

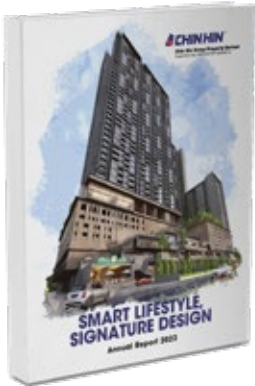


**Chin Hin Group Property Berhad**  
Registration No. 200101017677 (553434-U)



# SMART LIFESTYLE, SIGNATURE DESIGN

**Annual Report 2023**



# WHAT'S INSIDE THIS REPORT

## SMART LIFESTYLE, SIGNATURE DESIGN

Smart Lifestyle Signature Design is our product DNA at Chin Hin Group Property Berhad, and it is embedded in the concept of crafting lifestyles that effortlessly blend user-friendly technology, sustainable practices, and versatile spaces.

Our dedication to creating distinctive architecture and practical layouts is deeply rooted in the essence of every project we undertake. In essence, Smart Lifestyle Signature Design is not just a feature; it's a fundamental and defining element that runs through the core of everything we develop at Chin Hin Group Property Berhad.



Scan the QR code to view our  
Annual Report online



# 22<sup>ND</sup> ANNUAL GENERAL MEETING

Date Wednesday, 12 June 2024

Time 10.00 a.m.

Virtual Meeting  
accessible at <https://web.vote2u.my>

Domain Registration No.  
with Mynic D6A471702

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## AT A GLANCE

### FYE 2023 FINANCIAL HIGHLIGHTS

#### REVENUE

**RM601.97**  
million

#### PROFIT AFTER TAX

**RM36.52**  
million

#### EARNINGS PER SHARE

**6.51**  
sen

#### TOTAL ASSETS

**RM1.24**  
billion

#### TOTAL EQUITY

**RM357.25**  
million

#### NET ASSETS PER SHARE

**59.02**  
sen

### FYE 2023 BUSINESS HIGHLIGHTS

#### PROPERTY DEVELOPMENT DIVISION

##### ONGOING PROJECTS



Projects estimated  
GDV of

**RM1.90**  
billion

Total Unbilled Sales



**RM512.20**  
million

#### CONSTRUCTION DIVISION

##### ONGOING PROJECTS



18 Projects Contract  
Value of

**RM2.08**  
billion

Total Unbilled Order Book



**RM1.28**  
billion

# ABOUT CHIN HIN GROUP PROPERTY BERHAD

Since its establishment in 2001, Chin Hin Group Property Berhad (“CHGP” or “the Company”) and its subsidiaries (“the Group”) have embarked on a transformative journey. Originally focused primarily on commercial vehicles and bodyworks, the Group has later diversified into property development in 2017 and construction in 2021, aiming to achieve significant breakthroughs and to enhance competitive position across several industries. Currently, the Group is involved in 3 major business divisions as follows:



Property  
development



Construction



Commercial  
vehicles and  
bodyworks

Over the years, with a rich legacy of excellence, the Group has firmly established itself as a distinguished player in the property development industry. Our portfolio showcases a variety of successful ventures, ranging from residential havens to dynamic commercial spaces. Focused primarily in the vibrant areas of Klang Valley, our endeavour is to craft environments that seamlessly integrate with their surroundings, fostering a sustainable and harmonious urban landscape.

At CHGP, we advocate for universal access to exceptional living experiences. Our cornerstone lies in offering premium quality housing solutions at affordable prices. Our devoted management team is steadfast in extending the accessibility of top-tier living spaces to a diverse demographic, upholding the renowned standards of excellence we are synonymous with. Recognising the significance of catering to varied preferences, we strive to empower individuals from all walks of life to embrace their desired lifestyles within their financial reach.

Drawing from a heritage infused with time-honoured skills and expertise, CHGP is positioned to perpetuate its tradition of excellence. Leveraging this profound legacy, we craft unmatched offerings for discerning buyers and savvy investors. Our steadfast commitment to exceeding expectations guarantees that every project we embark upon reflects our dedication to innovation, craftsmanship, and steadfast quality.

Our commitment is evident through our track record in the property development division, which boost a total gross development value (“GDV”) of RM6.73 billion properties planned and developed (including completed, ongoing and upcoming projects).

Looking ahead, CHGP remains dedicated to uphold our core values of integrity, excellence, and customer satisfaction. With a forward-thinking approach and a focus on sustainable growth, we are determined to persist in our journey of success and value creation, endeavouring to leave a positive imprint on the communities we are privileged to serve.

## Our VISION



To be the developer of  
choice delivering smart  
lifestyle signature design  
to every customer.

## Our MISSION



- We define and develop smart lifestyle and signature design.
- We deliver memorable customer experience.
- We build and empower a dedicated team for collective success.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### DATUK SERI CHIAU BENG TEIK, JP

Non-Independent Non-Executive  
Chairman

### CHIAU HAW CHOON

Executive Director

### SHELLY CHIAU YEE WERN

Executive Director

### KHOR KAI FU

Executive Director

### DATUK CHENG LAI HOCK

Independent Non-Executive Director

### DATUK HJ. MOHD YUSRI BIN MD YUSOF

Independent Non-Executive Director

### KWAN SOOK PENG

Independent Non-Executive Director

## AUDIT COMMITTEE

Chairman

**Kwan Sook Peng**

Members

**Datuk Cheng Lai Hock**

**Datuk Hj. Mohd Yusri Bin Md Yusof**

## REMUNERATION COMMITTEE

Chairman

**Datuk Cheng Lai Hock**

Members

**Chiau Haw Choon**

**Kwan Sook Peng**

## NOMINATION COMMITTEE

Chairman

**Datuk Hj. Mohd Yusri Bin Md Yusof**

Members

**Datuk Cheng Lai Hock**

**Kwan Sook Peng**

## RISK MANAGEMENT COMMITTEE

Chairman

**Datuk Cheng Lai Hock**

Members

**Datuk Hj. Mohd Yusri Bin Md Yusof**

**Kwan Sook Peng**

## COMPANY SECRETARIES

### Chee Wai Hong

(BC/C/1470)

(SSM Practicing Certificate No.202008001804)

### Tan She Chia

(MAICSA 7055087)

(SSM Practicing Certificate No. 202008001923)

## REGISTERED OFFICE

Suite 16.06 MWE Plaza,  
No. 8, Lebuhr Farquhar,  
10200 George Town, Pulau Pinang  
Tel : 604-226 2188  
Email : enquiry@ascendbps.com

## BUSINESS ADDRESS

1177, Jalan Dato Keramat  
14300 Nibong Tebal  
Seberang Perai Selatan, Penang  
Tel : 604-593 1504  
Fax : 604-594 3158  
Email : finance.dept@chinhinproperty.com

## AUDITORS

Messrs. UHY (AF 1411)  
(Chartered Accountants)  
Suite 11.05, Level 11  
The Gardens South Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur  
Tel : 603-2279 3088  
Fax : 603-2279 3099

## SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.  
Lot 10, The Highway Centre  
Jalan 51/205, 46050 Petaling Jaya  
Selangor Darul Ehsan  
Tel : 603-7784 3922  
Fax : 603-7784 1988  
Email : binawin@binamg168.com

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities  
Berhad

Shares

Stock Code : 7187

Stock Name : CHGP

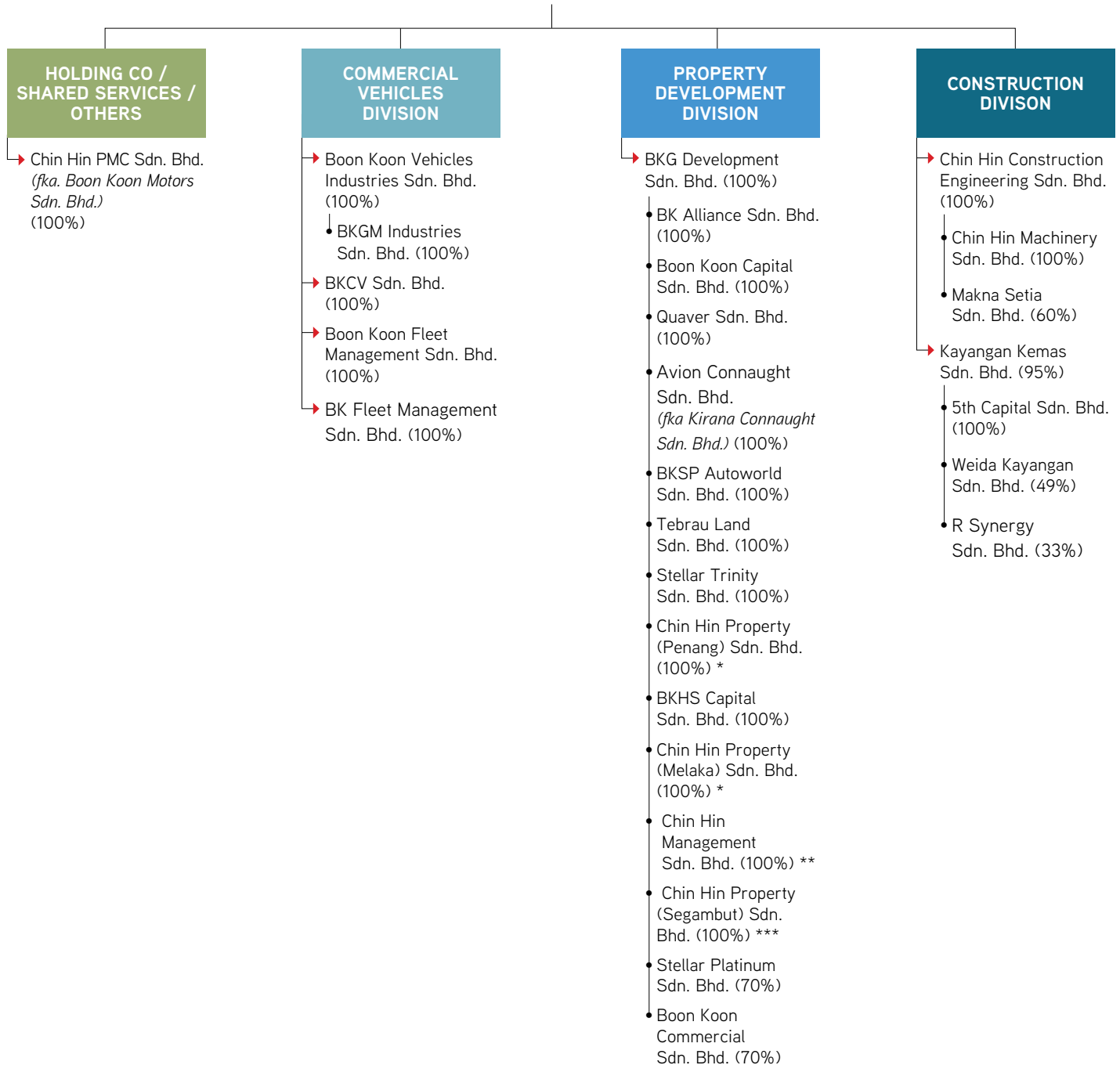
## WEBSITE ADDRESS

www.chinhinproperty.com

# CORPORATE STRUCTURE



## Chin Hin Group Property Berhad



\* Incorporated on 8 January 2024

\*\* Incorporated on 22 January 2024

\*\*\* Incorporated on 3 April 2024

# CHAIRMAN'S MESSAGE TO SHAREHOLDERS

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors ("**Board**"), it is my honour to share with you CHGP's annual report for the financial year ended 31 December 2023 ("**FYE 2023**"). As we navigate dynamic market conditions and evolving industry landscapes, I am pleased to report that our Group continues to demonstrate resilience, agility, and a steadfast commitment to creating sustainable value for our stakeholders.

## ECONOMIC LANDSCAPE

Bank Negara Malaysia's ("**BNM**") Monetary Policy Statement reported that the global economy is experiencing moderate expansion, driven by domestic demand and an uptick in trade activities. Favourable labour market conditions in some countries continue to support consumption activities. Looking ahead, growth in regional economies is expected to improve while global trade is expected to strengthen as the global tech upcycle gains momentum. Global headline and core inflation edged downwards in recent months, with prospects of monetary easing in some countries in the second half of 2024. Nonetheless, the global monetary policy stance is likely to remain tight in the near term, as inflation remains above average. The growth outlook remains subject to potential downside risks, possibly from escalated geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

In 2023, there was a resurgence of optimism domestically as the nation progressed towards normalcy, accompanied by robust economic growth indicators. Ministry of Finance ("**MOF**") reported that Malaysia's economy expanded by 3.0% in the fourth quarter, contributing to an overall gross domestic product ("**GDP**") growth of 3.7% for 2023. The growth was fuelled by resilient domestic demand, supported by vigorous private and public spending. From the supply perspective, growth was propelled by the services, mining, construction, and agriculture sectors, although there was a slight downturn in the manufacturing sector.

BNM projected that despite the uncertainties that persist in global economic landscape, Malaysia's economy is poised for improvement, with an estimated growth in our GDP ranging from 4.0% to 5.0% in 2024 and growth will be driven by resilient domestic expenditure and improvement in external demand. On the domestic front, household spending will be supported by steady employment and wage growth. Improvements in tourist arrivals and spending are expected to continue. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives.



As we navigate the dynamic economic landscape, characterised by both global uncertainties and domestic resilience, it is evident that Malaysia is poised for growth and progress. With the steady expansion of our economy as projected by BNM expected fuelled by resilient domestic expenditure and bolstered by external demand, promising opportunities are on the horizon. As we look ahead, the continued support of household spending, investment initiatives, and advancements in tourism will play pivotal roles in driving our nation's economic trajectory forward.

## OPERATIONAL AND FINANCIAL HIGHLIGHTS

The Group delivered exceptional financial results in FYE 2023, witnessing a remarkable surge in revenue. Our revenue soared by RM274.95 million or 84.1% to RM601.97 million in FYE 2023 from RM327.02 million in the financial year ended 2022 ("**FYE 2022**"). This impressive growth was primarily propelled by stellar performances within our construction and property development



## CHAIRMAN'S MESSAGE TO SHAREHOLDERS (CONT'D)

## The Group delivered exceptional financial results in FYE 2023, witnessing a remarkable surge in revenue.

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

divisions, registering revenue increases of RM235.08 million and RM64.27 million, respectively. This upward trajectory was slightly tempered by an RM24.60 million decrease in revenue from our commercial vehicles and bodyworks division.

Our exceptional achievements in the construction division primarily stemmed from increased productivity across several major ongoing projects, such as the construction of Hospital Sri Iskandar, Hospital Sultanah Maliha, and Intel Pelican car park building. Our construction projects span across various regions in West Malaysia, including Klang Valley, Perak, Penang, and Langkawi.

Similarly, the remarkable success in our property development division was largely attributed to significant progress of the ongoing development of Quaver Residence, and the successful launches of new projects like Ayanna Resort Residences and Avantro Residences.

While Quaver Residence and Avantro Residences boast high-rise mixed developments encompassing residential and commercial spaces, Ayanna Resort Residences is designed for high-rise residential living. Our focus in property development remains centred in the Klang Valley region in FYE 2023.

Following the substantial rise in the Group's revenue, the gross profit ("**GP**") of the Group was noteworthy enhanced, surged twofold to RM72.13 million in FYE 2023 from RM35.87 million in FYE 2022. Additionally, the profit after tax ("**PAT**") soared to RM36.52 million in FYE 2023, a significant increase from RM10.65 million in FYE 2022.

The Group's profitability translated to an improved earnings per share ("**EPS**") of 6.51 sen, marking a substantial increase of 287.5% compared to the previous year's EPS of 1.68 sen.

In summary, the Group wrapped up the financial year in a robust financial standing, boasting cash and cash equivalents totalling RM26.37 million, with net assets amounting to RM357.25 million and net assets per share reaching 59.02 sen. Moreover, the Group managed to uphold a relatively steady current ratio of 1.69 times as at 31 December 2023.

## CHAIRMAN'S MESSAGE TO SHAREHOLDERS (CONT'D)



Lobby, Avantro Residences

### PIVOTING FROM CONSTRUCTION BUSINESS TO PROPERTY DEVELOPMENT FOCUS

Presently, CHGP's construction business is undertaken by Chin Hin Construction Engineering Sdn Bhd ("**CHCE**") (via CHCE's 60%-owned subsidiary, Makna Setia Sdn Bhd ("**Makna Setia**") and a wholly-owned subsidiary, Chin Hin Machinery Sdn Bhd ("**Chin Hin Machinery**") (collectively, "**CHCE Group**") and Kayangan Kemas Sdn Bhd ("**Kayangan**") and its subsidiaries ("**Kayangan Group**").

In light of the evolving economic landscape and strategic considerations, CHGP Group intends to embark on a significant transition. As announced on 29 February 2024, the Group intends to dispose of its entire construction business entirely to its holding company, namely Chin Hin Group Berhad ("**CHGB**") ("**Proposed Disposals**"). Upon completion of the Proposed Disposals, CHGP will effectively exit the construction sector.

This strategic repositioning is aimed at streamlining and reorganising the overall business activities within the CHGB group. Specifically:

- (i) CHGP will concentrate its efforts on property development activities, channelling its resources and expertise into this promising sector; and
- (ii) CHGB, as a versatile building conglomerate, will retain its multifaceted interests, encompassing building materials, home and living solutions, property development, and construction, ensuring a diversified and resilient portfolio.

The Proposed Disposals allow CHGP to monetise its investment in CHCE Group and Kayangan Group and utilise substantially the proceeds thereon primarily to fund its future property development projects.

The Proposed Disposals marks a strategic shift for CHGP Group, aligning with its objectives to optimise resources focus on its core strengths and also seizing the opportunity to capitalise on the potential of the property development sector. This transition underscores the commitment to building a resilient and diversified portfolio within the CHGB group, ultimately positioning CHGP for sustainable growth and success in the dynamic economic landscape ahead.

## CHAIRMAN'S MESSAGE TO SHAREHOLDERS (CONT'D)

### OPERATING ENVIRONMENT AND PROSPECTS



Won multiple awards at the 10th Property Guru Asia Awards Malaysia

#### Property Development Division

The Budget 2024 is expected to positively influence the property sector, owing to ongoing governmental initiatives to bolster homeownership and promising advancements in key infrastructure projects. Other optimistic factors include the Government's proposed relaxations in criteria for the Malaysia My Second Home ("MM2H") program. Designating 2026 as "Visit Malaysia Year" and allocating RM350 million to enhance tourism activities could further stimulate the property market.

With various Government's initiatives in place, our property development division is poised for growth in the upcoming years. As at 31 December 2023, we have successfully completed a project located in Klang Valley and are undertaking four (4) ongoing projects, namely Quaver Residence, Ayanna Resort Residences, Avantro Residences and Solarvest Tower, with estimated Gross Development Value ("GDV") of RM1.90 billion.

Our property development division is also preparing to launch three (3) new projects, namely Andalan Residences, Botanica Hills in Rawang, and a resort-themed mixed development in Melaka, with estimated GDV of RM247 million, RM396 million and RM792 million respectively. Furthermore, our recent announcement on 29 February 2024 outlines our proposed joint ventures with Fiamma Holdings Berhad ("FHB") and its subsidiaries for the joint development of two (2) mixed commercial projects, namely Aricia Residence and Dawn Residence, with an estimated GDV of RM468 million and RM892 million respectively. These proposals are subjected to the approvals of the Group's shareholders at a general meeting to be convened.

#### Commercial Vehicles and Bodyworks Division

The Group foresees continued challenges in the commercial vehicles market, attributed to intense competition and the current depreciation of the Ringgit Malaysia ("RM") against other major currencies, which may impact our profit margins. Nonetheless, leveraging our competitive cost advantage strategy in the light/big trucks and prime movers segment, the Group expects to maintain positive earnings in this sector.

Key cost-saving initiatives have been implemented in the Division, including the establishment of an in-house sales and service centre to reduce outsourcing expenses, the formation of an internal engineering department to streamline engineering documentation processes for Jabatan Pengangkutan Jalan ("JPJ") registration, and the setup of assembly locations across different regions to minimise logistic costs.

Despite market challenges, demand for light trucks remains robust, particularly in the logistics and food delivery sectors. Additionally, the Division aims to bolster marketing efforts for food truck models and passenger vans targeting the tourism industry, thus supporting growth in the commercial vehicles and bodyworks segment.

In light of these strategies and market dynamics, the Board maintains a cautious yet optimistic outlook on this division's prospects, buoyed by the continued demand for light/big truck models and prime movers in the logistics and food delivery sectors.

## CHAIRMAN'S MESSAGE TO SHAREHOLDERS (CONT'D)

### COMMITMENT TO SUSTAINABILITY

With a robust governance structure in place, CHGP Group remains steadfast in its commitment to sustainability, viewing it as fundamental to its business expansion strategy. Focusing on property development division, as well as commercial vehicles and bodyworks division, the Group is dedicated to reducing its environmental impact while enhancing its positive influence on local communities.

In the property development division, CHGP prioritises eco-friendly practices, including preserving natural surroundings and implementing energy-efficient solutions. By strategically setting development projects near public transport hubs, the Group promotes a greener and more sustainable future. Meanwhile, in the commercial vehicles and bodyworks division, CHGP has strategically positioned assembly locations across the Northern, Central, and Southern regions. This logistical arrangement reduces transportation costs and diminishes carbon emissions, underscoring CHGP's unwavering commitment to environmental stewardship across its operations.

Furthermore, the Group prioritises the health and safety of its employees, enforcing stringent measures within the workplace. CHGP actively engages with local communities through outreach programs and initiatives to generate employment, fostering social well-being and economic prosperity in the regions it serves. By integrating sustainability into its core business ethos, CHGP Group not only drives conscientious growth but also leaves a positive and enduring legacy for future generations.



*Quaver Residence*

### APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend my heartfelt gratitude to our dedicated employees, whose passion, commitment, and perseverance served as the cornerstone of our Group's achievements. I also wish to express my deep appreciation to my esteemed colleagues on the Board for their exemplary stewardship, ensuring the highest standards of governance, oversight, and strategic direction crucial to the Group's success.

I would like to take this opportunity to extend my sincere thanks to Datuk Yeo Chun Sing, who stepped down as Executive Director of the Group on 28 March 2023, and to extend a warm welcome to Mr. Khor Kai Fu, who assumed the role as Executive Director on 1 April 2023.

To all our stakeholders, I express gratitude for your unwavering confidence and trust. We eagerly anticipate continuing our mutually beneficial collaboration as we journey towards a sustainable growth and prosperity.

#### **DATUK SERI CHIAU BENG TEIK, JP**

Non-Independent Non-Executive Chairman  
22 April 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The principal activity of Chin Hin Group Property Berhad (“**CHGP**”) is investment holding. Through its subsidiary companies, CHGP is involving in 3 business divisions, which are property development, construction as well as commercial vehicles and bodyworks.

CHGP has successfully completed a diverse range of projects spanning residential, commercial, and industrial sectors within its property development and construction division. Our property development projects are primarily concentrated in the Klang Valley area. These endeavors aim to enhance the surrounding environment and thereby improve the quality of life for residents. Our construction companies hold Grade 7 contractor status and possess an Government Employment Certificate (“**SPKK**”). Therefore, the Group can competitively bid for and undertake construction projects of any scale within Malaysia, as well as participate in government projects.

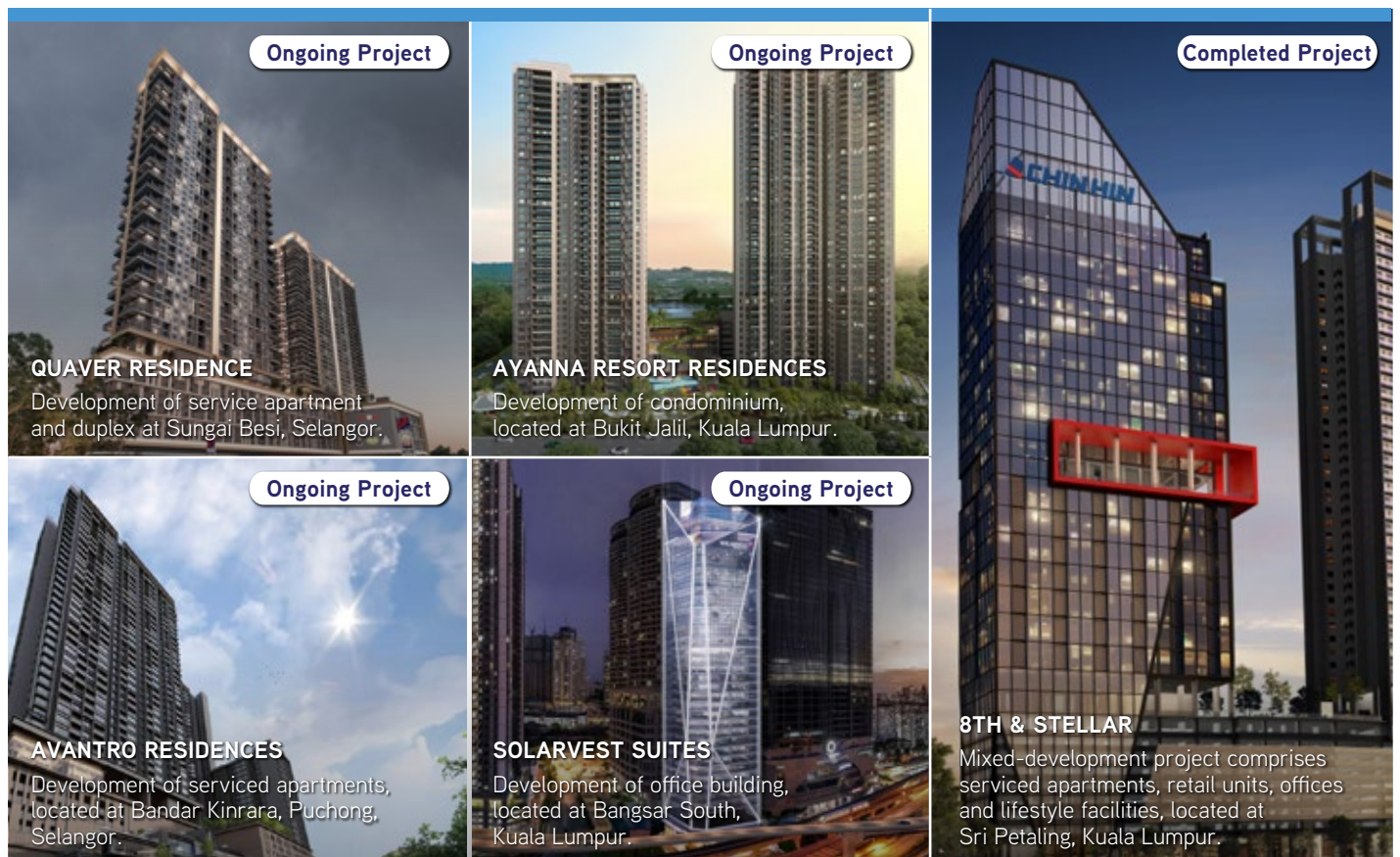
The Group remains committed to maximising value for our stakeholders by expanding our land bank and securing more building and infrastructure construction projects while refining our internal processes to elevate the quality of our commercial vehicles.



## PROPERTY DEVELOPMENT DIVISION

The Group's property development division primarily focuses on the development of high-rise residential projects and mixed development projects.

During the financial year ended 2023 (“**FYE 2023**”), the Group has completed one (1) project and continued work on several ongoing projects, all within Klang Valley, as outlined below:-



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



### CONSTRUCTION DIVISION

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

#### Completed Construction Projects

During FYE 2023, the Group has completed the following notable construction projects:-

	<p><b>RM49.5 million</b></p> <p><b>Building Construction Project</b></p> <p><b>KULIM K5 PROJECT</b></p> <p>Construction of structure and underground piping work for K5-CUB Building, Kulim, Kedah.</p>		<p><b>RM106.8 million</b></p> <p><b>Civil and Infrastructure Project</b></p> <p><b>SUKE CA2 &amp; PARAPET</b></p> <p>Construction of mainline and other associated works for Sungai Besi - Ulu Kelang Highway located at Kuala Lumpur.</p>
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#### Ongoing Construction Projects

As at 31 December 2023, the Group has 18 ongoing construction projects with a total contract value of RM2.08 billion and an unbilled order book of RM1.28 billion. These ongoing projects are expected to be completed within the next one (1) to three (3) years.

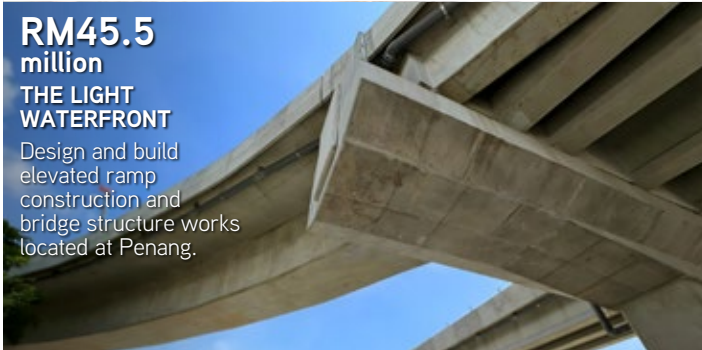
Some of the notable ongoing construction projects undertaken by the Division during FYE 2023 are as follows:-

#### **Building Construction Project**

<p><b>RM396.0 million</b></p> <p><b>HOSPITAL LANGKAWI</b></p> <p>Main design and building work for the construction of a hospital located at Langkawi.</p>	<p><b>RM320.1 million</b></p> <p><b>INTEL PELICAN PROJECT</b></p> <p>Construction of car park building located at Bayan Lepas, Penang.</p>
<p><b>RM290.3 million</b></p> <p><b>AYANNA RESORT RESIDENCES</b></p> <p>Substructure and earthworks for the construction of condominium located at Bukit Jalil, Kuala Lumpur.</p>	<p><b>RM255.2 million</b></p> <p><b>QUAVER RESIDENCE</b></p> <p>Construction for duplex and service apartments located at Seri Kembangan, Selangor.</p>

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## Civil and Infrastructure Projects



## COMMERCIAL VEHICLES AND BODYWORKS DIVISION

The Group's commercial vehicles and bodyworks division is primarily involved in the assembly of new commercial vehicles and rebuild of used commercial vehicles to be sold to our customers. Our Group is committed to developing products that align with specific requirements of the end users while maintaining a steadfast commitment to product quality.

The Group also provides rental and fleet management services for various commercial vehicles and forklifts to our customers.

This year, we continued with our growth strategy for the division by placing focus on extending our reach to customers in the central and southern regions of Peninsular Malaysia.

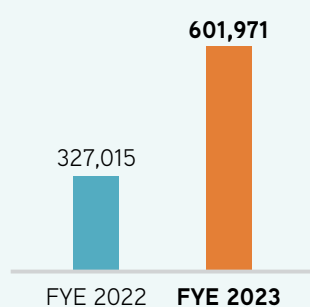


## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

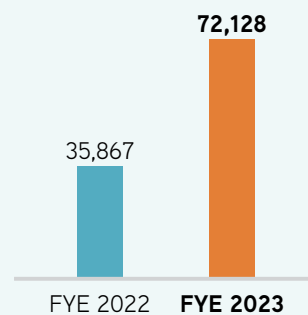
## REVIEW OF FINANCIAL PERFORMANCE

	FYE 2023 RM'000	FYE 2022 RM'000	Variances	
			RM'000	%
Revenue	601,971	327,015	274,956	84.1
Gross Profit ("GP")	72,128	35,867	36,261	>100.0
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	66,689	24,352	42,337	>100.0
Profit Before Tax ("PBT")	49,682	16,067	33,615	>100.0
Profit After Tax ("PAT")	36,524	10,648	25,876	>100.0
EPS (sen)	6.51	1.68	4.83	>100.0
GP Margin (%)	12.0	11.0	1.0	-
PBT Margin (%)	8.3	4.9	3.4	-
PAT Margin (%)	6.1	3.3	2.8	-

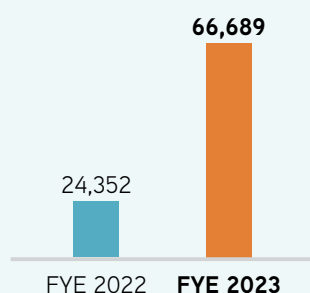
**REVENUE**  
(RM'000)



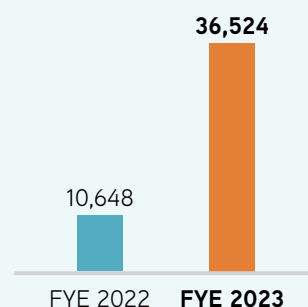
**GROSS PROFIT**  
(RM'000)



**EBITDA**  
(RM'000)



**PROFIT AFTER TAXATION (PAT)**  
(RM'000)



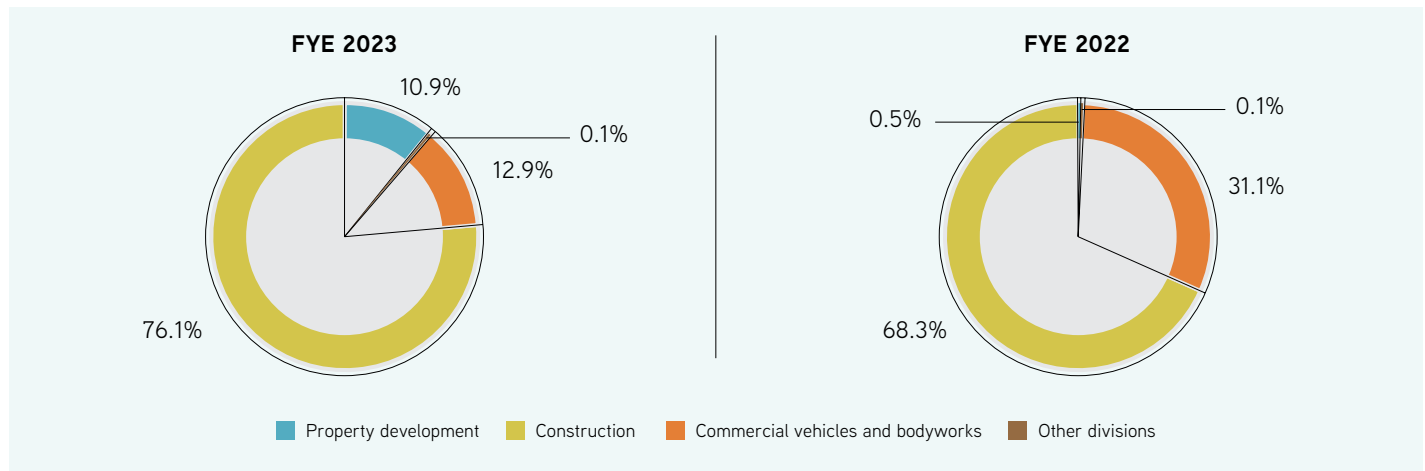


## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### Revenue

As we move into the post pandemic era, we are delighted to highlight that we have achieved an outstanding financial performance in FYE 2023 with revenue soared by RM274.95 million or 84.1%, from RM327.02 million in FYE 2022 to RM601.97 million, mainly driven by the outstanding performance in our construction division and property development division.

Our revenue segmentation by business divisions for FYE 2023 and FYE 2022 are as follows:-



#### PROPERTY DEVELOPMENT DIVISION

Our property development division recorded a revenue of RM65.89 million in FYE 2023, contributing 10.9% of the Group's total revenue. This marks a substantial increase in revenue for this division by RM64.27 million from RM1.62 million in FYE 2022. The surge in revenue is primarily driven by higher work progress from ongoing developments of Quaver Residence as well as the newly launched projects including Ayanna Resort Residences and Avantro Residences.



#### CONSTRUCTION DIVISION

The Group's construction division, accounted for RM458.55 million or 76.1% of the Group's total revenue. This division experienced increase in revenue by RM235.08 million as compared to RM223.47 million in FYE 2022, mainly attributable to higher work progress in several major ongoing projects such as the construction of Hospital Sri Iskandar, Hospital Sultanah Maliha and car park building for Intel Pelican.



#### COMMERCIAL VEHICLES AND BODYWORKS DIVISION

In FYE 2023, revenue from commercial vehicles and bodyworks division remained as the second largest contributor to our Group's revenue, amounting to RM77.32 million or 12.9% of the total revenue. However, this division experienced a significant decline in revenue by RM24.60 million or 24.1% from RM101.92 million in FYE 2022, mainly due to lower demand for rebuilt commercial vehicles throughout the year.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### GP and GP margin

In FYE 2023, the Group recorded a significant improvement in GP, which doubled to RM72.13 million compared to RM35.87 million in FYE 2022. The Group's GP margin also increased by 1.0%, from 11.0% in FYE 2022 to 12.0% in FYE 2023. The improvement in both our GP and GP margin was primarily attributable to substantial increase in the Group's revenue by 84.1%, particularly contributed from the construction and property development divisions.

### PBT and PBT margin

In line with the increase in GP, the Group's PBT increased by RM33.61 million or 209.1%, from RM16.07 million in FYE 2022 to RM49.68 million in FYE 2023, while the PBT margin increased by 3.4%, from 4.9% in FYE 2022 to 8.3% in FYE 2023. The improvement in PBT and PBT margin was also attributable to higher share of results from the joint venture company, Stellar 8 Sdn Bhd, by RM24.71 million as compared to FYE 2022.

### REVIEW OF FINANCIAL POSITION

	FYE 2023 RM'000	FYE 2022 RM'000	Variances	
			RM'000	%
<b>Assets</b>				
Non-Current Assets	229,911	232,406	(2,495)	(1.1)
Current Assets	1,009,012	544,190	464,822	85.4
<b>Total Assets</b>	<b>1,238,923</b>	<b>776,596</b>	<b>462,327</b>	<b>59.5</b>
<b>Liabilities</b>				
Non-Current Liabilities	284,923	203,129	81,794	40.3
Current Liabilities	596,751	330,480	266,271	80.6
<b>Total Liabilities</b>	<b>881,674</b>	<b>533,609</b>	<b>348,065</b>	<b>65.2</b>
<b>Net Assets</b>	<b>357,249</b>	<b>242,987</b>	<b>114,262</b>	<b>47.0</b>
<b>Key Ratios</b>				
Current Ratio (times)	1.69	1.65		
Gearing Ratio (times)	1.10	1.06		
Net Assets per Share (sen)	59.02	50.62	8.40	16.6

As at 31 December 2023, our Group's total assets amounted to RM1.24 billion, marking a substantial increase of RM462.32 million or 59.5% as compared to RM776.60 million as at 31 December 2022. The overall increase in our total assets was primarily attributable to the capitalisation of direct cost incurred in relation to our land held for property development of RM216.45 million, an increase in contract assets by RM119.63 million due to the timing differences of unbilled work in progress as compared to amount billed to our clients as well as new investments in quoted shares amounting to RM53.94 million.

Our Group's total liabilities increased by RM348.06 million or 65.2%, from RM533.61 million as at 31 December 2022 to RM881.67 million as at 31 December 2023. The increase was primarily stems from additional bank borrowings of RM134.81 million, mainly attributable to term loan arising from the acquisition of Quaver Sdn Bhd, utilisation of margin facilities for investment in quoted shares as well as drawdown of invoice financing to finance our working capital. The increase in total liabilities also driven by the increase in trade and other payables by RM117.20 million as well as increase in amount due to a director, holding company and related companies by RM39.28 million, RM34.62 million and RM17.36 million respectively.

In summary, the Group concluded the financial year with a healthy financial position, holding cash and cash equivalent of RM26.37 million and maintaining a relatively consistent current ratio of 1.69 times. The Group's gearing ratio increased to 1.10 times as at 31 December 2023 from 1.06 times as at 31 December 2022, primarily due to the increased bank borrowings aimed at expanding our business operations. Nevertheless, the Group's net assets has increased to RM357.25 million, resulting in a net assets per share of 59.02 sen as at 31 December 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## REVIEW OF CASH FLOWS

	FYE 2023 RM'000	FYE 2022 RM'000
Net cash used in operating activities	(140,577)	(13,541)
Net cash used in investing activities	(86,868)	(3,882)
Net cash generated from financing activities	197,755	57,000
Net (decrease)/increase in cash and cash equivalents	(29,690)	39,577
Cash and cash equivalents at the beginning of the financial year	56,054	16,480
Effect on exchange rate changes	4	(3)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>26,368</b>	<b>56,054</b>

The Group recorded a net cash used in operating activities of RM140.58 million in FYE 2023 as compared to net cash used in operating activities of RM13.54 million in FYE 2022, mainly attributable to higher working capital requirements to support our heightened construction activities during FYE 2023.

The Group's net cash used in investing activities of RM86.87 million in FYE 2023 was primarily due to investment in quotes shares amounting to RM51.41 million and the acquisition of property, plant, and equipment amounting to RM16.70 million. Additionally, cash outflows were allocated towards acquiring the remaining equity stake of 30% in Kayangan Kemas Sdn Bhd ("KKS B") and 49% in BK Alliance Sdn Bhd ("BKA"), amounting to RM16.70 million and RM2.45 million respectively.

The Group recorded a net cash generated from financing activities of RM197.76 million, mainly attributable to proceeds raised from private placement of RM86.67 million, drawdown of term loans of RM70.15 million.

## CAPITAL STRUCTURE, RESOURCES AND EXPENDITURE

As at 31 December 2023, the Company's share capital amounted to RM228.20 million, consisting of 605,281,524 number of shares with a net asset per share of 59.02 sen.

During FYE 2023, the Group has allocated a total of RM7.21 million for capital expenditure as follows:-

Capital Expenditure	RM'000
Machineries and factory equipment	9,364
Office equipment, furniture and fittings	6,675
Computer software	567
Motor vehicles	480
	<b>17,086</b>

As at 31 December 2023, the Group's capital commitments are as follows:-

Capital Commitment	RM'000
Approved and contracted for:	
- Acquisition of property, plant and equipment	111

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### ANTICIPATED OR KNOWN RISKS

#### Business Risk



Operating across diverse business divisions, including property development, construction as well as commercial vehicles and bodyworks expose the Group to inherent business risks include economic downturns, rising materials costs, shortage of foreign workers and skilled workers, changes in economic, social and political conditions as well as the introduction of new rules or changes in relevant regulations affecting our business operation. Any adverse changes in these aspects could materially impact the Group's business operation and financial performance.

To address these risks, the Group has taken proactive measures such as prudent financial management, early planning procurement practices and efficient operational procedures. In addition, the Group remains proactive in staying updated with the latest changes in economic, social, political and regulatory landscapes that may impact our business in order to strategies for a relevant and better mitigation plan.

