject to the SPSB's observance of all the terms and conditions, vacant possession of the Land shall be delivered to SPSB on an as-is-where-is basis within 5 Business Days from the Unconditional Date.

**11. TRANSFER OF LAND**

The Parties agree and in accordance with the relevant laws and regulations that:

- (a) IMSB shall transfer the Land to the joint management body or management corporation (as the case may be) in accordance with the relevant laws; or
- (b) failing of (a), IMSB shall transfer the Land to SPSB within 5 years from completion date of the Project (i.e.: date of the CCC) or such further period requested by SPSB;

whereupon IMSB shall execute the necessary documents and/or instruments and obtain the relevant approvals from the appropriate authorities which are required by law to effect the transfer of the Land in favour of the Parties with no consideration payable.

**12. TRANSFER OF STRATA TITLE**

IMSB agrees to execute, without charging any administration fees, all such documents or instruments as may be necessary to apply for sub-division of the Land, strata titles or subsidiary titles, as the case maybe and in relation to or for the transfer of the separate/ strata titles of the Parcels to end-purchasers or their assignees of the same and the charge over the separate/strata titles of the Parcels to end-purchasers' financiers including memoranda of transfer, letter of undertakings and consents required by law to be executed by IMSB.

**13. TERMINATION**

13.1 SPSB shall have the right to either claim for specific performance of the JDA at the cost and expense of IMSB or to terminate the JDA without prejudice to any other rights and remedies of SPSB under the law and/or equity in the event of the occurrence of the following:

- (a) IMSB commits a breach of any material obligations, covenant or undertaking stated in the JDA and fails to take any action to remedy such breach within 30 days from the date of the written notice given by SPSB; or
- (b) IMSB goes into liquidation or makes assignment for the benefit of enters into an arrangement or composition with its creditors or has a receiver appointed; or
- (c) a winding up petition is instituted or threatened to be instituted against IMSB; or
- (d) any distress, legal or execution proceedings is levied or commenced against IMSB or judgment is entered against IMSB which may materially and adversely affect IMSB's performance of its obligations under the JDA; or
- (e) IMSB shall have a receiver or manager or receiver and manager appointed over the whole or any material part of its assets;

and vice-versa.

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**APPENDIX I – SALIENT TERMS**

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- 13.2 In the event of default by IMSB and upon the termination under Section 13.1 of Appendix I by SPSB, the following shall apply:
- (a) IMSB shall do all the necessary to transfer the ownership of the Land to SPSB and cause the Land to be registered under the name of SPSB; and
  - (b) SPSB shall be entitled to recover such damages which SPSB has suffered under the JDA.
- 13.3 In the event of default by SPSB and upon the termination under Section 13.1 of Appendix I by IMSB, IMSB shall have the option to take out of the hands of SPSB the works pertaining to the development and completion of the Project ("**Step-In**") whereby IMSB may:
- (a) perform or employ other persons to perform the Step-In;
  - (b) take full control of the subcontracts as agent of SPSB; and
  - (c) take possession of all such output materials produced or procured by SPSB which are required by IMSB to facilitate the Step-In.

In this regard, SPSB irrevocably undertakes to perform or cause to be performed all the following acts:

- (a) to novate all its rights under the sale and purchase agreement entered between SPSB, IMSB and the end-purchasers to IMSB without derogation to the Existing Chargee's or the Developer's Financier's rights over the Project;
- (b) at the option of IMSB, to novate all its agreements with the existing contractors, subcontractors, architects, engineers and/or any other consultants ("**Consultants**") to IMSB; and
- (c) to settle all outstanding sums due and owing by SPSB to the Consultants upon the date IMSB exercises the Step-In rights.

