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

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**CHIN HIN GROUP PROPERTY BERHAD**  
[Company No. 200101017677 (553434-U)]  
(Incorporated in Malaysia)

**PART A**

**CIRCULAR TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE”)**

**PART B**

**STATEMENT TO SHAREHOLDERS IN RELATION TO PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**

The above proposals will be tabled as Special Business at the Twentieth (20<sup>th</sup>) Annual General Meeting of Chin Hin Group Property Berhad (“CHGP” or “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 Friday, 3 June 2022 at 10.00 a.m., together with a Form of Proxy, are enclosed together with the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang on or before the date and time indicated below in order for it to be valid and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Wednesday, 1 June 2022 at 10.00 a.m.

Date and time of Twentieth (20<sup>th</sup>) Annual General Meeting : Friday, 3 June 2022 at 10.00 a.m.

*This Circular/Statement is dated 29 April 2022*

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## DEFINITIONS

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For the purposes of this Circular/Statement, except where the context otherwise requires, the following definitions shall apply:

- “Act” : The 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
- “Aera Property” : Aera Property Group Sdn Bhd
- “Aera Property Group” : Aera Property and its subsidiaries, collectively
- “AGM” : Annual General Meeting
- “20<sup>th</sup> AGM” : Twentieth Annual General Meeting of the Company
- “Audit Committee” : The Audit Committee of CHGP
- “Board” : The Board of Directors of CHGP
- “Bursa Securities” : Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
- “CDS” : Central Depository System
- “CHGP” or “Company” : Chin Hin Group Property Berhad
- “CHGP Group” or “Group” : CHGP and its subsidiaries, collectively
- “Chin Hin” : Chin Hin Group Berhad
- “Chin Hin Group” : Chin Hin and its subsidiaries, collectively
- “CHGP Share(s)” or “Share(s)” : Ordinary Shares in CHGP
- “Circular” : Circular to Shareholders in relation to the Proposals
- “Code” : The Malaysian Code on Take-overs and Mergers 2016 (as amended from time to time and includes any re-enactment thereof)
- “Constitution” : Constitution of CHGP
- “Director” : Shall have the same meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (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 of CHGP
- “EPS” : Earnings Per Share
- “LPD” : 1 April 2022, being the latest practicable date prior to the printing of this Circular
- “Listing Requirements” : Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time

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**DEFINITIONS (CONT'D)**

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- “Market Day” : A day which Bursa Securities is open for the trading of securities
- “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,
- and includes any person who is or was within the preceding six (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
- For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
- “NA” : Net assets attributable to ordinary equity holders of CHGP
- “Proposed Renewal of Share Buy-Back Authority” : Proposed renewal of the authority for the purchase by CHGP of up to ten percent (10%) of the total number of issued shares of the Company
- “Proposed Renewal of Shareholders’ Mandate” : Proposed renewal of existing shareholders’ mandate for CHGP Group to enter into RRPTs of a revenue or trading nature
- “Proposals” : Proposed Renewal of Shareholders’ Mandate and Proposed Renewal of Share Buy-Back Authority
- “Purchased CHGP Shares” : Shares purchased by CHGP pursuant to Section 127 of the Act
- “Related Party(ies)” : Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of CHGP
- “RRPT(s)” : A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
- “RM” and “sen” : Ringgit Malaysia and sen, respectively
- “Shareholders” : Shareholders of CHGP
- “Substantial Shareholder(s)” : A person who has interest or interests in one or more voting Shares in the 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

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**DEFINITIONS (CONT'D)**

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“Annual Report” : Annual Report of CHGP issued for the financial period from 1 April 2021 to 31 December 2021

“Warrants” : Warrants of CHGP (2013/2023)

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. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")**



## CHIN HIN GROUP PROPERTY BERHAD

[Company No. 200101017677 (553434-U)]  
(Incorporated in Malaysia)

**Registered Office**  
48, Jalan Chow Thye  
10050 George Town  
Pulau Pinang

29 April 2022

### Board of Directors

Datuk Seri Chiau Beng Teik	<i>(Non-Independent Non-Executive Chairman)</i>
Chiau Haw Choon	<i>(Executive Director)</i>
Datuk Yeo Chun Sing	<i>(Executive Director)</i>
Shelly Chiau Yee Wern	<i>(Executive Director)</i>
Datuk Cheng Lai Hock	<i>(Independent Non-Executive Director)</i>
Khoo Chee Siang	<i>(Independent Non-Executive Director)</i>
Datuk Hj. Mohd Yusri Bin Md Yusof	<i>(Independent Non-Executive Director)</i>

### To : The Shareholders of CHGP

Dear Sir/Madam,

### PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE

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#### 1. INTRODUCTION

At the AGM of the Company held on 20 September 2021, the Company sought and obtained from its shareholders the general mandate for CHGP Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for CHGP Group's day to day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Twentieth (20<sup>th</sup>) AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 15 April 2022, the Board of Directors of CHGP had announced that the Company has proposed to seek its shareholders' approval for the Proposed Renewal of Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming Twentieth (20<sup>th</sup>) AGM, which 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 Friday, 3 June 2022 at 10.00 a.m. The notice of the Twentieth (20<sup>th</sup>) AGM together with the Form of Proxy is enclosed in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021.