#### Operational Risk



The Group faces various possible challenges that could disrupt our business operations such as breakdown of machineries, disruptions in electricity and water supply, delays in raw materials deliveries and other disruptions. Moreover, our property development division is inherently subjected to higher safety risks and hazards. Any health and safety incidents that occur could potentially disrupt our operations, cause project delays and incur additional costs.

To mitigate this risk, the Group regularly monitors and undertakes scheduled maintenance for machinery and equipment to prevent major machinery breakdowns and disruptions to our operations. Additionally, we have established an Occupational, Safety, and Health ("OSH") Committee to oversee the implementation of our OSH policy and manage any OSH matters so as to provide a safe working environment to our people.

#### Foreign Exchange Risk



The Group purchases commercial vehicles from overseas suppliers/sellers, thereby subjecting to foreign currency risk. Fluctuations in foreign exchange rates can significantly impact the Group's financial performance.

While we do not actively hedge the Group's foreign currency exposure, we regularly assess the need to utilise financial instruments to hedge the foreign currency risk, depending on the materiality of the transaction value, exchange rate fluctuation quantum, exposure period and the relevant transaction costs.

#### Litigation Risk



Both our property development and construction divisions are exposed to potential litigation risk arising from disputes with main contractors or sub-contractors, including issues like non-payments, workplace hazards, as well as project delays and cost overruns. Failure to effectively manage this risk may adversely impact the Group's business operations, financial performance as well as reputation.

To minimise the potential of litigation risk, we maintain proper project documentation, certifications and relevant correspondences while striving to handle any conflict with main contractors or sub-contractors diligently.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)



### FUTURE PROSPECT AND OUTLOOK

Heading into 2024, uncertainties persist in both local and global economic landscapes due to geopolitical tensions, economic slowdown and inflationary pressures. Despite these uncertainties, Malaysia's economy is poised for improvement, with an estimated growth in our Gross Domestic Product ("GDP") ranging from 4.0% to 5.0%, as projected by Bank Negara Malaysia ("BNM").

With various Government initiatives in place, our property development division is poised for growth in the upcoming years. Currently, our property development division is preparing to launch three (3) new projects, namely Andalan Residences, Botanica Hills in Rawang, and a resort-themed mixed development in Melaka, with estimated Gross Development Value ("GDV") of RM247 million, RM396 million and RM792 million respectively. As at 31 December 2023, we have total unbilled sales of RM521.20 million mainly from our ongoing property development projects namely Quaver Residence, Ayanna Resort Residences, Avantro Residences and Solarvest Tower.

Our Group had on 29 February 2024 announced that our wholly owned subsidiary, BKG Development Sdn Bhd ("BKGD") has entered into proposed joint ventures with Fiamma Holdings Berhad ("FHB") and its subsidiaries for the joint development of two (2) mixed commercial projects, namely Aricia Residence and Dawn Residence with estimated GDV of RM467.91 million and RM892.07 million respectively. These proposals are subjected to the approvals of shareholders at a general meeting to be convened.

The Group has also announced on 29 February 2024 the proposal to dispose our construction division to our holding company, Chin Hin Group Berhad. Following the proposed disposals, the Group will no longer be involved in the construction division and the disposal shall generate a cashflow of RM110.00 million to the Group which shall be deployed as working capital for its property development business. This proposal is subjected to the approvals of shareholders at a general meeting to be convened.

The market for our commercial vehicles and bodyworks division is expected to face continuous challenges. However, the Group remains cautiously optimistic about the prospect of this division as the demand of light/big trucks and prime movers is closely linked to the logistics and transportation industry, which in turn, correlates with the performance of the local economy.

To sustain and grow our business in this division, the Group is actively exploring additional options and expanding its sales and marketing efforts for the Cergas Van, catering to the expected growth in the tourism industry in year 2024. Furthermore, with the Government's encouragement and incentives for green energy vehicles, the Group is also exploring the possibility of introducing electric commercial vehicles in the near future.

The Group maintains a cautiously optimistic view of its long-term prospects. The Group will actively seek opportunities for business expansion while ensuring timely completion of ongoing projects. Furthermore, the Group will continue to be prudent in its business dealings, focusing on operational efficiency to achieve sustainable long-term business growth and deliver value to shareholders.

### DIVIDEND

The Company does not have any formal dividend policy. Any recommendation and declaration of dividends is at the discretion of the Board, subject to various factors, including financial performance, capital expenditure requirements and cash flow management. No dividend was declared or distributed in FYE 2023 as the Company is currently prioritising on strengthening its business and operations in order to ensure a long-term growth.

# SUSTAINABILITY STATEMENT



Department of Statistics Malaysia estimated that Malaysia's population will achieve 33.7 million people in the fourth quarter of 2023, representing a 2% increase over the previous year. Such increase in population underscores a strong call for sustainable developments which require balance of economic growth with environmental conservation, social equity as well as effective governance.

Here in Chin Hin Group Property Berhad ("CHGP" or "the Company"), we are committed to carry out our businesses in a responsible and sustainable manner. Along our sustainability journey, we integrate environmental, social, and governance considerations into the very fabric of our businesses, whenever possible, in an attempt to contribute positively to the sustainable development of the country.

Sustainability is not merely a goal to achieve but a continuous journey of improvement. The Board of Directors ("the Board") is pleased to present this Sustainability Statement ("Statement") for the financial year ended 31 December 2023 ("FYE 2023") to demonstrate our priorities, goals and progress in managing the Group's sustainability risks and opportunities within the Economic, Environmental, Social and Governance ("EESG") contexts.

## SCOPE AND REPORTING PERIOD

This Statement covers the sustainability efforts and performances of CHGP and all its subsidiaries ("CHGP Group" or "the Group") that are actively operating within our three (3) major business divisions, namely Property Development, Construction, and Commercial Vehicles & Body Works. Sustainability information disclosed in this Statement are for activities carried out between 1 January 2023 to 31 December 2023, unless otherwise specified.

## BASIS OF THIS STATEMENT

This Statement was prepared based on available internal information in accordance to Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR") relating to sustainability statement and its Sustainability Reporting Guide 3rd Edition. We have also aligned our sustainability strategies with the Sustainability Development Goals ("SDGs"), introduced in 2015 by the United Nation's Department of Economic and Social Affairs.

## STATEMENT OF ASSURANCE

In ensuring credibility of this Statement, it has been subjected to internal reviews by the Company's internal auditors. This Statement has also been reviewed and approved by the Company's Audit Committee ("AC"). These reviews determined that the disclosures of all sustainability performance information presented in this Statement are fairly stated, appropriately prepared and well-supported.

## FEEDBACK

CHGP Group welcomes all stakeholders' feedback on this Statement or any relevant matters concerned, for our continuous improvement on sustainability measures and reporting standards. Any feedbacks, comments or enquiries can be directed to [enquiry@chinhinproperty.com](mailto:enquiry@chinhinproperty.com).

## SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY GOVERNANCE STRUCTURE



Sustainability is integrated into the Group's overall corporate governance management. Our sustainability management is driven from the top where the Board holds the ultimate responsibility for the stewardship and oversight of the Group's sustainability strategies and performances. This approach allows the integration of sustainability aspects into strategic decision-making as sustainability concerns can now be given due consideration at the Group's highest decision-making levels.

Whilst the Board is ultimately responsible for the Group's overall sustainability agenda, the Board is supported by four Board Committees, namely the Audit Committee ("AC"), Nomination Committee ("NC"), Remuneration Committee ("RC") and Risk Management Committee ("RMC") to ensure an effective discharge of responsibilities. Both the AC and RMC are tasked to review the adequacy and effectiveness of the Group's risk management and internal control system as such system is the bedrock of our Group's business sustainability. On the other hand, the NC and RC are entrusted to ensure the overall effectiveness and succession planning of the Board and Senior Management with proper tracking and assessment on their performance as well as the recommendation of appropriate remuneration packages to retain and motivate the right talents.








Under the oversight and monitoring of the Board and Board Committees, the Senior Management is empowered for the execution of sustainability initiatives and strategies across the Group. The Senior Management is also responsible to perform an annual materiality assessment by identifying any emerging sustainability risks and opportunities for the Group, and report the same to the Board.

## SUSTAINABILITY STATEMENT (CONT'D)

### STAKEHOLDERS' ENGAGEMENT

We truly recognise that regular engagements with various stakeholders are essential in driving an inclusive sustainability agenda. As such, we are committed to foster open and inclusive communication with our stakeholders so as to gain a greater depth of understanding on their needs and concerns.

We have identified 7 key stakeholder groups that have significant influence over the Group's business operations and at the same time being significantly impacted by the Group's business decisions. During FYE 2023, we have engaged with the stakeholder groups through various engagement approaches, detailed as follows:-

STAKEHOLDERS	AREAS OF FOCUS	ENGAGEMENT APPROACHES
<b>Shareholders/ Investors</b> 	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Business development and sustainability</li> <li>Return on investment and associated risks</li> <li>Share price performance</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Annual report</li> <li>General meetings</li> <li>Bursa announcements</li> <li>Circular to Shareholders</li> <li>Company website and social media platform</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career advancement opportunities</li> <li>Competitive remuneration and benefits</li> <li>Occupational Safety and Health ("OSH")</li> <li>Adequate training and development</li> <li>Talent and performance management</li> <li>Employee welfare</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Training programme and on-job trainings</li> <li>Internal communications</li> <li>Company events</li> <li>Townhall and open forums</li> </ul>
<b>Customers/ Clients</b> 	<ul style="list-style-type: none"> <li>Quality of projects, products and services</li> <li>Customer satisfaction</li> <li>Product development and technology innovation</li> <li>Competitive pricing and on-time delivery</li> </ul>	<ul style="list-style-type: none"> <li>In-person interactions</li> <li>Customer satisfaction survey</li> <li>Company website and social media platform</li> <li>Advertisement and marketing events</li> </ul>
<b>Suppliers/ Subcontractors</b> 	<ul style="list-style-type: none"> <li>Sustainable business relationship</li> <li>Fair and transparent procurement practices</li> <li>Payment terms and conditions</li> <li>Timely completion and delivery</li> <li>OSH</li> </ul>	<ul style="list-style-type: none"> <li>In-person interaction</li> <li>Periodic site inspections</li> <li>Email correspondences</li> <li>Supplier/subcontractor evaluation</li> </ul>
<b>Government/ Regulators</b> 	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Permits and licences</li> <li>Corporate governance</li> <li>OSH</li> <li>Timely and transparent disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Meetings and visits</li> <li>Compliance audit</li> <li>Routine and ad-hoc report submissions</li> <li>Bursa announcement</li> <li>Annual report</li> </ul>
<b>Community</b> 	<ul style="list-style-type: none"> <li>Environmental impact from business operations</li> <li>Local job creation and economic support</li> <li>Community wellbeing</li> </ul>	<ul style="list-style-type: none"> <li>Company website and social media platform</li> <li>Community outreach</li> <li>Hiring of local employees</li> </ul>
<b>Analyst/Media</b> 	<ul style="list-style-type: none"> <li>Share price performance</li> <li>Financial and operational performance</li> <li>Business development and expansion plan</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Annual report</li> <li>General meetings</li> <li>Company website</li> <li>Bursa announcement</li> <li>Interviews</li> </ul>

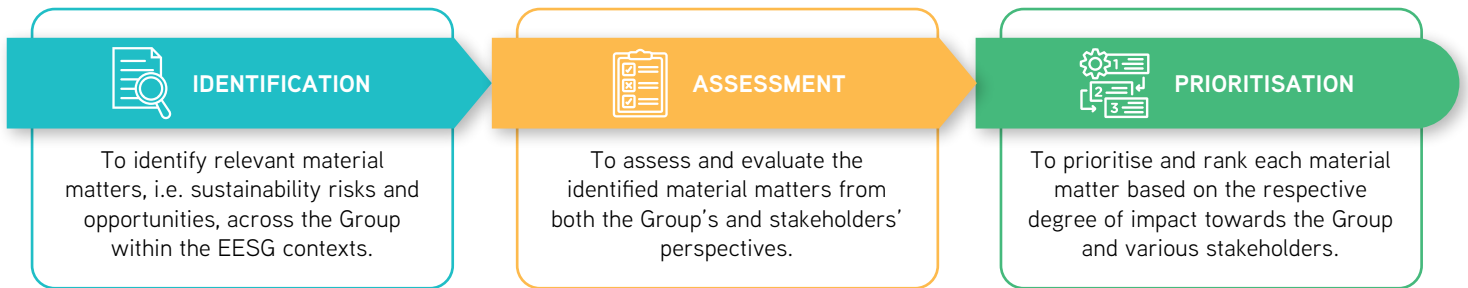


# SUSTAINABILITY STATEMENT (CONT'D)

## MATERIALITY ASSESSMENT AND SUSTAINABILITY STRATEGIES

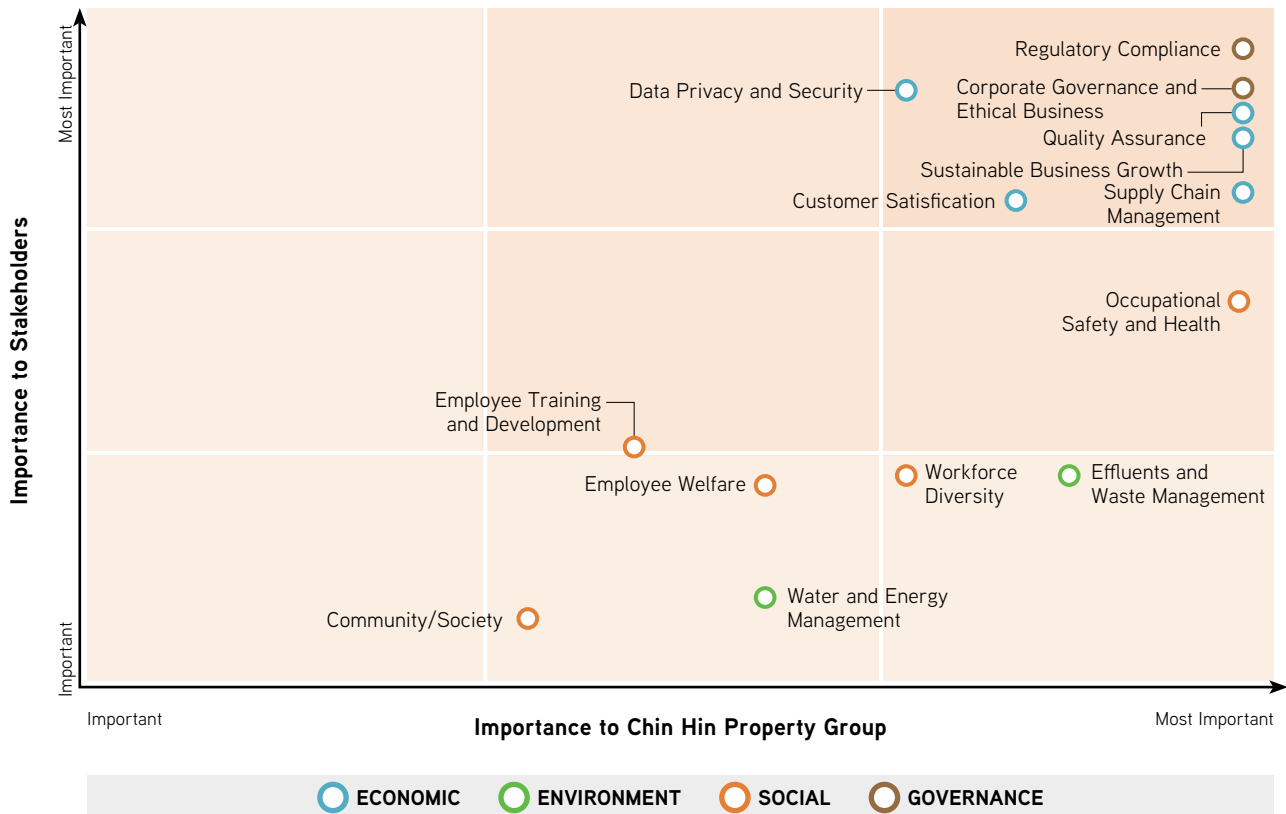
### Materiality Assessment Process

With the understanding gained from our stakeholders' engagement, we have conducted an annual materiality assessment to revisit/identify the material matters relevant to the Group and to our stakeholders. Such materiality assessment was conducted through the similar 3-step approach adopted in previous year, illustrated as follows:-



### Materiality Matrix

We have conducted the materiality assessment for FYE 2023 with reference to Bursa Securities' Sustainability Reporting Guide 3rd Edition and have included additional material matters. We have also adjusted the materiality ranking to better reflect their importance to the Group and stakeholders in line with the latest business and sustainability development. Based on our assessment, we have identified and ranked 14 material matters which matter the most to our Group and various stakeholders, scaling from "Important" to "Most Important", depicted in the following Materiality Matrix: -











## SUSTAINABILITY STATEMENT (CONT'D)

### SUSTAINABILITY STRATEGIES AND SDG MAPPING

We have taken into consideration the 17 Sustainable Development Goals (“SDG”) and the identified material matters in developing our sustainability strategies. SDGs serve as a global blueprint for individuals, businesses, communities and government to make progress on critical issues such as poverty, inequality, climate change as well as everyone’s health, justice and prosperity. At CHGP, we are dedicated to contribute to the achievement of the relevant SDGs while striving to creating a better world for mankind.

In this regard, we have mapped 6 SDGs in line with our 4 sustainability pillars and have formulated the appropriate sustainability strategies to address the corresponding risks and opportunities in FYE 2023, summarised as follows:-

	MATERIAL MATTERS	SUSTAINABILITY STRATEGIES	SDGs
ECONOMIC	<ul style="list-style-type: none"> <li>Sustainable Business Growth</li> <li>Quality Assurance</li> <li>Customer Satisfaction</li> <li>Supply Chain Management</li> <li>Data Privacy and Security</li> </ul>	<ul style="list-style-type: none"> <li>Execution of both business expansion initiatives and cost efficiency strategies to maximise the economic value creation.</li> <li>On-going training and development as well as understanding on the needs and expectations from customers and clients for the continuous improvement in the quality of the Group’s projects, products and services.</li> <li>Continuous engagement with local suppliers and subcontractors to ensure smooth supply chain while supporting the local economy.</li> <li>Conduct of regular Information Technology (“IT”) monitoring, testing and audit to ensure data protection.</li> </ul>	 
ENVIRONMENT	<ul style="list-style-type: none"> <li>Effluents and Waste Management</li> <li>Water and Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of proper effluents and waste management procedures to minimise adverse environmental effects.</li> <li>Encouragement of green initiatives to preserve the environment.</li> </ul>	  
SOCIAL	<ul style="list-style-type: none"> <li>Workforce Diversity</li> <li>Employee Welfare</li> <li>Employee Training and Development</li> <li>OSH</li> <li>Community/Society</li> </ul>	<ul style="list-style-type: none"> <li>Creation of a safe, conducive and inclusive workplace to motivate and retain the right talent.</li> <li>Conduct of training programmes and company events to support our employees’ career advancement as well as their bonding and welfare.</li> <li>Equal employment opportunity to Malaysian.</li> <li>Fair reward and remuneration and benefits.</li> </ul>	 
GOVERNANCE	<ul style="list-style-type: none"> <li>Corporate Governance and Ethical Business</li> <li>Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of Company policies, including Whistle Blowing Policy, Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) as well as Code of Conduct for Directors and Code of Conduct for Employees (collectively known as “the Codes”) to uphold sound corporate governance.</li> </ul>	

## SUSTAINABILITY STATEMENT (CONT'D)



## ECONOMIC

## SUSTAINABLE BUSINESS GROWTH

We are proud to highlight that we have achieved an outstanding financial performance in FYE 2023 with revenue soared by 84.0% from RM327.02 million in FYE 2022 to RM601.77 million in FYE 2023 while our profit after tax escalated by 242.9% from RM10.65 million in FYE 2022 to RM36.52 million in FYE 2023, mainly driven by the outstanding performance in our Construction Division and Property Development Division.

As we continue to expand our operations, we are mindful that our business growth signifies more than just financial prosperity but a testament to drive a sustainable economic development. Beyond the financial metrics, we understand the interconnectedness between our business activities and the broader socio-economic landscape through the creation of ripple effects such as generating employment opportunities and stimulating local economies. In this regard, the key business growth and initiatives undertaken during FYE 2023 within our various divisions are as follows:-

#### Property Development and Construction Divisions

##### (i) New Launch of Projects

During FYE 2023, we are glad to share that we have successfully launched two (2) new projects as follows:-

Project Name	Ayanna Resort Residences	Avantro Residences
		
<b>Location</b>	Bukit Jalil, Kuala Lumpur	Bandar Kinrara, Puchong
<b>Development Type</b>	Condominium	Serviced apartment
<b>Estimated Gross Development Value ("GDV")</b>	RM637 million	RM548 million
<b>Launched Date</b>	Quarter 3, FYE 2023	Quarter 4, FYE 2023



With SDG Target 11.3 in mind, all the abovementioned projects embody a holistic vision to emphasise the coexistence of urban advancement and environmental stewardship. Being a responsible property developer, we are committed to promote modern living while preserving the natural beauty of our surroundings to foster a meaningful and sustainable connection between people and the environment.

Furthermore, in the pursuit of sustainable living and work spaces, these developments are strategically located near to public

transport stations, reflecting our dedication to promote an eco-friendly commuting option to the public.

Within the Group, we have synergised the efforts between our Property Development Division and Construction Division by undertaking the substructure and earthworks of the Ayanna Resort Residence and Avantro Residence internally within the Group. This strategic decision promotes the creation of synergy effects and maximises our stakeholders' value while ensuring that we pay a close eye on the quality and efficiency within our Group's operations.

## SUSTAINABILITY STATEMENT (CONT'D)

### (ii) Joint Venture for Sustainable Residence Development



On 3 May 2023, Stellar Platinum Sdn Bhd (“**Stellar Platinum**”), an indirect subsidiary of the Company had entered into a Joint Development Agreement (“**JDA**”) with Ivory Meadows Sdn Bhd (“**Ivory Meadows**”), a wholly-owned subsidiary of Ivory Properties Group Berhad, to jointly develop a parcel of land in Bandar Tanjung Pinang, Penang into a 41-storey serviced residence named “Crown Penang”.



Under the JDA, Ivory Meadows as the landowner shall contribute the land while Stellar Platinum shall undertake the development of Crown Penang. This project has an estimated GDV of RM475.00 million and is expected to commence works in the third quarter of 2024 with targeted completion date in the third quarter of 2028.

In line with SDG Target 11.3, the Crown Penang project is envisioned to be a sustainability-focused, low-density, iconic with minimalist architecture and cutting-edge smart home technologies within a tranquil urban resort setting. This project is anticipated to contribute positively to the Group over its expected 4-year development period.

As at 31 December 2023, our Group’s unbilled sales for Property Development Division as well as order book and tender book for Construction Division stood at RM521.2 million, RM1.1 billion and RM8.0 billion respectively. According to the president of the Real Estate and Housing Developers’ Association Malaysia (“**REHDA**”), Datuk NK Tong, the property development industry in Malaysia is facing a more optimistic outlook in year 2024. This optimism is expected to fuel the growth in property market in the first half of 2024. In light of these promising developments, we will continue to leverage on our strengths and capitalise on the emerging trends to drive our business sustainability while contribute positively to the broader economy and community.

### Commercial Vehicles Division

We have implemented the following competitive cost advantage strategies in the light/big trucks models and prime movers in an effort to advocate business resilience and sustainability within this division:-

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

Meanwhile, the demand for our light trucks remains strong for logistics and food delivery businesses. Hence, we will continue to strengthen our marketing efforts while exploring for more options available for the Cergas Van which was targeted for the tourism and commercial industry.



## SUSTAINABILITY STATEMENT (CONT'D)

## QUALITY ASSURANCE

At CHGP, we understand that strong and consistent quality control and assurance are important for the business success and sustainability. Therefore, stringent controls and requirements are in place across our business operations at all times to ensure that our projects, products and services achieve high quality standards continuously.



Our Quality Management System of both our Construction Division and Commercial Vehicles Division have been accredited with the ISO 9001:2015 in the respective scope as follows: -

Subsidiary	Scope of ISO 9001:2015
Makna Setia Sdn Bhd (" <b>Makna Setia</b> ")	Provision of construction services in infrastructure and civil engineering works
Kayangan Kemas Sdn Bhd (" <b>Kayangan Kemas</b> ")	General contractor in civil, building, mechanical and electrical works
Boon Koon Vehicles Industries Sdn Bhd	Rebuilding of commercial vehicles, manufacturing of bodyworks and remanufacturing of parts & components

On 13 February 2023, we further reinforced our quality commitment by providing training opportunities to 17 employees from Kayangan Kemas to attend the "ISO 9001:2015 Quality Management System Awareness" training programme. This initiative demonstrates our proactive approach to enhance our employees' awareness and understanding of quality management, thereby empowering them to contribute to our collective pursuit of excellence.

## CUSTOMER SATISFACTION

CHGP understands the importance of customer feedback and satisfaction in shaping our business direction and market standing. We are committed to meeting and exceeding the expectations of our valued customers as we are well aware that customer satisfaction drives repeat business, fosters brand loyalty and facilitates continuous improvement of our projects, products and services.

In this regard, our construction arm, Makna Setia, has conducted a customer satisfaction survey to analyse our customers' satisfaction level from various service aspect, such as workmanship, on time delivery, competency, reliability, professionalism, compliance to safety and health requirements, communication, as well as service level. We value all customer feedbacks and comments, regardless of positive or negative, in a constructive manner for our future improvements. All feedbacks and comments are directed to and addressed by our team promptly and appropriately.

In an effort to stay connected with customers, CHGP has established a strong presence in social media. We regularly share news and updates about the Group's latest developments through our Company's website and Facebook so as to keep our customers informed and engaged.

We are glad to share that we have maintained a consistent level of customer satisfaction where no official customer complaint was received during FYE 2023. This achievement reflects the dedication and hard work of our team in delivering high quality projects, products and services to our customers. Staying ahead, we strive to continue improve in all aspects of our operations to ensure that we consistently meet and exceed our customers' expectations in the future.



## SUSTAINABILITY STATEMENT (CONT'D)

### SUPPLY CHAIN MANAGEMENT

A stable and efficient supply chain is vital to ensure a consistent delivery of high-quality materials and services to our customers. In spite of the global inflationary pressures and weakening of Malaysian Ringgit, we are pleased to report that we were able to maintain a stable supply chain without any supply disruption in our operations during FYE 2023. This was attributable to our effective supply chain management as well as supports from our many valued long-term suppliers and subcontractors.

Guided by the ISO 9001:2015 requirements, we place heavy emphasis on the quality of materials and services from our suppliers and subcontractors. In this regard, we conduct regular assessments on our suppliers and subcontractors, considering their quality of work, responsiveness, job planning, knowledge & professionalism, work progress, ability to meet requirements, local authorities' compliance, implementation of safety measures as well as availability of resources & financial capability. Any suppliers or subcontractors who do not meet our requirements will be disqualified to tender for our works.

Specifically for our Property Development Division, we also carry out performance evaluation on consultants on a semi-annual basis, covering 6 major aspects of considerations, namely conceptual and design development, tender preparation, tender stage, contract implementation, defect liability period as well as final account.

For the FYE 2023, we are glad to report that none of our suppliers, subcontractors and contractors have been ruled out. Nevertheless, we have identified and communicated certain areas of improvement to some of our consultants.

In line with SDG Target 8.1, we are committed to source our raw materials and services from local suppliers and subcontractors whenever possible in an attempt to support the local economic growth. To this end, we are pleased to highlight that we have put in considerable amount of efforts in local procurement this year where 100% of our procurements and serviced in both our Property Development and Construction Divisions were sourced from local suppliers and subcontractors. Our Commercial Vehicles Division, due to unique specification in the spare part required, our procurement ratio stands at 85% from overseas suppliers and 15% from local suppliers. Nevertheless, we strive to prioritise the procurement from local suppliers, whenever possible.



### DATA PRIVACY AND SECURITY

Since the onset of Covid-19 pandemic, there has been an upwards trend in the adoption of IT by businesses across various industries. Simultaneously, data privacy and security also become a growing concern by our various stakeholders. Thus, safeguarding our stakeholders' data has become paramount for our business sustainability and to stand as a trustworthy organisation.

At CHGP, we have an IT Policy to regulate the access of creation and deletion, as well as matrix control to protect data security in our operations. We have also implemented several IT security measures such as XDR Anti-Virus, ManageEngine and Firewall that enhances our data protection and cybersecurity. Recognising the growing concern of data protection and cybersecurity, our Group conducted some cybersecurity awareness training programmes for our employees, covering areas on malware and accessing security control. In May 2023, we have established an IT Department to oversee the Group's IT operations and processes.

Furthermore, we comply with the Personal Data Protection Act 2010 ("PDPA") where all data, included but not limited to demographics, income levels and contract details of our customers and employees, are protected in a private and confidential manner and are only collected with the full consent of the data owner. All data are kept confidential from third parties unless mandates by the law enforcement agencies.

We are glad to inform that there were also no substantiated complaints concerning the breaches of customer's and/or employee's privacy and losses of their data in FYE 2023. Our IT Department will continue to enhance their efforts so as to continue monitoring and staying abreast with the latest developments in data protection laws and industry best practices. This commitment is aimed at maintaining continuous data privacy and security within our Group.

## SUSTAINABILITY STATEMENT (CONT'D)



## ENVIRONMENT

## EFFLUENTS AND WASTE MANAGEMENT

The imperative to safeguard and conserve the environment has grown significantly, especially in today's world where natural resources are depleting rapidly. We understand that waste generation is an inevitable outcome of our business activities and any inadequate effluents and waste management will result in environmental degradation as well as potential health risks to the communities and ecosystems.

In alignment with SDG Target 6.3, 11.6 and 12.4, we are committed to reduce the negative environmental impact arising from our business operations through proper collection, storage, transportation and disposal of effluents and waste generated from our business activities. In our Group, scheduled waste, specifically the spent lubricating oil (SW 305), is a main concern under our environmental purview. The spent lubricating oil is generated from our Commercial Vehicles and Bodyworks Division from the maintenance services, bodywork and vehicles assembly as well as rebuilt of commercial vehicles. In this respect, we have put in place a Scheduled Waste Management System Standard Operating Procedure ("SOP") to handle the scheduled waste properly with the following procedures:-



01

**Waste Reporting**

To identify and collect the scheduled waste generated.

02

**Notification to Department of Environment ("DOE") Malaysia**

To notify DOE by Electronic Scheduled Waste Information System ("eSWIS") application within 30 days from the date of waste generation.

03

**Appointment of Waste Collector Subcontractor**

To appoint a DOE approved scheduled waste collector contractor and keep a copy of their license in records.

04

**Storage Area**

To ensure that all scheduled waste at site is properly stored at designated storage areas as per DOE guidelines.

05

**Monitoring and Updating Scheduled Waste Inventory**

To update, monitor and keep inventory list record up to three (3) years from the date of waste generation. All scheduled waste shall be disposed within 180 days and/or accumulated quantity not more than 20 metric tonne ("MT").

06

**Notification for Collection and Disposal**

To notify the appointed waste collector contractor two (2) weeks in advance prior to collection and disposal.

07

**Filling Consignment Note**

To complete the consignment note and hand over to the appointed waste collector contractor upon the collection of scheduled waste by them.

## SUSTAINABILITY STATEMENT (CONT'D)

In FYE 2023, we generated 1 MT of spent lubricating oil which were properly recorded, stored and disposed in accordance with our Scheduled Waste Management System SOP as well as the DOE guidelines. During the financial year, a total of 0.6 MT spent lubricating oil were recovered by recycling while the remaining 0.4 MT was properly stored in designated storage area and awaiting disposal to the DOE appointed contractor at a further date.

In an effort to further enhance the environmental awareness levels in our Group, three (3) employees attended a 5-day environmental training programme, namely the "Course for Certified Environmental Professional in Scheduled Waste Management ("CePSWaM")". Through this programme, our employees have a greater understanding and information pertaining to the scheduled waste management. Amongst others, the key topics covered during the said training programme include: -

- scheduled waste legislation and policy;
- identification, classification and properties of scheduled waste;
- proper storage, packaging, labelling and disposal of scheduled waste;
- record-keeping and reporting requirements for scheduled waste management; and
- scheduled waste disposal and treatment technologies.

In 2023, 2 employees has also attended the "Seminar Pendekatan Circular Economy Dalam Pengurusan Buangan Terjadual Yang Mampu Peringkat Negeri Pulau Pinang". This seminar was organised by the DOE Penang with the aim to increase the awareness and understanding on the policies and compliance with the Environmental Quality Act 1974, particularly pertaining to the Environmental Quality (Scheduled Wastes) Regulations 2005.



Here in CHGP Group, we embrace a knowledge-sharing culture. The employees who attended the training programme and seminar serve as the representatives to gain valuable insights and knowledge during the events. Upon their return, they are encouraged to share their newfound information with other colleagues.

For our Property Development Division and Construction Division, ambient dust is unavoidably generated from our daily operations during excavation, demolition, carpentry works, hacking and vehicle movement. Our subcontractors are required to strictly monitor and control the generation of ambient dust in compliance with local environmental pollution control regulations. We will impose penalties against the subcontractors to ensure accountability and compliance with the established standards for any subcontractors who fail to adhere to the relevant environmental requirements. For the FYE 2023, we are pleased to report that we have not received any fines, penalties or non-monetary sanctions in relation to non-compliance to environmental laws and regulations.

### WATER AND ENERGY MANAGEMENT

Water and energy are both the Earth's precious resources which are not only required for sustaining life but also for the economic development. As such, we ensure that our business operations practise sustainable water and energy management to strengthen the resilience against the climate change for the benefit of our future generations.



For the FYE 2023, we recorded a total water and energy consumption of 0.266 megalitre and 1,287 megawatt respectively. While we appreciate the abundance of water and energy resources in Malaysia, we will optimise both the water and energy efficiency in our offices and project sites by implementing the following green initiatives in line with SDG Target 6.4 and 12.2:-



#### Water Conservation

- To minimise water wastage by ensuring that all taps are turned off when not in use.
- To optimise the use of rainwater for site cleaning purpose.



#### Energy Conservation

- To ensure that air conditioning compressors are switched off during lunch and non-working hours.
- To ensure that lights in all facet of our operations are switched off when not in use.
- To maximise the use of natural light, whenever appropriate.
- To use low energy lights which possible.



#### Carbon Emissions Reduction

- In the event of a physical meetings with clients, we encourage the sharing of transportation for business travelling whenever possible.
- To leverage on technology for the conduct of virtual meetings whenever possible.



SUSTAINABILITY STATEMENT (CONT'D)



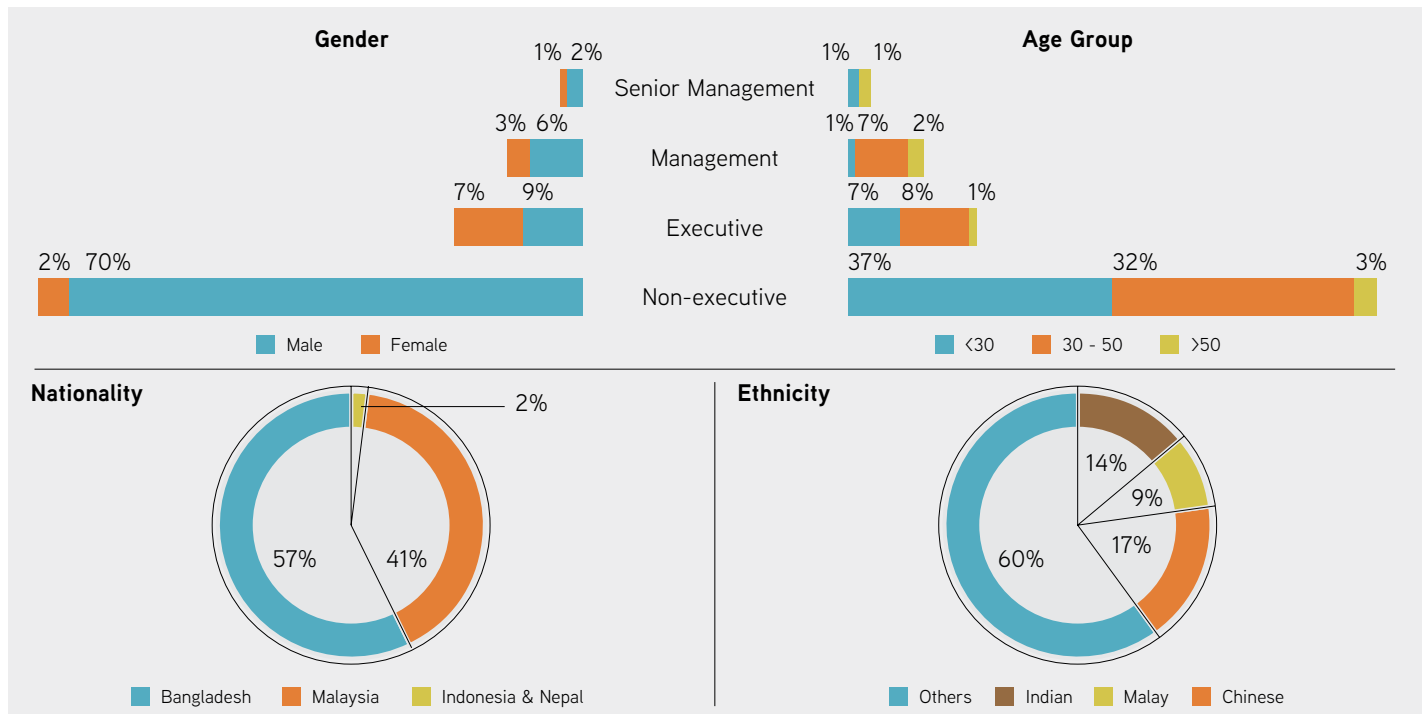
SOCIAL

WORKFORCE DIVERSITY

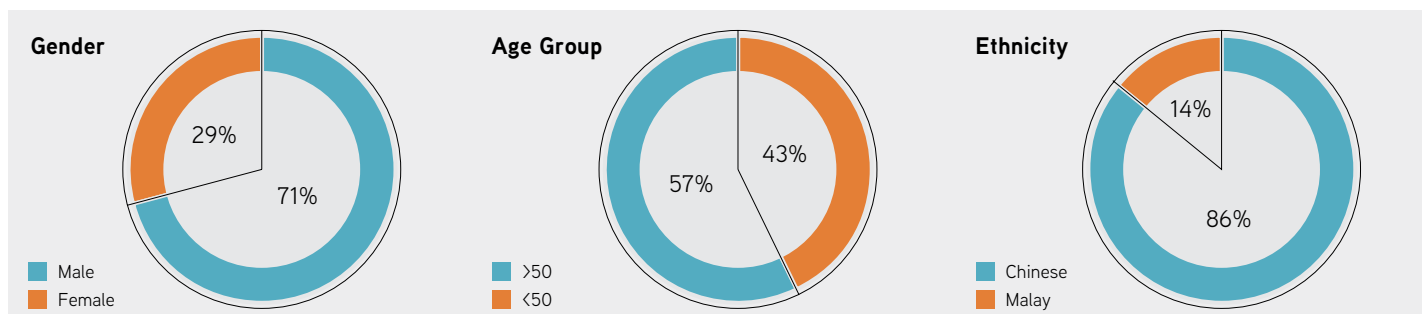
“Teamwork makes the dreams work.” In the pursuit of SDG Target 10.3, we recognise and embrace the beauty of workforce diversity as it brings together individuals with different backgrounds, experiences and perspectives to foster creativity and innovation. We understand the creation of an inclusive and diverse workforce is no longer a choice but a strategic imperative move. In this regard, we have adopted an equitable recruitment process with non-discriminatory principle based on merit and guided by respect, integrity, diversity and accountability. However, due to the nature of our business activities, 87.3% of our employees are male. Nevertheless, we still strive to increase our women representation in our workforce whenever possible.



As at 31 December 2023, we have a total workforce of 1,335 employees, representing a significant increase in headcount by 181.6% from the previous year, indicating our Group’s robust business growth and expansion. The demographic analysis of our total workforce is illustrated as below:-

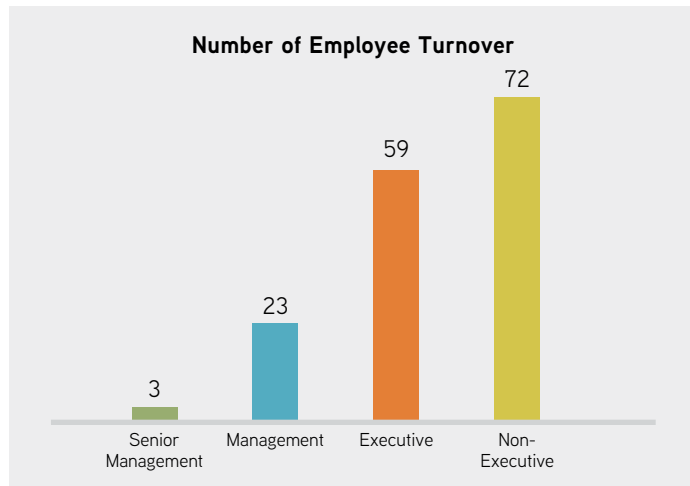


For our Board, we have a total of 7 Directors, of which all of them are Malaysian. The demographic analysis of the Board as at 31 December 2023 is as follows:-



## SUSTAINABILITY STATEMENT (CONT'D)

Aside from workforce diversity, we understand that employee loyalty is another key focus underlying a sustainable business.



We have recorded a total of 157 employees turnover in FYE 2023, representing a lower employee turnover rate of 16.6% as compared to 32% in previous year as well as to our Group's target of below 20%.

As at 31 December 2023, we have a total of 2 contractors working on a temporary basis in our Property Development Division, representing only 0.1% of our total workforce.

The combination of a high level of permanent employees and an improving employee turnover rate has demonstrated our commitments to create a sustainable business with stability and continuity within our workplace. Looking ahead, we will continue to attract and retain the right talents so as to create and maintain a dynamic and inclusive working environment for our valued employees.

### EMPLOYEE WELFARE

“  
If you want to go fast,  
go alone. If you want to  
go far, go together.”

At CHGP, we acknowledge and cherish our people's efforts, dedication and commitments in propelling the Group's business growth. In this regard, we have remunerated and rewarded our people adequately to express our gratitude for their valuable contributions.