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## APPENDIX II – VALUATION CERTIFICATE



**HENRY BUTCHER MALAYSIA**  
International Asset Consultants

Our Ref : V/PG/DY2337 (AG)  
Date : 18<sup>th</sup> May 2023

**PRIVATE & CONFIDENTIAL**  
**CHIN HIN GROUP PROPERTY BERHAD**  
Wisma Chin Hin  
No. A-1-9, Pusat Perdagangan Kuchai  
No. 2, Jalan 1/127, Off Jalan Kuchai Lama  
58200 Kuala Lumpur  
Malaysia

Dear Sirs,

**REPORT AND VALUATION OF LOT NO. 10012 HELD UNDER TITLE NO. H.S.(D) 19318, SECTION 1, TOWN OF TANJONG PINANG, DISTRICT OF TIMOR LAUT, PULAU PINANG (“SUBJECT PROPERTY”).**

This Valuation Certificate has been prepared for the purpose of submission to Bursa Malaysia Securities Berhad (“**Bursa**”) as well as inclusion in the Circular to shareholders of **Chin Hin Group Property Berhad (“CHGP”)** pursuant to the proposed joint development between **Stellar Platinum Sdn. Bhd. (“SPSB” or “Developer”)**, a wholly owned subsidiary of **BKG Development Sdn. Bhd. (“BKGD”)**, which in turn a wholly owned subsidiary of CHGP, and **Ivory Meadows Sdn. Bhd. (“IMSB” or “Proprietor”)**.

In accordance with the instruction from CHGP, we have valued the Subject Property vide our valuation report bearing Reference No. V/PG/DY2337 (AG) dated 18<sup>th</sup> May 2023. The material date of valuation for this valuation exercise is taken as at 18<sup>th</sup> May 2023.

This Valuation Certificate is a summary of the relevant facts and information set out in our valuation report and to be read in conjunction with our valuation report bearing Reference No. V/PG/DY2337 (AG) dated 18<sup>th</sup> May 2023.

The valuation has been carried out in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia (6<sup>th</sup> Edition of MVS and effective from 1<sup>st</sup> January 2019) (“**MVS**”) and the Asset Valuation Guidelines (1<sup>st</sup> Revision Series No. SC-GL/AV-2009 (R1-2017) dated 19<sup>th</sup> January 2017 and effective from 20<sup>th</sup> March 2017) issued by the Securities Commission Malaysia.

The basis of valuation adopted for the purpose of this valuation is **Market Value**. The term **Market Value**, as defined in the MVS, is “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

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## **APPENDIX II – VALUATION CERTIFICATE**

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### **TERMS OF REFERENCE**

We are instructed by CHGP to value the full share freehold interest of the Subject Property for the purpose of submission to Bursa in relation to the proposed joint development between SPSB, a wholly owned subsidiary of BKGD, which in turn a wholly owned subsidiary of CHGP, and IMSB on an "As Is" basis, with vacant possession and subject to the title being good, registrable, marketable, free from all encumbrances, endorsements, statutory notices and outgoings, disregarding the terms and conditions stated in the Joint Development Agreement dated 3<sup>rd</sup> May 2023 made between IMSB and SPSB.

### **INTEREST VALUED**

The interest valued comprises a parcel of unencumbered freehold development land located along the northern part of the Lebuhraya Lingkaran Luar Pulau Pinang ("**PORR**"), locality of Tanjung Tokong, Pulau Pinang identified as Lot No. 10012 held under Title No. H.S.(D) 19318, Section 1, Town of Tanjung Pinang, District of Timor Laut, Pulau Pinang.

### **DESCRIPTION AND LOCATION OF THE SUBJECT PROPERTY**

The Subject Property comprises a parcel of freehold development land strategically located within an upmarket waterfront township development popularly known as Tanjung Pinang. It is sited at the north-eastern tip of Penang Island and is situated at the fringe of the established Tanjung Tokong town. The Subject Property is sandwiched between The Tamarind (a completed serviced apartment development) and Marinox Sky Villas (a completed condominium development).

Prominent landmarks in the vicinity include the Stonyhurst International School Penang, Straits Quay Marina mall, Straits Quay Convention Centre, Desiran Tanjung Business Centre, Bazaar Tanjung, Fettes Park Wet Market, Seri Tanjung Pinang Recreation Park, *Sekolah Kebangsaan Tanjung Tokong*, Prima Tanjung Business Centre, Fettes 10, Island 88 shopping complex (formerly known as Island Plaza), Precinct 10, Lotus Tanjung Pinang, City Junction, Jazz Hotel and several blocks of serviced apartment developments i.e. The Tamarind, Straits Residences, Straits Quay, Jazz Residence, The Landmark, 118 @ Island Plaza, City of Dreams as well as the on-going The Meg and Arica located on the newly-reclaimed Seri Tanjung Pinang 2 island.