**SHAREHOLDERS OF CHGP ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE AT THE FORTHCOMING 20<sup>TH</sup> AGM.**

**2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

**2.1 The Listing Requirements**

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above:
  - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
  - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular relating to shareholders' mandate for new RRPT must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

**2.2 Principal Activities of CHGP Group**

The principal activities of CHGP consist of investment holding and provision of management service, while its subsidiary companies are involved in the sale, rental of forklifts, manufacturing and assembling of new and rebuilt commercial vehicles, property development and constructions. The details of CHGP's subsidiaries as well as their principal activities as at the LPD are set out in the table below:



Name of company	Equity Interest Held (%)	Principal activities
<b>(i) Direct Subsidiaries of CHGP</b>		
Boon Koon Vehicles Industries Sdn. Bhd.	100	Manufacturing and assembling of rebuilt commercial vehicles and provision of related services  To carry on the business of importers, exporters, buyers, sellers, hirers of and dealers in new, used or second hand of all types of vehicles and other related goods and services
Boon Koon Motors Sdn. Bhd.	100	Sale of other motor vehicles n.e.c
BKCV Sdn. Bhd.	100	Manufacturing and assembling of new commercial vehicles
BK Fleet Management Sdn. Bhd.	100	Selling and renting of commercial vehicles, provision of fleet management and other related services
Boon Koon Fleet Management Sdn. Bhd.	100	Rental, let on hire, repair and dealing in forklifts, heavy equipment, machineries, component parts, attachments and accessories thereof
BKG Development Sdn. Bhd.	100	Investment holding and property development and property construction
Chin Hin Construction Sdn. Bhd.	100	Property development, property construction and investment holding
Kayangan Kemas Sdn Bhd	65	Contractors and builders for construction works
<b>(ii) Indirect Subsidiaries of CHGP</b>		
<i>* Subsidiaries of Boon Koon Vehicles Industries Sdn. Bhd.</i>		
BKGM Industries Sdn. Bhd.	100	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers
BK Sepadu Sdn. Bhd. <i>(In Members' Voluntary Winding Up)</i>	62.5	Selling of commercial vehicle and provision of related services
<i>*Subsidiaries of BKG Development Sdn. Bhd.</i>		
BKHS Capital Sdn. Bhd.	100	Property development

<b>Name of company</b>	<b>Equity Interest Held (%)</b>	<b>Principal activities</b>
<b>* Subsidiaries of BKG Development Sdn. Bhd.</b>		
Stellar Trinity Sdn. Bhd.	100	Property development and investment holding
BKSP Autoworld Sdn. Bhd.	100	Property development and investment holding
Stellar Platinum Sdn. Bhd.	100	Property development
Boon Koon Capital Sdn. Bhd.	100	Property development and investment holding
Boon Koon Commercial Sdn. Bhd.	70	Property development and property construction
BK Alliance Sdn. Bhd.	51	Property development and property construction
<b>*Subsidiary of Kayangan Kemas Sdn. Bhd.</b>		
5 <sup>th</sup> Capital Sdn. Bhd.	100	Property investment
<b>*Associate company of BKG Development Sdn. Bhd.</b>		
Stellar 8 Sdn. Bhd.	47	Property development
<b>*Associate and joint venture companies of Kayangan Kemas Sdn. Bhd.</b>		
Weida Kayangan Sdn. Bhd.	49	Construction activities
R Synergy Sdn. Bhd.	33	Property development and contractor

Due to the diversity of CHGP Group, it is anticipated that CHGP Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed Renewal of Shareholders' Mandate for the CHGP Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

### **2.3 Validity Period of the Proposed Renewal of Shareholders' Mandate**

The Proposed Renewal of Shareholders' Mandate, is subject to annual renewal. In this respect, any authority conferred by the Proposed Renewal of Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of CHGP following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
- (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is earlier.

Thereafter, approval from shareholders will be sought for the Proposed Renewal of Shareholders' Mandate.

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## 2.4 Classes of Related Parties and Nature of RRPTs

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Group - Chin Hin is an investment holding company while its subsidiary companies are involved in the distribution of building materials and provision of logistics, manufacturing and distribution of ready-mixed concrete, manufacturing and trading of autoclaved aerated concrete and precast concrete products, wire mesh and fire-rated door, wooden door and modular building solutions	CHGP Group	<ul style="list-style-type: none"> <li>Rental paid to Chin Hin Group for motor vehicles rented</li> </ul>	1,000	NIL	1,000	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is also the Executive Chairman and a Major Shareholder of Chin Hin. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is also the Group Managing Director and a Major Shareholder of Chin Hin. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> </ul>
		<ul style="list-style-type: none"> <li>Sale of motor vehicles to Chin Hin Group based on prevailing market price</li> </ul>	5,000	NIL	5,000	
		<ul style="list-style-type: none"> <li>Supply by CHGP Group and/or purchase from Chin Hin Group of materials based on prevailing market price. @</li> </ul>	12,750	1,322	12,750	
		<ul style="list-style-type: none"> <li>Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price.</li> </ul>	2,000	122	2,000	
		<ul style="list-style-type: none"> <li>Provision of construction services to and/or by Chin Hin Group based on prevailing market price. ^</li> </ul>	100,000	NIL	100,000	

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGP Group and the Related Party
		<ul style="list-style-type: none"> <li>Leasing / renting / letting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis. # (b)</li> </ul>	300	14	300	<ul style="list-style-type: none"> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is also the alternate director to Datuk Seri Chiau Beng Teik in Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> <li>Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP and Chin Hin. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder of CHGP and Chin Hin. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Datin Seri Wong Mee Leng. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGP Group and the Related Party
<p>CHL Logistic Sdn. Bhd.</p> <p>- Carry on business of Logistic and Transport</p>	<p>CHGP Group</p>	<ul style="list-style-type: none"> <li>Sales of motor vehicles to CHL Logistic Sdn. Bhd. based on prevailing market price.</li> </ul>	<p>5,000</p>	<p>NIL</p>	<p>5,000</p>	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Chiau Haw Choon and Shelly Chiau Yee Wern, is the director and substantial shareholder of CHL Logistic Sdn. Bhd.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
		<ul style="list-style-type: none"> <li>Supply by CHGP Group and/or purchase from CHL Logistic Sdn. Bhd. of materials based on prevailing market price. @</li> </ul>	5,000	25	5,000	<ul style="list-style-type: none"> <li>Chin Hin is a Major Shareholder and holding company of CHGP.</li> <li>Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
<p>Aera Property Group</p> <ul style="list-style-type: none"> <li>- Aera Property is an investment holding company while its subsidiary companies are involved in the Housing and Property Development</li> </ul>	CHGP Group	<ul style="list-style-type: none"> <li>Provision of construction services to and/or by Aera Property Group based on prevailing market price. ^</li> </ul>	30,000	5,569	100,000	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> </ul>



Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
						<ul style="list-style-type: none"> <li>• Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of Aera Property, which in turn a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>• Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>• Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>• PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is the holding company of Aera Property and is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
Midas Signature Sdn. Bhd. - Investment holding and property development	CHGP Group	<ul style="list-style-type: none"> <li>Leasing / renting of office premises from Midas Signature Sdn. Bhd. based on market value and is payable on an equal pro-rated monthly basis. <sup>&amp;(i)</sup></li> </ul>	110	55	200	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik is the Non-Independent Non- Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> <li>Datuk Seri Chiau Beng Teik and Chiau Haw Choon are directors of Midas Signature Sdn. Bhd., which in turn is an indirect wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
						<ul style="list-style-type: none"> <li>• Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>• Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>• PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is the holding company of Aera Property. Aera Property is the holding company of Midas Signature Sdn. Bhd. and is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Gypsum Sdn. Bhd.	CHGP Group	<ul style="list-style-type: none"> <li>Leasing / renting of office premises from Chin Hin Gypsum Sdn. Bhd. based on market value and is payable on an equal pro-rated monthly basis.<sup>~ (iii)</sup></li> </ul>	91	46	100	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik is the Non-Independent Non- Executive Chairman and a Major Shareholder of CHGP. He is the spouse of Datin Seri Wong Mee Leng and father of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Chiau Haw Choon is an Executive Director and a Major Shareholder of CHGP. He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder of CHGP. She is the spouse of Datuk Seri Chiau Beng Teik and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> <li>Datuk Seri Chiau Beng Teik is the director and substantial shareholder of Chin Hin Gypsum Sdn. Bhd.</li> </ul>

Related Party & Its Principal Activities	CHGP Group - Transacting Party	Nature of Transaction with CHGP Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 27 August 2021* (RM'000)	Actual value transacted (from date of AGM on 20 September 2021 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM* (RM'000)	Nature of relationship between CHGP Group and the Related Party
						<ul style="list-style-type: none"> <li>Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>Divine Inventions Sdn. Bhd. is a Major Shareholder of CHGP. Divine Inventions Sdn. Bhd. is a wholly-owned subsidiary of PP Chin Hin Realty Sdn. Bhd.</li> <li>PP Chin Hin Realty Sdn. Bhd. is a Major Shareholder of CHGP. PP Chin Hin Realty Sdn. Bhd. is a person connected to Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are also the directors of PP Chin Hin Realty Sdn. Bhd.</li> </ul>

**Notes :**

- \* The estimated values are calculated based on the historical data and best estimates by the management. Accordingly, the actual value of the transaction may be varied from the estimated value disclosed above and subject to changes.
- # In the course of CHGP Group's business, CHGP may lease / rent / let to and/or from Chin Hin Group. All the rental of properties, if any, will be payable on an equal pro-rated monthly basis based on prevailing market value.
- @ In the course of CHGP Group's businesses, CHGP Group may purchase from and/or supply to Related Parties of all kinds of the construction and building materials, manufacturing and construction equipment and machinery, and such other materials which are necessary for its day to day operation.
- ^ In the course of CHGP Group's businesses, CHGP Group may provide to and/or receipt from Related Parties of all kinds of construction contracts, project management, management and construction services, and/or project development, including property management services, marketing services and other related management services.
- & In the course of CHGP Group's business, CHGP may lease / rent from Midas Signature Sdn. Bhd. All the rental of properties, if any, will be payable on an equal pro-rated monthly basis based on prevailing market value.
- ~ In the course of CHGP Group's business, CHGP may lease / rent from Chin Hin Gypsum Sdn. Bhd. All the rental of properties, if any, will be payable on an equal pro-rated monthly basis based on prevailing market value.

**Description of Properties**

<b>Notes</b>	<b>Description</b>	<b>Postal Address</b>	<b>Total Areas (Sq. Ft.)</b>
(i) & (ii)	Second floor of shop house for office usage	A-2-12, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,453
(ii)	First floor of shop house for office usage	C-1-02 & C-1-03, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	2,864
(ii)	Ground floor of shop house for office usage	C-0-02, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,270
(iii)	Ground floor of shop house for office usage	F-0-8 & F-0-9, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	2,540

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## 2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

CHGP Group has established various methods and procedures to ensure the RRPTs are undertaken on transaction prices and at arms' length and on normal commercial terms, which are consistent with CHGP Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows :

- (i) The Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) The management of the CHGP Group is cognisant that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPTs are not detrimental to the Group;
- (v) Where RRPT is one with a value equal to or in excess of RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is higher), it will be reviewed by the Audit Committee and recommended to be approved by the Board of Directors who has no interest in the transaction. Where the RRPT is one with a value below RM1.0 million or 1% of the applicable percentage ratio as stated in the Listing Requirements (whichever is higher), it will be reviewed and approved by any one (1) of the Executive Director or the Board who has no interest in the transaction;
- (vi) If a member of the Board or of the Audit Committee has an interest, as the case may be, he/she shall declare their interest in transaction and abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (vii) The Audit Committee shall amongst others, review any RRPT and conflict of interest situation that may arise within the Group including any transaction procedures or course of conduct that raises questions of management integrity;
- (viii) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;

- (ix) The Audit Committee shall review on a quarterly basis any related party transaction that may arise within the Company or the Group to ensure that such transactions will be carried out at arm's length, on normal commercial terms, on terms not more favourable to the Related Parties than those generally available to the public and on terms not detrimental to the minority shareholders;
- (x) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPTs have been complied with; and
- (xi) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

## 2.6 Amount Due and Owing Under Recurrent Related Party Transactions

As at the financial period ended 31 December 2021, the amount due and owing to CHGP Group by the following parties which has exceeded the credit term given arising from the RRPT(s) as per Section 2.4 are as follows :

Company Name	Credit Terms	Amount (RM)
Platinum Eminent Sdn Bhd <sup>(1)</sup>	A period of one (1) year or less	73,904,976

Notes :

- (1) *Platinum Eminent Sdn Bhd is a subsidiary company of Aera Property.*

There were no interest and late payment charges imposed by CHGP Group on the overdue trade receivable as it was trade in nature.