As per the Group's reward philosophy, CHGP offers a wide range of benefits to all employees. Depending on the employee's job grade, our employees are able to enjoy the following benefits: -

<b>Leave Entitlements</b>	<ul style="list-style-type: none"> <li>• Annual Leave</li> <li>• Replacement Leave</li> <li>• Medical Leave</li> <li>• Prolonged Illness Leave</li> <li>• Compassionate Leave</li> </ul>	<ul style="list-style-type: none"> <li>• Marriage Leave</li> <li>• Maternity Leave</li> <li>• Paternity Leave</li> <li>• Natural Disaster Leave</li> <li>• Graduation Leave</li> </ul>
<b>Health Benefit</b>	<ul style="list-style-type: none"> <li>• Medical Attention Benefit</li> <li>• Group Personal Accident Insurance</li> <li>• Group Hospitalisation and Surgical Insurance</li> </ul>	
<b>Other Allowances and Benefits</b>	<ul style="list-style-type: none"> <li>• Accommodation and Travelling Claims</li> <li>• Car Maintenance Claim</li> <li>• Outstation Meal Allowance</li> <li>• Overtime Claim</li> <li>• Gift/Donation (Bereavement Donation and Hospitalisation Fruit Basket)</li> <li>• Entertainment Claims for Sales and Marketing Personnel</li> <li>• Mobile Phone Allowance</li> </ul>	

In addition to employee welfare, we also place great emphasis on employee rights and ethical employment practices. With SDG Target 8.8 in mind, we always ensure that our people work in an inclusive and conducive working environment. We advocate humane treatment across the Group where all employees are treated equally without any discrimination, physical abuse, harassment and threat within the workplace.



## SUSTAINABILITY STATEMENT (CONT'D)

Moreover, we also respect the freedom of association as well as rights of employees and employers to bargain in the workplace. Any forced, imprisonment, indentured or involuntary labour are strictly prohibited. Child labour and under-age employment are also forbidden across the Group.

In the event of any concerns or issues arise, employees are encouraged to voice out freely via our Grievance Procedure as guided in the Employee Handbook, summarised as follows:-

**STEP 1**

Any employee alleging that he/she has a grievance may immediately approach his/her immediate supervisor to discuss for a proposal to resolve the grievance. If the grievance is against his/her supervisor, the employee shall bring the matter to the Head of Department/Branch.

**STEP 2**

If the grievance has not been resolved to the satisfaction of the employee, he/she may bring up his/her grievance to the Head of Department/Branch, Director or Chief Executive Officer.

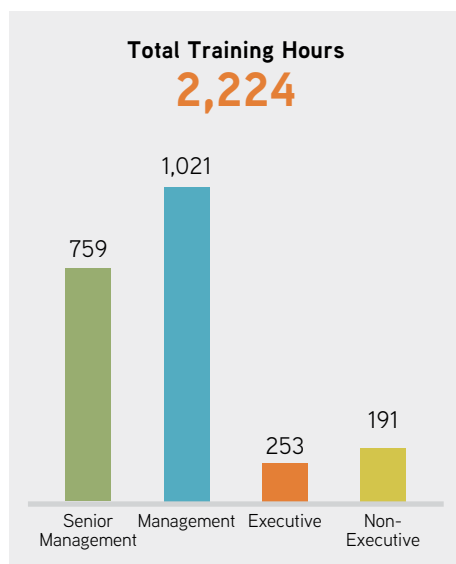
**STEP 3**

If the grievance still remains unresolved, the matter may then be referred to the Group Managing Director for final decision making.

At each level of the Grievance Procedure, a concerted effort will be made to resolve the grievance within 7 working days from the time that the respective level of authority was notified of the grievance. All grievance, together with the actions taken, must be documented and kept with the Human Resource Department.

For FYE 2023, we are pleased to report that we have not received any grievance reports or substantiated complaints from our employees, and have not been imposed with any fines or penalties in relation to human rights violations or non-compliance on labour laws and regulations.

On a separate note, we are eager to foster greater and harmonise relationship amongst our employees by organising a variety of company events and activities. During FYE 2023, we had Chinese New Year luncheon, "Buka Puasa" buffet dinner and Mooncake festival celebrations together to strengthen the bonds among our diverse workforce so as to promote a workplace culture that is built on respect, understanding and unity. We have also subscribed a 5-session yoga class for our employees to support their physical and mental well-being, thereby fostering a healthy and well-balanced working environment.

**EMPLOYEE TRAINING AND DEVELOPMENT**

To strengthen the Group's competitive edge, we prioritise the on-going learning and development for our employees. In this regard, we offer our employees the opportunity to attend external training programmes so as to equip themselves with the latest development in their industry and gain new job-related knowledge and skills.

In FYE 2023, we invested a total of RM0.10 million for our employees' training and development. During the financial year, our employees received a total of 2,224 hours of trainings, underscoring our dedication in upskilling our workforce for the Group's sustainable growth and expansion.

## SUSTAINABILITY STATEMENT (CONT'D)

A summary of the training programmes attended by our employee during the financial year is listed as follows:-

### Training Programmes Attended in FYE 2023

Jan 23	<ul style="list-style-type: none"> <li>Boss.Net EA &amp; BIK 2022 Seminar</li> </ul>	<ul style="list-style-type: none"> <li>Lifting Supervisor Competency Training</li> <li>Seminar Keselamatan Bomba</li> <li>Basic Safe Handling of Forklift Truck</li> <li>Project Quality Management: Getting Ready for Quality Assessment</li> </ul>	Aug 23
Feb 23	<ul style="list-style-type: none"> <li>2015 Quality Management System Awareness</li> <li>Individual Development Plan</li> </ul>		
Mar 23	<ul style="list-style-type: none"> <li>Technical Talk on Free Industrial Zone (FIZ) Procedure &amp; Implementation</li> <li>MIA Webinar Series: The Essentials to Impairment, Intangibles, Provisions and Accounting Estimates</li> <li>Another 50 Contractual Problem</li> <li>Legal Talks</li> <li>Housing Conference 2023</li> </ul>	<ul style="list-style-type: none"> <li>Basic Safe Handling of Forklift Truck</li> <li>Certified Environmental Professional in Scheduled Waste Management</li> <li>Seminar Pendekatan Circular Economy Dalam Pengurusan Buangan Terjadual Yang Mampan Peringkat Negeri Pulau Pinang</li> <li>MARii 4R2S Workshop</li> <li>Nadpod Workshop (Interpretation and Implementation)</li> <li>Program Management Professional (PMP)</li> <li>Leadership Impact and Effectiveness</li> <li>MIA Webinar Series: Taxation of Share of Transactions under RPTG- Real Property Company</li> <li>International Quantity Surveying Academic Forum (IQSAF 2023)</li> </ul>	Sep 23
Apr 23	<ul style="list-style-type: none"> <li>MIA Webinar Series: Financial Reporting on Impact of Climate Change Effects</li> <li>The 8 Critical Skills of a Successful Manager Workshop</li> </ul>		
May 23	<ul style="list-style-type: none"> <li>Lifting Supervisor Competency Training</li> <li>Managing Payroll, EPF, SOCSO, Income Tax and Related Issues</li> <li>How to Interpret and Analyse Financial Statements and Cash Flow Analysis</li> <li>Strata Management Seminar</li> </ul>	<ul style="list-style-type: none"> <li>Crucial IR Skills</li> <li>Leadership Impact and Effectiveness</li> </ul>	Oct 23
Jun 23	<ul style="list-style-type: none"> <li>Lifting Supervisor Competency Training</li> <li>Suspension and Termination in Construction Projects</li> <li>Embracing Sustainable Development: The Way Forward for SME Developers</li> </ul>	<ul style="list-style-type: none"> <li>Full Course CIDB Assessment Through Method 1</li> <li>Seminar Keselamatan dan Kesihatan Di Sektor Informal - Bengkel Automotif 2023</li> <li>Global Leadership Summit Business Edition</li> <li>Managing Absenteeism and Poor Performance</li> </ul>	Nov 23
Jul 23	<ul style="list-style-type: none"> <li>Lifting Supervisor Competency Training</li> <li>Working at Height Competency Training</li> <li>Fire Fighting and Fire Watcher Training</li> <li>Seminar Keselamatan Bomba</li> <li>KL BIM Day (3 Days)</li> <li>Legal Talk Series #2</li> <li>Tread Talk between REHDA WP and TNB</li> </ul>	<ul style="list-style-type: none"> <li>MIA Webinar Series: Preparing for e-invoice in Malaysia</li> <li>MIA Webinar Series: Fundamentals of Corporate Finance</li> <li>Digital Marketing Masterclass</li> <li>Breaking Ground- Malaysia's Capital Gains Tax and its Implications</li> </ul>	Dec 23

## SUSTAINABILITY STATEMENT (CONT'D)

## OCCUPATIONAL SAFETY AND HEALTH

Business sustainability is unachievable without the support of a healthy and productive workforce. In line with SDG Target 8.8, we place the utmost priority to create a safe and healthy workplace for our employees. This commitment is embedded in our Safety and Health Policy and supported by our Safety and Health Committee, delineated as follows:-

*Safety and Health Policy*

Our Safety and Health Policy is put in place to cultivate safe workplace practices across the Group and thereby to protect our employees. All employees are required to adhere to the said policy and any non-compliance to the said policy or relevant laws and regulations may result in disciplinary actions such as penalties and warnings.

## Safety and Health Policy

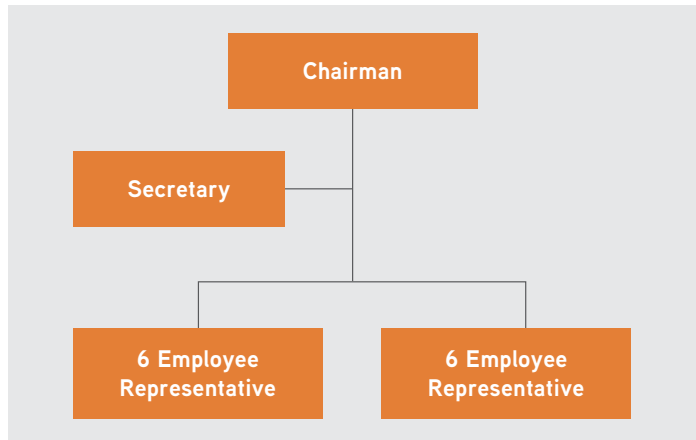
- 01** Understand and comply to the Occupational Safety and Health Act 1994.
- 02** Ensure safety, health and welfare of employees are the primary responsibility of the Group.
- 03** Encourage a calm working environment in both physiology and psychology.
- 04** Protect and alert people at workplace other than those who are working on accident or health risks arising from work activities.
- 05** Always ensure that approved regulatory and industry regulatory systems are being practiced at all time.
- 06** Maintain a safe and healthy working environment to the extent practicable without risk to personal health.
- 07** Provide information, instruction, training and supervision from time to time to ensure the safety and health of workers are assured.

## SUSTAINABILITY STATEMENT (CONT'D)

### Safety and Health Committee

To ensure effective OSH management, our Commercial Vehicles Division has established a Safety and Health Committee to ensure that high level of safety and health standards are upheld at all times in our operations.

Under the OSH governance, the Safety and Health Committee is chaired by our Chief Operation Officer, who is supported by a secretary, 6 representatives from both the employer and employees from various departments. This governance structure, characterised by an equal number of representatives from both sides, will ensure that voices and opinions are fairly heard and considered in order to ensure an effective OSH management.



### OSH Training

In FYE 2023, a total of 3 employees attended several OSH related training programmes as detailed in the summary training table in the earlier section. These trainings kept our employees up to date with the latest applicable OSH laws and regulations and raised their safety awareness with the appropriate use of safety equipment in our daily operations.

### Incidents Reporting

Under our stringent OSH management and continuous learning and development on OSH related matters, we are proud to highlight that we have achieved another year of zero work-related injury and fatality in FYE 2023. We will continue to maintain an injury and accident-free working environment for our employees in order to safeguard their health and safety.

## COMMUNITY/SOCIETY

At CHGP, the care on community and society is one of the vital aspects in our Group's sustainability management. Apart from financial achievements, the success of an organisation is also measured by how well it serves the society and the local community. With our drive to be a responsible corporate citizen, we believe that the creation and maintenance of a positive relationship with the community will lead to better social reputation and trust for the Group's sustainable development.

In FYE 2023, we have contributed a total of RM7,400 towards supporting events and fundraisers in the community that we operate in, benefitting a total 3 beneficiaries, in the form of monetary contribution. The list of community events that we have contributed to includes:-

### List of events that CHGP Group contributed towards

1. Karnival dan Seminar Usahawan Wanita 2023
2. Sponsorship to MPKK Ladang Sempah
3. Thaipusm Food Donation at Queen St. Marimman Temple
4. Thaipusm Donation at Queen St. Mariamman Temple



## SUSTAINABILITY STATEMENT (CONT'D)



## GOVERNANCE

## CORPORATE GOVERNANCE AND ETHICAL BUSINESS

In the pursuit of long-term growth and success, the Group is committed to conduct its business in an honest and ethical manner, emphasising transparency, fairness and integrity in all business practices and relationships. To this end, the Group has developed several Company policies to reinforce the fundamental principles of ethical business conduct as well as compliance with legal and regulatory requirements. Ultimately, the Group strives to build trust and credibility among our various stakeholders for the continuous growth and prosperity of our Group and everyone whom we serve.

*Code of Conduct for Directors & Code of Conduct for Employees*

The Board has put in place a Code of Conduct for Directors and Code of Conduct for Employees (collectively known as “the Codes”) to serve as an overarching guide for the Directors and employees respectively in which advocating the Group’s overall business ethics and corporate governance standard. The Codes provides clarity on a wide range of scopes such as conflict of interest, confidentiality, fair dealings, professional integrity, conflict of interest, protection and proper use of our company assets and regulatory compliance.

*Anti-Bribery and Anti-Corruption Policy*

The Group maintains a zero-tolerance stance against all form of bribery and corruption. In alignment with SDG Target 16.5 and in compliance with the Malaysian Anti-Corruption Commission (“MACC”) Act 2009, the Group has adopted an Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”), outlining a series of measures in addressing various potential bribery and/or corruption instances while indicating the consequences for violation of the ABAC Policy.



As per the ABAC Policy, the Company shall conduct an annual corruption risk assessment in respect of the Group to ensure that appropriate processes, systems and controls are established and implemented across the Group to mitigate the potential corruption risks. In FYE 2023, we have conducted the annual corruption risk assessment by covering all of our operations in all divisions, representing a 100% corruption risk assessment undertaken in CHGP Group.

Furthermore, a total of 1,335 employees, representing 100% of the total workforce, have received anti-corruption training during the financial year. Such training was conducted internally by our in-house Human Resources Department, covering important aspects outlined in our ABAC Policy such as the actions that constitute corruption, our internal TRUST principles, an overview and guideline of identification on corruption or permission, system review and monitoring, as well as procedure to lodge complain on corruption. In FYE 2023, we are pleased to announce that there were no verified cases of corruption across the Group’s operation.

*Whistle Blowing Policy*

To support an effective implementation of ABAC Policy, the Board has formalised a Whistle Blowing Policy as a channel for all employees and stakeholders to report any suspected or known illegal acts, misconduct, or fraudulent practices.

In compliance with the Whistleblower Protection Act 2010, all whistleblowers who reported in good faith will be protected and all whistleblowing reports received by the Group will be investigated independently, fairly and confidentially with the utmost discretion. Upon the conclusion of investigation, appropriate disciplinary action will be undertaken against the wrongdoers.

*Fit and Proper Policy*

While advocating business integrity and accountability across the Group, we also emphasise the appropriateness and competency of our key leaders. In this aspect, the Board has implemented a Fit and Proper Policy which serve as a reference for our Nomination Committee in assessing the fitness and propriety of a director for relevant appointments and/or reappointments. The scope of the Fit and Proper Policy has been expanded to include our key senior officers, including the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer, to ensure that our leaders possess the necessary skills, knowledge and competencies to discharge their responsibilities in the best interests of the Group.

All the aforementioned policies are accessible on the Company’s website at <https://chinhinproperty.com/corporate-governance>. With the Group’s proper corporate governance, we are proud to report that no employees had been disciplined or dismissed, nor any public cases been brought against the Group and its employees due to non-compliance to the applicable laws and regulations. Hence, no fines or penalties were imposed to the Group during the FYE 2023.

## SUSTAINABILITY STATEMENT (CONT'D)

### REGULATORY COMPLIANCE

As an accountable entity, we understand the importance of regulatory compliance for the conduct of business operations under stable market conditions. Under Malaysia's regulatory framework, we strictly adhere to all applicable laws and regulations and to facilitate the regulatory compliance, we have implemented a series of SOP across the Group to ensure that all employees carry out their duties in a diligent and proper manner.

Amongst others, the major laws and regulations which are applicable to our Group's business operations include:-

- Housing Development (Control and Licensing) Act, 1966 (Act 118);
- Malaysia Construction Industry Development Board Act 1994;
- Environmental Quality Act 1974;
- Environmental Quality (Scheduled Wastes) Regulations 2005;
- Environmental Quality (Clean Air) Regulations 2014;
- Employment Act 1995;
- Minimum Wages Order 2022;
- Occupational Safety and Health Act 1994;
- Commercial Vehicles Licensing Board Act 1987 (Act 334);
- Income Tax Act 1967; and
- Companies Act 2016.

At CHGP, we always keep ourselves abreast with the latest development in laws and regulations. For FYE 2023, we are pleased to inform that no fines or penalties were imposed on our Group by any regulatory authorities in relation to the violations of relevant laws and regulations.



# PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2023
<b>Bursa (Anti-corruption)</b>		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
<b>Bursa (Community/Society)</b>		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	7,400.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3
<b>Bursa (Diversity)</b>		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	62.00
Senior Management Above 50	Percentage	38.00
Management Under 30	Percentage	6.00
Management Between 30-50	Percentage	78.00
Management Above 50	Percentage	16.00
Executive Under 30	Percentage	45.00
Executive Between 30-50	Percentage	48.00
Executive Above 50	Percentage	7.00
Non-executive Under 30	Percentage	52.00
Non-executive Between 30-50	Percentage	44.00
Non-executive Above 50	Percentage	4.00
Gender Group by Employee Category		
Senior Management Male	Percentage	84.00
Senior Management Female	Percentage	16.00
Management Male	Percentage	68.00
Management Female	Percentage	32.00
Executive Male	Percentage	58.00
Executive Female	Percentage	42.00
Non-executive Male	Percentage	96.00
Non-executive Female	Percentage	4.00

Internal assurance

External assurance

No assurance

(\*)Restated

## PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2023
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.00
Female	Percentage	29.00
Under 30	Percentage	0.00
Between 30-50	Percentage	43.00
Above 50	Percentage	57.00
<b>Bursa (Energy management)</b>		
Bursa C4(a) Total energy consumption	Megawatt	1,287.00
<b>Bursa (Health and safety)</b>		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	3.00
<b>Bursa (Labour practices and standards)</b>		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	759
Management	Hours	1,021
Executive	Hours	253
Non-executive	Hours	191
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.10
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	3
Management	Number	23
Executive	Number	59
Non-executive	Number	72
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
<b>Bursa (Supply chain management)</b>		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00
<b>Bursa (Data privacy and security)</b>		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
<b>Bursa (Water)</b>		
Bursa C9(a) Total volume of water used	Megalitres	0.266

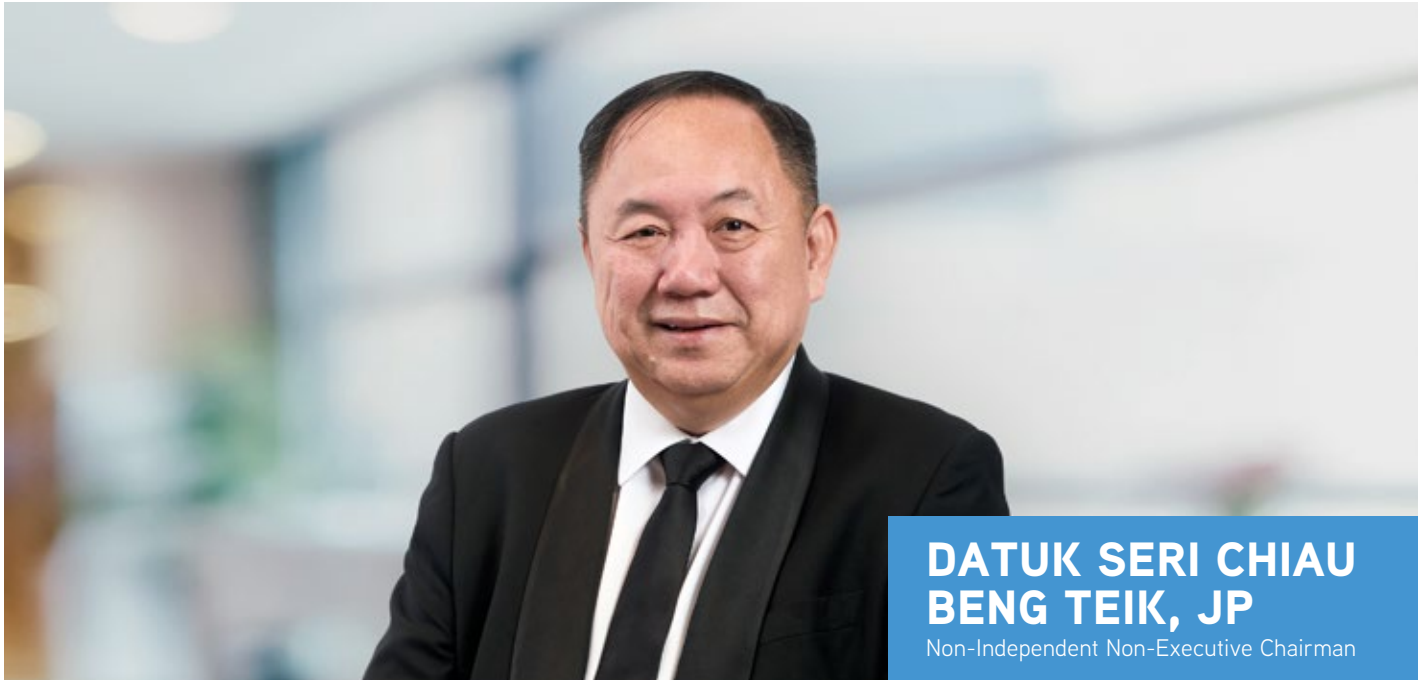
Internal assurance

External assurance

No assurance

(\*)Restated

# DIRECTORS' PROFILE



## DATUK SERI CHIAU BENG TEIK, JP

Non-Independent Non-Executive Chairman

Datuk Seri Chiau Beng Teik, JP was appointed to the Board as Non-Independent Non-Executive Director on 25 April 2017 and was redesignated as Non-Independent Non-Executive Chairman on 26 May 2017.

He finished his primary education at SJK (C) Pei Min, Padang Setar in Alor Setar, Kedah in December 1974. He started working at his father's hardware shop in January 1975. After many years of experience gained from working with his father, he took over the family business in March 1994 and ventured into the business of trading building materials and cement transportation under the name of Chop Chin Hin. In February 1995, he started a cement distributor trading company named Syarikat Perniagaan dan Pengangkutan Chin Hin Sdn Bhd which is now known as PP Chin Hin Sdn Bhd. Over the years, he has played an instrumental role in the growth of Chin Hin Group Berhad and its subsidiaries, expanding the businesses from a single office in Alor Setar, Kedah to a group of companies with an expansive network of branch offices and factories throughout Peninsular Malaysia.

Currently, he is the Executive Chairman of Chin Hin Group Berhad ("CHGB"), the immediate holding company, and Non-Independent Non-Executive Chairman of Signature International Berhad and Fiamma Holdings Berhad as well as Executive Chairman of Ajiya Berhad. He also serves as Director for a number of subsidiaries within the CHGB Group and also has directorships in various other businesses.

Datuk Seri Chiau Beng Teik, JP is the father of Mr Chiau Haw Choon (the Executive Director and major shareholder of the Company and immediate holding company) and Ms Shelly Chiau Yee Wern (the Executive Director of the Company and immediate holding company). He has no conflict of interest with the Company other than those disclosed in the Company's Circular to Shareholders dated 30 April 2024. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Male**

Age **62**

Years of Directorship **7 years**

Board Committee Membership

**NIL**

Board Meetings held in the financial year ended 31 December 2023



## DIRECTORS' PROFILE (CONT'D)



### CHIAU HAW CHOON

Executive Director

Mr Chiau Haw Choon was appointed to the Board as Non-Independent Non-Executive Director on 25 April 2017 and was re-designated as Executive Director on 21 February 2019. He graduated from Deakin University, Australia with a Bachelor Degree in Finance and Marketing in April 2009.

He is the Group Managing Director of Chin Hin Group Berhad ("CHGB"), the immediate holding company listed on the Main Market of Bursa Malaysia Securities Berhad. His responsibilities include ensuring board decisions and directions are implemented, providing strong leadership, communicating the vision, management, philosophy and business strategies to the employees, keeping the Board fully informed of all important aspects of CHGB's Group operations and ensuring sufficient information are disseminated to the board, as well as ensuring the day-to-day business of CHGB's Group are effectively managed. He is in charge of the day-to-day operational matters and decisions making of CHGB's Group. Working closely with all the Business Unit Heads, he oversees the implementation and execution of CHGB's Group overall business strategic plans, corporate policies and operations, to ensure the continuous growth of CHGB's Group. He is also responsible for corporate social activities of CHGB's Group.

He is also the Managing Director of Signature International Berhad and Ajiya Berhad as well as Non-Independent Non-Executive Director of Fiamma Holdings Berhad. He also holds directorship in other private limited companies.

He is currently a member of Remuneration Committee of the Company.

Mr Chiau Haw Choon is the son of Datuk Seri Chiau Beng Teik, JP (the Non-Independent Non-Executive Chairman and major shareholder of the Company and immediate holding company). He is also the brother of Ms Shelly Chiau Yee Wern, the Executive Director of the Company and immediate holding company. He has no conflict of interest with the Company other than those disclosed in the Company's Circular to Shareholders 30 April 2024. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Male**

Age **40**

Years of Directorship **7 years**

Board Committee Membership

**RC**

Board Meetings held in the financial year ended 31 December 2023



AC	Audit Committee
RC	Remuneration Committee
NC	Nomination Committee
RMC	Risk Management Committee
□	Denotes Committee Chairman

## DIRECTORS' PROFILE (CONT'D)



## SHELLY CHIAU YEE WERN

Executive Director

Ms Shelly Chiau Yee Wern was appointed as the Alternate Director to Datuk Seri Chiau Beng Teik, JP on 2 July 2018, subsequently re-designated to Executive Director of the Company on 6 May 2021. She graduated with a Bachelor's Degree, Business Administration in Entrepreneurship from Les Roches International School of Hotel Management Bluche, Switzerland in December 2013.

She started working at Alora Hotel in Penang and Grand Alora Hotel in Alor Setar, Kedah as Hotel General Manager in January 2014. In January 2016, she joined Aera Property Group Sdn Bhd as Sales & Marketing Manager. She is responsible for strategy planning in marketing and sales for a development project name Aera Residence in Petaling Jaya. In June 2018, she was appointed as the Chief Operating Officer at BKG Development Sdn Bhd, a wholly-owned subsidiary of the Company.

She is also the Executive Director of Chin Hin Group Berhad ("CHGB"), the immediate holding company listed in the Main Market of Bursa Malaysia Securities Berhad. She is also the Executive Director of Signature International Berhad and holds directorship in other private limited companies.

Ms Shelly Chiau Yee Wern is the daughter of Datuk Seri Chiau Beng Teik, JP (the Non-Independent Non-Executive Chairman and major shareholder of the Company and immediate holding company). She is also the sister of Mr Chiau Haw Choon, the Executive Director and a major shareholder of the Company and immediate holding company. She has no conflict of interest with the Company other than those disclosed in the Company's circular to shareholders dated 30 April 2024. She has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Female**

Age **33**

Years of Directorship **2 years 11 months**

Board Committee Membership

**NIL**

Board Meetings held in the financial year ended 31 December 2023



## DIRECTORS' PROFILE (CONT'D)



### KHOR KAI FU

Executive Director

Mr Khor Kai Fu was appointed as the Executive Director of the Company on 1 April 2023.

He graduated from Tunku Abdul Rahman University College with Advanced Diploma in Quantity Surveying. He qualified at the Sheffield Hallam University with a BSC (Honors) in Building Construction Management in 2008.

Mr Khor Kai Fu is the Executive Director of Kayangan Kemas Sdn Bhd since 2021. His experience in the property and construction industry spans over a period of 16 years. He started his career as a Quantity Surveyor at Zalam Corporation Sdn Bhd in year 2008 and then venturing into the world of business led him to Juarakon Sdn Bhd in 2012 in the field of construction. New opportunities came his way in 2014 when he took on the role as the General Manager of the Oriental Interest Berhad (OIB) delving in Construction and Property sectors. In

year 2021, Mr Khor Kai Fu became the Executive Director of AIMA Construction Sdn Bhd for a period of six months.

He currently sits on the Board of Chin Hin Construction Engineering Sdn Bhd, Kayangan Kemas Sdn Bhd, Makna Setia Sdn Bhd as the Executive Director lending his expertise in the field of Property and Construction.

Mr Khor does not hold any directorship in any other public companies and listed issuers. He has no family relationship with any director and/ or major shareholder of the Company, and no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Male**

Age **37**


Years of Directorship **1 year**

Board Committee Membership

**NIL**

Board Meetings held in the financial year ended 31 December 2023



AC	Audit Committee
RC	Remuneration Committee
NC	Nomination Committee
RMC	Risk Management Committee
	Denotes Committee Chairman

## DIRECTORS' PROFILE (CONT'D)

**KWAN SOOK PENG**

Independent Non-Executive Director

Ms Kwan Sook Peng is an Independent Non-Executive Director of the Company and was appointed to the Board on 8 August 2022. She graduated from Murdoch University, Western Australia with Bachelor of Commerce degree in Accounting in February 1990. She is also a Fellow Certified Practising Accountant (FCPA) and a Member of Malaysian Institute of Accountants (MIA).

She started her career with accounting firm in Singapore in 1990. Thereafter, she joined Sime Darby Group in 1994 and had served more than 25 years, holding various positions include Business Head, Corporate Assurance at Sime Darby Holdings Berhad, Vice President – Corporate Governance in a shared services organization namely Sime Darby Global Services Centre Sdn Bhd and re-joined Sime Darby Holdings Berhad as Senior Team Lead, Group Compliance Office in Property Division. She left in June 2016 to establish her own consulting firm, namely FKSP Consulting Solutions to provide advisory, risk and assurance services to manufacturing companies,

automotive, industrial, oil and gas, engineering, property development, health care organisation, insurance companies, non-profit and shared service organisations.

She is currently the Chairman of Audit Committee and a member of the Nomination Committee, Remuneration Committee and Risk Management Committee of the Company.

Ms Kwan does not hold any directorship in any other public companies and listed issuers. She has no family relationship with any director and/ or major shareholder of the Company, no conflict of interest with the Company and has not committed any offences within the past (5) years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**Gender  **Female**Age **59**Years of Directorship **1 year  
8 months**

Board Committee Membership

AC	RC	NC	RMC
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Board Meetings held in the financial year ended 31 December 2023



## DIRECTORS' PROFILE (CONT'D)



### DATUK CHENG LAI HOCK

Independent Non-Executive Director

Datuk Cheng Lai Hock is an Independent Non-Executive Director of the Company and was appointed to our Board on 6 May 2021.

Datuk Cheng obtained a Bachelor's degree in Administrative Studies from the University of Dundee, United Kingdom in September 1982. He also obtained his Master's in Business Administration majoring in Accounting from Universiti Utara Malaysia in September 2003. He is a fellow member of the Malaysia Association of Company Secretaries since July 1992, Associate Member of the Association of International Accountants since December 1999 and Associate Member of the Chartered Tax Institute of Malaysia since April 2002. He is also the President of Kedah Chinese Assembly Hall. He has over thirty-six (36) years of experience as company secretary and more than twenty (20) years of experience as a tax consultant.

Datuk Cheng began his career as an Administrative Executive in P. Hand Chemical Sdn Bhd in November 1982. Thereafter, he started his own secretarial firm in October 1984. In November 2000, he was granted a tax agent license by the Ministry of Finance, and he commenced the provision of tax advisory services. He is a committee member of the Kedah State Government's Chinese Affairs Committee since September 2008.

He is currently the Chairman of Remuneration Committee and Risk Management Committee, and a member of Audit Committee and Nomination Committee of the Company.

Datuk Cheng currently is an Independent Non-Executive Director of CHGB. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Male**

Age **64**

Years of Directorship **2 years**  
**11 months**


Board Committee Membership

**AC** **RC** **NC** **RMC**

Board Meetings held in the financial year ended 31 December 2023





AC	Audit Committee
RC	Remuneration Committee
NC	Nomination Committee
RMC	Risk Management Committee
	Denotes Committee Chairman

## DIRECTORS' PROFILE (CONT'D)



**DATUK HJ MOHD YUSRI BIN MD YUSOF**  
Independent Non-Executive Director

Datuk Hj. Mohd Yusri Bin Md Yusof is an Independent Non-Executive Director of the Company and was appointed to our Board on 6 May 2021. He graduated with Public Administration of Bachelor of Arts from Michigan State University, USA in 1993 and later obtained a Master of Science in Business Leadership from Newcastle Business School, Northumbria University in 2011.

Datuk Hj. Mohd Yusri was the Managing Director of a public listed entity, i.e. Green Ocean Corporation Berhad where he served since 5 December 2017 to 28 February 2020.

Datuk Hj. Mohd Yusri started his career in 1993 in the banking and financial services industry with stints in The Pacific Bank Berhad and EON Bank Group Berhad. In 2001, he joined UEM Group Berhad as Deputy Senior Manager Group Internal Audit and subsequently rose through the ranks to assume the roles of Chief Audit Executive in 2004 and Head of Improvement & Assurance Services Division in 2008. In 2010, he was appointed as the Head of Corporate Performance. He was the Managing Director of PROPEL Berhad, a post he assumed on 1 March 2011.

Datuk Hj. Mohd Yusri was subsequently appointed as the Managing Director of Cement Industries of Malaysia Berhad (CIMA) on 1 August 2012 and as the Chairman of The Cement & Concrete Association of Malaysia in October 2015. He held both posts until October 2017.

Throughout his career, he has gained in-depth exposures in operations, corporate governance, risk management, internal control, quality and innovation practices, strategic planning and performance management. The experience was gained primarily in the banking, investment holding, and commodity, building materials, asset & infrastructure management, development and construction sectors.

He is currently the Chairman of Nomination Committee and a member of Audit Committee and Risk Management Committee of the Company.

Datuk Hj. Mohd Yusri currently is an Independent Non-Executive Director of Chin Hin Group Berhad and Ajiya Berhad. He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nationality  **Malaysian**

Gender  **Male**

Age **53**

Years of Directorship **2 years**  
**11 months**

Board Committee Membership

**AC** **NC** **RMC**

Board Meetings held in the financial year ended 31 December 2023



# KEY SENIOR MANAGEMENT PROFILE



*From left to right:*

- 1 NGIAN SIEW SIONG**  
Group Chief Executive Officer of  
Property Development Division
- 2 CHIAU HAW CHOON**  
Executive Director of  
Chin Hin Group Property Berhad

- 3 LOI KOK MUN**  
Chief Financial Officer of  
Chin Hin Group Property Berhad
- 4 ROGER LIM SWEE KIAT**  
Group Chief Executive Officer of  
Construction Division

# KEY SENIOR MANAGEMENT PROFILE

## CHIAU HAW CHOON

Executive Director

Nationality **Malaysian**

Gender **Male**

Aged **40**

Please refer to Page 42 of the Directors' Profile.

## SHELLY CHIAU YEE WERN

Executive Director

Nationality **Malaysian**

Gender **Female**

Aged **33**

Please refer to Page 43 of the Directors' Profile.

## KHOR KAI FU

Executive Director

Nationality **Malaysian**

Gender **Male**

Aged **37**

Please refer to Page 44 of the Directors' Profile.

## ROGER LIM SWEE KIAT

Group Chief Executive Officer of Construction Division

Nationality **Malaysian**

Gender **Male**

Aged **44**

Mr Roger Lim Swee Kiat was appointed as the Group Chief Executive Officer of the Construction Division on 1 January 2023.

Through an apprentice and scholarship selected by Gamuda Bhd, he obtained a Diploma in Quantity Survey, a Bachelor of Science in Building, and a Master of Business Administration from Newcastle University in Australia. He became a member of the Newcastle University in Australia of Quantity Surveyors ("AIQS") in 2003.

He began his career with Gamuda Bhd, where he was tasked to set up an office in Qatar and overseeing business development and contracts management in Middle East. In 2006, he left the Gamuda Group and returned to Malaysia to concentrate on industrial, building construction, and property development. He then ventured into establishing his own businesses. He has won the RHB Bank's Prestige Top 40 awards as an upcoming successful entrepreneur. His company was also awarded the top 10 SME in 100 SME awards

in 2015 as one of the fastest-moving companies and as one of the Top 10 New Generation Property Developers in Malaysia.

His tenure at Gemarjaya Development Sdn Bhd, Techjaya Builders Sdn Bhd, AQ world Sdn Bhd, EBIC Group, Asiaquest Pvt Ltd (Singapore) and Asia One Pvt Ltd (Australia) enhanced his expertise in multiple roles and sectors within the property, construction, mining, project management, international trade, E-commerce and payment gateway.

Mr Roger Lim Swee Kiat does not hold any directorship in any other public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company, and no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT PROFILE (CONT'D)

### NGIAN SIEW SIONG

Group Chief Executive Officer of Property Development Division

Nationality **Malaysian**

Gender **Male**

Aged **72**

Mr Ngian Siew Siong was appointed as the advisor to the Chin Hin's Group Managing Director on 1 August 2022 and subsequently appointed as the Group Chief Executive Officer of the Property Development Division on 1 January 2023.

He began his career with Jabatan Parit and Saliran Malaysia 1976 upon his graduation in Civil Engineering from the University of Leeds (UK),

He then moved to the private sector and worked for the MBF Group Property Division for 6 years (1979 – 1985) before joining to Sunway Group in 1985, as the first and only employee of the Property Development Division, to start the property development business for the Sunway Group. He then drove the Sunway Group Property into an Award Winning Property Developer in Malaysia well known for its Product Innovation & Customer Service. He was responsible for developing the renowned Bandar Sunway township. After 27 years of service with the Sunway Group he retired in 2012 as the Managing Director - International Division. In the last few years he was responsible for the expansion into the region where he started projects in China, India and Cambodia. After his retirement he served as advisor to Chairman/Group Managing Director of 4 property public listed companies for 10 years.

He has been a lead lecturer in for the Master Degree program for the Real Estate Development in UTAR since 2021.

He is a past National Council Member of REHDA Malaysia (Real Estate & Housing Developers Association), the past Chairman of REHDA Selangor and was a Board member of Lembaga Perumahan & Hartanah Selangor.

His passion is to develop Talent, Product & Procession Innovation and Sustainable Development.

He was a well-known speaker on the following topics:

- (i) Sustainable Development / Green Building
- (ii) Knowledge Management

He is the author / editor of 2 publications under REHDA Institute:

- (i) Strata Management Handbook – 2015
- (ii) Property Development Handbook – 2018

He is currently an Independent and Non-Executive Director of Nam Long Investment Corporation, a real estate development company listed in the Vietnam Stock Exchange, the Chairman of Human Resources (“HR”) Committee and a member of the Investment Committee of Nam Long.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

### LOI KOK MUN

Chief Financial Officer of Chin Hin Group Property Berhad

Nationality **Malaysian**

Gender **Male**

Aged **53**

Mr Loi Kok Mun is the Chief Financial Officer of Chin Hin Group Property Berhad since 21 June 2023.

He is a member of The Malaysian Institute of Certified Public Accountants (MICPA) and Malaysian Institute of Accountants (MIA). He started his career with KPMG and since then, he has served in senior management positions in a number of public listed and private companies across a variety of industries. He has over 25 years' experience in the area of financial management, accounting & reporting, corporate finance, strategic planning and risk management.

Mr Loi does not hold any directorship in any other public companies and listed issuers. He has no family relationship with any director and/or major shareholder of the Company, and no conflict of interest with the Company. He has no conviction for any offences within the past 5 years other than traffic offences, if any, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board” or “Directors”) of Chin Hin Group Property Berhad (“CHGP” or “the Company”) recognise the importance of maintaining good corporate governance best practices and continues to be committed to ensuring that a high standard of corporate governance is practiced throughout the Company and its subsidiaries (“the Group”) as a fundamental part in discharging its responsibilities to protect and enhance long-term shareholder value while safeguarding the interests of all stakeholders.

Set out below in this Annual Report is an overview statement, made pursuant to Paragraph 15.25 of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), on the Group’s corporate governance practices in accordance with the principles and recommendations set out in the Malaysian Code on Corporate Governance (“MCCG”) for the financial year ended 31 December 2023. In addition to this, the application of each of the practices set out in the MCCG is disclosed in our Corporate Governance Report which is available on the Company’s website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD RESPONSIBILITIES

The Group is headed by a Board collectively responsible for meeting the Group’s long-term goals and objectives. To ensure these objectives are achieved, the Board establishes the strategic directions and targets for the management and monitors the achievement of those goals and targets.

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group’s affairs. Hence, the Board develops corporate objectives and position descriptions, including the limits to management’s responsibilities, which the management is aware and are responsible for meeting the corporate objectives.

The Board understand the risk environment affecting all aspects of the business that the Group is engaged in. To achieve a proper balance between risks and potential returns to shareholders, the Board ensures that there are systems in place that effectively monitor and manage those risks while driving towards the long-term viability of the Group.

The roles and responsibilities of the Board are defined in the Board Charter, which is available on the Company’s website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

The principal roles and responsibilities of the Board are as follows:

- (i) Review and Adopt Strategic Plan of the Group  
The Board plays an active role in the development of the Group’s overall corporate strategies, marketing plans and financial plans.

The Board is briefed by the Executive Directors and its Management team on the short and long term strategies of the Group together with its proposed business plans for the forthcoming year. The Board also monitors budgetary exercises which supports the Group’s business plans and budget plans.

- ii) Implementation of Internal Compliance Controls and Justifies Measures to Address Principal Risks

The Board is fully aware of its responsibilities to maintain a proper and adequate internal control system. The Board’s responsibilities for the Group’s system of risk management and internal controls including the financial condition of the business, operational and regulatory compliance.

- iii) To formulate and Implement an Appropriate Succession Plan

The Board is responsible to formulate and to implement an appropriate succession plan encompassing the appointment, training, and determination of compensation for senior management of the Group, as well as assessing the performance of Directors and Committee members and, where appropriate, retiring and appointing new members of the Board and Executive Directors.