The Subject Property is situated approximately 6.6 km from Kompleks Tun Abdul Razak ("**KOMTAR**") and is about 21.6 km from the Penang International Airport in Bayan Lepas.

The Subject Property is approachable from KOMTAR via Jalan Penang, Jalan Burma, Jalan Pangkor, Jalan Kelawei, Jalan Tanjung Tokong, Jalan Seri Tanjung Pinang and thence onto PORR, all being well-maintained metalled roads.

The site is generally flat in terrain and lies at about the same level with the existing metalled road.

The boundaries of the site are not physically demarcated by any form of fencing.

At the date of our inspection, we noted that the site is overgrown with wild trees.

## APPENDIX II – VALUATION CERTIFICATE

### TITLE PARTICULARS

Brief particulars of the title as extracted from title searches conducted at Penang Land Registry (*Pejabat Tanah dan Galian Negeri Pulau Pinang*) are as follows:-

Lot No.	:	10012, Section 1, Town of Tanjung Pinang, District of Timor Laut, Pulau Pinang
Title No.	:	H.S.(D) 19318
Tenure	:	Freehold
Category of Land Use	:	<i>Bangunan</i>
Titles Land Area	:	8,093 square metres (" <b>sq. metres</b> ")
Quit Rent	:	RM20,880.00
Registered Proprietor	:	<b>IVORY MEADOWS SDN. BHD.</b> – <i>full share</i>
Express Conditions	:	<i>Tanah yang diberimilik ini hendaklah digunakan untuk tujuan pembangunan bercampur (kediaman dan perniagaan sahaja).</i>
Restriction-In-Interest	:	<i>Tanah yang diberimilik ini tidak boleh dipindahmilik, dicagar, pajak, pajakan kecil atau sebarang bentuk urusniaga tanpa mendapat kebenaran Pihak Berkuasa Negeri terlebih dahulu.</i>
Encumbrances	:	Charged to MALAYAN BANKING BERHAD vide Presentation No. 0799SC2020023930 registered on 13 <sup>th</sup> October 2020.
Endorsements	:	Nil

### LOCAL AUTHORITY SEARCHES

In accordance with the Draft Local Plan of Penang Island 2030 [*Draf Rancangan Tempatan Pulau Pinang 2030*], we noted that the Subject Property is located within an area zoned for Public Utilities use ("*Kemudahan Masyarakat*").

Based on the Express Conditions stated in the Certified True Copy of the Registered Document of Title and the private title search in respect of the Subject Property, we noted that the Subject Property is designated solely for the purpose of "Mixed-Development" use only.

Pursuant to the Planning Permission Approval Letter issued by *Jabatan Perancangan Pembangunan, Majlis Bandaraya Pulau Pinang / Penang Island City Council* ("**M.B.P.P.**") bearing Reference No. MBPP/OSC/PM4001/2020(LB) dated 17<sup>th</sup> August 2022 ("**Planning Permission Approval Letter**") and the Approved Architectural Layout Plan prepared by Messrs Yee Yew Chui, bearing Reference No. MBPP/OSC/PM4001/2020(LB) dated 12<sup>th</sup> January 2021 ("**Approved Layout Plan**"), we noted that the Subject Property is approved for the following development :-

A 41-storey block comprises :-

- a) 7-storey and a mezzanine floor of car park and ancillary area;
- b) 30-storey of serviced apartment (588 units); and
- c) 3-storey of M&E and ancillary area.

In view of the above, we have valued the Subject Property as a parcel of commercial development land.

## APPENDIX II – VALUATION CERTIFICATE

### VALUATION METHODOLOGY

We have adopted the **Comparison Approach** and counter checked by the **Residual Method of Income Approach** of valuation in formulating our opinion of the **Market Value** of the Subject Property.