The Board of Directors is of the opinion that there will be no recoverability issue for the outstanding amount owing by Platinum Eminent Sdn Bhd ("PESB") as PESB is gradually make the payments for the settlement of the outstanding sum. As of LPD, the total outstanding amount owing by PESB has reduced to approximately RM65,160,976.

The management has made continuously effort to send out reminder on outstanding amount and will continuously follow up closely with PESB to recover the outstanding amount.

## 2.7 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Section 2.5 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.



The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.5 above and is of the view that CHGP has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner. The Audit Committee is of the opinion that review procedures are satisfactory and the RRPTs will be carried out at arms' length and in accordance with CHGP Group's normal commercial terms. Hence, will not be prejudicial to the shareholders or disadvantageous to CHGP and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of CHGP. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

## **2.8 Disclosure of Recurrent Related Party Transactions**

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information :

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with CHGP Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Renewal of Shareholders' Mandate had been obtained.

## **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will enable the CHGP Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPTs carried out within the CHGP Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, CHGP Group has a long-standing business relationship with the Related Parties. The Board of CHGP is of the view that the close co-operation and strong working relationship that exist between CHGP Group and the Related Parties have over the years enabled CHGP Group to benefit from better services and attention that would otherwise be derived from third parties. These close relationships have allowed for better control of supplies, quality and timeliness of completion of work done / services rendered.

## **4. EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the substantial shareholders of CHGP.

## 5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of CHGP who are interested and/or do not consider themselves independent in the RRPTs are as follows :

<b>Interested Directors</b>	<b>Direct</b>	<b>%#</b>	<b>Indirect</b>	<b>%</b>
Datuk Seri Chiau Beng Teik	-	-	262,616,535	59.34
Chiau Haw Choon	-	-	262,616,535	59.34
Shelly Chiau Yee Wern	-	-	-	-

<b>Major Shareholders</b>	<b>Direct</b>	<b>%#</b>	<b>Indirect</b>	<b>%</b>
Chin Hin Group Berhad	262,616,535	59.34	-	-
Datuk Seri Chiau Beng Teik	-	-	262,616,535	59.34
Chiau Haw Choon	-	-	262,616,535	59.34
Divine Inventions Sdn. Bhd.	-	-	262,616,535	59.34
PP Chin Hin Realty Sdn. Bhd.	-	-	262,616,535	59.34
Datin Seri Wong Mee Leng	-	-	262,616,535	59.34

<b>Person connected</b>	<b>Direct</b>	<b>%#</b>	<b>Indirect</b>	<b>%</b>
Chiau Haw Loon	-	-	-	-

*Note:*

*# Excluding a total of 700,000 CHGP shares bought-back by the Company and retained as treasury shares as at LPD*

Accordingly, Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Shelly Chiau Yee Wern (collectively referred to as “Interested Directors”) have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Renewal of Shareholders’ Mandate at the Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in CHGP at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders’ Mandate.

The Interested Major Shareholders, namely Chin Hin Group Berhad, Datuk Seri Chiau Beng Teik, Chiau Haw Choon, Divine Inventions Sdn. Bhd., PP Chin Hin Realty Sdn. Bhd. and Datin Seri Wong Mee Leng will abstain from voting in respect of their direct and/or indirect shareholdings in CHGP at the forthcoming AGM on the resolution pertaining to the Proposed Renewal of Shareholders’ Mandate.

The above Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Renewal of Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with the Directors or Major Shareholders have any interest, directly or indirectly in the Proposed Renewal of Shareholders’ Mandate.

## 6. APPROVALS REQUIRED

The Proposed Renewal of Shareholders’ Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

## **7. DIRECTORS' RECOMMENDATION**

The Directors of CHGP (save for Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Shelly Chiau Yee Wern) having considered all aspects of the Proposed Renewal of Shareholders' Mandate and after careful deliberation, are of the opinion that the Proposed Renewal of Shareholders' Mandate is in the best interest of the Company and accordingly, the Board (save for Datuk Seri Chiau Beng Teik, Chiau Haw Choon and Shelly Chiau Yee Wern) recommended that the shareholders of CHGP vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Shareholders' Mandate to be tabled at the forthcoming AGM.

## **8. ANNUAL GENERAL MEETING**

The ordinary resolution to vote on the Proposed Renewal of Shareholders' Mandate is set out in the Notice of Twentieth (20<sup>th</sup>) AGM contained in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021, which is dispatched together with this Circular. The Twentieth (20<sup>th</sup>) AGM 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 Friday, 3 June 2022 at 10.00 a.m.