- iv) Developing and Implementing an Investor Relations Program or Shareholder Communications Policy for the Group

The Board recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all material information concerning the Company through a series of regular disclosure events during the financial year. Hence, the Company’s website is the primary medium for providing information to all shareholders and stakeholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

The roles and responsibilities of the Independent Non-Executive Directors and Executive Directors are clearly defined and adequately segregated. All the Independent Non-Executive Directors are independent of the Executive Directors, Management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgment. This ensures a strong check and balance on the Board's deliberations.

The Executive Directors are responsible for the overall performance and operations as well as the corporate affairs and administration of the Group. They are assisted by the Management of the Group in managing the business activities of the Group in a manner that is consistent with the policies, standards, guidelines, procedures and/or practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

The Executive Directors hold the principal obligations in guiding, regulating, managing and controlling as well as communicating the Company's goals and objectives, all significant corporate matters, corporate restructuring plans, business extension plans and proposals. The Executive Directors, assisted by the management, are also responsible for proposing, developing and implementing applicable and relevant new policies and procedures.

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the roles of the Independent Directors are particularly important in ensuring that the strategies proposed by the Executive Directors are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers and the community.

In discharging its fiduciary duties, the Board has delegated specific tasks to 4 committees as stated below :

- |      |                             |
|------|-----------------------------|
| i)   | Audit Committee;            |
| ii)  | Nomination Committee;       |
| iii) | Remuneration Committee; and |
| iv)  | Risk Management Committee.  |

All the Board Committees have their terms of reference and have the authority to act on behalf of the Board within the authority as laid out in terms of reference and report to the Board with the necessary recommendation.

### CHAIRMAN

In line with the recommendation of MCCG, the Chairman of the Board is not a member of the Audit Committee, Nomination Committee, Remuneration Committee or Risk Management Committee of the Company.

### SEPARATION OF POSITIONS OF THE CHAIRMAN AND EXECUTIVE DIRECTORS

During the financial year under review, the Company has complied with the recommendation of the MCCG where the positions of the Chairman and the Executive Directors are held by different individuals, and the Chairman is a non-executive member of the Board.

The Group has a clear distinction and separation of roles between the Chairman and the Executive Directors, with a clear division of responsibilities in order to ensure a clear balance of power between the Chairman and the Executive Directors.

The Chairman is primarily responsible for the governance and management of the Board, and also serves as the communication point between the Board and the Management. The key responsibilities of the Chairman are as follows :

- i) Oversee and lead the Board to ensure effective performance of the Board;
- ii) Facilitating the effective contribution of all Directors at Board meetings;
- iii) Ensuring all strategic and critical issues are considered by the Board and Directors receive the relevant information on a timely basis; and
- iv) Ensuring compliance with all relevant regulations and legislation.

The Executive Directors and the management team are responsible for implementing the strategic objectives and achieving the targets set by the Group, with clear authority delegated by the Board.

### QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board is supported by qualified and competent Company Secretaries who are responsible for ensuring that the Company's Constitution, procedures and policies and regulations are complied with. The Board is regularly updated and advised by the Company Secretaries on any new statutory and regulatory requirements in relation to their duties and responsibilities. The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties required. The Board is satisfied with the services and support rendered by the Company Secretaries in the discharge of their functions.

The Company Secretaries attend all Board and all Board Committees meetings and ensure that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## INFORMATION AND SUPPORT FOR DIRECTORS

Unless otherwise agreed, notice of each meeting confirming the venue, time, date and agendas of the meeting together with relevant Board papers will be forwarded to each director no later than seven (7) days before the date of the meeting. This is to ensure that Board papers, comprising of due notice of issues to be discussed with supporting information and documentations, were provided to the Board sufficiently in advance. Furthermore, Directors are given sufficient time to read the Board papers and seek clarifications as and when needed or further explanation from management and Company Secretaries. The deliberations of the Board, in terms of the issues discussed during the meetings and the Board's conclusions in discharging its duties and responsibilities, are recorded in the minutes of meetings by the Company Secretaries.

The Board has access to all information within the Company to enable them to discharge their duties and responsibilities and is supplied on a timely basis with information and reports on financial, regulatory and audit matters, by way of Board papers, for informed decision making.

In addition, all Directors have direct access to the advice and services of the Company Secretaries who are responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with. External advisers are invited to attend meetings to provide insights and professional views, advice and explanation on specific items on the meeting agenda, when required. The senior management team from the respective business units will also be invited to participate in the Board meetings to enable the Board members to have equal access to the latest updates and developments of business operations of the Group presented by the management team. The Chairman of the respective Board Committees will brief the Board on matters discussed as well as decisions taken at the meetings of their respective Board Committees meetings.

When necessary, Directors may, subject to approval by the Chairman of the Board and depending on the quantum of the fees involved whether as a full Board or in their individual capacity, seek independent professional advice, including the internal and external auditors, at the Company's expense, to enable the directors to discharge their duties with adequate knowledge on the matters being deliberated.

## BOARD CHARTER

As part of the governance process, the Board has adopted a Board Charter which serves as a source of reference for the Directors. The

Board Charter establishes the respective roles and responsibilities of the Board, Board Committees and individual directors, providing among others guidance and clarity on the Board's roles and responsibilities as well outlining the issues and decisions which are reserved to be made solely by the authority of the Board.

The Board Charter is reviewed periodically as and when the need arises to ensure that the dynamic needs of the Group are consistently met. A copy of the Board Charter is available on the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

## CODE OF CONDUCT AND ETHICS

The Group has an established Code of Conduct and Ethics ("the Code") that applies to all Directors and employees of the Group. The Code is to assist the Directors and all personnel of the Group in defining the ethical standards based on trustworthiness and values as well as uphold the spirit of responsibility in line with the regulations, legislation, and guidelines for the administration of the Company.

A copy of the Code is available for reference at the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

## WHISTLEBLOWING POLICY

The Board has established a Whistleblowing Policy to improve the overall organisational effectiveness and uphold the Group's business ethics of honesty, integrity and transparency.

The Whistleblowing Policy is intended to provide and facilitate a mechanism for employees and other stakeholders can report their concerns related to any suspected and/or known unethical, unlawful, fraud, corruption or other improper conduct without fear of reprisal or intimidation.

Employees and other stakeholders are encouraged to report genuine concerns of breach of legal obligation, miscarriage of justice, danger of health and safety or to the organisation or the environment and the cover-up of any of these in the workplace can be reported and email to:

Attention : The Chairman of the Audit Committee  
Email : [wb@chinhinproperty.com](mailto:wb@chinhinproperty.com)

A copy of the Whistleblowing Policy is available at the Group's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

In line with the Malaysian Anti-Corruption Commission Act 2009, the Group had on 29 May 2020 adopted an Anti-Corruption Policy and on 25 February 2021 adopted an enhanced version of the Anti-Corruption and Anti-Bribery Policy ("**ACAB Policy**").

The Company had also conducted briefings and trainings to all employees of the Group to create awareness on the ACAB Policy to foster commitment of the employees in instilling the spirit of integrity and avoiding all forms of corruption practices within the organisation.

A copy of the ACAB Policy is available at the Group's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

#### BOARD COMPOSITION

The current Board of Directors consists of 7 members, comprising a Non-Independent Non-Executive Chairman, 3 Executive Directors and 3 Independent Non-Executive Directors. The Company thus complies with Paragraph 15.02 of the MMLR whereby at least 2 or 1/3 of the Board of Directors, whichever is higher, are Independent Directors. In the event of any vacancy in the Board of Directors resulting in non-compliance with the MMLR, the Board shall fill the vacancy within 3 months from the date of that event. The profile of each Director is presented separately on page 41 to 47 of this Annual Report.

The Group believes that a strong composition of the members of the Board would be able to strengthen the decision-making process and influence the ability of the Board to fulfil oversight responsibilities. The current Board consists of mixtures of skills, knowledge and experience and would be able to contribute significantly to the Group by value adding and equipping the Board to respond to any challenges that may arise.

The Board is mindful of the MCGG's recommendation which stated "at least half of the board shall comprise of Independent Directors. For large Companies, the Board shall comprise a majority independent directors." Notwithstanding this, the Board is of the view that a balance of power and authority exists within its current structure to sufficiently enable it to discharge its duties and objective. The Independent Non-Executive Directors of the Company have played a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies in the decision making process.

Further, all the Independent Non-Executive Directors are independent from the Executive Directors, Management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This ensures a strong check and balance on the Board's deliberations.

The Board Charter has set the policy which limits the tenure of its Independent Directors to nine (9) years. Upon completion of the nine

(9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the said person as a Non-Independent Director. In the event the Board intends to retain such Director as an Independent Director, after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek annual shareholders' approval. If the Board continues to retain the Independent Director after nine (9) years, the Board will seek annual shareholders' approval through a two-tier voting process.

As at 31 December 2023, the tenure of the Independent Non-Executive Directors of the Company are as follows:

	1-3 Years
Datuk Cheng Lai Hock	✓
Datuk Hj. Mohd Yusri Bin Md Yusof	✓
Kwan Sook Peng	✓

#### NEW CANDIDATES FOR BOARD APPOINTMENT

The appointment of new Directors is the responsibility of the Board after considering the recommendations of the Nomination Committee of the Company. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending on the circumstances and timing of the appointment. The Nomination Committee will assess and recommend to the Board, the candidature of directors, the appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

Currently, the sources to identify suitably qualified candidates for appointment of directors are on recommendations from existing Board members, the management and/or major shareholders. However, the Board and the Nomination Committee may utilise independent sources to identify suitably qualified candidates, where necessary.

In assessing the suitability of candidates, consideration will be given to the core competencies, time commitment, contribution and performance of the candidates to ensure that there is a range of skills, experience and diversity (including gender diversity) represented, in addition to an understanding of the business, the markets and the industry in which the Group operates and the accounting, finance and legal matters.

A familiarisation programme, including visits to the Group's business and operations premises and meetings with the Management will be arranged for new Directors to facilitate their understanding of the Group's business operations.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## BOARDROOM DIVERSITY

The Board is aware of the importance of boardroom diversity and is supportive of the recommendation of MCCG to establishment of boardroom and workforce gender diversity policy. However, the Board does not adopt any formal boardroom diversity policy in the selection of new Board candidates and does not have specific policies on setting the target for female candidates in the Group. The Group evaluates the suitability of candidates as a new Board member or as a member of the workforce based on the candidates' competency, skills, character, time commitment, knowledge, experience and other qualities in meeting the needs of the Group, regardless of gender. Equal opportunity is given and does not practice discrimination of any form, whether based on age, gender, race and religion, throughout the organisation.

The Board currently comprises two female directors. In line with the MCCG's recommendation of 30% representation of women on Boards, the Board will evaluate and match the criteria of the potential candidate as well as consider the appointment of more female directors to the Board in the future to bring about a more diverse perspective.

## TIME COMMITMENT AND DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

Pursuant to the MMLR, the directorships in other public listed companies in Malaysia held by any Board member at any one time shall not exceed the maximum number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his/her responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). Any Director is, while holding office, at liberty to accept other Board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/her duty as a Director of the Company.

Each Board member is expected to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence be notified to the Chairman and/or Company Secretaries, where applicable.

During the financial year ended 31 December 2023, the Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. The Board is satisfied with the level of time and commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out in the section below.

## BOARD MEETINGS AND ATTENDANCE

There were 5 Board of Directors' meetings held during the financial year ended 31 December 2023. Details of the attendance of the Directors at the Board of Directors' meetings are as follows:

Directors	Total Meetings Attended	Percentage of Attendance (%)
Datuk Seri Chiau Beng Teik, JP	5/5	100%
Chiau Haw Choon	5/5	100%
Shelly Chiau Yee Wern	3/5	60%
Datuk Cheng Lai Hock	5/5	100%
Datuk Hj. Mohd Yusri Bin Md Yusof	5/5	100%
Kwan Sook Peng	5/5	100%
Khor Kai Fu (Appointed on 1 April 2023)	4/4	100%
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	1/1	100%

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings held during the financial year ended 31 December 2023.

The Board meets on a quarterly basis, with among others, review the operations, financial performance, reports from the various Board Committees and other significant matters of the Group. Where any direction or decisions are required expeditiously or urgently from the Board between the regular meetings, special Board meetings will be convened by the Company Secretaries, after consultation with the Chairman. Additionally, in between Board meetings, the Directors also approved various matters requiring the sanction of the Board by way of circular resolutions.

## CONTINUING EDUCATION PROGRAMS

All Directors appointed to the Board have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Bursa Securities had vide its letter dated 6 June 2023 amended the MMLR in relation to sustainability training for directors and requested the existing Directors of all the listed issuers who are appointed prior to 1 August 2023 must attend the MAP Part II which will focus substantively on sustainability on or before 1 August 2025. As at the date of this Annual Report, Datuk Hj. Mohd Yusri Bin Md Yusof and Ms Kwan Sook Peng had attended the new MAP Part II as requested by Bursa Securities.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A

## BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

Details of seminars/conferences/training programmes attended by the Board during the financial year as listed below:

Name of Director	Seminars/Conferences/Training Programmes Attended
Datuk Seri Chiau Beng Teik, JP	<ul style="list-style-type: none"> <li>Awareness on Sustainability for Directors &amp; Senior Management</li> </ul>
Chiau Haw Choon	<ul style="list-style-type: none"> <li>YPO Forum</li> <li>YPO Harvard Real Estate Program 2023</li> <li>YPO Insead Program</li> </ul>
Shelly Chiau Yee Wern	<ul style="list-style-type: none"> <li>Cash is King</li> <li>Extraordinary LALA 1.0</li> <li>Moderators' Meeting 2023</li> <li>Forum Next Level</li> </ul>
Datuk Cheng Lai Hock	<ul style="list-style-type: none"> <li>The Appeal Process and Dispute Resolution Proceedings</li> <li>Malaysia Property Tax, Estates and Trusts</li> <li>Directors' Power and Duties and Proceeding of Meeting</li> <li>Preparation, Approval &amp; Circulation of Financial Statements by Directors</li> <li>Transfer V Transmission of Shares/Guidellies for Reporting Framework for Beneficial Ownerships of Legal Person</li> </ul>
Datuk Hj. Mohd Yusri Bin Md Yusof	<ul style="list-style-type: none"> <li>Monthly Futures Market Strategy &amp; Projected Profiles</li> <li>Future Trading Mastery</li> <li>Exploring ESG Investing Strategies Themes on Sustainable Investing</li> <li>Advocacy Session for Directors and CEOs of Main Market Listed Issuers</li> <li>Audit Oversight: Board Conversation with Audit Committee</li> <li>Awareness on Sustainability for Directors &amp; Senior Management</li> <li>MAP II: Leading for Impact</li> </ul>
Kwan Sook Peng	<ul style="list-style-type: none"> <li>A Dialogue with Bursa Malaysia – ESG Ratings for All PLCs</li> <li>Advocacy Session for Directors and CEO of Main Market Listed Issuers</li> <li>MAP II: Leading for Impact</li> </ul>
Khor Kai Fu	<ul style="list-style-type: none"> <li>Leadership Development &amp; Succession</li> <li>The Art of Leadership</li> <li>Empowering Business Growth through Innovation</li> <li>Power of Negotiation</li> </ul>

The Board will on a continuing basis evaluate and determine the training needs of each Director, particularly on relevant new law and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties effectively.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

In addition to the above, Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and Company Secretaries during the Committee and Board Meetings.

## NOMINATION COMMITTEE

The Board has established the Nomination Committee which comprise entirely of Independent Non-Executive Directors, with the responsibilities of assessing the balance composition of Board members, nominate the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis.

The Terms of Reference of the Nomination Committee can be viewed at the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

The present members of the Nomination Committee of the Company are:

Designation	Name	Directorship
Chairman	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Kwan Sook Peng	Independent Non-Executive Director

The Nomination Committee had met 2 times during the financial year.

The summary of activities undertaken by the Nomination Committee during the financial year included the following :

- i) Reviewed and assessed the effectiveness of the Board, the committees of the Board and the contribution of each individual director.
- ii) Reviewed and assessed the performance and independence of the Independent Directors.
- iii) Reviewed the terms of office and performance of the Audit Committee and each of its members.
- iv) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at the Twenty-First Annual General Meeting.
- v) Reviewed and recommended to the Board the appointment of Mr Khor Kai Fu as Executive Director of the Company.
- vi) Reviewed the performance of the Board and Senior Management in addressing the Company's sustainability or environmental, social and governance.

## EVALUATION FOR BOARD, BOARD COMMITTEES AND INDIVIDUAL DIRECTORS

The Nomination Committee has developed criteria to assess the effectiveness of the Board, the Board committees and individual Directors. The evaluation of the Board's effectiveness is divided into four sections on the following key areas:

- Board mix & composition;
- Quality of information and decision making; and
- Boardroom activities.

The process also assesses the competencies of each Director in the areas of fit and proper, contribution and performance, calibre and personality.

The Nomination Committee also undertakes annual assessment of the independence of its Independent Directors based on the required mix of skills and criteria of independence as per requirements of MMLR.

The results of the evaluation were discussed by the Nomination Committee which were then reported to the Board. The Board did not engage any external party to undertake an independent assessment of the Directors.

Based on the assessment conducted for the financial year ended 31 December 2023, the Board and the Nomination Committee are satisfied with the current composition of Board members and believe that it is well balanced with the right mix of high-caliber individuals with the necessary skills and qualifications, credibility and independence to discharge its duties and responsibilities effectively.

## RE-ELECTION OF DIRECTORS

The procedure for the re-election of directors by rotation is set out in the Company's Constitution. Pursuant to the Company's Constitution, all Directors who are appointed by the Board during the year are subject to re-election by shareholders at the first annual general meeting ("AGM") after their appointment. The Company's Constitution also provides that at least 1/3 of the remaining Directors are subject to re-election by rotation at each AGM and retiring directors can offer themselves for re-election. All Directors shall retire from office at least once in every 3 years, but shall be eligible for re-election.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A

### BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Upon the recommendation of the Nomination Committee and the Board, the Directors who are standing for re-election at the forthcoming AGM of the Company are as stated in the Notice of AGM.

The Company adopted the Fit and Proper Policy on 25 May 2022. The Nomination Committee has conducted the fit and proper assessments on 24 February 2023 and 20 April 2023 on Directors who were subjected to retirement and are eligible for re-election as Directors at the Twenty-First AGM of the Company in accordance with the Fit and Proper Policy. In accordance with the Fit and Proper Policy, the Directors who were identified for re-election had also submitted to the Company their fit and proper declarations in the prescribed forms.

#### ANNUAL ASSESSMENT OF INDEPENDENCE

Assessments will be conducted by the Nomination Committee annually and the criteria for assessment covers areas such as contributions, interaction, roles and responsibilities and quality of input to enhance the Board's effectiveness. The independence of Independent Directors was assessed based on their relationship with the Group and their involvement in any significant transactions with the Group including their ability to exercise independent judgment at all times and based on the criteria set out in the MMLR.

Based on the assessment carried out for the financial year ended 31 December 2023, the Board and the Nomination Committee are satisfied with the level of independence demonstrated by all the Independent Directors and their ability to act in the best interests of the Company during the financial year under review, and that each of them continues to fulfil the definition of independence as set out in the MMLR.

#### REMUNERATION COMMITTEE

The Board has established the Remuneration Committee which comprises a majority of Independent Non-Executive Directors, with the responsibilities to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors.

The Terms of Reference of the Remuneration Committee can be viewed at the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

The present members of the Remuneration Committee of the Company are:

Designation	Name	Directorship
Chairman	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Chiau Haw Choon	Executive Director
Member	Kwan Sook Peng	Independent Non-Executive Director

The Remuneration Committee had met 2 times during the financial year.

The summary of activities undertaken by the Remuneration Committee during the financial year included the following :

- i) Reviewed and recommended the payment of Directors' fees and other benefits payable to Directors.
- ii) Reviewed and recommended the remuneration package for the Executive Director of the Company.
- iii) Reviewed and recommended the payment of the Director's fees and other benefits payable to the new Director appointed during the financial year ended 31 December 2023.

#### REMUNERATION POLICY

The Board believes in a remuneration policy that fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

One of the Remuneration Committee's primary responsibilities is to recommend to the Board from time to time, the remuneration package of each Executive Director. Each Executive Director is to abstain from deliberating and voting on the decision in respect of his/her own remuneration package. The Board as a whole decides on the remuneration of the Non-Executive Directors. The individual concerned is to abstain from deliberating his/her own remuneration package. All Directors' fees and other benefits payable to the Directors must be approved by the shareholders at the AGM.

The objectives of the Group's policy on Directors' remuneration are to attract and retain Directors of the caliber needed to manage the Group successfully. In the case of Executive Directors, the component parts of their remuneration are structured to link rewards to corporate and individual performances. For Non-Executive Directors, their level of remuneration reflects the experience, expertise and level of responsibilities undertaken by the particular Non-Executive Director concerned.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## DIRECTORS' REMUNERATION

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) for the financial year ended 31 December 2023 are as follows:

## i) The Company

Director	Fees RM	Salary, Allowances, & Bonus RM	Meeting Allowances RM	EPF, SOCSO & EIS RM	Benefit in kind RM	Total RM
Datuk Seri Chiau Beng Teik, JP	-	-	-	-	-	-
Chiau Haw Choon	-	730,000	-	88,759	-	818,759
Shelly Chiau Yee Wern	-	-	-	-	-	-
Datuk Cheng Lai Hock	36,000	-	2,400	-	-	38,400
Datuk Hj. Mohd Yusri Bin Md Yusof	36,000	-	2,400	-	-	38,400
Kwan Sook Peng	66,000	-	2,400	-	-	68,400
Khor Kai Fu (Appointed on 1 April 2023)	90,000	-	2,000	-	-	92,000
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	8,613	-	400	-	-	9,013
<b>Total</b>	<b>236,613</b>	<b>730,000</b>	<b>9,600</b>	<b>88,759</b>	<b>-</b>	<b>1,064,972</b>

## i) The Group

Director	Fees RM	Salary, Allowances, & Bonus RM	Meeting Allowances RM	EPF, SOCSO & EIS RM	Benefit in kind RM	Total RM
Datuk Seri Chiau Beng Teik, JP	-	-	-	-	-	-
Chiau Haw Choon	-	730,000	-	88,759	-	818,759
Shelly Chiau Yee Wern	-	287,040	-	35,611	-	322,651
Datuk Cheng Lai Hock	36,000	-	2,400	-	-	38,400
Datuk Hj. Mohd Yusri Bin Md Yusof	36,000	-	2,400	-	-	38,400
Kwan Sook Peng	66,000	-	2,400	-	-	68,400
Khor Kai Fu (Appointed on 1 April 2023)	90,000	311,775	2,000	38,282	4,900	446,957
Datuk Yeo Chun Sing (Resigned on 28 March 2023)	8,613	-	400	-	-	9,013
<b>Total</b>	<b>236,613</b>	<b>1,328,815</b>	<b>9,600</b>	<b>162,652</b>	<b>4,900</b>	<b>1,742,580</b>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A

#### BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

##### REMUNERATION OF TOP 3 SENIOR MANAGEMENT

The top 3 Senior Management of the Company (including its direct held subsidiary) are Mr Ngian Siew Siong, Mr Roger Lim Swee Kiat, and Mr Loi Kok Mun. The aggregate remuneration of these top 3 Senior Management received in the financial year ended 31 December 2023 was RM2.83 million representing 5.4% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top 3 Senior Management is a combination of annual salary, benefits-in-kind and other emoluments which are determined similarly to other management employee of the Company. This is based on their individual performance and the overall performance of the Company. The basis of determination has been applied consistently from the previous year.

The Board is of the opinion that disclosure of remuneration of the Directors of the Board by appropriate components and bands and the top three (3) Senior Management's total combined remuneration package should meet the intended objectives of the MCCG.

### PRINCIPLE B

#### EFFECTIVE AUDIT AND RISK MANAGEMENT

##### INDEPENDENCE OF THE AUDIT COMMITTEE

The Company recognised the need to uphold the independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the Audit Committee of the Company were former key audit partners of the external auditors appointed by the Group.

##### FINANCIAL LITERACY OF THE AUDIT COMMITTEE MEMBERS

Collectively, the members of the Audit Committee have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the Terms of Reference of the Audit Committee. The qualification and experience of the individual Audit Committee members are disclosed in the Profiles of Directors on pages 41 to 47 of this Annual Report. The Audit Committee members continuously keep themselves abreast of the latest developments in accounting and auditing standards, statutory laws, regulations and best practices to enable them to discharge their duties effectively.

##### COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board strives to provide shareholders with a balanced and meaningful evaluation of the Group's financial performance, financial position and prospects through the annual audited financial statements, interim financial reports, annual report and announcements to Bursa Securities.

The interim financial reports, annual audited financial statements and annual report of the Group for the financial year ended 31 December 2023 are prepared in accordance with the Malaysian Financial Reporting Standards, MMLR and the Companies Act 2016. The Board is assisted by the Audit Committee in overseeing the financial reporting processes and ensuring the quality of its financial reporting.

The statement by the Board pursuant to Paragraph 15.26(a) of the MMLR on its responsibilities in preparing the financial statements is set out on page 82 of this Annual Report.

##### ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the Audit Committee on matters that require the Audit Committee's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

To assess or determine the suitability and independence of the External Auditors, the Audit Committee has taken into consideration of, among others, the following:

- i) Calibre of External Audit Firm;
- ii) Quality Process/Performance;
- iii) Audit Team;
- iv) Independence and Objectivity;
- v) Audit Scope and Planning;
- vi) Audit fees; and
- vii) Audit Communications and Audit Findings.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

## PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

Annual appointment or re-appointment of the External Auditors is via shareholders' resolution at the AGM on the recommendation of the Audit Committee and the Board. The External Auditors are being invited to attend the AGM of the Company to respond and reply to the Shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the Audit Committee will meet with the External Auditors without the presence of Executive Directors and Management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the Audit Committee are duly recorded by the Company Secretaries.

In presenting the Audit Planning Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the financial year ended 31 December 2023.

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial year under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the Audit Committee's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of Messrs. UHY as the External Auditors of the Company for the financial year ending 31 December 2024.

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises the importance of risk management and internal controls in the overall management processes. The Group has established an internal control system and risk management framework which is adopted by the Group and its business units to ensure the effectiveness of identification, analysis, assessment, monitoring and communication of risks and internal control issues that will allow the Group to safeguard shareholders investments and assets by mitigating losses and maximising opportunities.

As an effort to enhance the system of internal control, the Board together with the assistance of external professional Internal Audit firm adopted on-going monitoring and review to the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the Audit Committee and the Board to strengthen and improve current management and operating style in pursuit of best practices.

Whilst acknowledging their responsibility, the Board is aware that such systems and frameworks as designed to manage rather than to eliminate risks and therefore may not be able to provide an absolute assurance against material misstatement or loss.

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The Board has on 30 May 2023 established the Risk Management Committee which comprised entirely of Independent Non-Executive Directors, to assist the board to fulfill its responsibilities with regard to risk management in order to manage overall risk exposure for the Company. The Risk Management Committee is also responsible to determine that there is a robust process in place for identifying, assessing and monitoring key business risks to safeguard shareholders' investment and the Company's assets.

The Terms of Reference of the Risk Management Committee can be viewed at the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

The present members of the Risk Management Committee of the Company are:

Designation	Name	Directorship
Chairman	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director
Member	Kwan Sook Peng	Independent Non-Executive Director

The Risk Management Committee has not met during the financial year. On 29 February 2024, the Risk Committee had reviewed and adopted the Risk Management Reports as presented by the Company's in-house internal auditors, Governance Risk & Compliance Team of the Group ("GRC").

The Statement on Risk Management and Internal Control which provides an overview of the Group's state of internal control and risk management is set out in pages 64 to 66 in this report.

### INTERNAL AUDIT ACTIVITIES

The Group had on 24 February 2023 established a in-house Internal Audit Department/Function in the Group to replace its outsourced internal auditors. The in-house internal audit function comprising of the GRC Team, led by Mr Benedict Lee, a qualified Internal Auditor. Mr Benedict Lee is also a Chartered Member of the Institute of Internal Auditors Malaysia (affiliated to Institute of Internal Auditors of US) and a Chartered Governance Institute of UK. For each internal audit review, a team of 2 internal auditors will undertake the review in accordance with the annual internal audit plan approved by the Audit Committee.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B

### EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

The GRC Team is free from any relationships which could create conflict of interest and which could impair its objectivity and independence. The GRC Team adopts an internal audit framework with processes based on the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.

GRC Team act independently from the Management and report directly to the Audit Committee and assists the Audit Committee in monitoring and reviewing the effectiveness of the risk management, internal control and governance process within the Group.

Based on the internal audit review plans presented by the internal auditors, the internal audit plan is derived based on a risk-based assessment of all units and operations of the Group. The internal audit reports highlight any deficiencies or findings which are discussed with the management and relevant action plans agreed and to be implemented. Significant findings are presented in the Audit Committee meetings for consideration and reporting to the Board. A follow-up audit review is also conducted to determine whether all audit recommendations are effectively implemented.

Further details on the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 64 to 66 of this Annual Report.

During the financial year, the internal audit functions covered the following areas:

- i) internal control systems on Anti-Bribery and Anti-Corruption Policy Review of Chin Hin Group Property Berhad and its subsidiaries, prepared by the outsourced internal auditors;
- ii) internal control systems on Contract Management of Kayangan Kemas Sdn Bhd, prepared by the GRC Team; and
- iii) internal control systems on Contract Management, Sales Admin and Sales & Marketing of Chin Hin Property (Quaver Project), prepared by the GRC Team.

Based on the internal audit review during the financial year, the Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 31 December 2023.

The Audit Committee and the Board are satisfied with the performance of the internal audit functions and agreed that the internal audit review was done in accordance with the audit plans approved by the Audit Committee and the coverage is adequate.

### PRINCIPLE C

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

#### COMMUNICATION WITH STAKEHOLDERS

The Company is committed to provide to investors and the public with comprehensive, accurate and material information on a timely basis as part of its good corporate governance practices.

In line with this commitment and in order to enhance transparency and accountability, the Board has adopted Internal Corporate Disclosure Policies and Procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

Information of the Group is also accessible through the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com) which is updated on a regular basis. Information available on the website includes among others the Group's Annual Report, quarterly financial announcements, major and significant announcements.

While the Group endeavors to provide as much information as possible to its shareholders, the Group is mindful of the legal and regulatory frameworks governing the release of material and price sensitive information.

The Company is not categorised as a large company as defined in the MMLR. The Group's annual report for the financial year ended 31 December 2023 adopted partially the integrated reporting approach which covers the Group's strategy, performance, governance and future business prospects are connected towards achieving value creation for its shareholders.

#### DIALOGUE WITH SHAREHOLDERS

The Board recognises the value of good investors' relations and endeavours to maintain constant and effective communication with shareholders through timely and comprehensive announcements.

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

The Chairman or the Executive Directors of the Company will brief and will respond to questions from shareholders on the Company's projects and elaborate further on proposals for which the approval of shareholders is being sought at the general meeting.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

#### ANNUAL GENERAL MEETING

The AGM is the principal forum for dialogue with all shareholders. The participation of shareholders, both individuals and institutional, at the Company's AGM are encouraged while request for briefings from the press and investment analysts are usually met as a matter of transparency.

As recommended by the MCCG, the Board is endeavored to dispatch its notice of AGM at least 28 days before the meeting and mindful that the sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate in the AGM. The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in at least 1 nationally circulated Bahasa Malaysia or English newspaper. The Board will ensure that each item of special business included in the notices of the AGM or extraordinary general meeting is accompanied by a full explanation of the effects of any proposed resolution.

The notice of 22<sup>nd</sup> AGM, together with a copy of the Company's Annual Report for the financial year ended 31 December 2023, will be dispatched to shareholders at least 21 days before the meeting as required under the Companies Act 2016 and MMLR of Bursa Securities.

At the AGM, the shareholders are given the opportunity to raise questions pertaining to the annual report, corporate developments, resolutions and businesses of the Group at the AGM.

The Company's 21<sup>st</sup> AGM held on 30 May 2023 was conducted by way of fully virtual basis through online meeting platform of Vote2u Online facilities.

#### ATTENDANCE OF DIRECTORS AT GENERAL MEETINGS

The tentative dates of the AGM will be discussed and fixed by the Board in advance to ensure that each of the Directors is able to make the necessary arrangements to attend the planned AGM.

At the 21<sup>st</sup> AGM of the Company held on 30 May 2023, all the Directors have attended the said AGM to engage directly with shareholders, and be accountable for their stewardship of the Company.

#### POLL VOTING

In line with Paragraph 8.29A of the MMLR, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least 1 scrutineer to validate the votes cast at the general meeting.

At the commencement of all general meetings, the Chairman will inform the shareholders of their rights to a poll voting. Separate resolutions are proposed for substantially separate issues at the meeting and the Chairman will declare the number of votes received, both for and against for each separate resolution. The outcome of a general meeting will be announced to Bursa Securities on the same meeting day.

#### EFFECTIVE COMMUNICATION AND PROACTIVE ENGAGEMENT

The Group maintains its effective communication with shareholders by adopting timely, comprehensive, and continuing disclosures of information to its shareholders as well as the general investing public and adopts the best practices recommended by the MCCG with regards to strengthening engagement and communication with shareholders.

Shareholders and stakeholders may raise their concerns and queries by contacting the Registered Office of the Company, the details of which as provided under the "Corporate Information" section of this Annual Report. The Share Registrar is also available to attend to administrative matters relating to shareholder interests.

#### COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report, the Board is of the view that the Group has complied with and shall remain committed to attain the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysian Code on Corporate Governance (“MCCG”) emphasised on the responsibilities of the Board of Directors (“the Board”) to ensure implementation of appropriate internal controls and effective risk management within the Group so as to safeguard shareholders’ investment, stakeholders’ interest and the Group’s assets.

The Board is pleased to issue the following Statement on Risk Management and Internal Control (the “Statement”) pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD’S RESPONSIBILITIES

The Board of Chin Hin Group Property Berhad (“CHGP”) recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board affirms its overall responsibilities for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity periodically.

The Board is assisted by the management team in implementing the Board approved policies and procedures on risk and internal controls by identifying and analysing risk information, designing and operating suitable internal controls and monitoring the effectiveness of risk management and control activities.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The Board is of the view that the risk management and internal control system is in place for the period under review and up to the date of issuance of the Annual Report.

It should be noted that these systems are designed to manage, rather than to eliminate risks that may impede the achievement of the Group’s business objectives. Therefore, the risk management and internal control system in place can only provide reasonable and not absolute assurance against material misstatements or errors.

## KEY FEATURES OF THE GROUP’S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements that have been established in the Group’s risk management and internal control system are described below:

### 1. Risk Management

The Group’s risk management framework comprises of the following key elements:

- identify risk that could affect the achievement of the Group’s business objective;
- assessment and analysis of likelihood, impact and consequences of risk identified;
- evaluation on the effectiveness and adequacy of existing controls;
- determine appropriate response strategy or additional controls; and
- monitoring and report of risks across the Group.

At strategic level, business plans, strategies and investment proposals with risk consideration are formulated by the management team and presented to the Board for review and deliberation to ensure proposed plans and strategies are in line with the Group’s risk appetite.

Any changes in the key operational risks or emergence of new key business risks are identified through daily operational management, controls and review of financial and operational reports by the respective level of management. Any critical and material risks shall be highlighted to the Board for final decision on the formulation and implementation of effective internal controls.

The Group’s risk monitoring and management is enhanced by the internal audit function, in which risk-based internal audit review was carried out based on the internal audit plan approved by the Audit Committee after considering the risk areas of the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### 2. Internal Controls

The key salient features of the Group's system of internal controls are as follows :

#### Board of Directors/ Board Committees

Board Committees (i.e. Audit Committee, Nomination Committee, Risk Management Committee and Remuneration Committee) have been established to carry out duties and responsibilities delegated by the Board and are governed by written terms of references as stated in the Group's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

Meetings of the Board and respective Board Committees are carried out on quarterly basis and as and when required to review the performance of the Group, from financial to operational perspectives. The quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the Audit Committee for review and the Board for approval for public release.

#### Standard Operating Procedures

The Group has a set of well-established standard operating procedures covering all critical and significant facets of the Group's operating process at its subsidiary level.

The standard operating procedures are being reviewed periodically or as and when circumstances warrants to ensure that these documentations remain current and relevant. Compliance with these procedures is an essential element of the risk management and internal control framework.

#### Organisation Structure and Authorisation Procedure

The Group has a formal organisation structure in place to ensure appropriate level of authority and responsibilities are delegated appropriately to competent staffs so as to achieve operational effectiveness and efficiency.

The authorisation requirements of the key internal control points of key business processes are included in the standard operating procedures of the Group.

The Board of Directors does not regularly review the internal control system of its associate companies, as the Board of Directors does not have any direct control over their operations. The Group's interests are served through representations on the Boards of the respective associate companies and the review of their management accounts, and enquiries thereon. These representatives also provide the Board with information and timely decision-making on the continuity of the Group's investment based on the performance of the associate companies.

#### Reporting and Communication

At operational level, clear reporting lines established across the Group. Discussions are held periodically for operational and financial aspects of the business. These discussions usually involve the review of financial performance, operational and business issues including risk management and internal control matters.

Action-plans are constructed for issues identified during the discussions. Follow-up discussions are conducted to monitor progress of the implementation and if necessary, amendments are done to the implementation so that the planned action achieves its purpose.

Matters that require the Board and management's attention are highlighted for review, deliberation and decision on a timely manner.

Communication with external stakeholders are channelled through the Group's website, annual reports and announcements made in Bursa Securities' website.

### 3. Risk Management and Internal Audit Function

The Board recognises the importance of a sound system of risk management and internal control to safeguard the shareholders' investment, stakeholders' interest and the Group's assets. To ensure the system of internal control is functioning effectively, the internal audit function of the Group has been conducted by the Internal Audit Department which shall provide the Audit Committee and the Board an independent professional assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems.

The internal auditor reports directly to the Audit Committee and the internal audit plans are tabled to the Audit Committee for review and approval to ensure adequate coverage.

Generally, internal control review procedures performed by our internal auditor are designed to review related controls so as to determine the adequacy of risk management and control structures and to formulate recommendations for improvement thereon.

The internal audit reports which consist of internal audit findings, recommendations, as well as management responses and action plans were presented and deliberated by the Audit Committee. Updates on the follow-up status of the action plans identified in the previous internal audit report were also presented to the Audit Committee.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

During the financial year, the internal audit function covered the areas are as follows:

- i) Implementation of the Anti-Bribery and Anti-Corruption Policy (“**ABC Policy**”);
- ii) Conflict of interest;
- iii) Awareness and communication of ABC Policy for new subsidiary / division;
- iv) Whistle Blowing Channel Update;
- v) Compliance Declaration of ABC Policy.

Based on the internal audit review conducted by the outsourced internal auditor, none of the weaknesses noted has resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Statement.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2023 was RM173,000.

### MANAGEMENT'S ASSURANCE

The Executive Directors have given reasonable assurance to the Board that the Group's risk management and internal control systems are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants (“**MIA**”) for inclusion in the Annual Report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the Listing Requirements of Bursa Securities and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this Statement.

### CONCLUSION

For the financial period under review, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system and there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report. However, the Board is also cognisant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board, will, when necessary, put in place appropriate action plans to further enhance the Group's system of internal control and risk management framework.

The Group's system of internal control does not extend to associate companies as the Group does not have full management control over them. However, the Group's interest is represented through the Board of these associate companies.

This statement is made in accordance with the resolution of the Board dated 22 April 2024.

# AUDIT COMMITTEE REPORT

In line with the best practices of MCCG, the Board has set up the Audit Committee which comprises exclusively of Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board.

The present members of the Audit Committee are as follows:-

Designation	Name	Directorship
Chairman	Kwan Sook Peng	Independent Non-Executive Director
Member	Datuk Cheng Lai Hock	Independent Non-Executive Director
Member	Datuk Hj. Mohd Yusri Bin Md Yusof	Independent Non-Executive Director

The members of the Audit Committee of the Company had complied with the MMLR of which at least one (1) member with the requisite accounting qualification.

The primary objective of the Audit Committee is to establish a documented, formal and transparent procedure to assist the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, a system of risk management and internal control, the audit process and the process of monitoring compliance with laws and regulations.

## TERMS OF REFERENCE

The terms of reference of the Audit Committee which laid down its duties and responsibilities are accessible via the Company's website at [www.chinhinproperty.com](http://www.chinhinproperty.com).

## ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2023, the Audit Committee held 5 meetings and the details of the attendance are as follows:-

Members	Meeting Attendance
Kwan Sook Peng	5/5
Datuk Cheng Lai Hock	5/5
Datuk Hj. Mohd Yusri Bin Md Yusof	5/5

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee had during the financial year ended 31 December 2023 discharged the following duties as set out in its terms of reference:-

- i) Reviewed the quarterly unaudited financial results and made recommendations to the Board for approval.
- ii) Reviewed the draft audited financial statements with external auditors prior to the submission to the Board for approval.
- iii) Discussed and recommended to the Board for approval, the Audit Committee Report for inclusion in the Annual Report 2023.
- iv) Reviewed the circular to shareholders in relation to the proposed renewal of its shareholders' mandate for recurrent related party transactions.
- v) Reviewed the related party transactions / recurrent related party transactions within the Company and the Group.
- vi) Reviewed the risk management reports for property business group, construction business group and motor vehicles division.
- vii) Reviewed the audit findings of the external auditors and their reports.
- viii) Conducted dialogue sessions with external auditors without the presence of the Executive Directors or Management to discuss any issues of concern to the External Auditors arising from the annual statutory audit.
- ix) Discussed and reviewed with external auditors the applicability of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board.
- x) Reviewed the audit planning memorandum from external auditors.
- xi) Reviewed and recommended the re-appointment of external auditors and their fees to the Board for consideration and approval.
- xii) Reviewed and evaluated the performance and independence of external auditors. The Audit Committee was satisfied with the performance and independence of the external auditors and recommended their re-appointment to the Board.
- xiii) Reviewed the internal audit reports of the Group.
- xiv) Reviewed the internal audit plan from internal auditors.
- xv) Assessed the internal audit function of the Group.

## AUDIT COMMITTEE REPORT (CONT'D)

### HOW THE AUDIT COMMITTEE DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR UNDER REVIEW

#### a) Financial Reporting

- (i) The Audit Committee reviewed the quarterly unaudited financial results and the annual financial statements of the Company and of the Group and made recommendations to the Board for approval and for announcement to Bursa Securities as follows:-

Date of Meetings	Financial Statements
24 February 2023	Unaudited Interim Financial Report for the Fourth Quarter ended 31 December 2022
20 April 2023	Draft audited financial statements for the financial year ended 31 December 2022
30 May 2023	Unaudited Interim Financial Report for the First Quarter ended 31 March 2023
22 August 2023	Unaudited Interim Financial Report for the Second Quarter ended 30 June 2023
22 November 2023	Unaudited Interim Financial Report for the Third Quarter ended 30 September 2023

- (ii) The Audit Committee reviewed the annual audited financial statements with the External Auditors and management team to ensure that the financial statements give a true and fair view of the financial position and performance of the Group are in compliance with the relevant accounting standards, other legal requirements and to ensure compliance with the provisions of the Companies Act 2016 and the MMLR.