**Comparison Approach** is the Market Approach of comparing the Subject Property with similar properties that were transacted recently, due consideration is given to factors such as size (land area), location, planning permission approval obtained and zoning to arrive at our opinion of Market Value of the Subject Property.

The **Residual Method** of valuation involves a computation of the Gross Development Value ("GDV") of the proposed serviced apartment development based on the Approved Layout Plan, from which are deducted the Gross Development Cost ("GDC") (including all expenses and costs to complete the development) and a margin for developer's profit. The remainder or residual or residual sum, appropriately discounted for time adjustment reflects the development value of the land.

### SUMMARY OF COMPARISON APPROACH

For the purpose of this valuation, we have utilised 3 comparables with similar aspects located in Georgetown area in our valuation computation of Comparison Approach. Details of the comparables are presented as follows :-

	Comparable No. 1	Comparable No. 2	Comparable No. 3
Property particulars	Lot Nos. 22, 23 & 24, all within Section 12, Town of Georgetown, District of Timor Laut, Pulau Pinang.	Lot No. 10020, Section 16, Town of Georgetown, District of Timor Laut, Pulau Pinang.	Lot Nos. 1383, 1384, 1388, 1392 & 1457, all within Section 4, Town of Georgetown, District of Timor Laut, Pulau Pinang.
Location and type of property	Georgetown (at the intersection of Jalan Anson & Jalan Macalister)	Georgetown (along Jalan Anson)	Georgetown (surrounded by Lebuhraya Peel, Jalan Perak & Jalan Pangkor)
	3 adjoining parcels of development land erected with a commercial building	A parcel of development land with an old bungalow house	5 adjoining parcels of development land with an old bungalow house
Distance from Subject Property	6.80 km	6.30 km	5.80 km
Transaction date	08/01/2020	15/05/2019	18/01/2021
Vendor	Eco Macalister Development Sdn. Bhd.	Summit Methods Sdn. Bhd.	Keng Yik Realty Sdn. Bhd.
Purchaser	Exsim Macalister Sdn. Bhd.	CT Ceria Sdn. Bhd.	Peel Healthcare Sdn. Bhd.
Tenure	Freehold interest		
Share	Full Share		
Source	<i>Jabatan Penilaian &amp; Perkhidmatan Harta</i>	Sale & Purchase Agreement	<i>Jabatan Penilaian &amp; Perkhidmatan Harta</i>
Land area	48,292 sq. ft.	35,930 sq. ft.	67,771 sq. ft.
Consideration	RM60,000,000	RM40,000,000	RM51,000,000
Based Value	RM1,242 per sq. ft.	RM1,113 per sq. ft.	RM753 per sq. ft.
Remarks :-			
- Time difference	40 months	48 months	28 months
- Size (land area)	Smaller	Smaller	Smaller
- Location	Better	Better	Similar
- Tenure	Similar	Similar	Similar
- Planning Permission	Yes	Yes	Nil
- Zoning	Similar	Similar	Poorer