If you are unable to attend and vote in person at the Twentieth (20<sup>th</sup>) AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021 in accordance with the instructions printed therein as soon as possible so as to arrive at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang, not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. The lodging of the Form of Proxy will not preclude you from attending the AGM and voting in person should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

**Khoo Chee Siang**  
*Independent Non-Executive Director*

**PART B**

**PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES (“PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY”)**



## CHIN HIN GROUP PROPERTY BERHAD

[Company No. 200101017677 (553434-U)]  
(Incorporated in Malaysia)

**Registered Office**  
48, Jalan Chow Thye  
10050 George Town  
Pulau Pinang

29 April 2022

### Board of Directors

Datuk Seri Chiau Beng Teik	<i>(Non-Independent Non-Executive Chairman)</i>
Chiau Haw Choon	<i>(Executive Director)</i>
Datuk Yeo Chun Sing	<i>(Executive Director)</i>
Shelly Chiau Yee Wern	<i>(Executive Director)</i>
Datuk Cheng Lai Hock	<i>(Independent Non-Executive Director)</i>
Khoo Chee Siang	<i>(Independent Non-Executive Director)</i>
Datuk Hj. Mohd Yusri Bin Md Yusof	<i>(Independent Non-Executive Director)</i>

### To : The Shareholders of CHGP

Dear Sir/Madam,

### PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

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#### 1. INTRODUCTION

At the Nineteenth (19<sup>th</sup>) AGM of the Company held on 20 September 2021, the Company had obtained the approval of its shareholders to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time. The aforesaid shareholders' approval for the Company to purchase its own shares is subject to the annual renewal and will lapse at the conclusion of the forthcoming AGM unless such authority is renewed by an ordinary resolution passed at the general meeting.

On 15 April 2022, the Board had announced that CHGP proposed to seek the approval of its shareholders for the renewal of the authority for the Company to purchase up to 10% of the total number of issued shares of the Company. The Proposed Renewal of Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Renewal of Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming AGM, which 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 Friday, 3 June 2022 at 10.00 a.m. The notice of the AGM together with the Form of Proxy is enclosed in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021.

**SHAREHOLDERS OF CHGP ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING 20<sup>TH</sup> AGM.**

**2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

**2.1 Proposed Renewal of Share Buy-Back Authority**

The Board is proposing to seek the shareholders' approval for the renewal of the authority for the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time.

For illustrative purposes, as at LPD, the total number of issued shares of CHGP stood at 443,227,000 ordinary shares (including the 700,000 CHGP Shares held as treasury shares as at LPD). Based on assumption that all outstanding warrants of 63,124,000 as at LPD have been exercised into new CHGP Shares, the maximum number of shares that can be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority is 50,635,100 CHGP Shares which would include the 700,000 CHGP Shares already held as treasury shares.

The Proposed Renewal of Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The Proposed Renewal of Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

**2.2 Maximum Amount of Funds to be Allocated and the Source of Funds**

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company for the financial period from 1 April 2021 to 31 December 2021, the retained profits of CHGP are as follows:

	<b>Retained Profits (RM)</b>
Audited financial statement as at 31 December 2021	9,767,555

The Proposed Renewal of Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of CHGP Shares to be purchased and other relevant factors. The actual number of CHGP Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Renewal of Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

### **2.3 Treatment of the Purchased CHGP Shares**

The Purchased CHGP Shares will be dealt by the Board in accordance with Section 127 of the Act, in the following manner:

- (i) cancel the CHGP Shares so purchased; or
- (ii) retain the CHGP Shares so purchased as treasury shares and held by the Company; or
- (iii) retain part of the CHGP Shares so purchased as treasury shares and cancel the remainder; or,
- (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
- (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force.

The decision whether to retain the Purchased CHGP Shares as treasury shares, or to cancel the Purchased CHGP Shares or a combination of both, will be made by the Board at the appropriate time. An immediate announcement will be made to Bursa Securities on any purchase of CHGP Shares as well as any resale or cancellation of the Purchased CHGP Shares.

If such Purchased CHGP Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the Purchased CHGP Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purpose including determination of Substantial Shareholders, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

## **2.4 Purchase/Resale/Transfer Price**

Pursuant to the Listing Requirements, the Company may only purchase CHGP Shares at a price which is not more than fifteen percent (15%) above the weighted average market price for the shares for the five (5) Market Days immediately preceding the date of the purchase(s). The Company may only resell or transfer the Purchased CHGP Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of CHGP Shares for the five (5) Market Days immediately prior to the resale or transfer; or
- (b) at a discount of not more than 5% to the weighted average share price of CHGP Shares for the five (5) Market Days immediately prior to the resale or transfer provided that:
  - (i) the resale or transfer takes place no earlier than thirty (30) days from the date of the purchase; and
  - (ii) the resale or transfer price is not less than the cost of purchase of the shares being resold or transferred.

The Proposed Renewal of Share Buy-Back Authority and/or resale of the Purchased CHGP Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The Company shall ensure that all dealing(s) in its own Shares/Purchased CHGP Shares are made through stock broker(s) appointed by the Company.

## **2.5 Potential Advantages and Disadvantages of the Proposed Renewal of Share Buy-Back Authority**

The potential advantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Renewal of Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased CHGP Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Renewal of Share Buy-Back Authority may also stabilise the supply and demand of CHGP Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of CHGP Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority are as follows:

- (a) The Proposed Renewal of Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of CHGP Group.



- (b) The Proposed Renewal of Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.
- (c) The Proposed Renewal of Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

## **2.6 Public Shareholding Spread**

The Proposed Renewal of Share Buy-Back Authority is subject to the compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of the purchase.

As at 1 April 2022, the public shareholding spread of the Company was approximately 27.24%. Assuming the Proposed Renewal Share Buy-Back Authority is carried out in full, and the number of CHGP Shares held by the substantial shareholders, Directors and persons connected to the substantial shareholders and/or Directors remain unchanged and all the CHGP Shares so purchased are cancelled, the public shareholding spread of the Company would reduce to approximately 23.68%.

The Board is mindful of the Proposed Renewal of Share Buy-Back Authority must not result in the number of CHGP shares which are in the hands of the public falling below 25% of the total listed shares of CHGP as required under Paragraph 8.02 of the Listing Requirements (“**Required Public Shareholdings Spread**”).

The Board noted the possibility that the Required Public Shareholdings Spread will not be met in the event of the Company purchases up to 10% of the total number of issued shares. Hence, in compliance with Paragraph 12.14 of the Listing Requirements, the Board will ensure that the Company complies with the Required Public Shareholdings Spread at all times and shall not make the decision to buy back the CHGP Shares if the purchase would result in the Required Public Shareholdings Spread not being met.