#### b) External Auditors

- (i) The Audit Committee met 3 times with the External Auditors on 24 February 2023, 20 April 2023 and 22 November 2023 respectively without the presence of any Executive Directors or Management of the Company to review on the issues relating to financial controls and operational efficiencies of the Company and its subsidiaries arising from the audit.

- (ii) On 24 February 2023, the Audit Committee reviewed the External Auditors' Audit Review Memorandum in relation to the findings of their audit of the financial statements of the Group for the financial year ended 31 December 2022.

- (iii) On 24 February 2023, the Audit Committee also evaluated the performance and independence of the External Auditors covering areas such as calibre, quality processes/performance, audit team, independence and objectivity, audit scope and planning, audit fees as well as the audit communications of the External Auditors. The Audit Committee was satisfied with the independence and performance of Messrs. UHY ("UHY"), had recommended the re-appointment of UHY as External Auditors to the Board for consideration and tabled to the shareholders for approval at the Twenty-First Annual General Meeting.

- (iv) On 22 November 2023, the Audit Committee reviewed and evaluated the audit planning memorandum prepared by UHY for the financial year ending 31 December 2023.

- (v) The proposed audit fees for the External Auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the Audit Committee for recommendation to the Board for approval.

#### c) Internal Audit

- (i) On 24 February 2023, the Audit Committee evaluated the performance of the internal audit function of the Company covering the adequacy of scope, competency and resources of the internal audit function and that it has the necessary authority to carry out its work.

- (ii) On 24 February 2023, the Audit Committee reviewed the internal audit review plan prepared by Eco Asia Governance Advisory Sdn Bhd ("Eco Asia"), the outsourced Internal Auditors of the Company, for the financial year ending 2023.

- (iii) On 24 February 2023, the Audit Committee reviewed and evaluated the Internal Audit Reports ("IAR") on internal control systems on Anti-Bribery and Corruption Policy Review of Chin Hin Group Property Berhad and its subsidiaries for the financial year ended 31 December 2022 which covered the following:-

## AUDIT COMMITTEE REPORT (CONT'D)

- Implementation of the Anti-Bribery and Corruption (“ABC”) Policy
  - Conflicts of interest
  - Awareness and communication of ABC Policy for new subsidiary/division
  - Whistle Blowing Channel Update
  - Training and Compliance Declaration on Anti-Bribery and Corruption Policy
- (iv) On 24 February 2023, the Audit Committee reviewed and approved the internal audit proposal prepared by Governance Risk & Compliance Team (“GRC”) of the Group, for the financial year ending 2023. The Audit Committee agreed to recommend to the Board to engage GRC team as internal auditor.
- (v) On 20 April 2023, the Audit Committee reviewed and evaluated the risk register for property, construction and motor vehicles business segment prepared by GRC. The Audit Committee also reviewed the composition of GRC.
- (vi) On 30 May 2023, the Audit Committee reviewed the reporting structure of internal audit function and approved the internal audit plan for the financial year ending 31 December 2023.
- (vii) On 30 May 2023, the Audit Committee reviewed the Risk Management Reports for Property Business Group, Construction Business Group and Motor Vehicles Divisions and proposed the formation of Risk Management Committee to review the same.
- (viii) On 22 August 2023, the Audit Committee reviewed and evaluated the Internal Audit Report (“IAR”) on internal control systems on Contract Management of Kayangan Kemas Sdn Bhd (“KKS”) which covered the following:-
- Contract Management (3 Dewan Project)
  - Contract Management (KPJ Selangor Project)
  - Contract Management (Intel Pelican Project)
- (ix) On 22 November 2023, the Audit Committee reviewed and evaluated IAR on internal control systems on Contract Management, Sales Admin and Sales & Marketing of Chin Hin Property (Quaver Project) and follow up assessment of internal controls over the Hospital Seri Iskandar’s Contract Management of KKS.

The IAR on methodology, executive summary, audit findings, recommendation and the management responses thereto were tabled to the Audit Committee for their review and deliberations. The management was invited to attend the meetings as and when necessary to brief the Audit Committee on matters relating to their areas of responsibility.

Some weaknesses in internal control were identified for the year under review and measures have been or are being taken to address these weaknesses. The Internal Auditors monitored the implementation of management’s action plan on outstanding issues through follow up report to ensure that all key risks and control weaknesses are being properly addressed.

### d) Related Party Transaction/Recurrent Related Party Transactions

- (i) The Audit Committee reviewed of any related party transactions that may arise within the Group quarterly.
- (ii) The Audit Committee reviewed all recurrent related party transactions entered into by the Group quarterly.
- (iii) The Audit Committee also reviewed the draft circular to shareholders in respect of the proposed renewal of existing shareholders’ mandate and proposed new shareholders’ mandate for recurrent related party transactions of a revenue or trading nature on 20 April 2023.

### e) Other Matters Considered by Audit Committee

On 20 April 2023, the Audit Committee reviewed the following statement/report for inclusion in the Annual Report for the financial year ended 31 December 2022 and recommended to the Board for approval:-

- The Audit Committee Report; and
- The methods or procedures for the Recurrent Related Party Transactions of the Group.

# OTHER DISCLOSURE REQUIREMENTS

## UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 29 November 2022, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) approved the listing and quotation of up to 75,952,650 new ordinary shares of Chin Hin Group Property Berhad (“**CHGP Shares**”), which representing not more than 15% of the Company’s issued ordinary shares to be issued pursuant to private placement (“**Private Placement I**”). The Proposed Private Placement was undertaken in accordance with the general mandate obtained from the shareholders of the Company at its 20th AGM convened on 3 June 2022 pursuant to Sections 75 and 76 of the Companies Act 2016 (“**the Act**”), whereby the Board had been authorized to issue and allot new CHGP Shares not exceeding 20% of the total number of issued shares of the Company. The first tranche of the placement shares of 8,500,000 CHGP Shares were issued on 13 January 2023, at an issue price of RM1.00 per CHGP Share and total proceeds raised of RM8,500,000 was received from the said placement. The second tranche of the placement shares of 7,680,000 CHGP Shares were issued on 20 February 2023, at an issue price of RM0.95 per CHGP Share and total proceeds raised of RM7,296,000 was received from the said placement. The third tranche of the placement shares of 17,000,000 CHGP Shares were issued on 4 April 2023, at an issue price of RM0.90 per CHGP Share and total proceeds raised of RM15,300,000 was received from the said placement. The fourth and last tranche of the placement shares of 11,987,620 CHGP Shares were issued on 18 April 2023, at an issue price of RM0.93 per CHGP Share and total proceeds raised of RM11,148,487 was received from the said placement. The total proceeds raised of RM42,244,487.00 has been utilised as follows:

Details utilisation	Actual utilisation (RM'000)
Proposed Acquisition of Quaver	1,250
Proposed Settlement	23,085
Proposed Acquisition of Kayangan	16,700
Working capital	459
Estimated expenses for the Proposed Private Placement	750
<b>Total</b>	<b>42,244</b>

On 3 November 2023, Bursa Securities approved the listing and quotation of up to 110,066,000 new ordinary shares of CHGP Shares to be issued pursuant to private placement (“**Private Placement II**”). The first tranche of the placement shares of 32,350,000 CHGP Shares were issued on 8 December 2023, at an issue price of RM0.825 per CHGP Share and total proceeds raised of RM26,688,750 was received from the said placement. The second tranche of the placement shares of 21,900,000 CHGP Shares were issued on 27 December 2023, at an issue price of RM0.81 per CHGP Share and total proceeds raised of RM17,739,000 was received from the said placement. The third tranche of the placement shares of 35,800,000 CHGP Shares were issued on 19 January 2024, at an issue price of RM0.76 per CHGP Share and total proceeds raised of RM27,208,000 was received from the said placement. The fourth and last tranche of the placement shares of 20,016,000 CHGP Shares were issued on 7 February 2024, at an issue price of RM0.70 per CHGP Share and total proceeds raised of RM14,011,200 was received from the said placement. The total proceeds raised of RM85,646,950 has been utilised as follows:

Details utilisation	Actual utilisation (RM'000)
Working capital	84,847
Estimated expenses for the Proposed Private Placement	800
<b>Total</b>	<b>85,647</b>

During the financial year, there was an issuance of 25,796,648 new ordinary shares arising from the exercise of warrants at an exercise price of RM0.20 per ordinary share.

As at 31 December 2023, the proceeds of RM5,159,329.60 raised from the listing and quotation of 25,796,648 new ordinary shares following the conversion of warrants have been fully utilised by the Group on working capital purposes.



## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

## AUDIT AND NON-AUDIT FEE PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively for the financial year ended 31 December 2023 are as follows:

Members	Company Level RM	Group Level RM
Audit services rendered	41,500	292,000
Non-Audit services Rendered - Review of statement of risk management and internal control	5,000	5,000

## MATERIAL CONTRACTS

Save as disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving interests of Directors, Chief Executive Officer who is not a Director or major shareholders, either still subsisting as at 31 December 2023 or entered into since the end of the previous financial year:

(a) 2 share sale agreements dated 29 February 2024 with Chin Hin Group Berhad ("**Chin Hin**") for the following:

- (i) proposed disposal of 2 ordinary shares in Chin Hin Construction Engineering Sdn Bhd ("**CHCE**"), representing the entire equity interest in CHCE, for a cash consideration of RM16.5 million; and
- (ii) proposed disposal of 9,500,000 ordinary shares in Kayangan Kemas Sdn Bhd ("**Kayangan**"), representing 95% equity interest in Kayangan, for a cash consideration of RM93.5 million.

(collectively referred to as "**Proposed Disposals**")

The Proposed Disposals are subject to the shareholders' approval to be obtained at an EGM to be held later.

The relationship between the Directors or Major Shareholders and the contracting party(ies) were as follow:

- (i) Divine Inventions Sdn Bhd ("**Divine Inventions**") is a major shareholder of Chin Hin Group Property Berhad ("**CHGP**" or "**the Company**") by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act;
- (ii) PP Chin Hin Realty Sdn Bhd ("**PP Chin Hin Realty**") is a major shareholder of CHGP through its wholly-owned subsidiary, Divine Inventions pursuant to Section 8 of the Act;
- (iii) Chin Hin is a major shareholder of CHGP;
- (iv) Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are both Directors and major shareholders of CHGP;
- (v) Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are both Directors and major shareholders of Chin Hin;
- (vi) Shelly Chiau Yee Wern is a Director of CHGP and Chin Hin; and
- (vii) Chiau Haw Choon is a Director of CHCE, Kayangan and Makna Setia Sdn Bhd.

(b) BKG Development Sdn Bhd ("**BKGD**") on 29 February 2024 entered into the following:

- (i) shareholder agreement with Fiamma Holdings Berhad ("**Fiamma**") and Aricia Sdn Bhd (formerly known as Fiamma Properties Sdn Bhd) ("**Aricia**") for the proposed subscription by BKGD of 5,833,334 new ordinary shares in Aricia, representing 70.0% of the enlarged ordinary share capital of Aricia at an issue price of RM1.00 per share to facilitate the parties' joint development on the following lands ("**Aricia Shareholders Agreement**"):

(aa) all that parcel of freehold land held under Geran 25272, Lot 3240 Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("**Land 1**"); and

(bb) all that parcel of freehold land held under Geran 37713, Lot 260 Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("**Land 2**");

("Proposed Aricia Joint Venture")

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

(ii) shareholder agreement with Fiamma and Dawn Land Sdn Bhd (formerly known as Fiamma Land Sdn. Bhd.) (“**Dawn Land**”) for the proposed subscription by BKGD of 1,166,667 new ordinary shares in Dawn Land, representing 70.0% of the enlarged ordinary share capital of Dawn Land at an issue price of RM1.00 per share to facilitate the parties’ joint development on the following lands (“**Dawn Land Shareholders Agreement**”):

- (aa) all that parcel of freehold land held under Geran 9348, Lot 54 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (“**Land 3**”);
- (bb) all that parcel of freehold land held under Geran 27778, Lot 74 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (“**Land 4**”); and
- (cc) all that parcel of freehold land held under Geran 71341, Lot 192 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (“**Land 5**”).

### (“Proposed Dawn Land Joint Venture”)

In conjunction with the Proposed Aricia Joint Venture and Proposed Dawn Land Joint Venture, BKGD had on 29 February 2024 also entered into following subscription agreements with Fiamma for the:

- (a) proposed issuance of 1,100,000 new redeemable preference shares by BKGD (“**BKGD RPS**”) to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Aricia Joint Venture (“**Aricia Subscription Agreement**”); and
- (b) proposed issuance of 10,900,000 BKGD RPS to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Dawn Land Joint Venture (“**Dawn Land Subscription Agreement**”).

(collectively referred to as “**Proposed Joint Ventures**”).

The Proposed Disposals are subject to the shareholders’ approval to be obtained at an EGM to be held later.

The relationship between the Directors or Major Shareholders and the contracting party(ies) were as follow:

- (i) Divine Inventions is a major shareholder of CHGP by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act;
- (ii) PP Chin Hin Realty is a major shareholder of CHGP through its wholly-owned subsidiary, Divine Inventions pursuant to Section 8 of the Act;
- (iii) Chin Hin is a major shareholder of CHGP and Signature International Berhad which in turn, is a major shareholder of Fiamma;
- (iv) Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are both Directors and major shareholders of CHGP;
- (v) Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are both Directors and major shareholders of Fiamma;
- (vi) Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are Directors of BKGD; and
- (vii) Shelly Chiau Yee Wern is a Director of CHGP, Dawn Land and Aricia.

### CONTRACTS RELATING TO LOAN

During the financial year, there were no material contracts relating to loan entered into by the Company and its subsidiaries involving Directors’ and major shareholders’ interest.

### RECURRENT RELATED TRANSACTIONS OF A REVENUE AND TRADING NATURE (“RRPT”)

The Company is seeking approval from shareholders for the proposed renewal of existing shareholders’ mandate and proposed new shareholders’ mandate for the Group to enter into RRPT(s) of a revenue or trading nature pursuant at the forthcoming AGM to be held on 12 June 2024.

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

The details of RRPTs of a revenue or trading nature of the Group for the financial year ended 31 December 2023 were as follows:

Related Party	Chin Hin Group Property Berhad ("CHGP") Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin and its subsidiary companies	CHGP Group	Rental paid to CHGP Group for motor vehicles rented.	NIL	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP 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 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, JP and brother of Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP. She is also the Executive Director in Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP 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 is a Major Shareholder of CHGP and Chin Hin. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty is a person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are also the directors of PP Chin Hin Realty.</li> </ul>
		Sale of motor vehicles to Chin Hin Group based on prevailing market price.	NIL	
		Supply by CHGP Group and/or purchase from Chin Hin Group of materials based on prevailing market price.	42,626	
		Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price.	98	
		Provision of construction services to and/or by Chin Hin Group 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 based on prevailing market price.	177	
		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.	39	

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
CHL Logistic Sdn Bhd	CHGP Group	Sales of motor vehicles to CHL Logistic Sdn Bhd based on prevailing market price.	NIL	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP 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 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, JP and brother of Shelly Chiau Yee Wern.</li> <li>Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik, JP 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 and Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP and sister of Chiau Haw Choon and Chiau Haw Loon.</li> <li>Chin Hin is a Major Shareholder and holding company of CHGP.</li> <li>Divine Inventions is a Major Shareholder of CHGP and Chin Hin. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty is a person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are also the directors of PP Chin Hin Realty.</li> </ul>
		Supply by CHGP Group and/or purchase from CHL Logistic Sdn Bhd of materials based on prevailing market price.	NIL	

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Aera Property Group Sdn Bhd (“ <b>Aera Property</b> ”) and its subsidiary companies	CHGP Group	Provision of construction services to and/or by Aera Property Group 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 based on prevailing market price.	28,583	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP 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 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, JP and brother of Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP and Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP and sister of Chiau Haw Choon.</li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are directors of Aera Property, which in turn a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>Divine Inventions is a Major Shareholder of CHGP and Chin Hin. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty is the holding company of Aera Property and is a person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are also the directors of PP Chin Hin Realty.</li> </ul>

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Chin Hin Gypsum Sdn Bhd	CHGP Group	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.	76	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP 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 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, JP and brother of Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP and Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP and sister of Chiau Haw Choon.</li> <li>Datuk Seri Chiau Beng Teik, JP is the director and substantial shareholder of Chin Hin Gypsum Sdn Bhd.</li> <li>Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>Divine Inventions is a Major Shareholder of CHGP and Chin Hin. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty is a person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are also the directors of PP Chin Hin Realty.</li> </ul>

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
PP Chin Hin Realty Group and its subsidiary companies	CHGP Group	Provision of construction services to and/or by PP Chin Hin Realty Group 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 based on prevailing market price.	30,456	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP 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 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, JP and brother of Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP and Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP and sister of Chiau Haw Choon.</li> <li>Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are directors of PP Chin Hin Realty.</li> <li>Chin Hin is a Major Shareholder of CHGP and holding company of CHGP.</li> <li>Divine Inventions is a Major Shareholder of CHGP and Chin Hin. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP and Chin Hin. PP Chin Hin Realty is a person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon.</li> </ul>
		Leasing / renting of office premises to and/or from PP Chin Hin Realty Group based on market value and is payable on an equal pro-rated monthly basis.	408	

## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Signature International Berhad (“Signature International”) and its subsidiary companies	CHGP Group	Provision of construction construction services to and/or by Signature International Group all kinds of construction contracts, project management, management and construction services, and/or project development, including property management services and other related management services based on prevailing market price.	5,545	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP and Signature International. He is the Executive Chairman and a Major Shareholder of Chin Hin. He is the 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 Group Managing Director and Major Shareholder of Chin Hin. He is also the Managing Director and a Major Shareholder of Signature International. He is the son of Datuk Seri Chiau Beng Teik, JP and brother of Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP, Chin Hin and Signature International. She is the daughter of Datuk Seri Chiau Beng Teik, JP and sister of Chiau Haw Choon.</li> <li>Chin Hin is a Major Shareholder of CHGP and holding Company of CHGP. Chin Hin is also the Major Shareholder of Signature International.</li> <li>Divine Inventions is a major shareholder of CHGP, Chin Hin and Signature International. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP, Chin Hin and Signature International. PP Chin Hin Realty is person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon also the directors of PP Chin Hin Realty.</li> </ul>
		Supply by CHGP Group and/or purchase from Signature International Group of material based on prevailing market price.	NIL	



## OTHER DISCLOSURE REQUIREMENTS (CONT'D)

Related Party	Chin Hin Group - Transacting Party	Nature of Transaction with CHGP Group	Value of Transaction (RM'000)	Nature of relationship between CHGP Group and the Related Party
Ajiya Berhad ("Ajiya") and its subsidiary companies	CHGP Group	Provision of construction construction services to and/or by Ajiya Group all kinds of construction contracts, project management, management and construction services, and/or project development, including property management services and other related management services based on prevailing market price.	NIL	<ul style="list-style-type: none"> <li>Datuk Seri Chiau Beng Teik, JP is the Non-Independent Non-Executive Chairman and a Major Shareholder of CHGP. He is the Executive Chairman and a Major Shareholder of Chin Hin. He is also the Executive Chairman and a Major Shareholder of Ajiya. 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 Group Managing Director and Major Shareholder of Chin Hin. He is also the Managing Director and a Major Shareholder of Ajiya. He is the son of Datuk Seri Chiau Beng Teik, JP and Datin Seri Wong Mee Leng and brother of Shelly Chiau Yee Wern.</li> <li>Datin Seri Wong Mee Leng is a Major Shareholder in Ajiya. She is the spouse of Datuk Seri Chiau Beng Teik, JP and mother of Chiau Haw Choon and Shelly Chiau Yee Wern.</li> <li>Shelly Chiau Yee Wern is an Executive Director of CHGP and Chin Hin. She is the daughter of Datuk Seri Chiau Beng Teik, JP and Datin Seri Wong Mee Leng and sister of Chiau Haw Choon.</li> <li>Chin Hin is a Major Shareholder and holding company of CHGP and Ajiya.</li> <li>Divine Inventions is a Major Shareholder of CHGP, Chin Hin and Ajiya. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.</li> <li>PP Chin Hin Realty is a Major Shareholder of CHGP, Chin Hin and Ajiya. PP Chin Hin Realty is person connected to Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon. Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon also the directors of PP Chin Hin Realty, Datin Seri Wong Mee Leng is a substantial shareholder in PP Chin Hin Realty.</li> </ul>
		Supply by CHGP Group and/or purchase from Ajiya Group of material and/or products based on prevailing market price	910	

# STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year.

The Directors are responsible for ensuring that the Company keeps proper accounting records with reasonable accuracy of the financial position of the Company. The Directors are to ensure that the financial statements comply with mandatory provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards and the MMLR of Bursa Securities. The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 December 2023, the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

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# DIRECTORS' REPORT

The Directors of Chin Hin Group Property Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of its subsidiary companies consists of manufacturing and assembling of rebuilt commercial vehicles and the provision of related services, and 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; manufacturing and assembling of new commercial vehicles; selling and renting of commercial vehicles, provision of fleet management and other related services; rental, let on hire, repair and dealing in forklifts, heavy equipment, machineries, component parts, attachments and accessories thereof; investment holding and property development and property construction; provision of management services; building and general construction; manufacture of bodies for motor vehicles and manufacture of trailers and semi-trailers; rental of plant and machinery and housing development.

There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	36,523,749	3,237,512
Attributable to:		
Owners of the parent	34,629,855	3,237,512
Non-controlling interests	1,893,894	-
	36,523,749	3,237,512

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies and significant events during the year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

**DIVIDENDS**

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

**ISSUE OF SHARES AND DEBENTURES**

During the financial year, the Company has increased its share capital by way of:

- (a) Issuance of 25,796,648 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM5,159,330.
- (b) Issuance of 99,417,620 new ordinary shares via private placement, at an issue price ranging from RM0.81 to RM1.00 for a total cash consideration of RM86,672,237.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial year.

**TREASURY SHARES**

As at 31 December 2023, the total shares held as treasury shares amounted to 700,000 ordinary shares at a total cost of RM255,208. Further relevant details are disclosed in Note 20 to the financial statements.

**WARRANTS 2013/2023**

The Warrants were constituted under the Deed Poll dated 27 May 2013.

A total of 138,375,000 warrants were issued on the basis of one (1) right share together with one (1) free warrant for every one (1) share held on 12 June 2013. Each warrants entitles the holder to subscribe for one (1) new share at the exercise price of RM0.20.

The salient features and other terms of the Warrants are disclosed in Note 21(a) to the financial statements.

The Warrants have lapsed on 7 July 2023 and removed from the Main Market Bursa Malaysia Securities Berhad on 10 July 2023.

**SHARE OPTIONS**

No options were granted to any person to take up unissued shares of the Company during the financial year.

## DIRECTORS' REPORT

### DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Seri Chiau Beng Teik, JP\*

Chiau Haw Choon\*

Shelly Chiau Yee Wern

Kwan Sook Peng

Datuk Cheng Lai Hock

Datuk Hj. Mohd Yusri bin Md Yusof

Khor Kai Fu\*

Datuk Yeo Chun Sing

(Appointed on 1 April 2023)

(Resigned on 28 March 2023)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Kan Keat Peng

Datuk Arif Shah Bin Osmar Shah

Khor Chee Yong

Roger Lim Swee Kiat

Liew Jor Ho

Chai Min Yin

Ng Chee Wei

Khor Choon Wooi

Koay Chun Yeong

Alvin Tan Jit Kwong

(Resigned on 17 October 2023)

(Resigned on 17 October 2023)

(Resigned on 17 October 2023)

(Resigned on 17 October 2023)

\* Directors of the Company and of its subsidiary companies

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

## DIRECTORS' REPORT

### DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2023	Bought	Sold	At 31.12.2023
<b>Interests in the Company</b>				
<b>Direct Interests</b>				
Datuk Cheng Lai Hock	-	318,500	-	318,500
Khor Kai Fu	-	50,000	-	50,000
<b>Indirect Interests</b>				
Datuk Seri Chiau Beng Teik, JP <sup>1</sup>	306,572,335	20,060,400	-	326,632,735
Chiau Haw Choon <sup>1</sup>	306,572,335	20,060,400	-	326,632,735

	Number of Warrants			
	At 1.1.2023	Exercised	Lapsed	At 31.12.2023
<b>Interests in the Company</b>				
<b>Direct Interests</b>				
Datuk Cheng Lai Hock	318,500	318,500	-	-

#### Notes

- 1 Deemed interest through Chin Hin Group Berhad and PP Chin Hin Realty Sdn. Bhd., which is the holding company of Divine Inventions Sdn. Bhd. by virtue of his shareholdings of not less than 20% in Chin Hin Group Berhad pursuant to Section 8 of the Act.

By virtue of their interests in the shares of the Company, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who has significant financial interest in companies which traded with certain companies in the Group in the ordinary course of business and legal fee paid to a firm in which a Director is a member.

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS (CONT'D)

The details of the Directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
<b>Executive Directors</b>		
Salaries, wages, allowances and bonus	3,703,158	1,092,000
Fee	246,213	246,213
Defined contribution plans	381,452	87,600
Social security contributions	6,153	1,159
Employment insurance scheme	462	-
	4,337,438	1,426,972

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Group and of the Company were RM10,000,000 and RM14,000 respectively.

There was no indemnity given to or insurance effected for auditors of the Group in accordance with Section 289 of the Companies Act 2016.

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations when they fall due;
  - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### HOLDING COMPANY

The Directors regard Chin Hin Group Berhad ("CHGB"), a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

### SIGNIFICANT EVENTS

The significant events of the Group and the Company for the financial year ended and 31 December 2023 are as follows:

- (a) Acquisition of non-controlling interests of subsidiary companies
- (i) On 1 January 2023, the Company had deemed the share sale agreement to acquire 3,000,000 ordinary shares in Kayangan Kemas Sdn. Bhd. ("KKSB"), representing 30% equity interest in KKSB to be completed in view that cash consideration of RM16,700,000 had been fulfilled.  
  
Consequently, KKSB became a 95% owned subsidiary of the Company.
  - (ii) On 30 August 2023, BKG Development Sdn. Bhd. ("BKGD"), a wholly-owned subsidiary of the Company, had deemed the share sale agreement to acquire 2,450,000 ordinary shares in BK Alliance Sdn. Bhd. ("BKA"), representing 49% equity interest in BKA to be completed, in view that terms and condition under the agreement and cash consideration of RM2,450,000 had been fulfilled.  
  
Consequently, BKA became a wholly-owned subsidiary of BKGD, representing that BKA became a wholly-owned subsidiary of the Group.

## DIRECTORS' REPORT

### SIGNIFICANT EVENTS (CONT'D)

The significant events of the Group and the Company for the financial year ended and 31 December 2023 are as follows: (Cont'd)

(b) Acquisition of non-controlling interests of subsidiary companies

On 13 March 2023, BKGD had deemed the share sale agreement to acquire 11,500,000 ordinary shares in Quaver Sdn. Bhd. ("Quaver"), representing 100% equity interest in Quaver to be completed, in view that cash consideration of RM1,250,000 had been settled.

Consequently, BKA became a wholly-owned subsidiary of BKGD, representing that BKA became a wholly-owned subsidiary of the Group.

(c) Subscription of Placement Shares

On 23 March 2023, the Company subscribed 75,045,000 ordinary shares in NCT Alliance Berhad ("NCT") via private placement ("Placement Shares") at RM0.32 per Placement Share, representing 4.78% voting shares in NCT for a total cash consideration of RM24,129,600.

(d) Disposal of land

On 21 July 2022, Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI") a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement ("SPA") with OKBB Sdn. Bhd. ("OKBB") for the disposal of a unit of leasehold land for a total consideration of RM1,257,765. On 16 May 2023, the disposal was completed.

(e) Incorporation of subsidiary companies

(i) On 13 June 2023, Chin Hin Construction Engineering Sdn. Bhd. ("CHCE"), a wholly-owned subsidiary of the Company, incorporated a fully-owned subsidiary company, Chin Hin Machinery Sdn. Bhd. ("CHMSB") with cash subscription of RM2.

(ii) On 14 June 2023, BKGD incorporated fully-owned subsidiary companies, Avion Connaught Sdn. Bhd. ("ACSB") and Tebrau Land Sdn. Bhd. ("TLSB") with cash subscription of RM2 each respectively.

(f) Struck off of a subsidiary company

BK Sepadu Sdn. Bhd. ("BK Sepadu"), a 62.50% owned subsidiary of BKVI, a wholly-owned subsidiary of the Company, had on 14 November 2019 submitted the application for striking off to Companies Commission of Malaysia ("CCM"). Subsequently, name of BK Sepadu has been struck off from the register on 17 July 2023.

(g) Acquisition of land

On 8 August 2023, the Company announced that the conditional period for the sale and purchase agreement ("SPA") entered by Boon Koon Capital Sdn. Bhd. ("BKC"), a wholly-owned subsidiary of BKGD, to purchase a land for cash considerations of RM50,223,330 had lapsed and the SPA is of no further effect. As such, the transaction is deemed aborted.

(h) Allotment of shares in a subsidiary company

On 18 October 2023, Stellar Platinum Sdn. Bhd. ("SPSB") had increased its paid-up share capital from 2 to 10 ordinary shares by issuance of 8 ordinary shares for a total cash consideration of RM8. BKGD has subscribed for an additional 5 ordinary shares in SPSB for a total cash consideration of RM5.

Upon the completion of the allotment of shares, BKGD's equity interest in SPSB decreased from 100% to 70%.

## SIGNIFICANT EVENTS (CONT'D)

The significant events of the Group and the Company for the financial year ended and 31 December 2023 are as follows: (Cont'd)

(i) Joint development agreement

On 3 May 2023, the Company announced that Stellar Platinum Sdn. Bhd. ("SPSB") entered into a Joint Development Agreement ("JDA") with Ivory Meadows Sdn. Bhd. ("IMSB") for the proposed development of serviced residence. On 5 January 2024, the said JDA became unconditional.

## SUBSEQUENT EVENTS

The significant events of the Group and the Company for the financial year ended and 31 December 2023 are as follows:

(a) Increase in paid-up share capital

The Company increased its issued and paid-up ordinary share capital from RM228,204,465 to RM269,423,665, by the way of:

### Private Placement #2

On 20 November 2023, the Company proposed to undertake a private placement of up to 20% of its issued ordinary shares totalling up to 110,066,000 new ordinary shares.

On 22 January 2024, the third tranche of the Private Placement #2 shares of 35,800,000 was issued at an issued price of RM0.76 per share, raising total proceeds of RM27,208,000.

On 9 February 2024, the fourth tranche of the Private Placement #2 shares of 20,016,000 was issued at an issued price of RM0.70 per share, raising total proceeds of RM14,011,200.

Following the subscription of the fourth tranche Private Placement #2, the listing of 110,066,000 new ordinary shares were fully issued and paid-up. The total proceeds raised amounted to RM85,646,950.

(b) Incorporation of subsidiary companies

(i) On 8 January 2024, BKGD incorporated fully-owned subsidiary companies, Chin Hin Property (Penang) Sdn. Bhd. ("CHPP") and Chin Hin Property (Melaka) Sdn. Bhd. ("CHPM") with cash subscription of RM2 each respectively.

(ii) On 22 January 2024, BKGD incorporated a fully-owned subsidiary company, Chin Hin Management Sdn. Bhd. ("Chin Hin Management") with cash subscription of RM2.

(iii) On 3 April 2024, BKGD incorporated a fully-owned subsidiary company, Chin Hin Property (Segambut) Sdn. Bhd. ("CHPS") with cash subscription of RM2.

(c) Acquisition of land

(i) Penang Times Square

On 10 January 2024, CHPP has entered into an agreement with Ivory Glenary Sdn. Bhd. ("IGSB") for the purchase of a plot of freehold land for a total cash consideration of RM40,000,000.

The proposed acquisition is conditional upon fulfillment of conditions precedent by 31 December 2024.

## DIRECTORS' REPORT

### SUBSEQUENT EVENTS (CONT'D)

The subsequent events of the Group and the Company for the financial year ended and 31 December 2023 are as follows: (Cont'd)

(c) Acquisition of land (Cont'd)

(ii) Melaka land

On 16 January 2024, CHPM has entered into a Sale and Purchase Agreement with MDS Development Management Sdn. Bhd., Aim Development Worldwide Sdn. Bhd. and Aim Holdings Worldwide Sdn. Bhd. respectively for the purchase of the following 6 parcels of 99 years leasehold lands, for a total cash consideration of RM41,936,800.

The proposed acquisition is conditional upon fulfillment of various condition precedent by 15 May 2024.

The capital commitment relating to acquisition of land amounting to RM81,936,800.

(d) Additional investment in Stellar Platinum Sdn. Bhd. ("SPSB")

On 23 February 2024, SPSB had increase its issued and paid-up ordinary share capital from RM10 to RM2,000,000 by issuance of 1,999,990 ordinary shares for a total consideration of RM1,999,990. BKGD has subscribed for an additional 1,399,993 ordinary shares in SPSB by way of debt conversion of amount owing from SPSB to BKGD for total consideration of RM1,399,993. Consequently, 70% shareholding owned by BKGD in SPSB remained the same.

(e) Disposal of subsidiary companies / Internal reorganisation

On 29 February 2024, the Company entered into Share Sale Agreements ("SSAs") with CHGB for:

- (i) Proposed disposal of 2 ordinary shares in Chin Hin Construction Engineering Sdn. Bhd. ("CHCE"), representing the entire equity interest in CHCE, to CHGB for a cash consideration of RM16,500,000.
- (ii) Proposed disposal of 9,500,000 ordinary shares in Kayangan Kemas Sdn. Bhd. ("KKSB"), representing 95% equity interest in KKSB, to CHGB for a cash consideration of RM93,500,000.

The SSAs are conditional upon fulfillment of various conditions precedent by 28 May 2024.

(f) Proposed joint development

On 29 February 2024, BKGD entered into a Shareholders' Agreement with Fiamma Holdings Berhad ("Fiamma") for:

- (i) Joint development with Aricia Sdn. Bhd. ("Aricia") (formerly known as Fiamma Properties Sdn. Bhd.)

BKGD to facilitate the joint development by subscribing the proposed 5,833,334 new ordinary shares to be issued by Aricia, at an issue price of RM1.00 per share.

Upon the completion of the acquisition, BKGD will hold 70% equity interest in Aricia.

- (ii) Joint development with Dawn Land Sdn. Bhd. ("Dawn Land") (formerly known as Fiamma Land Sdn. Bhd.)

BKGD to facilitate the joint development by subscribing the proposed 1,166,667 new ordinary shares to be issued by Dawn Land, a wholly-owned subsidiary of Fiamma, at an issue price of RM1.00 per share.

Upon the completion of the acquisition, BKGD will hold 70% equity interest in Dawn Land.

## DIRECTORS' REPORT

### SUBSEQUENT EVENTS (CONT'D)

The subsequent events of the Group and the Company for the financial year ended and 31 December 2023 are as follows: (Cont'd)

(g) Proposed private placement

On 29 February 2024, the Company proposed to undertake a private placement of up to 20% of its ordinary shares totaling up to 132,000,000 ordinary shares.

The proposal is subject to shareholders approval.

### AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
<b>Auditors' remuneration</b>		
- statutory audit	292,000	41,500
- other services	5,000	5,000
	297,000	46,500

### AUDITORS

The Auditors, UHY, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

**DATUK SERI CHIAU BENG TEIK, JP**

**CHIAU HAW CHOON**

KUALA LUMPUR

22 April 2024

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

The Directors of the Chin Hin Group Property Berhad, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

**DATUK SERI CHIAU BENG TEIK, JP**

**CHIAU HAW CHOON**

KUALA LUMPUR

22 April 2024

# STATUTORY DECLARATION

BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Loi Kok Mun (MIA Membership No: 29321), being the officer primarily responsible for the financial management of Chin Hin Group Property Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

**LOI KOK MUN**

Subscribed and solemnly declared by the abovenamed Loi Kok Mun at Kuala Lumpur in the Federal Territory, this 22 April 2024.

Before me,

**No. W790**

**ZAINUL ABIDIN BIN AHMAD  
COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHIN HIN GROUP PROPERTY BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Chin Hin Group Property Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 97 to 207.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How we addressed the key audit matters
<p><b>1. Revenue and cost recognition for construction and property development activities</b></p> <p>The Group is involved in construction and property development activities which span more than one accounting period.</p> <p>The revenue from construction and property development activities is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation by reference to the costs incurred to date as a percentage of the estimated total costs of the project.</p>	<p>We obtained sufficient understanding of the relevant controls put in place by the Group in respect of revenue recognition for construction and property development activities and performed procedures to evaluate design and implementation of such controls.</p> <p>We evaluated whether the accounting policies adopted by the management is consistent with the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>.</p> <p>We performed a range of audit procedures which included reviewing contract documentation, variation orders and enquiring of key personnel regarding status of on-going contracts, adjustments for job costing and potential impairment losses.</p>

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHIN HIN GROUP PROPERTY BERHAD

## Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<p><b>1. Revenue and cost recognition for construction and property development activities (Cont'd)</b></p> <p>We identified revenue, construction and property development costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction and property development costs.</p> <p>Key management judgements include:</p> <p>(a) Estimating the budgeted costs to complete the project;</p> <p>(b) The future profitability of the project; and</p> <p>(c) The percentage of completion at the end of the reporting period.</p> <p>Changes in these judgements could lead to a material change in the value of revenue recognised.</p>	<p>In relation to construction and property development revenue or costs, we, amongst others and where applicable:</p> <ul style="list-style-type: none"> <li>- We agreed to the original signed contracts, letter of awards and approved variation orders;</li> <li>- We evaluated the project progress and recovery of cost to supporting evidences including but not limited to verification of third-party surveyors' certificates, progress report and interviews with project team; and</li> <li>- We reviewed management's workings on the computation of percentage of completion.</li> </ul> <p>In assessing management's assumptions in estimating the costs to completion for contracts, we verified the budgeted cost to contractors' contracts. We verified the construction and property development costs incurred to date to contractors' progress claims and recalculating the percentage of completion at the reporting date.</p> <p>We performed search for unrecorded liabilities and assessed the accrual incurred of which invoice has yet to be received as at the financial year end by reviewing the estimation amount accrued.</p> <p>We challenged the reasonableness of management's assumptions and estimations on the budgeted total cost of development projects and performed retrospective review to establish the reliability of management-prepared total budgeted costs.</p> <p>We verified the gross development value by reviewing the signed sales and purchase agreement entered into between the purchasers and the Group.</p> <p>We performed site visits for individually significant projects to arrive at an overall assessment as to whether information provided by management is reasonable.</p> <p>We have considered the adequacy of the Group's disclosures regarding these revenue stream and whether they are in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.</p>
<p><b>2. Assessment of the carrying value of trade receivables, other receivables and contract assets</b></p> <p>Refer to material accounting policies Note 3(l)(ii), use of estimates and judgements Note 2(c), Note 13 Trade Receivables, Note 15 Contract Assets and Note 16 Other Receivables.</p> <p>We focused on this area due to the Group's significant trade and other receivables and contract assets as at 31 December 2023 and it is subject to credit risk exposure.</p> <p>The impairment assessment involves significant judgements and there is inherent uncertainty in the assumptions applied by the management to determine the level of allowance. This is considered a key audit matter due to the inherent subjectivity that is involved in making judgement in relation to the recoverability of receivables and contract assets.</p>	<p>Where objective evidence of impairment had been identified by the Group and impairment loss was individually calculated, we examined both the quantum and timing of future cash flows used by the Group in the impairment loss calculation and considered whether the estimates made were reasonable given the receivables' circumstances.</p> <p>We evaluated and challenged management's assessment of the recoverability of the Group's aged trade receivables which are past due but not impaired as at the reporting date.</p> <p>We evaluated the reasonableness and adequacy of the impairment of receivables.</p>



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHIN HIN GROUP PROPERTY BERHAD

## Key Audit Matters (Cont'd)

Key audit matters	How we addressed the key audit matters
<b>2. Assessment of the carrying value of trade receivables, other receivables and contract assets (Cont'd)</b>	<p>We enquired with management on the reasons for the delay in payments on certain aged trade receivables and the appropriateness of any allowance for impairment loss to be made, by considering amongst others, factors such as subsequent cash receipts, past payment practices and the ongoing business relationship with the receivables involved.</p> <p>We assessed the adequacy and reasonableness of the disclosures in the financial statements.</p>

## Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CHIN HIN GROUP PROPERTY BERHAD

## Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors is disclosed in Note 8 to the financial statements.

## Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY  
Firm Number: AF 1411  
Chartered Accountants

## TIO SHIN YOUNG

Approved Number: 03355/02/2026 J  
Chartered Accountant

KUALA LUMPUR

22 April 2024

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	<b>72,029,959</b>	52,471,017	<b>2,861</b>	4,592
Right-of-use assets	5	<b>6,702,967</b>	6,503,907	-	402,451
Investment properties	6	<b>31,620,000</b>	31,610,000	<b>28,800,000</b>	28,800,000
Goodwill on consolidation	7	<b>3,978,434</b>	3,458,970	-	-
Investments in subsidiary companies	8	-	-	<b>120,352,772</b>	103,652,772
Investment in associate company	9	-	1,540,031	-	-
Investment in joint venture companies	10	<b>92,400,578</b>	57,391,354	-	-
Other investments	11	<b>35,000</b>	70,000	-	-
Inventories	12	-	63,267,027	-	-
Trade receivables	13	<b>22,220,861</b>	15,277,442	-	-
Deferred tax assets	14	<b>922,885</b>	816,218	-	-
		<b>229,910,684</b>	232,405,966	<b>149,155,633</b>	132,859,815
<b>Current Assets</b>					
Inventories	12	<b>508,576,436</b>	230,211,923	-	-
Contract assets	15	<b>210,080,964</b>	90,450,319	-	-
Trade receivables	13	<b>93,850,132</b>	96,493,667	-	-
Other receivables	16	<b>64,048,422</b>	42,875,311	<b>857,387</b>	217,244
Other investments	11	<b>53,937,444</b>	-	<b>53,937,444</b>	-
Amount due from subsidiary companies	17	-	-	<b>127,546,095</b>	49,156,348
Tax recoverable		<b>1,601,255</b>	2,660,473	<b>213,780</b>	13,661
Fixed deposits with licensed banks	18	<b>35,003,959</b>	21,875,113	-	-
Cash and bank balances	18	<b>41,913,621</b>	58,400,291	<b>5,028,543</b>	3,348,191
		<b>1,009,012,233</b>	542,967,097	<b>187,583,249</b>	52,735,444
Asset classified as held-for-sale	19	-	1,223,281	-	-
		<b>1,009,012,233</b>	544,190,378	<b>187,583,249</b>	52,735,444
<b>Total Assets</b>		<b>1,238,922,917</b>	776,596,344	<b>336,738,882</b>	185,595,259

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>EQUITY</b>					
Share capital	20	228,204,465	134,813,102	228,204,465	134,813,102
Treasury shares	20	(255,208)	(255,208)	(255,208)	(255,208)
Reserves	21	21,184,067	17,473,198	-	1,589,249
Retained earnings		95,875,913	58,980,697	11,069,884	7,802,919
<b>Equity attributable to owners of the parent</b>		<b>345,009,237</b>	<b>211,011,789</b>	<b>239,019,141</b>	<b>143,950,062</b>
Non-controlling interests		12,239,423	31,975,595	-	-
<b>Total Equity</b>		<b>357,248,660</b>	<b>242,987,384</b>	<b>239,019,141</b>	<b>143,950,062</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Contract liabilities	15	42,894	-	-	-
Trade payables	22	8,376,901	6,605,541	-	-
Bank borrowings	23	266,749,561	188,820,928	12,862,000	16,150,000
Lease liabilities	24	2,557,171	2,333,613	-	329,092
Deferred tax liabilities	14	7,196,973	5,369,325	2,634,222	1,014,104
		<b>284,923,500</b>	<b>203,129,407</b>	<b>15,496,222</b>	<b>17,493,196</b>
<b>Current Liabilities</b>					
Contract liabilities	15	34,164	33,668	-	-
Trade payables	22	80,503,679	78,659,507	-	-
Other payables	25	281,962,729	168,378,535	828,493	466,236
Amount due to holding company	26	39,456,482	4,834,343	39,450,069	4,834,343
Amount due to subsidiary companies	17	-	-	3,451,125	15,482,162
Amount due to related companies	27	21,236,868	3,875,435	-	-
Amount due to a Director	28	46,296,187	7,020,000	8,956,000	-
Bank borrowings	23	121,544,223	64,662,670	29,537,832	3,288,000
Lease liabilities	24	2,155,120	2,026,175	-	81,260
Tax payable		3,561,305	989,220	-	-
		<b>596,750,757</b>	<b>330,479,553</b>	<b>82,223,519</b>	<b>24,152,001</b>
<b>Total Liabilities</b>		<b>881,674,257</b>	<b>533,608,960</b>	<b>97,719,741</b>	<b>41,645,197</b>
<b>Total Equity and Liabilities</b>		<b>1,238,922,917</b>	<b>776,596,344</b>	<b>336,738,882</b>	<b>185,595,259</b>

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	29	601,971,460	327,015,233	5,880,003	679,373
Cost of sales		(529,843,761)	(291,148,123)	-	-
Gross profit		72,127,699	35,867,110	5,880,003	679,373
Other income		6,088,387	7,628,534	4,245,807	923,514
Administrative expenses		(43,586,150)	(32,337,062)	(3,298,043)	(2,491,710)
Selling and distribution expenses		(5,195,804)	(1,928,838)	-	-
Net (loss)/gain on impairment of financial instruments	31	(4,576,041)	859,294	-	-
<b>Profit/(Loss) from operations</b>		<b>24,858,091</b>	<b>10,089,038</b>	<b>6,827,767</b>	<b>(888,823)</b>
Finance costs	30	(10,063,393)	(4,347,333)	(2,093,993)	(1,149,283)
Share of results of associate company		(278,495)	(127,002)	-	-
Share of results of joint venture companies		35,165,857	10,451,964	-	-
<b>Profit/(Loss) before taxation</b>	31	<b>49,682,060</b>	<b>16,066,667</b>	<b>4,733,774</b>	<b>(2,038,106)</b>
Taxation	32	(13,158,311)	(5,418,872)	(1,496,262)	73,470
<b>Profit/(Loss) for the financial year</b>		<b>36,523,749</b>	<b>10,647,795</b>	<b>3,237,512</b>	<b>(1,964,636)</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Revaluation of land and buildings					
- property, plant and equipment	4	6,175,875	2,825,110	-	-
- right-of-use assets	5	113,716	-	-	-
Deferred tax liabilities relating to component of other comprehensive income	14	(666,610)	(1,029,554)	-	-
		5,622,981	1,795,556		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>					
Exchange translation differences for foreign operations		-	(176,013)	-	-
<b>Other comprehensive income for the financial year</b>		<b>5,622,981</b>	<b>1,619,543</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the financial year</b>		<b>42,146,730</b>	<b>12,267,338</b>	<b>3,237,512</b>	<b>(1,964,636)</b>
<b>Profit/(Loss) for the financial year attributable to:</b>					
Owners of the parent		34,629,855	7,622,662	3,237,512	(1,964,636)
Non-controlling interests		1,893,894	3,025,133	-	-
		36,523,749	10,647,795	3,237,512	(1,964,636)
<b>Total comprehensive income/(loss) for the financial year attributable to:</b>					
Owners of the parent		40,252,836	9,242,205	3,237,512	(1,964,636)
Non-controlling interests		1,893,894	3,025,133	-	-
		42,146,730	12,267,338	3,237,512	(1,964,636)
Earnings per share:					
Basic (sen)	33	6.51	1.68		
Diluted (sen)	33	6.51	1.61		

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to Owners of the Parent							Controlling Interest ("NCI") RM	Total Equity RM
		Non-distributable				Distributable		Total RM		
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Capital Reserve RM	Revaluation Reserve RM	Retained Earnings RM			
<b>Group</b>										
At 1 January 2023		134,813,102	(255,208)	1,589,249	(27,934)	15,911,883	58,980,697	211,011,789	31,975,595	242,987,384
Profit for the financial year		-	-	-	-	-	34,629,855	34,629,855	1,893,894	36,523,749
Other comprehensive loss for the financial year		-	-	-	-	(666,610)	-	(666,610)	-	(666,610)
Revaluation of land and building		-	-	-	-	6,289,591	-	6,289,591	-	6,289,591
Realisation of revaluation surplus		-	-	-	-	(322,863)	322,863	-	-	-
Total comprehensive income for the financial year		-	-	-	-	5,300,118	34,952,718	40,252,836	1,893,894	42,146,730
<b>Transactions with owners:</b>										
Exercise of warrants	20	6,719,126	-	(1,559,796)	-	-	-	5,159,330	-	5,159,330
Lapsed of warrants		-	-	(29,453)	-	-	29,453	-	-	-
Private placement	20	86,672,237	-	-	-	-	-	86,672,237	-	86,672,237
Acquisition of equity interests of NCI		-	-	-	-	-	4,464,974	4,464,974	(21,164,974)	(16,700,000)
Capital contribution by NCI in subsidiaries		-	-	-	-	-	-	-	(4,629)	(4,629)
Struck off of subsidiaries		-	-	-	-	-	(312,582)	(312,582)	(249,810)	(562,392)
Changes in ownership interests in subsidiaries		-	-	-	-	-	(2,239,347)	(2,239,347)	(210,653)	(2,450,000)
Total transactions with owners		93,391,363	-	(1,589,249)	-	-	1,942,498	93,744,612	(21,630,066)	72,114,546
At 31 December 2023		228,204,465	(255,208)	-	(27,934)	21,212,001	95,875,913	345,009,237	12,239,423	357,248,660

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Attributable to Owners of the Parent								Non Controlling Interest ("NCI") RM	Total Equity RM
		Non-distributable				Distributable					
		Share Capital RM	Treasury Shares RM	Warrant Reserve RM	Foreign Currency Translation Reserve RM	Capital Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total RM		
<b>Group</b>											
At 1 January 2022		124,479,577	(255,208)	3,988,103	176,013	(27,934)	14,284,200	51,190,162	193,834,913	20,613,077	214,447,990
Profit for the financial year		-	-	-	-	-	-	7,622,662	7,622,662	3,025,133	10,647,795
Other comprehensive loss for the financial year		-	-	-	(176,013)	-	(1,029,554)	-	(1,205,567)	-	(1,205,567)
Revaluation of land and building		-	-	-	-	-	2,825,110	-	2,825,110	-	2,825,110
Realisation of building revaluation surplus		-	-	-	-	-	(167,873)	167,873	-	-	-
Total comprehensive income for the financial year		-	-	-	(176,013)	-	1,627,683	7,790,535	9,242,205	3,025,133	12,267,338
<b>Transactions with owners:</b>											
Exercise of warrants	20	10,333,525	-	(2,398,854)	-	-	-	-	7,934,671	-	7,934,671
Acquisition of equity interest of NCI		-	-	-	-	-	-	-	-	5,887,385	5,887,385
Capital contribution by NCI in subsidiaries		-	-	-	-	-	-	-	-	2,450,000	2,450,000
Total transactions with owners		10,333,525	-	(2,398,854)	-	-	-	-	7,934,671	8,337,385	16,272,056
At 31 December 2022		134,813,102	(255,208)	1,589,249	-	(27,934)	15,911,883	58,980,697	211,011,789	31,975,595	242,987,384

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Non-distributable			Distributable	Total Equity RM
		Share Capital RM	Treasury shares RM	Warrant Reserve RM	Retained Earnings RM	
<b>Company</b>						
At 1 January 2023		134,813,102	(255,208)	1,589,249	7,802,919	143,950,062
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	3,237,512	3,237,512
<b>Transactions with owners:</b>						
Private placements	20	86,672,237	-	-	-	86,672,237
Exercise of warrants	20	6,719,126	-	(1,559,796)	-	5,159,330
Lapsed of warrants		-	-	(29,453)	29,453	-
Total transactions with owners		93,391,363	-	(1,589,249)	29,453	91,831,567
At 31 December 2023		228,204,465	(255,208)	-	11,069,884	239,019,141
<b>2022</b>						
At 1 January 2022		124,479,577	(255,208)	3,988,103	9,767,555	137,980,027
Loss for the financial year, representing total comprehensive income for the financial year		-	-	-	(1,964,636)	(1,964,636)
<b>Transaction with owners:</b>						
Exercise of warrants	20	10,333,525	-	(2,398,854)	-	7,934,671
At 31 December 2022		134,813,102	(255,208)	1,589,249	7,802,919	143,950,062

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash Flows from Operating Activities</b>					
Profit/(Loss) before taxation		<b>49,682,060</b>	16,066,667	<b>4,733,774</b>	(2,038,106)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		<b>4,552,741</b>	2,130,500	<b>1,731</b>	2,066
- right-of-use assets		<b>2,391,129</b>	1,807,100	<b>40,158</b>	86,314
Dividend income		<b>(205,000)</b>	-	<b>(5,205,000)</b>	-
Fair value gain on:					
- investment property		<b>(10,000)</b>	-	-	-
- other investment		<b>(2,530,595)</b>	-	<b>(2,530,595)</b>	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		<b>(306,241)</b>	(446,792)	-	-
- right-of-use assets		<b>76,533</b>	-	-	-
- land held for property development		-	(481,547)	-	-
- other investment		<b>35,000</b>	-	-	-
- asset held-for-sale		<b>(34,484)</b>	-	-	-
Gain on dilution of subsidiary		<b>(4,632)</b>	-	-	-
Gain on termination of lease contracts		<b>(49,586)</b>	-	<b>(10,774)</b>	(14,298)
Gain on bargain purchase		-	(2,751,600)	-	-
Gain on capital reduction of an associate company		<b>(154,269)</b>	-	-	-
Loss/(Gain) on strike off of a subsidiary company		<b>13,669</b>	(176,013)	-	1
Impairment loss on:					
- trade receivables		<b>4,219,718</b>	1,726,153	-	-
- other receivables		<b>2,066,279</b>	692,777	-	-
Interest expense		<b>16,584,170</b>	8,085,384	<b>2,093,993</b>	1,149,283
Interest income		<b>(682,748)</b>	(1,167,232)	<b>(1,707,441)</b>	(802,278)
Inventories written down		<b>482,344</b>	504,820	-	-
Inventories written off		<b>220,521</b>	-	-	-
Net effect of unwinding of interest from discounting arising from:					
- trade receivables		-	(111,045)	-	-
Balance carried forward		<b>76,346,609</b>	25,879,172	<b>(2,584,154)</b>	(1,617,018)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash Flows from Operating Activities (Cont'd)</b>					
Balance brought forward		<b>76,346,609</b>	25,879,172	<b>(2,584,154)</b>	(1,617,018)
Property, plant and equipment written off		<b>26,570</b>	-	-	-
Reversal of impairment loss on:					
- trade receivables		<b>(1,688,025)</b>	(2,840,017)	-	-
- other receivables		<b>(21,931)</b>	(438,207)	-	-
Share of results of:					
- associate company		<b>278,495</b>	127,002	-	-
- joint venture companies		<b>(35,165,857)</b>	(10,451,964)	-	-
Unrealised (gain)/loss on foreign exchange		<b>(248,452)</b>	458,667	-	(600)
Operating profit/(loss) before working capital changes		<b>39,527,409</b>	12,734,653	<b>(2,584,154)</b>	(1,617,618)
Changes in working capital:					
Inventories		<b>(142,140,413)</b>	(117,836,770)	-	-
Receivables		<b>(18,793,761)</b>	43,271,431	<b>(640,143)</b>	(197,073)
Payables		<b>112,307,268</b>	104,465,102	<b>362,257</b>	191,036
Contract assets/(liabilities)		<b>(107,849,239)</b>	(41,225,429)	-	-
		<b>(156,476,145)</b>	(11,325,666)	<b>(277,886)</b>	(6,037)
Cash used in operations		<b>(116,948,736)</b>	1,408,987	<b>(2,862,040)</b>	(1,623,655)
Interest received		<b>682,748</b>	1,167,232	<b>3,003</b>	1,073
Interest paid		<b>(15,989,259)</b>	(8,085,384)	<b>(1,892,921)</b>	(1,149,283)
Tax paid		<b>(8,333,365)</b>	(8,034,405)	<b>(76,338)</b>	(137,372)
Tax refunded		<b>12,166</b>	2,579	<b>75</b>	-
		<b>(23,627,710)</b>	(14,949,978)	<b>(1,966,181)</b>	(1,285,582)
<b>Net cash used in operating activities</b>		<b>(140,576,446)</b>	(13,540,991)	<b>(4,828,221)</b>	(2,909,237)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Cash Flows from Investing Activities</b>					
Dividend received		205,000	-	205,000	-
Interest received		-	-	3,254	-
Net changes in amount due from subsidiary companies		-	-	(76,688,563)	1,319,428
Net cash outflow from strike off of a subsidiary company		(220,971)	-	-	-
Acquisition of subsidiary company, net of cash acquired		(1,117,932)	(1,352,020)	-	(2)
Acquisition of non-controlling interests		(19,150,000)	-	(16,700,000)	-
Capital contribution by non-controlling interest		3	1,225,000	-	-
Purchase of:					
- property, plant and equipment		(16,699,189)	(7,017,281)	-	-
- right-of-use assets		(42,856)	(15,825)	-	-
Proceeds from disposals of:					
- property, plant and equipment		306,800	487,600	-	-
- land held for property development		-	2,789,925	-	-
- asset held-for-sale		1,257,765	-	-	-
Net changes in other investments		(51,406,849)	-	(51,406,849)	-
<b>Net cash (used in)/from investing activities</b>		<b>(86,868,229)</b>	<b>(3,882,601)</b>	<b>(144,587,158)</b>	<b>1,319,426</b>
<b>Cash Flows from Financing Activities</b>					
Net changes in amount due to:					
- holding company		34,335,023	(4,666,006)	34,615,726	(4,666,006)
- subsidiary companies		-	-	(7,232,109)	2,884,910
- related companies		(22,012,548)	3,601,654	-	-
- a Director		38,316,187	7,020,000	8,956,000	-
Increase in fixed deposits pledged		(9,615,838)	(5,813,491)	-	-
Payment of lease liabilities		(2,428,814)	(1,896,379)	(37,285)	(78,928)
Net changes in bankers' acceptance		(13,024,000)	4,563,000	-	-
Net changes in revolving credit		(9,556,861)	(35,000,000)	-	-
Drawdown of term loans		70,148,602	83,000,000	-	-
Repayment of term loans		(26,058,825)	(3,569,968)	(3,288,000)	(3,288,000)
Net changes in invoice financing		20,413,638	1,445,635	-	-
Net changes in bill discounting		(842,873)	556,410	-	-
Net changes in promissory notes		-	(174,630)	-	-
Net changes in margin facilities		26,249,832	-	26,249,832	-
Proceeds from issuance of share capital		86,672,237	-	86,672,237	-
Proceeds from exercise of warrants		5,159,330	7,934,671	5,159,330	7,934,671
<b>Net cash from financing activities</b>		<b>197,755,090</b>	<b>57,000,896</b>	<b>151,095,731</b>	<b>2,786,647</b>

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Net changes in cash and cash equivalents</b>		<b>(29,689,585)</b>	39,577,304	<b>1,680,352</b>	1,196,836
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>56,054,295</b>	16,479,844	<b>3,348,191</b>	2,150,755
<b>Effect of exchange translation difference on cash and cash equivalents</b>		<b>3,690</b>	(2,853)	-	600
<b>Cash and cash equivalents at the end of the financial year</b>		<b>26,368,400</b>	56,054,295	<b>5,028,543</b>	3,348,191
<b>Cash and cash equivalents at the end of the financial year comprises:</b>					
Cash and bank balances	18	<b>38,837,242</b>	58,400,291	<b>5,028,543</b>	3,348,191
Cash held under Housing Development Accounts	18	<b>3,076,379</b>	-	-	-
Fixed deposits with licensed banks	18	<b>35,003,959</b>	21,875,113	-	-
Bank overdrafts	23	<b>(21,589,763)</b>	(4,877,530)	-	-
		<b>55,327,817</b>	75,397,874	<b>5,028,543</b>	3,348,191
Less: Fixed deposits pledged for credit facilities	18	<b>(28,959,417)</b>	(19,343,579)	-	-
		<b>26,368,400</b>	56,054,295	<b>5,028,543</b>	3,348,191
<b>Cash outflows for leases for a lessee</b>					
<b>Included in net cash from operating activities:</b>					
Interest paid in relation to lease liabilities		<b>(240,853)</b>	(181,905)	<b>(8,215)</b>	(18,272)
Lease expenses relating to short-term lease:					
- property, plant and equipment		<b>(1,662,476)</b>	-	-	-
- motor vehicle		<b>(97,314)</b>	(83,721)	-	-
- building		<b>(3,526,710)</b>	(178,250)	-	-
Lease expenses relating to low-value asset:					
- photocopy machine		<b>(41,546)</b>	(21,043)	-	-
- water purifier		<b>(2,596)</b>	-	-	-
- portable toilets		<b>(9,595)</b>	-	-	-
- rubbish bin		<b>(18,100)</b>	-	-	-
Lease expenses relating to construction contract costs:					
- equipment and machineries		<b>(23,912,906)</b>	(9,115,886)	-	-
- motor vehicles		<b>(52,457)</b>	(2,483,523)	-	-
<b>Included in net cash from financing activities:</b>					
Payment of lease liabilities		<b>(2,428,814)</b>	(1,896,379)	<b>(37,285)</b>	(78,928)
<b>Total cash outflows for leases</b>		<b>(31,993,367)</b>	(13,960,707)	<b>(45,500)</b>	(97,200)

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company has changed from 48, Jalan Chow Thye, 10050 Georgetown, Pulau Pinang to Suite 16.06, MWE Plaza, No.8, Lebuhr Farquhar, 10020 Georgetown, Pulau Pinang.

The principal place of business of the Company is located at 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang.

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of its subsidiary companies are disclosed in Note 8.

The holding company is Chin Hin Group Berhad, a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

## 2. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statement of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

### Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company, except as discussed below:

#### MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101)

The Group adopted Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (Cont'd)

#### **Adoption of new and amended standards (Cont'd)**

##### *MFRS 101: Disclosure of Accounting Policies (Amendments to MFRS 101) (Cont'd)*

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material Accounting Policies (2022: Significant Accounting Policies) in certain instances in line with the amendments.

##### *MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)*

The Group has adopted Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur after the beginning of the earliest period presented. The Group previously accounted for deferred tax on leases and decommissioning liabilities applying the 'integrally linked' approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of MFRS 112.

##### *MFRS 112: International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112)*

The Amendments to MFRS 112, *Income Taxes - International Tax Reform - Pillar Two Model Rules* provide a temporary mandatory exception from deferred tax accounting for the top-up tax that may arise from the jurisdictional adoption of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), and require new disclosures about the Pillar Two tax exposure.

The mandatory exception is effective immediately and applies retrospectively. However, because no new legislation to implement the top-up tax was enacted or substantively enacted at 31 December 2022 in any jurisdiction in which the Group operates and no related deferred taxes were recognised at that date, the retrospective application has no impact on the Group's consolidated financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2. BASIS OF PREPARATION (CONT'D)

### (a) Statement of compliance (Cont'd)

#### Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs that have been issued by MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to standards, if applicable when they become effective.

The initial application of the above-mentioned amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company.

### (b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

### (c) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Notes 4 and 5	- Revaluation of property, plant and equipment and right-of-use assets
Note 24	- Determining the lease term of contracts with renewal and termination options
Note 6	- Fair value of investment properties
Note 7	- Impairment of goodwill on consolidation
Notes 13, 15, 16 and 17	- Provision for expected credit loss of financial assets at amortised cost
Note 14	- Deferred tax assets

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained above, which addresses changes in material accounting policies.

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(l)(i) on impairment of non-financial assets.

#### (ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (a) Basis of consolidation (Cont'd)

#### (iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

#### (iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(l)(i) on impairment of non-financial assets.

### (b) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in a joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of joint venture's profit or loss for the year in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture. Under the equity method, on initial recognition the investment in a joint venture is recognised at cost, and the carrying amounts is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the joint venture after the date of acquisition. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Profits or losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (b) Investment in joint ventures (Cont'd)

The requirement of MFRS 136 Impairment of Assets is applied determines whether it is necessary to recognise any impairment loss with respect to its investment in the joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the carrying amount of the investment in the joint venture is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in joint ventures are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

### (c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

#### (i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (c) Property, plant and equipment (Cont'd)

#### (i) Recognition and measurement (Cont'd)

Land and buildings are measured at fair value less accumulated depreciation on leasehold land and buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every two to five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of buildings is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Capital work-in-progress consists of buildings under construction/installation. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under installation until the property, plant and equipment are ready for their intended use.

#### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

#### (iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	50 years
Office equipment, furniture and fittings	3 - 12 years
Motor vehicles	5 - 6 years
Machineries and factory equipment	5 - 10 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (d) Leases

#### As lessee

The Group recognises a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Over the remaining lease year
Motor vehicles	5 years
Machineries and factory equipment	7 years
Lease of shophouse and building	4 - 6 years
Lease of office and factory	2.5 - 6 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group is reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the year in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

#### As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (d) Leases (Cont'd)

#### As lessor (Cont'd)

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group uses the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the year in which they are earned.

### (e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the year in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professional qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the year of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (f) Financial assets

#### Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provision of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

#### Financial asset categories and subsequent measurement

The Group determines the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting year following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Financial assets measured at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following condition are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Interest income, foreign exchange gains or losses, impairment and any gain or loss on derecognition or modification are recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, lease receivables, amount due from subsidiary companies and deposits, bank and cash balances.

The Group and the Company have not designated any financial assets as financial assets measured at fair value through other comprehensive income ("FVTOCI") and financial assets at fair value through profit or loss ("FVTPL").

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the year generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount of the financial assets and the sum of consideration received for financial instrument is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### (h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

### (i) Inventories

Inventories are stated at the lower of cost and net realisable value.

#### (i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value costs to see. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (i) Inventories (Cont'd)

#### (ii) Property development costs

Cost is determined based on specific identification basis. Property development costs comprise costs of land, professional fees, direct materials, direct labour, other direct costs, attributable overhead, payments to subcontractors and borrowing costs capitalised for qualifying assets that incurred during the development period. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties held for sale includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

#### (iii) Other inventories

Raw materials, work-in-progress and finished goods are stated at the lower of cost and net realisable value.

The cost of raw materials, consumable and engineering stocks and trading inventories represents cost of purchase and other costs incurred in bringing it to their present location and condition. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (j) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work in progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (k) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

### (l) Impairment of assets

#### (i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets, contract assets, assets held for sale and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each year at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at the end of each reporting periods for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (l) Impairment of assets

#### (ii) Financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss (“FVTPL”). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (“a 12 months ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment for other receivables and intercompanies balances of the Group and of the Company are recognised based on the general approach using the forward-looking ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month ECL along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised. The Group and the Company define significant increase in credit risk based on past due information, i.e. 365 days after credit term.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

### (m) Share capital

#### (i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company’s shareholders is recognised as a liability in the year they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company’s shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (m) Share capital (Cont'd)

#### (ii) Warrant

Warrants are classified as equity instruments. The issuance of ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of the warrants, the proceeds are credited to share capital and the related warrant reserves are reversed. The warrant reserves in relation to unexercised warrants at the expiry of the warrants will be reversed into retained earnings.

#### (iii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statements of changes in equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained profits, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

### (n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

### (o) Employee benefits

#### (i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (o) Employee benefits (Cont'd)

#### (i) Short-term employee benefits (Cont'd)

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

#### (ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

### (p) Revenue recognition

#### (i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The Group and the Company recognise revenue from the following major sources:

#### (a) Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the year of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract, i.e. based on the proportion of contract costs incurred for the work performed up to the end of the reporting period as a percentage of the estimated total costs of the construction contracts.

#### (b) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (p) Revenue recognition (Cont'd)

- (i) Revenue from contracts with customers (Cont'd)

The Group and the Company recognise revenue from the following major sources: (Cont'd)

- (b) Revenue from property development (Cont'd)

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's and the Company's performance do not create an asset with an alternative use to the Group and to the Company and the Group and the Company have an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the year of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

- (c) Sale of goods

Revenue from contract with customers is recognised when or as a performance obligation in the contract with customer is satisfied, i.e., when the control of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from the sale of goods is recognised upon delivery of goods where control of the goods has been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of rebates and discounts.

- (d) Rendering of services

Revenue from services rendered is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- (e) Sale of other services

The Group offers its customers the option of purchasing other services along with the purchase of merchandise. Revenue is allocated to the service obligations and recognised over the period of performance of services to customers. When consideration is collected from customer in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services is rendered.

- (f) Rental and fleet management service income

Rental and fleet management service income are recognised on a straight-line basis over lease term.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (p) Revenue recognition (Cont'd)

- (i) Revenue from contracts with customers (Cont'd)

The Group and the Company recognise revenue from the following major sources: (Cont'd)

- (g) Management fee

Management fee is recognised on accrual basis when services are rendered.

- (ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

- (iii) Interest Income

Interest income is recognised on accruals basis using the effective interest method.

#### Significant financing component

The Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the year between the transfer of the promised good or service to the customers and when the customer pays for that goods or service will be one year or less.

### (q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the year in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### (r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. MATERIAL ACCOUNTING POLICIES (CONT'D)

### (r) Income taxes (Cont'd)

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT

	At valuation/At cost										Total RM	
	Freehold land RM	Buildings RM	Freehold agriculture land RM	Land improvement RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer software RM				
<b>Group 2023</b>												
<b>Valuation</b>												
At 1 January 2023	21,250,000	20,720,716	1,350,000	-	-	-	-	-	-	-	-	43,320,716
Revaluation surplus	5,350,000	825,875	-	-	-	-	-	-	-	-	-	6,175,875
Elimination of accumulated depreciation on revaluation	-	(896,591)	-	-	-	-	-	-	-	-	-	(896,591)
At 31 December 2023	26,600,000	20,650,000	1,350,000	-	-	-	-	-	-	-	-	48,600,000
<b>Cost</b>												
At 1 January 2023	-	-	-	482,153	28,801,812	10,303,175	12,604,591	1,371,999	53,563,730			
Acquisitions through business combination	-	-	-	-	-	980,441	-	34,768	1,015,209			
Additions	-	-	-	-	9,363,901	6,675,022	93,058	567,208	16,699,189			
Transfer from right-of-use assets	-	-	-	-	582,800	-	1,294,067	-	1,876,867			
Disposals	-	-	-	-	(395,510)	(10,255)	(37,947)	-	(443,712)			
Reclassification	-	-	-	-	288,000	-	(288,000)	-	-			
Struck off of a subsidiary	-	-	-	-	-	(22,178)	-	-	(22,178)			
Written off	-	-	-	-	(1,255,840)	(246,928)	(94,917)	(21,566)	(1,619,251)			
At 31 December 2023	-	-	-	482,153	37,385,163	17,679,277	13,570,852	1,952,409	71,069,854			



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation/At cost								Total RM
	Freehold land RM	Buildings RM	Freehold agriculture land RM	Land improvement RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer software RM	
<b>Group</b>									
<b>2023</b>									
<b>Accumulated depreciation</b>									
At 1 January 2023	-	308,813	-	-	26,120,879	5,691,197	12,016,368	217,988	44,355,245
Acquisitions through business combination	-	-	-	-	-	62,073	-	10,141	72,214
Charge for the financial year	-	587,778	-	96,430	1,923,013	1,342,872	262,915	339,733	4,552,741
Transfer from									
Transfer from right-of-use assets	-	-	-	-	389,340	-	1,166,774	-	1,556,114
Disposals	-	-	-	-	(395,510)	(10,255)	(37,388)	-	(443,153)
Reclassification	-	-	-	-	240,967	-	(240,967)	-	-
Struck off of a subsidiary	-	-	-	-	-	(22,178)	-	-	(22,178)
Written off	-	-	-	-	(1,255,840)	(238,412)	(94,917)	(3,512)	(1,592,681)
Elimination of accumulated depreciation on revaluation	-	(896,591)	-	-	-	-	-	-	(896,591)
At 31 December 2023	-	-	-	96,430	27,022,849	6,825,297	13,072,785	564,350	47,581,711
<b>Accumulated impairment loss</b>									
At 1 January 2023/ 31 December 2023	-	-	-	-	58,184	-	-	-	58,184
<b>Carrying amount</b>									
At valuation	26,600,000	20,650,000	1,350,000	-	-	-	-	-	48,600,000
At cost	-	-	-	385,723	10,304,130	10,853,980	498,067	1,388,059	23,429,959
At 31 December 2023	26,600,000	20,650,000	1,350,000	385,723	10,304,130	10,853,980	498,067	1,388,059	72,029,959

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation/At cost									
	Freehold land RM	Buildings RM	Buildings under construction RM	Freehold agriculture land RM	Land improvement RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer software RM	Total RM
<b>Group</b>										
<b>2022</b>										
Valuation										
At 1 January 2022	20,300,000	18,200,000	-	1,350,000	-	-	-	-	-	39,850,000
Acquisitions through business combination	-	2,300,716	-	-	-	-	-	-	-	2,300,716
Additions	-	193,640	-	-	-	-	-	-	-	193,640
Revaluation surplus	950,000	1,875,110	-	-	-	-	-	-	-	2,825,110
Elimination of accumulated depreciation on revaluation	-	(1,848,750)	-	-	-	-	-	-	-	(1,848,750)
At 31 December 2022	21,250,000	20,720,716	-	1,350,000	-	-	-	-	-	43,320,716
<b>Cost</b>										
At 1 January 2022	-	-	482,153	-	-	21,806,839	6,033,250	10,339,542	58,512	38,720,296
Acquisitions through business combination	-	-	-	-	-	5,332,445	887,917	2,057,974	155,198	8,433,534
Additions	-	-	-	-	-	2,069,979	3,388,080	207,293	1,158,289	6,823,641
Transfer from right-of-use assets	-	-	-	-	-	378,285	-	-	-	378,285
Transfer from inventories	-	-	-	-	-	-	-	185,378	-	185,378
Disposals	-	-	-	-	-	(785,736)	(6,072)	(185,596)	-	(977,404)
Reclassification	-	-	(482,153)	-	482,153	-	-	-	-	-
At 31 December 2022	-	-	-	-	482,153	28,801,812	10,303,175	12,604,591	1,371,999	53,563,730

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At valuation/At cost										Total RM	
	Freehold land RM	Buildings RM	Buildings under construction RM	Freehold agriculture land RM	Land improvement RM	Machineries and factory equipment RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Computer software RM			
<b>Group</b>												
<b>2022</b>												
<b>Accumulated depreciation</b>												
At 1 January 2022	-	1,352,704	-	-	-	21,011,591	4,945,017	10,161,902	2,926	37,474,140		
Acquisitions through business combination	-	289,640	-	-	-	4,503,810	412,339	1,841,829	110,048	7,157,666		
Charge for the financial year	-	515,219	-	-	-	983,024	339,913	187,330	105,014	2,130,500		
Transfer from right-of-use assets	-	-	-	-	-	378,285	-	-	-	378,285		
Disposals	-	-	-	-	-	(755,831)	(6,072)	(174,693)	-	(936,596)		
Elimination of accumulated depreciation on revaluation	-	(1,848,750)	-	-	-	-	-	-	-	(1,848,750)		
At 31 December 2022	-	308,813	-	-	-	26,120,879	5,691,197	12,016,368	217,988	44,355,245		
<b>Accumulated impairment loss</b>												
At 1 January 2022/ 31 December 2022	-	-	-	-	-	58,184	-	-	-	58,184		
<b>Carrying amount</b>												
At valuation	21,250,000	20,411,903	-	1,350,000	-	-	-	-	-	43,011,903		
At cost	-	-	-	-	482,153	2,622,749	4,611,978	588,223	1,154,011	9,459,114		
At 31 December 2022	21,250,000	20,411,903	-	1,350,000	482,153	2,622,749	4,611,978	588,223	1,154,011	52,471,017		

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
<b>Company</b>			
<b>2023</b>			
<b>Costs</b>			
At 1 January 2023/31 December 2023	281,921	92,637	374,558
<b>Accumulated depreciation</b>			
At 1 January 2023	277,329	92,637	369,966
Charge for the financial year	1,731	-	1,731
At 31 December 2023	279,060	92,637	371,697
<b>Carrying amount</b>			
At 31 December 2023	2,861	-	2,861
<b>2022</b>			
<b>Costs</b>			
At 1 January 2022/31 December 2022	281,921	92,637	374,558
<b>Accumulated depreciation</b>			
At 1 January 2022	275,263	92,637	367,900
Charge for the financial year	2,066	-	2,066
At 31 December 2022	277,329	92,637	369,966
<b>Carrying amount</b>			
At 31 December 2022	4,592	-	4,592

(a) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 23 are:

	Group	
	2023 RM	2022 RM
Freehold land	26,600,000	21,250,000
Buildings	20,650,000	20,411,903
Freehold agriculture land	1,350,000	1,350,000
Land improvement	385,723	482,153
	<b>48,985,723</b>	43,494,056

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### (b) Valuation of freehold land and buildings

Freehold land and building of the subsidiary companies were revalued on 31 December 2023, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties. The fair value of the buildings was determined using the depreciated replacement cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 31 December 2023 as follows:

	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>			
Freehold land	27,950,000	-	27,950,000
Buildings	2,250,000	18,400,000	20,650,000
	<b>30,200,000</b>	<b>18,400,000</b>	<b>48,600,000</b>

There is no transfer between fair values hierarchy levels during the financial year.

Had the freehold land and buildings been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	Freehold land RM	Buildings RM
<b>Group</b>		
<b>2023</b>		
Cost	11,959,431	18,943,454
Accumulated depreciation	-	(7,161,407)
	<b>11,959,431</b>	<b>11,782,047</b>
<b>2022</b>		
Cost	11,959,431	18,943,454
Accumulated depreciation	-	(6,992,243)
	<b>11,959,431</b>	<b>11,951,211</b>

### (c) Acquisition of property, plant and equipment

The aggregate costs for the property, plant and equipment of the Group are acquired under cash payments.

# NOTES TO THE FINANCIAL STATEMENTS

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## 5. RIGHT-OF-USE ASSETS

	Leasehold land RM	Machineries and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
<b>Group</b>						
<b>2023</b>						
<b>Valuation</b>						
At 1 January 2023	1,770,000	-	-	-	-	1,770,000
Revaluation surplus	113,716	-	-	-	-	113,716
Elimination of accumulated depreciation on revaluation	(83,716)	-	-	-	-	(83,716)
At 31 December 2023	1,800,000	-	-	-	-	1,800,000
<b>Cost</b>						
At 1 January 2023	-	1,275,800	4,334,609	1,224,345	3,956,473	10,791,227
Additions	-	-	386,653	788,224	2,162,182	3,337,059
Disposals	-	-	(866,927)	-	-	(866,927)
Expiration of lease contracts	-	-	-	(506,691)	(711,709)	(1,218,400)
Transfer to property, plant and equipment	-	(582,800)	(1,294,067)	-	-	(1,876,867)
Termination of lease contracts	-	-	-	(69,888)	(1,012,648)	(1,082,536)
At 31 December 2023	-	693,000	2,560,268	1,435,990	4,394,298	9,083,556
<b>Accumulated depreciation</b>						
At 1 January 2023	59,797	469,130	2,983,846	660,323	1,884,224	6,057,320
Charge for the financial year	23,919	255,160	526,710	351,299	1,234,041	2,391,129
Disposals	-	-	(790,394)	-	-	(790,394)
Expiration of lease contracts	-	-	-	(506,691)	(711,709)	(1,218,400)
Transfer to property, plant and equipment	-	(389,340)	(1,166,774)	-	-	(1,556,114)
Termination of lease contracts	-	-	-	(11,648)	(607,588)	(619,236)
Elimination of accumulated depreciation on revaluation	(83,716)	-	-	-	-	(83,716)
At 31 December 2023	-	334,950	1,553,388	493,283	1,798,968	4,180,589
<b>Carrying amount</b>						
At valuation	1,800,000	-	-	-	-	1,800,000
At cost	-	358,050	1,006,880	942,707	2,595,330	4,902,967
At 31 December 2023	1,800,000	358,050	1,006,880	942,707	2,595,330	6,702,967

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 5. RIGHT-OF-USE ASSETS (CONT'D)

	Leasehold land RM	Machineries and factory equipment RM	Motor vehicles RM	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
<b>Group</b>						
<b>2022</b>						
<b>Valuation</b>						
At 1 January 2022	1,300,705	-	-	-	-	1,300,705
Acquisition through business combination	1,770,000	-	-	-	-	1,770,000
Reclassified to asset held-for-sale	(1,300,705)	-	-	-	-	(1,300,705)
At 31 December 2022	1,770,000	-	-	-	-	1,770,000
<b>Cost</b>						
At 1 January 2022	-	378,285	3,411,333	802,056	1,811,498	6,403,172
Acquisition through business combination	-	1,275,800	506,849	-	-	1,782,649
Additions	-	-	416,427	492,177	2,144,975	3,053,579
Expiration of lease contracts	-	-	-	(69,888)	-	(69,888)
Transfer to property, plant and equipment	-	(378,285)	-	-	-	(378,285)
At 31 December 2022	-	1,275,800	4,334,609	1,224,345	3,956,473	10,791,227
<b>Accumulated depreciation</b>						
At 1 January 2022	56,778	378,285	2,393,721	515,607	911,542	4,255,933
Acquisition through business combination	49,831	362,813	107,240	-	-	519,884
Charge for the financial year	30,612	106,317	482,885	214,604	972,682	1,807,100
Expiration of lease contracts	-	-	-	(69,888)	-	(69,888)
Transfer to property, plant and equipment	-	(378,285)	-	-	-	(378,285)
Reclassified to asset held-for-sale	(77,424)	-	-	-	-	(77,424)
At 31 December 2022	59,797	469,130	2,983,846	660,323	1,884,224	6,057,320
<b>Carrying amount</b>						
At valuation	1,710,203	-	-	-	-	1,710,203
At cost	-	806,670	1,350,763	564,022	2,072,249	4,793,704
At 31 December 2022	1,710,203	806,670	1,350,763	564,022	2,072,249	6,503,907

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. RIGHT-OF-USE ASSETS (CONT'D)

	Lease of shophouse and building RM	Lease of office and factory RM	Total RM
<b>Company</b>			
<b>2023</b>			
<b>Cost</b>			
At 1 January 2023	69,888	413,053	482,941
Derecognition arising from termination of lease contracts	(69,888)	(413,053)	(482,941)
At 31 December 2023	-	-	-
<b>Accumulated depreciation</b>			
At 1 January 2023	11,648	68,842	80,490
Charge for the financial year	-	40,158	40,158
Derecognition arising from termination of lease contracts	(11,648)	(109,000)	(120,648)
At 31 December 2023	-	-	-
<b>Carrying amount</b>			
At 31 December 2023	-	-	-
<b>2022</b>			
<b>Cost</b>			
At 1 January 2022	69,888	407,111	476,999
Additions	69,888	413,053	482,941
Expiration of lease contracts	(69,888)	-	(69,888)
Derecognition arising from termination of lease contracts	-	(407,111)	(407,111)
At 31 December 2022	69,888	413,053	482,941
<b>Accumulated depreciation</b>			
At 1 January 2022	64,064	203,555	267,619
Charge for the financial year	17,472	68,842	86,314
Expiration of lease contracts	(69,888)	-	(69,888)
Derecognition arising from termination of lease contracts	-	(203,555)	(203,555)
At 31 December 2022	11,648	68,842	80,490
<b>Carrying amount</b>			
At 31 December 2022	58,240	344,211	402,451



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. RIGHT-OF-USE ASSETS (CONT'D)

(a) Assets pledged as securities to financial institution

- (i) Motor vehicles with a carrying amount of RM1,006,880 (2022: RM1,350,763) of the Group are pledged as securities for the related lease liabilities; and
- (ii) Leasehold land with a carrying amount of RM1,800,000 (2022: RM1,710,203) of the Group is pledged to licensed bank as security for banking facility as disclosed in Note 23.

(b) Valuation of leasehold land

Leasehold land of the Group was revalued at 31 December 2023, by independent professional valuers. The fair value of land was determined based on market comparable approach that reflects recent transaction price for similar properties.

Details of the Group's leasehold land and information about the fair value hierarchy as at 31 December 2023 as follows:

	Level 2 RM
<b>Group</b>	
Leasehold land	1,800,000

There was no transfer between fair value hierarchy during the financial year.