## APPENDIX II – VALUATION CERTIFICATE

Adjustments	Comparable No. 1	Comparable No. 2	Comparable No. 3
Time difference	Property values in the locality have remained relatively stable over the last 40, 48 & 27 months for Comparable Nos. 1, 2 & 3 respectively, hence no adjustment has been made.		
Size (land area)	The land area of the Subject Property is larger than these Comparables, hence an downward adjustment has been made for size factor.		
Location	The locations of these Comparables are considered superior than the Subject Property due to the fact that these Comparables are located in the Georgetown City Centre and are situated at a short distance from the well-established commercial precinct of Jalan Macalister and Jalan Burma, hence a downward adjustment has been made for location factor.	This Comparable is located at the fringe of the Georgetown City Centre with limited commercial activities located in the immediate surroundings, hence no adjustment has been for location factor.	
Tenure	The titles in respect of the Subject Property and the Comparables are all held under freehold interest, hence no adjustment has been made for tenure factor.		
Planning Permission	No adjustment has been made for planning permission factor as both of the Comparables and Subject Property are granted with planning permission approval as at date of transactions and date of valuation respectively.		This Comparable is without any planning permission obtained at the date of transaction and the Subject Property is granted with a planning permission approval for a proposed serviced apartment development as at date of valuation, hence an upward adjustment has been made.
Zoning	No adjustment has been made for zoning factor as both of the Comparables and Subject Property are all located within areas zoned for commercial use with similar maximum plot ratio of 5.		This Comparable is located within an area zoned for part Commercial, part residential and part Infrastructure uses and the Subject Property is located within the area zoned for commercial use, thus, an upward adjustment has been made.
Adjusted Value	RM869.71 per sq. ft.	RM834.96 per sq. ft.	RM827.79 per sq. ft.
Divided by maximum Plot Ratio	5.00	5.00	5.00
Adjusted Value based on Plot Ratio	RM173.94 per sq. ft. per plot ratio	RM166.99 per sq. ft. per plot ratio	RM165.56 per sq. ft. per plot ratio.

### Justification :-

Post adjustments have been made to the Comparables after taking into consideration of the positive and negative factors of size (land area), location, planning permission approval obtained and zoning. From these Comparables, we have concluded that **Comparable No. 3** would be a reasonable benchmark due to the fact that this Comparable No. 3 is the latest freehold development land transaction and is located nearer to the Subject Property. Having considered the above, we have adopted **RM165 per sq. ft.** (rounded down from RM165.56 per sq. ft.) to be the fair market rate for the Subject Property.

### Summary of Comparison Approach :-

Market Value = 87,112 sq. ft. X RM165 per sq. ft. x 5 (maximum plot ratio of the Subject Property)  
 = RM71,867,670  
 Says **RM72,000,000**

## APPENDIX II – VALUATION CERTIFICATE

### SUMMARY OF RESIDUAL METHOD

Summary of parameters:-

Gross Development Value	:	RM401,910,600
Gross Development Cost	:	RM240,883,610
Cost Incurred and Paid (as at date of valuation)	:	RM579,080
<b>Developer's Profit</b>	<b>:</b>	<b>RM59,382,291</b>
<b>Net Development Value</b>	<b>:</b>	<b>RM95,036,959</b>
Present value factor	:	7.50%
Allowance of balance development period	:	3.50 years
<b>Valuation under Residual Method</b>	<b>:</b>	<b>RM73,784,121</b>
	<b>Says :</b>	<b>RM73,800,000</b>

The Residual Method is based on the following facts and assumptions:-

- The Subject Property comprises a parcel of development land and encompasses a title land area of 8,093 sq. metres (87,112 sq. ft.).
- In accordance with the Approved Layout Plan, we noted that the Subject Property is located within an area zoned for commercial use with a permissible plot ratio of 2.5:1 and maximum plot ratio of 5:1. The Subject Property is approved for a serviced apartment development with a total proposed gross floor area of 40,071.30 sq. metres (plot ratio utilised about 4.95).
- According to the Developer, construction of the development has yet to be started as at the date of valuation and has yet to be opened for the sale as at the date of valuation.
- Brief details of the 5 different types of layout proposed for the serviced apartment development are tabulated as follows :-

Type	Floor Area (Sq. M / Sq. Ft.)	View	Total
A	(46 / 495)	Town view	180
B	(60 / 646)	Sea view	336
C	(85 / 915)	Sea view	48
C1	(85 / 915)	Sea view	12
D	(127 / 1,367)	Sea view	12
<b>Total</b>			<b>588</b>

- The GDV of the proposed development is tabulated as follows :-

Component of Development	Total Net Saleable Area	Average Market Rate	GDV
Serviced Apartment	377,460 sq. ft.	RM1,065 per sq. ft.	RM401,910,600 (before Bumiputra quota discount)
		RM1,049 per sq. ft.	RM395,881,941 (after Bumiputra quota discount)

We would like to draw the attention that 30% of the total units of the serviced apartment of the mixed development are further subjected to a 5% Bumiputra discount on the selling prices in accordance with the housing guidelines imposed by Penang State Authority.