## **2.7 Implication Relating to the Code**

It is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory offer pursuant to the Code for any of its substantial shareholders and/or parties acting in concert with them. However, in the event an obligation to undertake a mandatory offer is to arise with respect to any parties resulting from the Proposed Renewal Share Buy-Back Authority, the relevant parties shall make the necessary application to the Securities Commission for a waiver to undertake a mandatory offer prior to such obligation being triggered.

## **2.8 Purchase, Resale, Transfer and Cancellation of Shares Made in Previous Twelve (12) Months**

There were no purchase, resale, transfer and cancellation of shares made by CHGP in the previous twelve (12) months preceding the date of this Circular.

## **3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The implementation of the Proposed Renewal of Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the CHGP Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of CHGP Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased CHGP Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased CHGP Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased CHGP Shares held as treasury shares are resold at prices higher than the purchase price.

## **4. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

The effects of the Proposed Renewal of Share Buy-Back Authority on share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

### **4.1 Number of Issued Shares**

The effect of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of the Company will depend on whether the Purchased CHGP Shares are cancelled or retained as treasury shares. The Proposed Renewal of Share Buy-Back Authority will result in a reduction of the total number of issued shares of the Company if the Purchased CHGP Shares are cancelled.

Based on the Company's total number of issued shares as at LPD, the effect of the Proposed Renewal of Share Buy-Back Authority, assuming that all the Purchased CHGP Shares will be cancelled, are as follows:

	<b>After the Proposed Renewal of Share Buy-Back Authority</b>		
	<b>No. of shares as at LPD</b>	<b>Minimum Scenario</b>	<b>Maximum Scenario</b>
		<b>No. of Shares</b>	<b>No. of Shares</b>
Total number of issued Shares	443,227,000	443,227,000	443,227,000
Assuming full conversion of Warrants	-	-	63,124,000
Enlarged total number of issued Shares	443,227,000	443,227,000	506,351,000
Treasury Shares as at the LPD	700,000	700,000	700,000
Maximum no. of Shares that may be purchased and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority (assuming all Purchased CHGP Shares are fully cancelled)	-	43,622,700	49,935,100
<b>Resultant number of CHGP Shares</b>	442,527,000	398,904,300	455,715,900

However, the Proposed Renewal of Share Buy-Back Authority will have no effect on the total number of issued shares of the Company if all the Purchased CHGP Shares are to be retained as treasury shares, resold or distributed to the shareholders.

#### **4.2 Net assets attributable to ordinary equity holders of CHGP**

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of CHGP Group will decrease if the cost per Share purchased exceeds the NA per Share of CHGP Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of CHGP Group at the relevant point in time, the NA per Share of CHGP Group will increase.

In the case where the Purchased CHGP Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of CHGP Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of CHGP Group will decrease by the cost of the treasury shares at the point of purchase.

#### **4.3 Working Capital**

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of CHGP Group, the quantum of which depends on, amongst others, the number of CHGP Shares purchased and the purchase price(s) of the CHGP Shares.

For CHGP Shares so purchased which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

#### **4.4 Earnings**

The effects of the Proposed Renewal of Share Buy-Back Authority on the earnings of CHGP Group are dependent on the number CHGP Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to CHGP Group if internally generated funds are utilised. Further, the purchase of the CHGP Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

#### **4.5 Dividends**

Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full, it may reduce the amount of distributable reserves available for payment of dividend as the funds to be allocated for the purchase of the Shares are utilised from the Company's retained earnings account.

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#### 4.6 Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of CHGP based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Renewal of Share Buy-Back Authority is undertaken in full by the Company, are as follows:

##### (a) Directors of CHGP

No.	Director	As at the LPD <sup>(a)</sup>						After the Proposed Renewal of Share Buy-Back Authority					
		Direct		Indirect		%	Minimum Scenario <sup>(b)</sup>		Indirect		Maximum Scenario <sup>(c)</sup>		
		No. of Shares	%	No. of Shares	%		No. of Shares	%	No. of Shares	%	No. of Shares	%	
1.	Datuk Seri Chiau Beng Teik	-	-	262,616,535	59.345 <sup>(d)</sup>	-	-	262,616,535	65.834 <sup>(d)</sup>	-	-	262,616,535	57.627 <sup>(d)</sup>
2.	Chiau Haw Choon	-	-	262,616,535	59.345 <sup>(d)</sup>	-	-	262,616,535	65.834 <sup>(d)</sup>	-	-	262,616,535	57.627 <sup>(d)</sup>
3.	Khoo Chee Siang	-	-	-	-	-	-	-	-	-	-	-	-
4.	Datuk Yeo Chun Sing	-	-	-	-	-	-	-	-	100,000	0.022	-	-
5.	Shelly Chiau Yee Wern	-	-	-	-	-	-	-	-	-	-	-	-
6.	Datuk Cheng Lai Hock	1,000,000	0.226	-	-	1,000,000	0.251	-	-	1,318,500	0.289	-	-
7.	Datuk Hj. Mohd Yusri Bin Md Yusof	870,000	0.197	-	-	870,000	0.218	-	-	1,870,000	0.410	-	-

##### Notes:

- Excluding a total of 700,000 CHGP Shares bought-back by the Company and retained as treasury shares as at LPD.
- Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and none of the outstanding Warrants have been exercised into new CHGP Shares, a maximum of 44,322,700 Shares, being the maximum number of Shares representing up to 10% of the total number of issued shares that may be bought back by the Company and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority.
- Assuming the Proposed Renewal of Shares Buy-Back Authority is implemented in full and that all the outstanding Warrants of 63,124,000 as at LPD have been exercised into new CHGP Shares, a maximum of 50,635,100 Shares, being the maximum number of Shares representing up to 10% of the total number of issued shares that may be bought back by the Company and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority.
- Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn Bhd, which is the holding company of Divine Innovations Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.