Had the leasehold land been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	Group	
	2023 RM	2022 RM
Cost	<b>1,770,000</b>	1,770,000
Accumulated depreciation	<b>(83,716)</b>	(59,797)
	<b>1,686,284</b>	1,710,203

(c) Acquisition of right-of-use assets

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Aggregate costs	<b>3,337,059</b>	3,053,579	-	482,941
Less: Lease financing	<b>(3,294,203)</b>	(3,037,754)	-	(482,941)
Cash payments	<b>42,856</b>	15,825	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 6. INVESTMENT PROPERTIES

	Freehold land RM	Buildings RM	Total RM
<b>Group</b>			
<b>2023</b>			
<b>At fair value</b>			
At 1 January 2023	27,700,000	3,910,000	31,610,000
Changes in fair value recognised in profit or loss	-	10,000	10,000
At 31 December 2023	27,700,000	3,920,000	31,620,000
<b>2022</b>			
<b>At fair value</b>			
At 1 January 2022/31 December 2022	27,700,000	3,910,000	31,610,000
<b>Company</b>			
At fair value			
At 1 January 2022/31 December 2022/ 31 December 2023	27,700,000	1,100,000	28,800,000

### Fair value basis of investment properties

The investment properties are stated at fair value based on market values determined by the independent firms of professional valuers amounting to RM31,620,000 (2022: RM31,610,000).

The fair values of the investment properties are determined within Level 2 of the fair value hierarchy in the financial year ended 31 December 2023.

The fair values of the freehold land have been derived using the sales comparison approach. The most significant input into this valuation approach is price per square foot of comparable properties. Sales prices of comparable properties in close proximity are adjusted, either positively or negatively for differences in key attributes such as property size, time, age, tenure, level, surrounding, accessibility, visibility, orientation, facing and position of the units.

There was no transfer between fair value hierarchy levels during current and previous financial year.

### (a) Assets pledged as securities to financial institutions

The carrying amount of investment of the Group and of the Company pledged as securities for bank borrowings as disclosed in Note 23 are:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Freehold land	27,700,000	27,700,000	27,700,000	27,700,000
Buildings	3,300,000	3,300,000	1,100,000	1,100,000
	31,000,000	31,000,000	28,800,000	28,000,000

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 7. GOODWILL ON CONSOLIDATION

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
At 1 January	4,951,714	4,951,714
Acquisition through business combination	519,464	-
At 31 December	5,471,178	4,951,714
<b>Accumulated impairment losses</b>		
At 1 January/31 December	1,492,744	1,492,744
<b>Carrying amount</b>		
At 31 December	3,978,434	3,458,970

The aggregate carrying amounts of goodwill allocated to each cash-generating unit ("CGU") are as follows:

	Group	
	2023 RM	2022 RM
Kayangan Kemas Sdn. Bhd.	3,458,970	3,458,970
Quaver Sdn. Bhd.	519,464	-
	3,978,434	3,458,970

The recoverable amounts of CGUs in respect of the goodwill were determined based on value-in-use ("VIU") calculations. Cash flow projections used in these calculations were based on financial budgets approved by management covering a three years period.

Key assumptions used in the VIU calculations for the goodwill impairment assessment is gross profit margin. The values assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

A pre-tax discount rates of 14% (2022: 12%) were applied in determining the recoverable amounts of the CGUs. The discount rate used is pre-tax and reflect the specific risks relating to the respective CGU. A reasonable possible change in the key assumptions would not result in any impairment.

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2023 RM	2022 RM
<b>In Malaysia</b>		
<b>At cost</b>		
Unquoted shares	149,062,234	132,362,234
Less: Accumulated impairment losses	(28,709,462)	(28,709,462)
	120,352,772	103,652,772

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Movement in the allowance for impairment losses are as follows:

	Company	
	2023 RM	2022 RM
At 1 January	28,709,462	29,855,548
Struck off during the financial year	-	(1,146,086)
At 31 December	28,709,462	28,709,462

Details of the subsidiary companies are as follows:

Name of Company	Place of Business/ Country of Incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Direct holding:</b>				
Boon Koon Vehicles Industries Sdn. Bhd. ("BKVI")	Malaysia	100	100	Manufacturing and assembling of rebuilt commercial vehicles and the provision of its related services; and 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
BKCV Sdn. Bhd. ("BKCV")	Malaysia	100	100	Manufacturing and assembling of new commercial vehicles
BK Fleet Management Sdn. Bhd. ("BK Fleet")	Malaysia	100	100	Selling and renting of commercial vehicles, provision of fleet management and other related services
Boon Koon Fleet Management Sdn. Bhd. ("BKFM")	Malaysia	100	100	Rental, let on hire, repair and dealing in forklifts, heavy equipment, machineries, component parts, attachments and accessories thereof
BKG Development Sdn. Bhd. ("BKGD")	Malaysia	100	100	Investment holding and property development and property construction
Chin Hin PMC Sdn. Bhd. ("CHPMC") (f.k.a. Boon Koon Motors Sdn. Bhd. ("BKM"))	Malaysia	100	100	Provision of management services
Chin Hin Construction Engineering Sdn. Bhd. ("CHCE")	Malaysia	100	100	Property development, property construction and investment holding
Kayangan Kemas Sdn. Bhd. ("KKS")	Malaysia	95	65	Building and general construction

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

Name of Company	Place of Business/ Country of Incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Indirect holding:</b>				
<b>Subsidiary companies of Boon Koon Vehicles Industries Sdn. Bhd.:</b>				
BKGM Industries Sdn. Bhd. ("BKGM")	Malaysia	100	100	Manufacture of bodies (coachwork) for motor vehicles; and manufacture of trailers and semi-trailers
BK Sepadu Sdn. Bhd. ("BK Sepadu") *#	Malaysia	-	62.5	Sales of commercial vehicle and provision of related services
<b>Subsidiary companies of Chin Hin Construction Engineering Sdn. Bhd.:</b>				
Makna Setia Sdn. Bhd. ("MSSB")	Malaysia	60	60	Construction
Chin Hin Machinery Sdn. Bhd. ("CHMSB")		100	-	Rental of plant and machinery
<b>Subsidiary companies of Kayangan Kemas Sdn. Bhd.:</b>				
5th Capital Sdn. Bhd. ("5CSB")	Malaysia	95	65	Investment holding
<b>Subsidiary companies of BKG Development Sdn. Bhd.:</b>				
BKSP Autoworld Sdn. Bhd ("BKSP")	Malaysia	100	100	Property development and investment holding
Boon Koon Capital Sdn. Bhd. ("BK Capital")	Malaysia	100	100	Property development and investment holding
Boon Koon Commercial Sdn. Bhd. ("BKC")	Malaysia	70	70	Property development and property construction
BK Alliance Sdn. Bhd. ("BKA")	Malaysia	100	51	Property development and property construction
BKHS Capital Sdn. Bhd. ("BKHS")	Malaysia	100	100	Property development
Stellar Trinity Sdn. Bhd. ("STSB")	Malaysia	100	100	Property development and investment holding

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

Name of Company	Place of Business/ Country of Incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Subsidiary companies of BKG Development Sdn. Bhd. (Cont'd)</b>				
Stellar Platinum Sdn. Bhd. ("SPSB")	Malaysia	70	100	Construction of buildings
Quaver Sdn. Bhd. ("Quaver")	Malaysia	100	-	Housing development
Avion Connaught Sdn. Bhd. ("ACSB") (f.k.a. Kirana Connaught Sdn. Bhd. ("KCSB"))	Malaysia	100	-	Property development
Tebrau Land Sdn. Bhd. ("TLSB")	Malaysia	100	-	Property development

\* Subsidiary company not audited by UHY

# Struck off during the financial year 2023

(a) Material partly-owned subsidiary companies

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		(Loss)/Profit allocated to non-controlling interests		Accumulated non-controlling interest	
	2023 %	2022 %	2023 RM	2022 RM	2023 RM	2022 RM
BKC	30	30	(473,508)	(315,795)	(855,594)	(382,086)
SPSB	30	-	(335,768)	-	(340,397)	-
KKSB	5	35	671,915	4,078,639	4,199,412	24,692,471
MSSB	40	40	2,445,670	(322,052)	9,236,002	6,790,332
					12,239,423	31,100,717
Individually immaterial subsidiaries with non-controlling interests					-	874,878
Total non-controlling interests					12,239,423	31,975,595

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

Name of company	BKC		SPSB		KKSBB		MSSB	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
<b>Summarised statements of financial position</b>								
Non-current assets	3,166,653	2,071,360	-	-	38,749,425	19,552,359	15,775,354	16,651,191
Current assets	95,323,141	68,601,009	72,861,884	-	294,331,453	204,827,610	63,199,729	37,676,099
Non-current liabilities	(42,031,362)	(42,245,627)	(32,138,215)	-	(9,894,184)	(7,169,260)	(1,953,275)	(1,405,355)
Current liabilities	(59,310,409)	(29,700,360)	(41,858,326)	(8,677)	(239,198,466)	(146,660,795)	(53,931,802)	(35,946,104)
Net (liabilities)/assets	(2,851,977)	(1,273,618)	(1,134,657)	(8,677)	83,988,228	70,549,914	23,090,006	16,975,831
<b>Summarised statements of profit or loss and other comprehensive income</b>								
Revenue	3,801,572	-	-	-	409,471,665	204,201,609	111,059,272	28,563,390
(Loss)/Profit for the financial year	(1,578,360)	(1,052,650)	(1,125,988)	(6,590)	13,438,313	11,653,254	5,796,628	(805,130)
Total comprehensive (loss)/income for the financial year	(1,578,360)	(1,052,650)	(1,125,988)	(6,590)	13,438,313	11,653,254	6,114,176	(805,130)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

Name of company	BKC		SPSB		KKSB		MSSB	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
<b>Summarised statements of cash flows</b>								
Net cash (used in)/from generated from operating activities	(19,504,467)	(8,057,083)	37,885,364	(6,514)	(40,256,010)	32,809,268	15,184,029	647,341
Net cash (used in)/from investing activities	(1,591,732)	221	(72,326,835)	-	(16,809,355)	(2,880,200)	(10,107,301)	(515,809)
Net cash from/(used in) financing activities	15,221,652	8,599,289	34,941,479	6,514	30,498,505	(4,425,011)	(4,125,465)	(2,038,698)
Net (decrease)/increase in cash and cash equivalents	(5,874,547)	542,427	500,008	-	(26,566,860)	25,504,057	951,263	(1,907,166)



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (b) Incorporation of subsidiary companies

#### During the financial year

#### (i) Chin Hin Machinery Sdn. Bhd. ("CHMSB")

On 13 June 2023, CHCE incorporated a fully-owned subsidiary company, CHMSB with cash subscription of RM2.

#### (ii) Avion Connaught Sdn. Bhd. ("ACSB") (formerly known as Kirana Connaught Sdn. Bhd.)

On 14 June 2023, BKGD incorporated a fully-owned subsidiary company, Avion Connaught Sdn. Bhd. ("ACSB"), with cash subscription of RM2.

#### (iii) Tebrau Land Sdn. Bhd. ("TLSB")

On 14 June 2023, BKGD incorporated a fully-owned subsidiary company, Tebrau Land Sdn. Bhd. ("TLSB"), with cash subscription of RM2.

### (c) Acquisition of subsidiary company

#### During the financial year

#### (i) Quaver Sdn. Bhd. ("Quaver")

On 13 March 2023, BKGD had acquired 11,500,000 ordinary shares, representing 100% equity interest in Quaver for a total cash consideration of RM1,250,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities

	2023 RM
Cash consideration paid	1,250,000

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Acquisition of subsidiary company (Cont'd)

During the financial year (Cont'd)

(i) Quaver Sdn. Bhd. ("Quaver") (Cont'd)

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2023 RM
Property, plant and equipment	942,995
Inventories	73,659,938
Other receivables	9,834,275
Contract assets	11,738,016
Cash and bank balances	132,068
Trade payables	(1,433,590)
Other payables	(3,348,540)
Bank borrowings	(50,460,645)
Amount due to a related company	(39,373,981)
Amount due to a Director	(960,000)
<b>Total identifiable net assets</b>	<b>730,536</b>

Net cash inflows/outflows arising from acquisition of subsidiaries

	2023 RM
Purchase consideration settled in cash	1,250,000
Less: Cash and cash equivalents of subsidiary acquired	(132,068)
<b>Net cash outflows from acquisition of a subsidiary</b>	<b>1,117,932</b>

Goodwill arising from business combination

	2023 RM
Fair value of consideration transferred	1,250,000
Fair value of identifiable assets acquired and liabilities assumed	(730,536)
<b>Goodwill on consolidation</b>	<b>519,464</b>

Acquisition related costs

The Group incurred acquisition-related costs of RM180,000 related to external legal fees, due diligence costs and other related expenses. The expenses have been included in administrative expenses in the profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (c) Acquisition of subsidiary company (Cont'd)

#### In the previous financial year

#### (i) Makna Setia Sdn. Bhd. ("MSSB")

On 12 August 2022, CHCE had acquired 1,500,000 ordinary shares, representing 60% equity interest in MSSB for a total cash consideration of RM7,916,977.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	2022 RM
Cash consideration paid	7,916,977

#### Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2023 RM
Property, plant and equipment	3,576,584
Right-of-use assets	3,032,765
Contract assets	23,853,965
Trade receivables	16,074,906
Other receivables	2,469,554
Fixed deposits with licensed bank	2,306,113
Cash and bank balances	5,283,844
Trade payables	(13,758,753)
Other payables	(10,074,471)
Lease liabilities	(924,142)
Bank borrowings	(13,978,892)
Tax payable	(80,512)
<b>Total identifiable net assets</b>	<b>17,780,961</b>

#### Net cash inflows arising from acquisition of a subsidiary

	2023 RM
Purchase consideration settled in cash	7,916,977
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank	(5,283,844)
- Fixed deposit	(2,306,113)
	<b>(7,589,957)</b>
<b>Net cash outflows from acquisition of a subsidiary</b>	<b>327,020</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (c) Acquisition of subsidiary company (Cont'd)

#### (i) Makna Setia Sdn. Bhd. ("MSSB") (Cont'd)

##### Gain on bargain purchase

	2022 RM
Fair value of consideration transferred	7,916,977
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	7,112,384
Fair value of identifiable assets acquired and liabilities assumed	(17,780,961)
Gain on bargain purchase	(2,751,600)

##### Acquisition related costs

In the previous financial year, the Group incurred acquisition-related costs of RM190,000 related to external legal fees, due diligence costs and other related expenses. The expenses have been included in administrative expenses in the profit or loss.

### (d) Acquisition of non-controlling interests

#### During the financial year

#### (i) Kayangan Kemas Sdn. Bhd. ("KKSBB")

During the financial year, the Company had subscribed additional 3,000,000 ordinary shares in KKSBB for a total cash consideration of RM16,700,000. Consequently KKSBB has become a 95% owned subsidiary of the Company.

The effect of changes in the equity interest in KKSBB that is attributable to owners of the Company is as follows:

	2023 RM
Carrying amount of non-controlling interests acquired	<b>21,164,974</b>
Consideration paid to non-controlling interests	<b>(16,700,000)</b>
Increase in parent's equity	<b>4,464,974</b>

#### (ii) BK Alliance Sdn. Bhd. ("BKA")

During the financial year, BKGD had subscribed additional 2,450,000 ordinary shares in BKA for a total cash consideration of RM2,450,000. Consequently BKA has become a fully-owned subsidiary of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

### (d) Acquisition of non-controlling interests (Cont'd)

#### During the financial year (Cont'd)

#### (ii) BK Alliance Sdn. Bhd. ("BKA") (Cont'd)

The effect of changes in the equity interest in BKA that is attributable to owners of the Company is as follows:

	2023 RM
Carrying amount of non-controlling interests acquired	210,653
Consideration paid to non-controlling interests	(2,450,000)
Decrease in parent's equity	(2,239,347)

### (e) Capital contribution by non-controlling interests

#### During the financial year

#### (i) Stellar Platinum Sdn. Bhd. ("SPSB")

On 18 October 2023, SPSB had increased its paid-up share capital from 2 to 10 ordinary shares by issuance of 8 ordinary shares for a total cash consideration of RM8. BKGD has subscribed for an additional 5 ordinary shares in SPSB for a total consideration of RM5.

Upon the completion of the allotment of shares, BKGD's equity interest in SPSB decreased from 100% to 70%.

The effect of changes in equity interest in SPSB is attributable to owners of the Company as follows:

	2023 RM
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	4,629
Capital contribution by non-controlling interests	3
Increase in parent's equity	4,632

#### In the previous financial year

#### (i) BK Alliance Sdn. Bhd. ("BKA")

On 29 April 2022, BKA has increased its issued and paid-up share capital from RM2,500,000 to RM5,000,000 by issuance of 2,500,000 ordinary shares for a total cash consideration of RM2,500,000. BKGD has subscribed for an additional 1,275,000 ordinary shares in BKA for a total consideration of RM1,275,000. Consequently, 51% shareholding owned by BKGD in BKA remained the same.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

- (f) Internal reorganisation

In the previous financial year

- (i) Chin Hin Construction Engineering Sdn. Bhd. ("CHCE")

On 25 January 2022, BKGD disposed off its entire shareholdings in CHCE to CHGP, for a total consideration of RM2. Upon the completion of internal reorganisation, CHCE became the direct subsidiary of the Company.

- (g) Struck off of subsidiary companies

During the financial year

On 14 November 2019, BK Sepadu Sdn. Bhd. ("BK Sepadu"), a 62.50% owned subsidiary of BKVI had submitted the application for voluntary winding-up.

On 17 July 2023, BK Sepadu had convened its Final Meeting to conclude the members' voluntary winding-up and lodged the relevant documents pursuant to Section 459(3) of the Companies Act 2016 with the Companies Commission of Malaysia ("CCM") and the Official Receiver.

The effect of striking off BK Sepadu on the financial position of the Group as at the date of strike off are as follows:

	2023 RM
Cash and bank balances	552,621
Other payables	(111)
Total net assets struck off	552,510
Non-controlling interests	(207,191)
Loss on strike off	(13,669)
Proceeds from capital distribution	331,650
Less: Cash and cash balances struck off	(552,621)
Net cash outflows from strike off	(220,971)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(g) Struck off of subsidiary companies (Cont'd)

In the previous financial year

Boon Koon Vehicles Pte. Ltd. ("BKVPL") had on 18 October 2021 submitted the application for striking off to Accounting and Corporate Regulatory Authority ("ACRA"). Subsequently, name of BKVPL has been struck off from the register on 7 February 2022.

The effect of striking off BKVPL on the financial position of the Group as at the date of strike off are as follows:

	2022 RM
Foreign currency translation reserve reclassified to profit or loss	(176,013)
Gain on strike off of a subsidiary	176,013
	-

## 9. INVESTMENTS IN ASSOCIATE COMPANY

	Company	
	2023 RM	2022 RM
<b>Unquoted shares</b>		
At cost	<b>1,640,209</b>	1,640,209
Share of post-acquisition reserves	<b>(373,478)</b>	(100,178)
Gain on capital reduction	<b>154,269</b>	-
Capital reduction of associate	<b>(1,421,000)</b>	-
	-	1,540,031

Details of the associate company are as follows:

Name of Company	Place of Business/ Country of Incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Held through KKSB</b>				
Weida Kayangan Sdn. Bhd. *	Malaysia	<b>47<sup>@</sup></b>	32 <sup>@</sup>	Building contractor

\* Not audited by UHY

@ Due to changes in CHGP's shareholdings in KKSB

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. INVESTMENTS IN ASSOCIATE COMPANY (CONT'D)

Summarised statements of financial position

	WKSB	
	2023 RM	2022 RM
Non-current assets	14,591	46,764
Current assets	8,136,368	9,229,359
Current liabilities	(6,804,800)	(3,573,404)
Net assets	1,346,159	5,702,719
Interest in associate companies	47%	32%
Group's share of net assets, representing carrying value of Group's interest in associate company	659,618	2,794,332
Loss for the financial year, representing total comprehensive loss for the financial year	(1,456,560)	(259,188)

(a) Capital reduction of an associate

Financial year ended 31 December 2023

On 11 July 2023, Weida Kayangan Sdn. Bhd. ("WKSB"), a 47% owned associate of KKSB proposed to undertake share capital reduction of RM2,900,000 of its issued share capital pursuant to Section 116 of the Companies Act 2016. The corresponding credit of RM1,421,000 arising from such cancellation will be returning to KKSB.

On 22 December 2023, WKSB had received the notice dated 15 December 2023 issued by the Registrar of Companies confirming the reduction of share capital. Accordingly, the share capital reduction is effective as at 15 December 2023.

## 10. INVESTMENTS IN JOINT VENTURE COMPANIES

	Group	
	2023 RM	2022 RM
<b>Unquoted shares</b>	<b>36,384,613</b>	36,384,613
At cost	56,015,965	21,006,741
Share of post-acquisition reserves	92,400,578	57,391,354

Details of the joint venture companies are as follows:

Name of Company	Place of Business/ Country of Incorporation	Effective Interest		Principal Activities
		2023 %	2022 %	
<b>Held through KKSB</b> R Synergy Sdn. Bhd. *	Malaysia	31 <sup>a</sup>	21 <sup>a</sup>	Building contractor
<b>Held through BKGD</b> Stellar 8 Sdn. Bhd. *	Malaysia	47	47	Property development

\* Not audited by UHY

@ Due to changes in CHGP's shareholding in KKSB



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. OTHER INVESTMENTS

	Group	
	2023 RM	2022 RM
<b>Non-current asset</b>		
<b>Club memberships</b>		
<b>At cost</b>		
At 1 January	70,000	70,000
Disposal during the year	(35,000)	-
At 31 December	35,000	70,000

	Group and Company	
	2023 RM	2022 RM
<b>Non-current asset</b>		
<b>Quoted shares</b>		
<b>At fair value</b>		
At 1 January	-	-
Addition	51,406,849	-
Recognised in profit or loss	2,530,595	-
At 31 December	53,937,444	-

The fair value of the listed equity securities was determined by reference to the quoted price in an active market.

Included in the listed equity securities was an amount RM53,937,444 (2022: RMNil) which have been pledged to licensed banks as securities to partially secure the margin facilities as disclosed in Note 23.

## 12. INVENTORIES

	Note	Group	
		2023 RM	2022 RM
<b>Non-current asset</b>			
Land held for property development	(a)	-	63,267,027
<b>Current assets</b>			
Property development cost	(b)	493,944,734	214,224,494
Other inventories	(c)	14,631,702	15,987,429
		508,576,436	230,211,923
		508,576,436	293,478,950

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>At cost</b>				
<b>2023</b>				
At 1 January 2023	62,148,736	-	1,118,291	63,267,027
Transfer to property development costs	(62,148,736)	-	(1,017,491)	(63,166,227)
Written off	-	-	(100,800)	(100,800)
At 31 December 2023	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. INVENTORIES (CONT'D)

(a) Land held for property development (Cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>At cost</b>				
<b>2022</b>				
At 1 January 2022	132,055,616	21,793,368	5,517,640	159,366,624
Additions	2,285,612	-	757,872	3,043,484
Disposal	(695,295)	-	-	(695,295)
Transfer to property development costs	(71,497,197)	(21,793,368)	(5,157,221)	(98,447,786)
At 31 December 2022	62,148,736	-	1,118,291	63,267,027

The freehold land of RMNil (2022: RM62,148,736) is pledged to a licensed bank as securities for banking facility granted to a subsidiary company as disclosed in Note 23 to the financial statements.

(b) Property development costs

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>At cost</b>				
<b>2023</b>				
At 1 January	156,206,451	22,604,875	-	178,811,326
Acquisition through business combination	-	57,688,525	-	57,688,525
Transfer from land held for property development	62,148,736	-	-	62,148,736
Cost incurred during the financial year	79,172,703	780,860	-	79,953,563
At 31 December	297,527,890	81,074,260	-	378,602,150
<b>Cummulative property development costs</b>				
At 1 January	-	-	185,472,849	185,472,849
Acquisition through business combination	-	-	23,523,226	23,523,226
Transfer from land held for property development	-	-	1,017,491	1,017,491
Cost incurred during the financial year	-	-	111,481,203	111,481,203
Portion related to completed projects	-	-	(150,059,681)	(150,059,681)
At 31 December	-	-	171,435,088	171,435,088
<b>Less:</b>				
<b>Cummulative costs recognised in profit or loss</b>				
At 1 January	-	-	150,059,681	150,059,681
Acquisition through business combination	-	1,821,494	5,730,319	7,551,813
Recognised during the financial year	2,547,094	4,541,940	41,451,657	48,540,691
Portion related to completed projects	-	-	(150,059,681)	(150,059,681)
At 31 December	2,547,094	6,363,434	47,181,976	56,092,504
<b>Total property development costs</b>	<b>294,980,796</b>	<b>74,710,826</b>	<b>124,253,112</b>	<b>493,944,734</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 12. INVENTORIES (CONT'D)

(b) Property development costs (Cont'd)

	Freehold land RM	Leasehold land RM	Development costs RM	Total RM
<b>Group</b>				
<b>At cost</b>				
<b>2022</b>				
At 1 January	1,205,617	-	-	1,205,617
Transfer from land held for property development	71,497,197	21,793,368	-	93,290,565
Cost incurred during the financial year	84,709,254	811,507	-	85,520,761
Disposal	(1,205,617)	-	-	(1,205,617)
At 31 December	156,206,451	22,604,875	-	178,811,326
<b>Cummulative property development costs</b>				
At 1 January	-	-	150,467,147	150,467,147
Transfer from land held for property development	-	-	5,157,221	5,157,221
Cost incurred during the financial year	-	-	30,255,947	30,255,947
Disposal	-	-	(407,466)	(407,466)
At 31 December	-	-	185,472,849	185,472,849
<b>Less:</b>				
<b>Cummulative costs recognised in profit or loss</b>				
At 1 January/31 December	-	-	150,059,681	150,059,681
<b>Total property development costs</b>	156,206,451	22,604,875	35,413,168	214,224,494

(i) During the financial year, the following costs are capitalised to property development costs:

	Group	
	2023 RM	2022 RM
Sales commission	14,260,027	-
Legal fees	668,594	-
Finance costs	6,520,777	3,378,051

The Group capitalised sales commission in relation to the property development contracts entered into as as incremental costs of obtaining contracts with customers in property development costs. These costs are expected to be recoverable and are amortised to profit or loss as cost of sales when the related revenue are recognised.

- (ii) The property development costs of the Group represent expenditures incurred in relation to the mixed residential and commercial development.
- (iii) The freehold land, leasehold land and development costs on buildings erected thereon with carrying amount of RM493,460,061 (2022: RM214,224,494) are pledged to licensed banks as securities for banking facilities granted to subsidiary companies as disclosed in Note 23.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 12. INVENTORIES (CONT'D)

(c) Other inventories

	Group	
	2023 RM	2022 RM
<b>At cost</b>		
Raw materials	1,667,146	1,794,630
Work-in-progress	4,273,126	2,265,017
Finished goods	3,280,146	7,401,342
	<b>9,220,418</b>	11,460,989
<b>At net realisable value</b>		
Raw materials	1,209,475	1,226,870
Work-in-progress	1,436,144	973,000
Finished goods	2,765,665	2,326,570
	<b>5,411,284</b>	4,526,440
	<b>14,631,702</b>	15,987,429
<b>Recognised in profit or loss:</b>		
Inventories recognised as cost of sales	65,682,819	90,219,358
Inventories written down	482,344	504,820
Inventories written off	119,721	-

## 13. TRADE RECEIVABLES

	Group	
	2023 RM	2022 RM
<b>Non-current</b>		
Retention sum receivables		
- Third parties	21,094,385	-
- Related parties	1,126,476	15,277,442
	<b>22,220,861</b>	15,277,442
<b>Current</b>		
Trade receivables		
- Third parties	82,355,872	92,582,126
- Related parties	5,247,996	9,762,869
Retention sum receivables		
- Third parties	19,577,671	6,331,857
- Related parties	1,126,477	-
Less: Accumulated impairment losses	(14,457,884)	(12,183,185)
	<b>93,850,132</b>	96,493,667
	<b>116,070,993</b>	111,771,109

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13. TRADE RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally on 30 to 210 days (2022: 30 to 210 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables consists of amount due from related parties, as below:

	Group	
	2023 RM	2022 RM
Amount due from a subsidiary company of the holding company	-	46,551
Amount due from a company which certain Directors of the Company have significant financial interest	<b>6,374,473</b>	9,716,318
	<b>6,374,473</b>	9,762,869

Movements in the allowance for impairment losses of trade receivables are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
<b>Group</b>			
<b>2023</b>			
At 1 January 2023	<b>9,201,043</b>	<b>2,982,142</b>	<b>12,183,185</b>
Impairment loss recognised	<b>3,804,535</b>	<b>415,183</b>	<b>4,219,718</b>
Impairment loss reversed	<b>(620,127)</b>	<b>(1,067,898)</b>	<b>(1,688,025)</b>
Written off	<b>(256,994)</b>	-	<b>(256,994)</b>
At 31 December 2023	<b>12,128,457</b>	<b>2,329,427</b>	<b>14,457,884</b>
<b>2022</b>			
At 1 January 2022	9,546,212	3,750,837	13,297,049
Impairment loss recognised	569,941	1,156,212	1,726,153
Impairment loss reversed	(915,110)	(1,924,907)	(2,840,017)
At 31 December 2022	9,201,043	2,982,142	12,183,185

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly. Reversal of an impairment loss amounting to RM1,688,025 (2022: RM2,840,017) is recognised when the amount is recoverable.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 13. TRADE RECEIVABLES (CONT'D)

Analysis of trade receivables aging as at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net Amount RM
<b>Group</b>			
<b>2023</b>			
Neither past due nor impaired	57,169,438	(88,960)	57,080,478
Past due not impaired:			
Less than 30 days	25,272,678	(372,761)	24,899,917
31 to 60 days	2,867,025	(68,969)	2,798,056
61 to 90 days	1,755,857	(85,856)	1,670,001
More than 90 days	31,335,422	(1,712,881)	29,622,541
	61,230,982	(2,240,467)	58,990,515
Individually impaired	118,400,420	(2,329,427)	116,070,993
	12,128,457	(12,128,457)	-
	130,528,877	(14,457,884)	116,070,993
<b>2022</b>			
Neither past due nor impaired	48,831,813	(209,907)	48,621,906
Past due not impaired:			
Less than 30 days	22,368,230	(16,661)	22,351,569
31 to 60 days	18,311,853	(8,009)	18,303,844
61 to 90 days	1,509,464	(30,129)	1,479,335
More than 90 days	23,731,891	(2,717,436)	21,014,455
	65,921,438	(2,772,235)	63,149,203
Individually impaired	114,753,251	(2,982,142)	111,771,109
	9,201,043	(9,201,043)	-
	123,954,294	(12,183,185)	111,771,109

Trade receivables that are not past due and not individually impaired are creditworthy receivables with good payment records with the Company.

As at 31 December 2023, gross trade receivables of RM61,230,982 (2022: RM65,921,438) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The Group assesses credit quality of the trade receivables on a collective basis by using ageing of past due days. As at 31 December 2023, the Group provided lifetime impairment losses of RM2,329,427 (2022: RM2,982,142) based on the customers' historical data as an assumption for possibility of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM12,128,457 (2022: RM9,201,043) are related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debt recovery process.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Deferred tax assets:</b>				
At 1 January	816,218	-	-	-
Recognised directly in equity	(100,279)	-	-	-
Recognised in profit or loss	277,391	(256,849)	-	-
(Under)/Overprovision in prior years	(70,445)	1,073,067	-	-
At 31 December	922,885	816,218	-	-
<b>Deferred tax liabilities:</b>				
At 1 January	(5,369,325)	(3,833,111)	(1,014,104)	(1,087,574)
Recognised directly inequity	(566,331)	(1,029,554)	-	-
Recognised in profit or loss	(745,666)	(585,328)	(551,870)	301,803
(Under)/Overprovision prior years	(515,651)	78,668	(1,068,248)	(228,333)
At 31 December	(7,196,973)	(5,369,325)	(2,634,222)	(1,014,104)
	(6,274,088)	(4,553,107)	(2,634,222)	(1,014,104)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Deferred tax liabilities	(7,196,973)	(5,369,325)	(2,634,222)	(1,014,104)
Deferred tax assets	922,885	816,218	-	-
	(6,274,088)	(4,553,107)	(2,634,222)	(1,014,104)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	148,441	662,269	146,505	425,945
Unabsorbed capital allowances	370	1,938	330	412
Lease liabilities	863,418	-	-	-
Other temporary deductible differences	2,228,476	904,692	-	-
	3,240,705	1,568,899	146,835	426,357

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Accelerated capital allowance	(2,124,748)	(1,588,381)	(375)	(461)
Fair value change on investment properties	(2,173,339)	(1,440,000)	(2,173,339)	(1,440,000)
Revaluation surplus on property, plant and equipment	(3,732,943)	(3,093,625)	-	-
Revaluation surplus on right-of-use assets	(27,292)	-	-	-
Right-of-use assets	(849,128)	-	-	-
Other temporary deductible differences	(607,343)	-	(607,343)	-
	(9,514,793)	(6,122,006)	(2,781,057)	(1,440,461)
	(6,274,088)	(4,553,107)	(2,634,222)	(1,014,104)
<b>Deferred tax assets:</b>				
<b>Unutilised tax losses</b>				
At 1 January	662,269	1,231,405	425,945	541
Recognised in profit or loss	(779,884)	(693,229)	55,057	301,311
Under/(Over)provision in prior years	266,056	124,093	(334,497)	124,093
At 31 December	148,441	662,269	146,505	425,945
<b>Unabsorbed capital allowances</b>				
At 1 January	1,938	1,585	412	412
Acquisition through business combination	90,679	-	-	-
Recognised in profit or loss	(91,675)	765	330	412
Overprovision in prior years	(572)	(412)	(412)	(412)
At 31 December	370	1,938	330	412
<b>Lease liabilities</b>				
At 1 January	-	-	-	-
Recognised in profit or loss	126,861	-	(98,485)	-
Underprovision in prior years	736,557	-	98,485	-
At 31 December	863,418	-	-	-
<b>Other temporary deductible differences</b>				
At 1 January	904,692	-	-	-
Recognised in profit or loss	1,305,897	(179,239)	-	-
Underprovision in prior years	17,887	1,083,931	-	-
At 31 December	2,228,476	904,692	-	-
	3,240,705	1,568,899	146,835	426,357



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Deferred tax liabilities:</b>				
<b>Deferred tax on fair value changes in investment properties</b>				
At 1 January	(1,440,000)	(1,087,574)	(1,440,000)	(1,087,574)
Underprovision in prior years	(733,339)	(352,426)	(733,339)	(352,426)
At 31 December	(2,173,339)	(1,440,000)	(2,173,339)	(1,440,000)
<b>Revaluation surplus on property, plant and equipment</b>				
At 1 January	(3,093,625)	(2,162,878)	-	-
Recognised directly in equity	(639,318)	(1,029,554)	-	-
Recognised in profit or loss	-	40,350	-	-
Overprovision in prior years	-	58,457	-	-
At 31 December	(3,732,943)	(3,093,625)	-	-
<b>Revaluation surplus on right-of-use assets</b>				
At 1 January	-	-	-	-
Recognised directly in equity	(27,292)	-	-	-
At 31 December	(27,292)	-	-	-
<b>Accelerated capital allowances</b>				
At 1 January	(1,588,381)	(1,815,649)	(461)	(953)
Acquisition of business combination	(90,679)	-	-	-
Recognised in profit or loss	(290,214)	(10,824)	86	80
(Under)/Overprovision in prior years	(155,474)	238,092	-	412
At 31 December	( 2,124,748)	(1,588,381)	(375)	(461)
<b>Right-of-use assets</b>				
At 1 January	-	-	-	-
Recognised in profit or loss	(131,917)	-	98,485	-
Underprovision in prior years	(717,211)	-	(98,485)	-
At 31 December	(849,128)	-	-	-
<b>Other temporary deductible differences</b>				
At 1 January	-	-	-	-
Recognised in profit or loss	(607,343)	-	(607,343)	-
At 31 December	(607,343)	-	(607,343)	-
	(9,514,793)	(6,122,006)	(2,781,057)	(1,440,461)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 14. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	10,628,658	9,577,089	-	-
Unabsorbed capital allowances	158,853	158,853	-	-
Other deductible temporary differences	4,528,880	5,260,039	-	-
	15,316,391	14,995,981	-	-

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Under the Malaysia Finance Act 2018, the unutilised tax losses of the Group and of the Company is subjected to time limit of unutilised. Any unutilised tax losses brought forward can be carried forward for a maximum year of 7 consecutive years of assessment. With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to 7 consecutive years was extended to a maximum of 10 consecutive years of assessment.

## 15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM	2022 RM
<b>Non-current</b>		
<u>Contract liabilities</u>		
Deferred income:		
- Extended warranty and services	(42,894)	-
<b>Current</b>		
<u>Contract assets</u>		
Construction contracts (Note a)	157,653,877	90,450,319
Property development activities (Note b)	52,427,087	-
	210,080,964	90,450,319
<u>Contract liabilities</u>		
Deferred income:		
- Extended warranty and services	(34,164)	(33,668)
At 31 December:		
Contract assets	210,080,964	90,450,319
Contract liabilities	(77,058)	(33,668)
	210,003,906	90,416,651

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Contract assets primarily relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its contracted project activities. The amount due from contract customers will be transferred to trade receivables when the rights become unconditional.

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 90 days.

### (a) Construction contracts

	Group	
	2023 RM	2022 RM
Contract costs incurred to date	<b>1,066,252,389</b>	584,015,209
Attributable profits or losses	<b>121,540,544</b>	63,241,686
Less: Provision for foreseeable losses	<b>(650,397)</b>	-
	<b>120,890,147</b>	63,241,686
	<b>1,187,142,536</b>	647,256,895
Less: Progress billings	<b>(1,029,488,659)</b>	(556,806,576)
	<b>157,653,877</b>	90,450,319
Presented as:		
Contract assets	<b>157,653,877</b>	90,450,319

The costs incurred to date on construction contracts include the following costs during the financial year:

	Group	
	2023 RM	2022 RM
Lease of equipments and machineries	<b>23,912,906</b>	9,115,886
Lease of motor vehicles	<b>52,457</b>	2,483,523
Staff costs	<b>31,949,374</b>	8,054,214

### (b) Property development activities

	Group	
	2023 RM	2022 RM
At 1 January	-	-
Acquisition of business combination	<b>11,738,016</b>	-
Property development revenue recognised during the financial year	<b>65,785,385</b>	-
Less: Progress billings during the financial year	<b>(25,096,314)</b>	-
At 31 December	<b>52,427,087</b>	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

- (c) Contract value yet to be recognised as revenue

Revenue expected to be recognised within the next 12 to 36 months relating to the performance obligations that are unsatisfied (or partially satisfied) as at 31 December 2023 are as follows:

	2024 RM	2025 RM	2026 RM	Total RM
Construction contracts	844,823,593	1,243,148,481	1,315,823,996	3,403,796,070
Property development activities	331,174,258	836,725,019	882,924,804	2,050,824,081
Deferred income	34,164	29,055	13,839	77,058
	1,176,032,015	2,079,902,555	2,198,762,639	5,454,697,209

### 16. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables				
- Third parties	<b>39,833,644</b>	16,675,888	-	195,489
- Related parties	<b>2,988,779</b>	3,295,506	-	-
Less: Accumulated impairment losses	<b>(3,484,140)</b>	(1,439,792)	-	-
	<b>39,338,283</b>	18,531,602	-	195,489
Deposits	<b>21,125,964</b>	22,710,622	<b>847,766</b>	8,800
Prepayments	<b>3,584,175</b>	1,633,083	<b>9,621</b>	12,955
GST recoverable	-	4	-	-
	<b>64,048,422</b>	42,875,311	<b>857,387</b>	217,244

Included in the Group's other receivables are:

- (a) RM1,421,000 (2022: RMNil) to be received by the Group arising from share capital reduction of WKS B as disclosed in Note 9(a); and
- (b) Amount due from a joint venture company amounting to RMNil (2022: RM3,295,506).

Included in the Group's deposits are:

- (a) Deposits paid related to purchase of goods amounting to RM7,693,917 (2022: RM12,107,182); and
- (b) Deposits paid for cash collateral pledged with licensed banks as security for bank guarantees amounting to RM6,416,150 (2022: RM3,838,752).

Related parties refer to companies in which certain Directors of the Group have substantial financial interests. The amount due from related parties represent unsecured, non-interest bearing and are repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 16. OTHER RECEIVABLES (CONT'D)

Movements in the allowance for impairment losses of other receivables are as follows:

	Credit impaired RM	Lifetime allowance RM	Total RM
<b>Group</b>			
<b>2023</b>			
At 1 January 2023	848,652	591,140	1,439,792
Impairment loss recognised	2,066,279	-	2,066,279
Impairment loss reversed	(21,931)	-	(21,931)
At 31 December 2023	2,893,000	591,140	3,484,140
<b>2022</b>			
At 1 January 2022	3,136,142	538,780	3,674,922
Acquisition through business combination	10,300	-	10,300
Impairment loss recognised	230,715	462,062	692,777
Impairment loss reversed	(28,505)	(409,702)	(438,207)
Written off	(2,500,000)	-	(2,500,000)
At 31 December 2022	848,652	591,140	1,439,792

Other receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

## 17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

	Company	
	2023 RM	2022 RM
<b>Amount due from subsidiary companies</b>		
<u>Non-trade</u>		
Interest bearing	130,252,231	53,563,668
Non-interest bearing	2,966,460	1,265,276
Less: Accumulated impairment losses	(5,672,596)	(5,672,596)
	127,546,095	49,156,348
<b>Amount due to subsidiary companies</b>		
<u>Non-trade</u>		
Interest bearing	(3,028,612)	(15,260,721)
Non-interest bearing	(422,513)	(221,441)
	(3,451,125)	(15,482,162)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 17. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES (CONT'D)

Movements in the allowance for impairment losses are as follows:

	Company	
	2023 RM	2022 RM
At 1 January	<b>5,672,596</b>	5,780,006
Impairment losses reversed	-	(107,410)
At 31 December	<b>5,672,596</b>	5,672,596

During the financial year, the Company carried out a review of the recoverable amounts using the fair value less cost of disposal approach. Impairment losses amounting to RM107,410 was reversed in the previous financial year.

The amount due from/(to) subsidiary companies are non-trade in nature, unsecured, bear interest at rate of 2.55% (2022: 1.8%) per annum and are repayable on demand.

## 18. FIXED DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

### (a) Fixed Deposits with Licensed Banks

	Group	
	2023 RM	2022 RM
Fixed deposits pledged with bank	<b>28,959,417</b>	19,343,579
Fixed deposits not pledged with bank	<b>1,383,878</b>	1,530,043
Short-term placements	<b>4,660,664</b>	1,001,491
	<b>35,003,959</b>	21,875,113

The fixed deposits of the Group which are pledged with licensed banks as security for credit facilities granted to the Group as disclosed in Note 23 to the financial statements.