## APPENDIX II – VALUATION CERTIFICATE

- f) "Main Building Works" are taken as follows :-
- i. Piling & Pile Cap Works at RM13,120,202 (RM17 per sq. ft. based on 771,777 sq. ft.)
  - ii. Car Park Podium at RM16,078,500 (RM90 per sq. ft. based on 178,650 sq. ft.)
  - iii. Serviced Apartment Block at RM129,414,857 (RM240 per sq. ft. based on 539,229 sq. ft.)
  - iv. Facilities Floor at RM12,935,520 (RM240 per sq. ft. based on 53,898 sq. ft.)
  - v. Preliminaries at RM8,577,454 [5% of Items f)i to f)iv]
- g) "Infrastructure Works" adopted are as follows :-
- i. Site Clearance & Earthworks at RM399,965 (RM200,000 per acre based on land area)
  - ii. Infrastructure Works at RM1,999,824 (RM1,000,000 per acre based on land area)
  - iii. Refuse Chamber estimated at RM300,000
  - iv. Landscaping works at RM4,999,560 (RM2,500,000 per acre based on land area)
  - v. Preliminaries at RM384,967 [5% of Items g)i to g)iv]

We wish to draw the attention that we have referred to the Jurukur Bahan Malaysia Construction Cost Handbook Malaysia 2023 as a guide and counter checked with local architects on the "Main Building Works" and "Infrastructure Works" costs (for Item Nos. f & g above).

We were given to understand by the local architects that the average selected costs of similar serviced apartment developments located in the Northern Region of Peninsular Malaysia are as follows :-

Item	Average Cost
Site clearance & Earthwork	RM2.50 per sq. ft. to RM5.00 per sq. ft.
Piling works	RM15.00 per sq. ft. to RM17.00 per sq. ft.
High rise Serviced Apartment block	RM220 per sq. ft. to RM280 per sq. ft.
Car park podium	RM80 per sq. ft. to RM100 per sq. ft.

Therefore, we are of the opinion that the Site Clearance & Earthwork cost of RM200,000 per acre / RM4.59 per sq. ft., Piling Works cost of RM17 per sq. ft., Serviced Apartment block construction cost of RM240 per sq. ft. and RM90 per sq. ft. for multi-storey Car Park Podium adopted in our valuation computation are considered to be fair and reasonable.

- h) "Miscellaneous & Contributions Cost" adopted are as follows :-
- i. Site Survey & Soil Investigation estimated at a lump sum fee of RM1,000,000
  - ii. Developer's License Fee estimated at RM345,000
  - iii. Plan Fees for Authorities Approval at RM294,000 (RM500 per serviced apartment unit)
  - iv. Development Charges at RM4,484,404 (RM21 per sq. ft. based on 213,543 sq. ft.)
  - v. Infrastructure Contribution at RM1,306,685 (RM15 per sq. ft. based on land area)
  - vi. Title Survey Fees at RM2,058,000 (RM3,500 per serviced apartment unit)
  - vii. TNB Contribution / TNB Connection Fees (Three Phase) at RM999,600 (RM1,700 per serviced apartment unit)
  - viii. Indah Water Konsortium (IWK) Contribution at RM3,958,819 (1% of GDV)
  - ix. Perbadanan Bekalan Air (PBA) Contribution at RM3,958,819 (1% of GDV)
  - x. Drainage Contribution at RM99,991 (RM50,000 per acre based on land area)
  - xi. TIME / TM Infrastructure Cost at RM882,000 (RM1,500 per serviced apartment unit)
- i) "Fees, Sales & Marketing & Finance Charges" adopted are as follows :-
- i. Professional Fees at RM11,292,651 [6% of total sum of Items f) & g)]
  - ii. Project Management & Supervision at RM3,764,217 [2% of total sum of Items f) & g)]
  - iii. Sales, Marketing & Legal Fees at RM11,876,458 (3% of GDV)