**(b) Substantial Shareholders of CHGP**

No.	Substantial Shareholders	As at the LPD <sup>(a)</sup>						After the Proposed Renewal of Share Buy-Back Authority					
		Direct			Indirect			Minimum Scenario <sup>(b)</sup>			Maximum Scenario <sup>(c)</sup>		
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Chin Hin Group Berhad	262,616,535	59.345	-	-	262,616,535	65.834	-	-	262,616,535	57.627	-	-
2.	Datuk Seri Chiau Beng Teik	-	-	262,616,535	59.345 <sup>(d)</sup>	-	-	262,616,535	65.834 <sup>(d)</sup>	-	-	262,616,535	57.627 <sup>(d)</sup>
3.	Chiau Haw Choon	-	-	262,616,535	59.345 <sup>(d)</sup>	-	-	262,616,535	65.834 <sup>(d)</sup>	-	-	262,616,535	57.627 <sup>(d)</sup>
4.	Divine Inventions Sdn. Bhd.	-	-	262,616,535	59.345 <sup>(g)</sup>	-	-	262,616,535	65.834 <sup>(g)</sup>	-	-	262,616,535	57.627 <sup>(g)</sup>
5.	PP Chin Hin Realty Sdn. Bhd.	-	-	262,616,535	59.345 <sup>(h)</sup>	-	-	262,616,535	65.834 <sup>(h)</sup>	-	-	262,616,535	57.627 <sup>(h)</sup>
6.	Datin Seri Wong Mee Leng	-	-	262,616,535	59.345 <sup>(e)</sup>	-	-	262,616,535	65.834 <sup>(e)</sup>	-	-	262,616,535	57.627 <sup>(e)</sup>
7.	Dato' Goh Boon Koon	2,650,000	0.599	38,735,997	8.753 <sup>(h)</sup>	2,650,000	0.664	38,735,997	9.711 <sup>(h)</sup>	26,497,373	5.814	38,735,997	8.500 <sup>(h)</sup>
8.	BKNT Resources Sdn. Bhd.	38,735,997	8.753	-	-	38,735,997	9.711	-	-	38,735,997	8.500	-	-
9.	Datin Lee Teoh Kee	-	-	38,735,997	8.753 <sup>(h)</sup>	-	-	38,735,997	9.711 <sup>(h)</sup>	-	-	38,735,997	8.500 <sup>(h)</sup>
10.	Goh Boon Leong	-	-	38,735,997	8.753 <sup>(h)</sup>	-	-	38,735,997	9.711 <sup>(h)</sup>	479,056	0.105	38,735,997	8.500 <sup>(h)</sup>

**Notes:**

- (a) Excluding a total of 700,000 CHGP Shares bought-back by the Company and retained as treasury shares as at LPD.
- (b) Assuming the Proposed Renewal of Share Buy-Back Authority is implemented in full and none of the outstanding Warrants have been exercised into new CHGP Shares, a maximum of 44,322,700 Shares, being the maximum number of Shares representing up to 10% of the total number of issued shares that may be bought back by the Company and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority
- (c) Assuming the Proposed Renewal of Shares Buy-Back Authority is implemented in full and that all the outstanding Warrants of 63,124,000 as at LPD have been exercised into new CHGP Shares, a maximum of 50,635,100 Shares, being the maximum number of Shares representing up to 10% of the total number of issued shares that may be bought back by the Company and cancelled pursuant to the Proposed Renewal of Share Buy-Back Authority
- (d) Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of his direct shareholdings in Chin Hin Group Berhad and his shareholdings in PP Chin Hin Realty Sdn. Bhd., which in turn hold not less than 20% voting shares in Chin Hin Group Berhad
- (e) Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of her shareholdings in PP Chin Hin Realty Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.
- (f) Deemed interest pursuant to Section 8 of the Companies Act 2016 through its wholly-owned subsidiary, Divine Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.
- (g) Deemed interest pursuant to Section 8 of the Companies Act 2016, by virtue of its shareholdings of not less than 20% voting shares in Chin Hin Group Berhad.
- (h) Deemed interest through BKNT Resources Sdn. Bhd. by virtue of his/her shareholdings of not less than 20% in BKNT Resources Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## 5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Renewal of Share Buy-Back Authority, none of the Directors and Major Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any, in the future.

## 6. APPROVALS REQUIRED

The Proposed Renewal of Share Buy-Back Authority is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

## 7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of CHGP Shares traded on Bursa Securities for the past twelve (12) months from April 2021 to March 2022 are as follows:

	Highest RM	Lowest RM
<b>2021</b>		
April	0.930	0.875
May	0.910	0.860
June	0.865	0.795
July	0.845	0.790
August	0.815	0.795
September	0.845	0.785
October	1.120	0.795
November	0.980	0.835
December	0.930	0.840
<b>2022</b>		
January	0.975	0.840
February	0.910	0.845
March	0.935	0.800

The last transacted price of CHGP Shares on 1 April 2022, being the LPD, was RM0.885.

## 8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Renewal of Share Buy-Back Authority is of the opinion that the Proposed Renewal of Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of the Company to vote in favour of the ordinary resolution for the Proposed Renewal Share Buy-Back Authority to be tabled at the forthcoming AGM.

## 9. ANNUAL GENERAL MEETING

The ordinary resolution to vote on the Proposed Renewal of Share Buy-Back Authority is set out in the Notice of Twentieth (20<sup>th</sup>) AGM contained in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021, which is dispatched together with this Circular. The Twentieth (20<sup>th</sup>) AGM 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 Friday, 3 June 2022 at 10.00 a.m.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report of the Company for the financial period from 1 April 2021 to 31 December 2021 in accordance with the instructions printed therein as soon as possible so as to arrive at the Registered Office of the Company, 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang, not less than 48 hours before the time appointed for holding the AGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. The lodging of the Form of Proxy will not preclude you from attending the AGM and voting in person should you subsequently wish to do so.