## APPENDIX II – VALUATION CERTIFICATE

- iv. Bridging Finance Charges at RM6,352,116 [30% of the total sum of Items f) & g) at 7.50% (BLR + Risk Premium) interest rate for 1.5 years. We have checked with few local banks and are given to understand that the average loan interest rate for bridging loan as at 1Q 2023 was adopted within the range of BLR + Risk Premium. As at April 2023, the average BLR is about 6.80%.
- j) In accordance with the information provided by the Developer, the total costs (Authority Contributions) incurred for the proposed development and paid is RM579,080 at as date of valuation.
- k) The developer's profit is taken at RM59,382,291 (15% of GDV). This 15% profit has been allowed for the risk and effort of the Developer in order to obtain the residual value of the subject development.
- l) The residual value is then deferred at a rate of 7.50% for 3.50 years. This 7.50% Present Value rate is arrived at by adopting the bank's borrowing rate of BLR + Risk Premium (means 6.80% + 0.70% = 7.50%). The residual value duly deferred is the Market Value of the Subject Property in its existing stage of sales and construction with vacant possession.

### RECONCILIATION OF VALUE

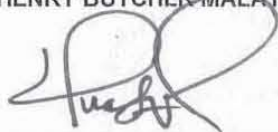
The Market Values arrived at by using the Comparison Approach and Residual Method are as follows :

Method Of Valuation	Market Value
Comparison Approach	RM72,000,000 (Ringgit Malaysia Seventy Two Million Only)
Residual Method	RM73,800,000 (Ringgit Malaysia Seventy Three Million And Eight Hundred Thousand Only)

In arriving at the Market Value of the Subject Property, we have adopted figure derived from the Comparison Approach and counter checked by the Residual Method of valuation. The reason is due to the fact that there are ample recent sale transactions of properties with similar aspects to be adopted as comparables for our valuation analysis. Therefore, we are of the opinion that the Comparison Approach of valuation is the best and more prudent method of valuation to be adopted for the Subject Property.

Having regard to the foregoing, our opinion of the **Market Value** of the full share freehold interest of the Subject Property identified as Lot No. 10012 held under Title No. H.S.(D) 19318, Section 1, Town of Tanjung Pinang, District of Timor Laut, Pulau Pinang as at 18<sup>th</sup> May 2023 **WITH VACANT POSSESSION, SUBJECT TO THE TITLE BEING GOOD, REGISTRABLE, MARKETABLE, FREE FROM ALL ENCUMBRANCES, ENDORSEMENTS, STATUTORY NOTICES AND OUTGOINGS** is RM72,000,000 (Ringgit Malaysia Seventy Two Million Only).

Yours faithfully,  
HENRY BUTCHER MALAYSIA (PENANG) SDN BHD



SR. DR. TEOH POH HUAT (V-296)  
FRICS, FRISM  
Chartered Surveyor / Registered Valuer  
Designation: Director  
Registered Number: V-296

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**APPENDIX III – FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm 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 misleading.

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS*****Consents***

M&A Securities, being the Adviser for the Proposed Joint Development, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references in the form and context in which they appear in this Circular.

HBPM, being the Valuer of the Land, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, its valuation certificate as well as all references in the form and context in which they appear in this Circular.

***Declaration of conflict of interests***

M&A Securities and HBPM are not aware of any situation which would likely to give rise to a possible conflict of interest in relation to their respective roles as the Adviser and Valuer.

**3. MATERIAL COMMITMENTS**

Save as disclosed below, as at LPD, the 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:

	<b>RM'000</b>
Approved and contracted for: Property, plant and equipment	<u>175</u>

**4. CONTINGENT LIABILITIES**

Save as disclosed below, as at LPD, the 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 the Group to meet the obligations as and when they fall due:

	<b>RM'000</b>
Guarantees given to third parties in respect of trade & contracts	46,785
Guarantees given to financial institutions for borrowings	<u>361,702</u>
	<b><u>408,487</u></b>



**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at LPD, save as disclosed below, CHGP Group is not engaged in any material litigation, claim or arbitration, which may have a material adverse effect on the business and financial position of the Group, and the Directors are not aware of any legal proceeding, pending or threatened, or of any fact likely to give rise to any proceeding which might adversely and materially affect the business and financial position of the Group:

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

On 19 June 2020, Kayangan Kemas Sdn Bhd (“**KKSB**”) 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 KKSB in 25 monthly installments and MSSB has withdrawn their counterclaim.

MSSB has defaulted payment of the installments and KKSB 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 Companies Act 2016 dated 20.6.2023 was served to MSSB by registered post on 28 June 2023. KKSB has filed in 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.

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

On 26 November 2020, KKSB 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 1 November 2023.

**(iii) 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-A52C-4-01/2021)**

On 11 September 2021, KCSB filed a writ against KKSB 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.

**(iv) 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 KKSB 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. KKSB 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.

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**APPENDIX III – FURTHER INFORMATION**

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**(v) 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.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of the Company at 48, Jalan Chow Thye, 10050 George Town, Penang, during normal business hours from Monday to Friday (except -public holidays) from the date of this Circular up to the date of EGM:

- (i) Constitution of the Company;
- (ii) The JDA;
- (iii) Audited consolidated financial statements of CHGP for FPE 31 December 2021 and FYE 31 December 2022 and the unaudited consolidated financial statements for 6-months FPE 30 June 2023;
- (iv) Valuation report and valuation certificate issued by HBPM in relation to the Land;
- (v) Letter of consent and declaration of conflict of interests referred to in Section 2 above; and
- (vi) The relevant cause papers in respect of material litigation referred to Section 5 above.



**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 “**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 Monday, 16 October 2023 at 2.30 p.m. or any adjournment thereof, for the purpose of considering and if thought fit, to pass the following resolution:

### **ORDINARY RESOLUTION**

**PROPOSED JOINT DEVELOPMENT BETWEEN IVORY MEADOWS SDN BHD (“**IMSB**”) AND STELLAR PLATINUM SDN BHD (“**SPSB**”), A WHOLLY-OWNED SUBSIDIARY OF BKG DEVELOPMENT SDN BHD, WHICH IN TURN A WHOLLY-OWNED SUBSIDIARY OF CHGP, FOR THE IMPLEMENTATION, DEVELOPMENT AND COMPLETION OF A 41-STOREY SERVICE RESIDENCE DEVELOPMENT PROJECT KNOWN AS CROWN PENANG (“**PROPOSED JOINT DEVELOPMENT**”)**

**“THAT**, subject to the approvals from the relevant authorities being obtained where necessary, approval be and is hereby given to SPSB to undertake the implementation, development and completion of a 41-storey service residence building comprising 30 levels of service suites, 8 levels of car park and 3 levels of facilities and services known as Crown Penang, located on all that parcel of freehold land held under H.S.(D) 19318, Lot 10012 Seksyen 1 Bandar Tanjong Pinang, Daerah Timor Laut, Negeri Penang measuring approximately 8,093 square metres, in accordance with the terms and conditions of the Joint Development Agreement dated 3 May 2023 entered into between IMSB and SPSB (“**JDA**”);

**AND THAT** the Board of Directors of the Company be and is hereby authorised to give effect to the Proposed Joint Development with full powers to assent any modifications, revaluation, variations, arrangement, conditions and/or amendments in relation to the JDA as they may deem fit in the best interest of the Company and/or as may be required and/or imposed by the relevant authorities;

**AND FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take all steps as they may deem fit and expedient in order to implement, finalise, complete and do all acts, deeds and things as the Directors may deem fit or expedient in the best interest of the Company (including to execute, sign and deliver on behalf of the Company all such documents as may be necessary) so as to give full effect to the Proposed Joint Development.”

### **BY ORDER OF THE BOARD**

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

Company Secretaries  
Penang

29 September 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 9 October 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.

## PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the EGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"). (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



**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 Monday, 16 October 2023 at 2.30 p.m. or at any adjournment thereof and to vote as indicated below:

RESOLUTION		FOR	AGAINST
Ordinary Resolution	Proposed Joint Development		

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	
	<hr/>	

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature of member(s) /Common Seal

\* Strike out whoever is not desired

#### 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.
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- (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 9 October 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.

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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