## 10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

Khoo Chee Siang  
*Independent Non-Executive Director*

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## APPENDIX I – FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of CHGP who individually and collectively 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 herein misleading or incorrect.

### 2. MATERIAL CONTRACTS

Save as disclosed below, CHGP and its subsidiaries have not entered into any material contracts, not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

(a) a sale and purchase agreement dated 13 January 2021 entered into by BK Alliance Sdn. Bhd. with Suez Domain Sdn. Bhd. to acquire all that piece of leasehold land held under Pajakan Negeri 53073, Lot 481445, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur which lease shall be for a period of 94 years and expiring on 5 September 2112 measuring approximately 1,943 square metres in area for a total cash consideration of RM20,914,280.00 only. This said transaction has completed on 22 October 2021.

(b) 3 conditional sale and purchase agreements dated 27 January 2021 entered into by Stellar Trinity Sdn Bhd (“Stellar”) with Frazel World Sdn Bhd to acquire 3 parcels of freehold lands identified as Lot 648, GM 3734, Lot 650, GM 4035; and Lot 1301, Geran 23462, Mukim Serendah, Daerah Hulu Selangor or Ulu Selangor, Negeri Selangor for a cash consideration of RM45,114,934.03, subject to adjustment; and

2 conditional sale and purchase agreements entered between Stellar with Frazel Icon Sdn Bhd dated 27 January 2021 to acquire 2 parcels of freehold lands identified as Lot 651, GM 4036 and Lot 652, GM 3418, Mukim Serendah, Daerah Hulu Selangor, Negeri Selangor for a cash consideration of RM9,407,410.99, subject to adjustment.

The above transactions have been completed on 21 December 2021.

(c) a sale and purchase agreement (“SPA”) dated 8 February 2021 entered into by Boon Koon Capital Sdn Bhd (“BKC”), with SMD Real Estate Sdn Bhd to purchase a parcel of land identified as HSD 52600, PT No 65618, Bandar Cyberjaya, Daerah Sepang, Negeri Selangor for cash consideration of RM50,223,329.60. BKC and the vendor had on 6 December 2021 agreed to extend the conditional period of the SPA to 5 June 2022.

(d) a sale and purchase agreement dated 18 February 2021 entered into between Boon Koon Commercial Sdn Bhd with Perumahan Kinrara Berhad to acquire a parcel of freehold land identified as Lot 484, Geran 326333, Pekan Kinrara, Daerah Petaling, Negeri Selangor for a cash consideration of RM59,765,600. The said transaction had completed on 21 December 2021.

(e) a conditional share sale agreement (“SSA”) dated 10 March 2021 with Uniplaza Sdn Bhd for the proposed acquisition of 45% equity interest in Aima Construction Sdn Bhd for a purchase consideration of RM31.50 million, subject to adjustment, to be satisfied via the issuance of new ordinary shares in CHGP. The SSA had been rescinded on 2 July 2021.

- (f) a conditional share sale agreement dated 5 July 2021 with Chan Kin Keong and Khor Chee Yong for the proposed acquisition of 6,500,000 ordinary shares in Kayangan Kemas Sdn Bhd, representing 65% equity interest in Kayangan Kemas Sdn Bhd, for a purchase consideration of RM37.95 million, subject to adjustment, to be satisfied via cash of RM29.15 million and allotment and issuance of 11,000,000 new ordinary shares in CHGP (“Consideration Shares”) at an issue price of RM0.80 per Consideration Share. The said transaction had completed on 23 November 2021.
- (g) a conditional sale and purchase agreement dated 28 October 2021 with Frazel Luxe Sdn Bhd (“FLSB”) for the proposed acquisition of a freehold land identified as Geran Mukim 98, Lot 797, Mukim Petaling, Tempat 9 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur for a cash consideration of RM85.00 million. The proposed acquisition was approved in the Extraordinary General Meeting held on 25 February 2022.
- (h) a conditional share sale agreement dated 10 December 2021 (“SSA”) entered between Kayangan Kemas Sdn Bhd (“KKSB”) and Liew Jor Ho, Chai Yan Min and Yap Seng Hee (“Vendors”) for the proposed acquisition of 1,500,000 shares in Makna Setia Sdn Bhd (“Makna Setia”), representing 60% equity interest in Makna Setia, for a purchase consideration of RM9.00 million, which will be satisfied fully via cash.

KKSB had on 15 April 2022 entered into a supplemental share sale agreement (“Supplemental SSA”) with the Vendors as well as a novation agreement with the Vendors and Chin Hin Construction Sdn Bhd, a wholly owned subsidiary of CHGP to novate the SSA and the Supplemental SSA with immediate effect.

- (i) a conditional sales sale agreement dated 16 February 2022 entered between Chin Hin Construction Sdn Bhd and Dato’ Ong Boon Hai, Low Siang Tim, Goh Bee Tin, Pan Heng Seong, Teoh Teik Leong and Law & Loo Development Sdn. Bhd. (“Vendors”) for the proposed acquisition of 15,000,000 ordinary shares in Asia Baru Construction Sdn Bhd (“ABC”), representing 60% equity interest in ABC, for a purchase consideration of RM30.00 million, which will be satisfied fully via cash.

### **3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

Our Group is not involved in any material litigation, claims or arbitration which may have a material adverse effect on the business and financial position of our Group, and our 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 our Group.

### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection by the shareholders of CHGP at the Registered Office of CHGP at 48, Jalan Chow Thye, 10050 George Town, Pulau Pinang during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) Constitution;
- (ii) The material contracts referred to in Section 2 of this Appendix I;
- (iii) The audited financial statements of CHGP for the financial year ended 31 March 2021 and financial period from 1 April 2021 to 31 December 2021; and
- (iv) The unaudited consolidated financial results of CHGP for the quarter ended 31 December 2021.