The range of interest rates of deposits are 1.70% to 3.10% (2022: 1.40% to 2.60%) per annum at placement maturities of 1 to 12 months.

### (b) Cash and bank balances

Included in the Group's cash and bank balances are cash held under the Housing Development (Controls and Licensing) Act, 1966 ("HDA") accounts amounting to RM3,076,379 (2022: RMNil).

Cash held under the HDA accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the HDA.

The interest rates of cash held under HDA accounts at the reporting date bearing interest ranging from 1.28% to 2.35% (2022: Nil) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 19. ASSETS CLASSIFIED AS HELD-FOR-SALE

	Group	
	2023 RM	2022 RM
At 1 January	1,223,281	-
Reclassified from right-of-use assets	-	1,223,281
Disposal	(1,223,281)	-
At 31 December	-	1,223,281

On 21 July 2022, BKVI entered into a Sale and Purchase Agreement to dispose of a piece of leasehold land for a total cash consideration of RM1,257,765. The disposal had been completed during the financial year.

## 20. SHARE CAPITAL

	Number of shares		Amount	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Issued and fully paid</b>				
<b>Ordinary shares</b>				
At 1 January	480,067,256	440,393,900	134,813,102	124,479,577
Private placement	99,417,620	-	86,672,237	-
Warrants exercised	25,796,648	39,673,356	6,719,126	10,333,525
At 31 December	605,281,524	480,067,256	228,204,465	134,813,102

During the financial year, the Company issued:

- 25,796,648 new ordinary shares through exercise of Warrants at an exercise price of RM0.20 for a total cash consideration of RM5,159,330; and
- 99,417,620 new ordinary shares at issue price ranging from RM0.81 to RM1.00 per ordinary share for a total cash consideration of RM86,672,237 through private placement.

In the previous financial year, the Company issued 39,673,356 new ordinary shares through exercise of Warrants at an exercise price of RM0.20 for a total cash consideration of RM7,934,671.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regards to the Company's residual assets. All rights of treasury shares that are held by the Company are suspended until these shares are disposed.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 20. SHARE CAPITAL

### Treasury Shares

	Group and Company			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
<b>At 1 January/ 31 December</b>	<b>700,000</b>	700,000	<b>255,208</b>	255,208

Treasury shares related to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares.

As at 31 December 2023, the total shares held as treasury shares amounted to 700,000 (2022: 700,000) ordinary shares at a total cost of RM255,208 (2022: RM255,208).

None of the treasury shares held were resold or cancelled during the financial year.

## 21. RESERVES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>Non-distributable:</b>					
- Warrant reserve	(a)	-	1,589,249	-	1,589,249
- Capital reserve	(b)	(27,934)	(27,934)	-	-
- Revaluation reserve	(c)	21,212,001	15,911,883	-	-
		<b>21,184,067</b>	17,473,198	-	1,589,249

The nature of other reserves of the Group and of the Company are as follows:

### (a) Warrant reserve

The warrant reserve is in respect of the allocated fair value of the 138,375,000 warrants issued pursuant to the Company's right issue exercise.

The fair value allocated to the warrant reserve is derived by adjusting the proceeds from the Company's rights issue to the fair value of the shares and warrants on a proportionate basis. A charge to the retained profits is created by the same amount to preserve the par value of the ordinary shares (prior to the Companies Act 2016) issued pursuant to the rights issue. This charge will be reversed upon exercise or expiry of the warrants.

The warrants may be exercised at any time during the tenure of the warrants of 10 years including and commencing from the issue date of the warrants and ending on the expiry date, 7 July 2023. Each warrant carries the entitlement to subscribe for 1 new ordinary share in the Company at the exercise price of RM0.20 which shall be satisfied fully in cash and shall be subject to adjustments in accordance with the Deed Poll.

Subject to the provision in the Deed Poll, the exercise price and the number of warrants held by each warrant holder shall be adjusted by the Board of Directors of the Company in consultation with the adviser and certification of the external auditor in the event of addition to the share capital of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

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## 21. RESERVES (CONT'D)

The nature of other reserves of the Group and of the Company are as follows: (Cont'd)

(a) Warrant reserve (cont'd)

The Warrants have lapsed on 7 July 2023, and removed from the Main Market Bursa Malaysia Securities Berhad on 10 July 2023.

Consequently, as at 31 December 2023, the total number of Warrants that remain unexercised was Nil (2022: 26,283,744).

(b) Capital reserve

Capital reserve represents the premium paid/discount on acquisition of additional equity interest in an existing subsidiary company from non-controlling interests.

(c) Revaluation reserve

This is in respect of unrealised revaluation surplus net of deferred tax arising from the revaluation of the Group's freehold land, leasehold land and buildings and is non-distributable.

The movements of revaluation reserve are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	15,911,883	14,284,200
Revaluation of land and buildings	6,289,591	2,825,110
Deferred tax liabilities recognised directly in equity	(666,610)	(1,029,554)
Realisation of revaluation surplus	(322,863)	(167,873)
At 31 December	21,212,001	15,911,883

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 22. TRADE PAYABLES

	Group	
	2023 RM	2022 RM
<b>Non-current</b>		
Retention sum		
- Third parties	<b>7,997,286</b>	6,605,541
- Related parties	<b>379,615</b>	-
	<b>8,376,901</b>	6,605,541
<b>Current</b>		
Trade payables		
- Third parties	<b>62,864,225</b>	53,767,439
- Related parties	<b>1,053,777</b>	14,925,628
Retention sum		
- Third parties	<b>15,832,204</b>	9,966,440
- Related parties	<b>753,473</b>	-
	<b>80,503,679</b>	78,659,507
	<b>88,880,580</b>	85,265,048

- (a) The normal trade credit terms granted to the Group ranges from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.
- (b) Related parties refer to companies in which certain Directors of the Company have substantial financial interests.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 23. BANK BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Secured</b>				
Bankers' acceptance	11,068,000	24,092,000	-	-
Revolving credit	15,443,139	25,000,000	-	-
Term loans	287,487,006	192,628,789	16,150,000	19,438,000
Invoice financing	22,375,405	1,961,767	-	-
Bills discounting	4,080,639	4,923,512	-	-
Bank overdrafts	21,589,763	4,877,530	-	-
Margin facilities	26,249,832	-	26,249,832	-
	<b>388,293,784</b>	253,483,598	<b>42,399,832</b>	19,438,000
<b>Analysed as:</b>				
<b>Non-current</b>				
Term loans	266,749,561	188,820,928	12,862,000	16,150,000
<b>Current</b>				
Bankers' acceptance	11,068,000	24,092,000	-	-
Revolving credit	15,443,139	25,000,000	-	-
Term loans	20,737,445	3,807,861	3,288,000	3,288,000
Invoice financing	22,375,405	1,961,767	-	-
Bills discounting	4,080,639	4,923,512	-	-
Bank overdrafts	21,589,763	4,877,530	-	-
Margin facilities	26,249,832	-	26,249,832	-
	<b>121,544,223</b>	64,662,670	<b>29,537,832</b>	3,288,000
	<b>388,293,784</b>	253,483,598	<b>42,399,832</b>	19,438,000

- (a) The above credit facilities are secured by the following:
- (i) Legal charge over the freehold land and buildings, leasehold land and investment properties of the Company and subsidiary companies as disclosed in Notes 4, 5 and 6 respectively;
  - (ii) Debenture incorporating fixed specific charges over freehold land, leasehold land and the buildings erected thereon of the subsidiary companies as disclosed in Note 12;
  - (iii) Corporate guarantee by the holding company, the Company and a subsidiary company;
  - (iv) Corporate guarantee by other parties, PP Chin Hin Realty Sdn. Bhd. and Atlantic Blue Holdings Sdn. Bhd.;
  - (v) Joint and several guarantee by certain Director of the Company and of a subsidiary company;
  - (vi) Charge over other investment on securities listed on Bursa Securities as disclosed in Note 11;
  - (vii) Charge over certain shares of a subsidiary company owned by the Company;
  - (viii) Legal assignment of cash flows and/or insurance proceeds and/or sale proceeds and/or performance bonds in relation to projects being developed and constructed by subsidiaries;
  - (ix) Pledge of the fixed deposits of the Group as disclosed in Note 18; and
  - (x) Debentures incorporating fixed and floating charge over all present and future assets of a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 23. BANK BORROWINGS (CONT'D)

(b) Maturity of bank borrowings are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Within one year	121,544,223	64,662,670	29,537,832	3,288,000
Between one to two years	92,855,645	19,268,932	3,288,000	3,288,000
Between two to five years	144,442,511	136,256,789	9,574,000	9,864,000
Over five years	29,451,405	33,295,207	-	2,998,000
	<b>388,293,784</b>	253,483,598	<b>42,399,832</b>	19,438,000

(c) The range of interest rates per annum are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Bankers' acceptance	3.97 - 5.75	4.50 - 5.65	-	-
Revolving credit	3.95 - 5.40	3.95 - 5.40	-	-
Term loans	4.93 - 7.22	4.02 - 6.65	5.03	4.70
Invoice financing	5.45 - 7.67	5.64	-	-
Bills discounting	6.92 - 7.17	6.70 - 6.92	-	-
Bank overdrafts	5.45 - 8.07	5.60 - 7.56	-	-
Margin facilities	3.95 - 4.45	-	3.95 - 4.45	-

### 24. LEASE LIABILITIES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	4,359,788	2,294,271	410,352	224,193
Acquisition through business combination	-	924,142	-	-
Additions	3,294,203	3,037,754	-	482,941
Derecognition arising from termination of lease contracts	(512,886)	-	(373,067)	(217,854)
Accretion of interests	240,853	181,905	8,215	18,272
Payments	(2,669,667)	(2,078,284)	(45,500)	(97,200)
At 31 December	<b>4,712,291</b>	4,359,788	-	410,352
Presented as:				
Non-current	2,557,171	2,333,613	-	329,092
Current	2,155,120	2,026,175	-	81,260
	<b>4,712,291</b>	4,359,788	-	410,352

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 24. LEASE LIABILITIES (CONT'D)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Within one year	<b>1,956,486</b>	2,156,595	-	97,200
Between one to two years	<b>1,744,054</b>	1,551,690	-	97,200
Between two to five years	<b>1,297,968</b>	923,258	-	259,600
Later than five years	<b>81,494</b>	-	-	-
	<b>5,080,002</b>	4,631,543	-	454,000
Less: Future finance charges	<b>(367,711)</b>	(271,755)	-	(43,648)
Present value of lease liabilities	<b>4,712,291</b>	4,359,788	-	410,352

The Group and the Company lease buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(a) Obligations under lease liabilities

These obligations are secured by a charge over the leased assets as disclosed in Note 5. The interest rate of the Group and of the Company for the leases range from 3.91% to 6.72% (2022: 2.19% to 6.13%) per annum.

(b) Renewal and termination options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group and the Company apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group and the Company include the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

# NOTES TO THE FINANCIAL STATEMENTS

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## 25. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables				
- Third parties	<b>83,438,338</b>	73,769,795	<b>52,710</b>	44,334
- Related parties	<b>114,519,932</b>	43,338,126	-	-
- Retention sum	<b>192,954</b>	-	-	-
	<b>198,151,224</b>	117,107,921	<b>52,710</b>	44,334
Accruals	<b>75,807,301</b>	38,207,584	<b>775,783</b>	421,902
Deposits	<b>6,750,066</b>	13,063,030	-	-
Provision for foreseeable losses	<b>650,397</b>	-	-	-
SST payables	<b>603,741</b>	-	-	-
	<b>281,962,729</b>	168,378,535	<b>828,493</b>	466,236

Included in the Group's other payables consists of the following:

- (i) Amount due to joint venture companies amounting to RM22,969,011 (2022: RM26,807,700); and
- (ii) Advances from customers arising from construction and property development activities of RM67,098,661 (2022: RM67,516,383) and RM5,852,553 (2022: RMNil) respectively.

The accruals consist of accrued sub-contractor fees, materials and supplies and professional fees totaling RM44,043,960 (2022: RM32,158,563) in respect of on-going construction projects.

Deposits related to deposit received for the purchase of goods and are non-refundable amounting to RM6,380,625 (2022: RM12,897,626).

Related parties refer to companies in which certain Directors of the Company have substantial financial interests. The amount due to related parties represents unsecured, non-interest bearing and are repayable on demand.

### Provision for foreseeable loss

The provision for foreseeable losses represents the present obligation of a construction project. The movement are as follows:

	Group	
	2023 RM	2022 RM
At 1 January	-	-
Recognised in profit or loss	<b>650,397</b>	-
At 31 December	<b>650,397</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 26. AMOUNT DUE TO HOLDING COMPANY

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Non-trade</u>				
Interest bearing	<b>39,030,000</b>	4,700,000	<b>39,030,000</b>	4,700,000
Non-interest bearing	<b>426,482</b>	134,343	<b>420,069</b>	134,343
	<b>39,456,482</b>	4,834,343	<b>39,450,069</b>	4,834,343

These represent non-trade balance which is unsecured, bear interest at rate of 2.55% (2022: 1.8%) per annum and are repayable on demand.

## 27. AMOUNT DUE TO RELATED COMPANIES

These represent trade balance which is unsecured, non-interest bearing and credit term ranging from 60 to 90 days (2022: 60 to 90 days).

## 28. AMOUNT DUE TO A DIRECTOR

These represent non-trade balance which is unsecured, non-interest bearing and are repayable on demand.

## 29. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contract customers:</b>				
Sales of commercial vehicles and body works	<b>74,819,046</b>	99,000,617	-	-
Rental and fleet management service income	<b>2,497,454</b>	2,916,788	-	-
Property development	<b>65,785,385</b>	-	-	-
Construction contract	<b>458,553,962</b>	223,473,016	-	-
Management fee income	<b>107,610</b>	1,617,439	<b>672,000</b>	672,000
	<b>601,763,457</b>	327,007,860	<b>672,000</b>	672,000
<b>Revenue from other sources:</b>				
Dividend income	<b>205,000</b>	-	<b>5,205,000</b>	-
Interest income	<b>3,003</b>	1,073	<b>3,003</b>	1,073
Rental income	-	6,300	-	6,300
	<b>208,003</b>	7,373	<b>5,208,003</b>	7,373
	<b>601,971,460</b>	327,015,233	<b>5,880,003</b>	679,373

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. REVENUE (CONT'D)

	Commercial vehicles and body works RM	Rental and fleet management service income RM	Property development RM	Construction contracts RM	Total RM
<b>Group</b>					
<b>2023</b>					
<b>Timing of revenue recognition:</b>					
At a point in time	74,796,436	2,497,454	107,610	-	77,401,500
Over time	22,610	-	65,785,385	458,553,962	524,361,957
Total revenue from contracts with customers	74,819,046	2,497,454	65,892,995	458,553,962	601,763,457
<b>2022</b>					
<b>Timing of revenue recognition:</b>					
At a point in time	99,000,617	2,916,788	1,617,439	-	103,534,844
Over time	-	-	-	223,473,016	223,473,016
Total revenue from contracts with customers	99,000,617	2,916,788	1,617,439	223,473,016	327,007,860
				<b>2023 RM</b>	<b>2022 RM</b>
<b>Company</b>					
<b>2023</b>					
<b>Timing of revenue recognition:</b>					
At a point in time				5,877,000	672,000
Over time				3,003	1,073
Total revenue from contracts with customers				5,880,003	673,073



## NOTES TO THE FINANCIAL STATEMENTS

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### 30. FINANCE COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Interest expenses on:</b>				
Holding company	<b>287,116</b>	132,604	<b>287,116</b>	132,604
Subsidiary companies	-	-	<b>201,072</b>	156,992
Bank overdraft	<b>53,769</b>	306,344	-	-
Bank commitment fees	<b>29,349</b>	32,560	-	-
Bankers' acceptance	<b>896,016</b>	462,470	-	-
Bank guarantee and facility fees	<b>735,917</b>	7,637	<b>735,917</b>	-
Bill discounting	<b>189,821</b>	-	-	-
Lease liabilities	<b>240,853</b>	181,905	<b>8,215</b>	18,272
Revolving credit	<b>1,469,686</b>	1,933,481	-	-
Term loans	<b>12,629,453</b>	4,700,147	<b>861,673</b>	841,415
Invoice financing	<b>52,190</b>	328,236	-	-
	<b>16,584,170</b>	8,085,384	<b>2,093,993</b>	1,149,283
Less: Interest capitalised in property development costs	<b>(6,520,777)</b>	(3,738,051)	-	-
	<b>10,063,393</b>	4,347,333	<b>2,093,993</b>	1,149,283

### 31. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is derived at after charging/(crediting):

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- statutory audit	<b>292,000</b>	236,800	<b>41,500</b>	38,000
- other services	<b>5,000</b>	5,000	<b>5,000</b>	5,000
Depreciation of:				
- property, plant and equipment	<b>4,552,741</b>	2,130,500	<b>1,731</b>	2,066
- right-of-use assets	<b>2,391,129</b>	1,807,100	<b>40,158</b>	86,314
Non-executive Directors' remuneration				
- fees	<b>236,613</b>	129,000	<b>236,613</b>	129,000
- allowance	<b>9,600</b>	9,600	<b>9,600</b>	9,600
Impairment loss on:				
- trade receivables	<b>4,219,718</b>	1,726,153	-	-
- other receivables	<b>2,066,279</b>	692,777	-	-
Reversal of impairment loss on:				
- trade receivables	<b>(1,688,025)</b>	(2,840,017)	-	-
- other receivables	<b>(21,931)</b>	(438,207)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 31. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

Profit/(Loss) before taxation is derived at after charging/(crediting): (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net loss/(gain) on impairment of financial instrument	<b>4,576,041</b>	(859,294)	-	-
Net effect of unwinding of interest from discounting arising from:				
- trade receivables	-	(111,045)	-	-
Inventories written down	<b>482,344</b>	504,820	-	-
Inventories written off	<b>220,521</b>	-	-	-
Lease expenses relating to short-term lease				
- plant and machinery	<b>1,662,476</b>	-	-	-
- motor vehicle	<b>97,314</b>	83,721	-	-
- building	<b>3,526,710</b>	178,250	-	-
Lease expenses relating to low-value asset				
- photocopy machine	<b>41,546</b>	21,043	-	-
- water purifier	<b>2,596</b>	-	-	-
- portable toilets	<b>9,595</b>	-	-	-
- rubbish bin	<b>18,100</b>	-	-	-
Fair value gain on:				
- investment property	<b>(10,000)</b>	-	-	-
- other investments	<b>(2,530,595)</b>	-	<b>(2,530,595)</b>	-
(Gain)/Loss on disposal of:				
- property, plant and equipment	<b>(306,241)</b>	(446,792)	-	-
- right-of-use assets	<b>76,533</b>	-	-	-
- land held for property development	-	(481,547)	-	-
- other investments	<b>35,000</b>	-	-	-
- assets held-for-sale	<b>(34,484)</b>	-	-	-
Gain on capital reduction of an associate company	<b>(154,269)</b>	-	-	-
Gain on termination of lease contracts	<b>(49,586)</b>	-	<b>(10,774)</b>	(14,298)
Gain on bargain purchase	-	(2,751,600)	-	-
Loss/(Gain) on strike off of a subsidiary company	<b>13,669</b>	(176,013)	-	1
(Gain)/Loss on foreign exchange:				
- realised	<b>400,576</b>	867,853	-	-
- unrealised	<b>(248,452)</b>	458,667	-	(600)
Interest income				
- bank interest	<b>(682,748)</b>	(1,167,232)	<b>(3,003)</b>	(1,073)
- intercompany	-	-	<b>(1,704,438)</b>	(801,205)
Dividend income				
- subsidiary	-	-	<b>(5,000,000)</b>	-
- other investments	<b>(205,000)</b>	-	<b>(205,000)</b>	-
Rental income	<b>(213,200)</b>	(217,500)	-	-

## NOTES TO THE FINANCIAL STATEMENTS

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### 32. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Tax expenses recognised in profit or loss:</b>				
<b>Malaysian income tax</b>				
Current tax provision	11,829,757	5,712,324	-	-
Under/(Over)provision in prior years	225,346	(32,049)	(123,856)	-
	12,055,103	5,680,275	(123,856)	-
<b>Deferred tax: (Note 14)</b>				
Relating to origination and reversal of temporary differences	468,275	842,177	551,870	(301,803)
Under/(Over)provision in prior years	586,096	(1,151,735)	1,068,248	228,333
	1,054,371	(309,558)	1,620,118	(73,470)
<b>Real property gains tax</b>				
Current tax provision	-	48,155	-	-
Underprovision in prior years	48,837	-	-	-
	48,837	48,155	-	-
Tax expenses/(credit) for the financial year	13,158,311	5,418,872	1,496,262	(73,470)

Malaysian income tax is calculated at the statutory tax rate of 24% of chargeable income of the estimated assessable profit for the financial year.

A reconciliation of income tax expense/(credit) applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit/(Loss) before taxation	49,682,060	16,066,667	4,733,774	(2,038,106)
Taxation at statutory tax rate of 24%	11,923,694	3,856,000	1,136,106	(489,146)
Income not subject to tax	(2,897,389)	(732,881)	(1,859,129)	(25,922)
Expenses not deductible for tax purposes	5,079,168	4,085,271	1,274,893	213,265
Deferred tax assets not recognised	7,101	280,011	-	-
Utilisation of previously unrecognised deferred tax asset	(1,965,980)	(324,504)	-	-
Effect of share of results of associate	(5,195)	(4,753)	-	-
Effect of share of results of joint venture	156,633	(604,643)	-	-
Real property gain tax ("RPGT")	-	48,155	-	-
Underprovision of RPGT in prior years	48,837	-	-	-
Under/(Over)provision of taxation in prior years	225,346	(32,049)	(123,856)	-
Under/(Over)provision of deferred taxation in prior years	586,096	(1,151,735)	1,068,248	228,333
Tax expenses for the financial year	13,158,311	5,418,872	1,496,262	(73,470)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 32. TAXATION (CONT'D)

The Group and the Company have the following estimated unutilised tax losses, unabsorbed capital allowance and other temporary deductible differences available for set-off against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised tax losses	<b>11,247,152</b>	13,445,115	<b>610,439</b>	381,035
Unabsorbed capital allowances	<b>160,392</b>	165,215	<b>1,374</b>	-
Other temporary deductible differences	<b>17,411,782</b>	12,172,431	-	410,352
	<b>28,819,326</b>	25,782,761	<b>611,813</b>	791,387

Pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendments to Section 44(5F) of Income Tax Act 1967, effective from year of assessment 2019, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. Any unutilised tax losses accumulated up to the year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e.: from year of assessment 2019 to 2028) under the current tax legislation.

The recognised and unrecognised unutilised tax losses shall be disregarded after the end of the year of assessment as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Year of Assessments:				
2028	<b>7,258,523</b>	10,948,175	-	-
2029	<b>8,174</b>	8,174	-	-
2030	<b>381,035</b>	381,035	<b>381,035</b>	381,035
2031	<b>38,497</b>	79,822	-	-
2032	<b>2,438,828</b>	2,027,909	-	-
2033	<b>1,122,095</b>	-	<b>229,404</b>	-
	<b>11,247,152</b>	13,445,115	<b>610,439</b>	381,035

# NOTES TO THE FINANCIAL STATEMENTS

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## 33. EARNINGS PER SHARE

### (a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year. The weight average number of ordinary shares in issue excludes the weighted average number of treasury shares held by the Company.

	Group	
	2023 RM	2022 RM
Profit for the financial year, attributable to owners of the parent	<b>34,629,855</b>	7,622,662
Weighted average number of ordinary shares in issue		
- Issued ordinary shares as at 1 January	<b>480,067,256</b>	440,393,900
- Treasury shares held as at 1 January	<b>(700,000)</b>	(700,000)
- Effect of private placement	<b>37,944,255</b>	-
- Effect of warrants exercised	<b>14,449,859</b>	12,968,633
Weighted average number of ordinary shares in issue as at 31 December	<b>531,761,370</b>	452,662,533
Basic earnings per share (in sen)	<b>6.51</b>	1.68

### (b) Diluted earnings per share

Diluted earnings per share have been calculated by dividing the consolidated profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2023 RM	2022 RM
Profit for the financial year, attributable to owners of the parent	<b>34,629,855</b>	7,622,662
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>531,761,370</b>	452,662,533
Adjustment for assumed exercise of warrants	-	20,836,294
Weighted average number of ordinary shares in issue as at 31 December	<b>531,761,370</b>	473,498,827
Diluted earnings per share (in sen)	<b>6.51</b>	1.61

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 34. INTEREST IN JOINT OPERATION

The details of the joint operation are as follows:

Name of Company	Country of Incorporation	Effective Participating Interest		Principal Activities
		2023 %	2022 %	
Platinum Eminent Sdn. Bhd. *	Malaysia	60	60	Property development

\* Joint operation not audited by UHY

The project was completed since prior periods. Consequently, there were no further recognition of profit or loss recognised in respect of the interest in joint operations.

### 35. STAFF COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages, allowances and bonus	80,929,725	26,161,031	1,092,000	699,000
Fees	246,213	38,800	246,213	38,800
Defined contribution plans	6,158,876	2,155,449	87,600	75,600
Social security contribution	611,833	136,105	1,159	899
Employment insurance system	138,822	14,438	-	103
Others	258,169	114,638	-	-
	88,343,638	28,620,461	1,426,972	814,402
Less: Capitalised in construction contract costs	(31,949,374)	(8,054,214)	-	-
	56,394,264	20,566,247	1,426,972	814,402

Included in the staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of the subsidiary companies as shown below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Executive Directors</b>				
<i>Company's Directors</i>				
Salaries, wages, allowances and bonus	2,160,845	940,960	1,092,000	630,000
Fee	246,213	38,800	246,213	38,800
Defined contribution plans	213,074	110,052	87,600	75,600
Social security contribution	3,195	1,798	1,159	899
Employment insurance system	233	206	-	103
	2,623,560	1,091,816	1,426,972	745,402

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 35. STAFF COSTS (CONT'D)

Included in the staff costs is aggregate amount of remuneration received and receivables by the Executive Directors of the Company and of the subsidiary companies as shown below: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Executive Directors</b>				
<i>Subsidiary Companies' Directors</i>				
Salaries, wages, allowances and bonus	<b>1,542,313</b>	2,436,512	-	-
Defined contribution plans	<b>168,378</b>	-	-	-
Social security contribution	<b>2,958</b>	-	-	-
Employment insurance system	<b>229</b>	-	-	-
	<b>1,713,878</b>	2,436,512	-	-
<b>Executive Directors</b>				
Company's Directors	<b>2,623,560</b>	1,091,816	<b>1,426,972</b>	745,402
Subsidiary Companies' Directors	<b>1,713,878</b>	2,436,512	-	-
	<b>4,337,438</b>	3,528,328	<b>1,426,972</b>	745,402

## NOTES TO THE FINANCIAL STATEMENTS

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### 36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM	Financing cash flows RM	Non-cash changes			Accrued interest RM	At 31 December RM
			Acquisition through business combination RM	New lease RM	Termination of lease contracts RM		
<b>Group 2023</b>							
Amount due to holding company	4,834,343	34,335,023	-	-	-	287,116	39,456,482
Amount due to related companies	3,875,435	(22,012,548)	39,373,981	-	-	-	21,236,868
Bankers' acceptances	24,092,000	(13,024,000)	-	-	-	-	11,068,000
Lease liabilities	4,359,788	(2,428,814)	-	3,294,203	(512,886)	-	4,712,291
Revolving credit	25,000,000	(9,556,861)	-	-	-	-	15,443,139
Term loans	192,628,789	44,089,777	50,460,645	-	-	307,795	287,487,006
Invoice financing	1,961,767	20,413,638	-	-	-	-	22,375,405
Bills discounting	4,923,512	(842,873)	-	-	-	-	4,080,639
Margin facilities	-	26,249,832	-	-	-	-	26,249,832
Amount due to a Director	7,020,000	38,316,187	960,000	-	-	-	46,296,187
	268,695,634	115,539,361	90,794,626	3,294,203	(512,886)	594,911	478,405,849
	At 1 January RM	Financing cash flows RM	Non-cash changes		At 31 December RM		
			Acquisition through business combination RM	New lease RM			
<b>Group 2022</b>							
Amount due to holding company	9,500,349	(4,666,006)	-	-	4,834,343		
Amount due to related companies	273,781	3,601,654	-	-	3,875,435		
Bankers' acceptances	11,000,000	4,563,000	8,529,000	-	24,092,000		
Lease liabilities	2,294,271	(1,896,379)	924,142	3,037,754	4,359,788		
Revolving credit	60,000,000	(35,000,000)	-	-	25,000,000		
Term loans	112,290,597	79,430,032	908,160	-	192,628,789		
Invoice financing	516,132	1,445,635	-	-	1,961,767		
Bills discounting	-	556,410	4,367,102	-	4,923,512		
Promissory notes	-	(174,630)	174,630	-	-		
Amount due to a Director	-	7,020,000	-	-	7,020,000		
	195,875,130	54,879,716	14,903,034	3,037,754	268,695,634		



# NOTES TO THE FINANCIAL STATEMENTS

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## 36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1 January RM	Financing cash flows RM	Other changes (i) RM	Non-cash changes		At 31 December RM
				Termination of lease contracts RM	Accrued interest RM	
<b>Company 2023</b>						
Amount due to holding company	4,834,343	34,615,726	-	-	-	39,450,069
Amount due to subsidiary companies	15,482,162	(7,232,109)	(5,000,000)	-	201,072	3,451,125
Lease liabilities	410,352	(37,285)	-	(373,067)	-	-
Term loan	19,438,000	(3,288,000)	-	-	-	16,150,000
Margin facilities	-	26,249,832	-	-	-	26,249,832
Amount due to a Director	-	8,956,000	-	-	-	8,956,000
	<b>40,164,857</b>	<b>59,264,164</b>	<b>(5,000,000)</b>	<b>(373,067)</b>	<b>201,072</b>	<b>94,257,026</b>
	At 1 January RM	Financing cash flows RM	Non-cash changes		At 31 December RM	
			New lease contracts RM	Termination of lease contracts RM		
<b>Company 2022</b>						
Amount due to holding company	9,500,349	(4,666,006)	-	-	4,834,343	
Amount due to subsidiary companies	12,597,252	2,884,910	-	-	15,482,162	
Lease liabilities	224,193	(78,928)	482,941	(217,854)	410,352	
Term loan	22,726,000	(3,288,000)	-	-	19,438,000	
	<b>45,047,794</b>	<b>(5,148,024)</b>	<b>482,941</b>	<b>(217,854)</b>	<b>40,164,857</b>	

(i) Other changes include dividend offset with amount due to a subsidiary company.

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. RELATED PARTY DISCLOSURES

### (a) Identified related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group and the Company have related party relationships with its subsidiary companies, others related parties and key management personnel.

### (b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Transactions with subsidiary companies</b>				
- Management fee income	-	-	(672,000)	(672,000)
- Operating expenses	-	-	21	154
- Rental expenses	-	-	45,500	78,000
- Interest income	-	-	(1,704,438)	-
- Interest expenses	-	-	201,072	156,992
<b>Transactions with holding company</b>				
- Interest expense	287,116	132,604	287,116	132,604
- Rental income	-	(6,300)	-	(6,300)
<b>Transactions with related companies</b>				
- Purchase of goods	44,570,205	12,896,854	-	-
- Rental expense	46,320	223,600	-	-
- Insurance and other expenses	90,771	111,043	3,749	4,798
<b>Transactions with an associate of holding company</b>				
- Acquisition of property, plant and equipment	976,636	-	-	-
- Purchase of materials	1,166,163	-	-	-
- Contract cost payable	7,786,419	-	-	-
<b>Transactions with a person connected to a Director of the Company</b>				
- Rental expenses	-	188,300	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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## 37. RELATED PARTY DISCLOSURES (CONT'D)

### (b) Significant related party transactions (Cont'd)

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows: (Cont'd)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Transactions with companies in which certain Directors of the Company have significant financial interests</b>				
- Acquisition of property, plant and equipment	649,799	-	-	-
- Purchase of goods	34,838	-	-	-
- Progress billing receivables	(8,702,610)	(43,966,900)	-	-
- Project management fees	-	1,641,469	-	-
- Project management income	(108,330)	-	-	-
- Contract cost payable	35,550,191	5,514,275	-	-
- Rental expenses	428,000	217,600	-	19,200

### (c) Compensation of key management personnel

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, allowances, and bonus	2,531,775	2,351,476	-	-
Defined contribution plans	295,835	260,158	-	-
Social security contribution	2,389	4,923	-	-
Employment insurance system	188	506	-	-
	2,830,187	2,617,063	-	-

## 38. SEGMENTAL INFORMATION

For management purposes, the Group is organised into business divisions based on their products and services, and has four reportable segments as follows:

Commercial vehicles and bodyworks	Manufacturing and trading of rebuilt and new commercial vehicles and the manufacture of body works and rental of commercial vehicles and provision of fleet management and other related services.
Property development	Property development activities
Construction	Construction activities
Others	Investment holding and the provision of management services.

# NOTES TO THE FINANCIAL STATEMENTS

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## 38. SEGMENTAL INFORMATION (CONT'D)

Management monitors the operating results of its business divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Property development RM	Construction RM	Commercial vehicles and bodyworks RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
<b>2023</b>						
<b>Revenue</b>						
External sales	65,892,995	458,553,962	77,316,500	208,003	-	601,971,460
Inter-segment	562,566	61,976,975	375,711	5,672,000	(68,587,252)	-
Total revenue	66,455,561	520,530,937	77,692,211	5,880,003	(68,587,252)	601,971,460
<b>Results</b>						
Segment results	(69,552,635)	(496,886,707)	(72,827,277)	(759,677)	62,230,179	(577,796,117)
Interest income	2,325,512	598,135	432,027	1,707,441	(4,380,367)	682,748
Finance costs	(10,280,285)	(1,034,837)	(959,514)	(2,093,993)	4,305,236	(10,063,393)
Share of results of associate company	-	(278,495)	-	-	-	(278,495)
Share of results of joint venture companies	34,375,251	790,606	-	-	-	35,165,857
Profit/(Loss) before taxation	23,323,404	23,719,639	4,337,447	4,733,774	(6,432,204)	49,682,060
Taxation	(5,263,162)	(5,870,904)	(405,061)	(1,496,263)	(122,921)	(13,158,311)
Profit/(Loss) for the financial year	18,060,242	17,848,735	3,932,386	3,237,511	(6,555,125)	36,523,749
<b>Assets</b>						
Segment assets	828,883,328	399,874,229	104,346,954	331,496,559	(469,193,029)	1,195,408,041
Tax recoverable	223,134	957,320	207,021	213,780	-	1,601,255
Cash and bank balances	5,426,984	19,662,362	11,795,732	5,028,543	-	41,913,621
Total assets	834,533,446	420,493,911	116,349,707	336,738,882	(469,193,029)	1,238,922,917
<b>Liabilities</b>						
Segment liabilities	448,633,646	264,542,557	26,238,222	52,685,689	(309,477,919)	482,622,195
Borrowings	283,245,405	53,048,547	9,600,000	42,399,832	-	388,293,784
Tax payable	2,746,495	739,236	1,491	-	74,083	3,561,305
Deferred tax liabilities	59,473	-	3,084,052	2,634,222	1,419,226	7,196,973
Total liabilities	734,685,019	318,330,340	38,923,765	97,719,743	(307,984,610)	881,674,257

## NOTES TO THE FINANCIAL STATEMENTS

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### 38. SEGMENTAL INFORMATION (CONT'D)

	Property development RM	Construction RM	Commercial vehicles and bodyworks RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
<b>2023 (Cont'd)</b>						
<b>Non-cash expenses/(income)</b>						
Depreciation of:						
- property, plant and equipment	1,102,890	2,477,350	956,500	1,731	14,270	4,552,741
- rights-of-use assets	1,080,521	937,477	373,129	40,158	(40,156)	2,391,129
Loss/(Gain) on disposal of:						
- property, plant and equipment	-	193	(306,434)	-	-	(306,241)
Gain on termination of lease contracts	-	-	(48,698)	(10,774)	9,886	(49,586)
Impairment loss on:						
- trade receivables	-	1,269,912	2,949,806	-	-	4,219,718
- other receivables	-	2,062,079	4,200	-	-	2,066,279
Inventories written down	-	-	482,344	-	-	482,344
Inventories written off	100,800	-	119,721	-	-	220,521
Reversal of impairment loss on:						
- trade receivables	-	(1,018,066)	(669,959)	-	-	(1,688,025)
- other receivables	-	(21,931)	-	-	-	(21,931)
- amount due from subsidiary companies	-	-	(3,603)	-	3,603	-
Property, plant and equipment written off	14,692	11,878	-	-	-	26,570
Gain on strike off of a subsidiary company	-	-	(311,650)	-	325,319	13,669
Unrealised gain on foreign exchange	-	-	(248,452)	-	-	(248,452)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 38. SEGMENTAL INFORMATION (CONT'D)

	Property development RM	Construction RM	Commercial vehicles and bodyworks RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
<b>2022</b>						
<b>Revenue</b>						
External sales	1,617,440	223,473,015	101,917,405	7,373	-	327,015,233
Inter-segment	-	9,291,983	213,221	672,000	(10,177,204)	-
Total revenue	1,617,440	232,764,998	102,130,626	679,373	(10,177,204)	327,015,233
<b>Results</b>						
Segment results	(8,690,051)	(223,940,524)	(95,047,478)	(2,439,642)	12,024,268	(318,093,427)
Interest income	870,535	1,151,259	280,303	802,277	(1,937,142)	1,167,232
Finance costs	(3,609,882)	(894,733)	(645,671)	(1,149,283)	1,952,236	(4,347,333)
Share of results of associate company	-	(127,002)	-	-	-	(127,002)
Share of results of joint venture companies	7,932,617	2,519,347	-	-	-	10,451,964
(Loss)/Profit before taxation	(1,879,341)	11,473,345	6,717,780	(2,107,275)	1,862,158	16,066,667
Taxation	(426,959)	(4,141,115)	(922,574)	73,472	(1,696)	(5,418,872)
(Loss)/Profit for the financial year	(2,306,300)	7,332,230	5,795,206	(2,033,803)	1,860,462	10,647,795
<b>Assets</b>						
Segment assets	434,507,724	253,197,722	124,185,822	182,233,408	(278,589,096)	715,535,580
Tax recoverable	2,623,189	20,000	3,623	13,661	-	2,660,473
Cash and bank balances	10,275,449	33,629,085	11,147,567	3,348,190	-	58,400,291
Total assets	447,406,362	286,846,807	135,337,012	185,595,259	(278,589,096)	776,596,344
<b>Liabilities</b>						
Segment liabilities	169,677,154	181,726,963	41,370,862	21,193,091	(140,201,253)	273,766,817
Borrowings	196,594,789	20,300,809	17,150,000	19,438,000	-	253,483,598
Tax liabilities	2,255	821,750	165,215	-	-	989,220
Deferred tax liabilities	25,691	-	2,910,305	1,014,104	1,419,225	5,369,325
Total liabilities	366,299,889	202,849,522	61,596,382	41,645,195	(138,782,028)	533,608,960

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 38. SEGMENTAL INFORMATION (CONT'D)

	Property development RM	Construction RM	Commercial vehicles and bodyworks RM	Others RM	Adjustments and eliminations * RM	Per consolidated financial statements RM
<b>2022 (Cont'd)</b>						
<b>Non-cash expenses/(income)</b>						
Depreciation of:						
- property, plant and equipment	195,920	1,097,129	842,265	2,066	(6,878)	2,130,502
- rights-of-use assets	821,348	706,200	262,080	86,316	(68,844)	1,807,100
Gain on disposal of:						
- property, plant and equipment	-	(160,950)	(285,842)	-	-	(446,792)
- land held for property development	(481,547)	-	-	-	-	(481,547)
Impairment loss on:						
- trade receivables	-	1,136,864	589,289	-	-	1,726,153
- other receivables	-	692,777	-	-	-	692,777
Inventories written down	-	-	504,820	-	-	504,820
<b>Non-cash expenses/(income) (Cont'd)</b>						
Reversal of impairment loss on:						
- trade receivables	(621,101)	(111,045)	(2,107,871)	-	-	(2,840,017)
- other receivables	-	(438,207)	-	-	-	(438,207)
- amount due from subsidiary companies	-	-	(132,974)	(107,410)	240,384	-
Gain on bargain purchase	-	-	-	-	(2,751,600)	(2,751,600)
Loss/(Gain) on strike off of a subsidiary company	-	-	-	1	(176,014)	(176,013)
Unrealised loss on foreign exchange	-	-	458,067	600	-	458,667

\* Inter-segment revenue, profit and transactions are eliminated.

### Geographic information

Geographical segment information has not been prepared as the Group's operations are in Malaysia.

### Major Customer

The following is the major customer with revenue 10% equal or more than ten percent of Group's revenue:

	Revenue		Segment
	2023 RM	2022 RM	
Customer			
A	189,843,961	78,725,191	Construction
B	63,524,287	-	Construction
	253,368,248	78,725,191	

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 39. CAPITAL COMMITMENT

	Group	
	2023 RM	2022 RM
<b>Approved and contracted for:</b>		
- Land held for property development	-	50,223,330
- Computer software	111,321	417,736
- Acquisitions of subsidiary	-	17,825,000
	111,321	68,466,066
<b>Approved but not contracted for:</b>		
- Acquisition of freehold land	40,000,000	-
- Acquisition of leasehold land	41,936,800	-
	81,936,800	-

## 40. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial asset at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Group</b>				
<b>2023</b>				
<b>Financial Assets</b>				
Other investments	53,937,444	35,000	-	53,972,444
Trade receivables	-	116,070,993	-	116,070,993
Other receivables	-	60,464,247	-	60,464,247
Fixed deposits with licensed banks	-	35,003,959	-	35,003,959
Cash and bank balances	-	41,913,621	-	41,913,621
Total financial assets	53,937,444	253,487,820	-	307,425,264
<b>2022</b>				
<b>Financial Assets</b>				
Other investments	-	70,000	-	70,000
Trade receivables	-	111,771,109	-	111,771,109
Other receivables	-	41,242,224	-	41,242,224
Fixed deposits with licensed banks	-	21,875,113	-	21,875,113
Cash and bank balances	-	58,400,291	-	58,400,291
Total financial assets	-	233,358,737	-	233,358,737



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial asset at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Group</b>				
<b>2023</b>				
<b>Financial Liabilities</b>				
Trade payables	-	-	88,880,580	88,880,580
Other payables	-	-	207,757,377	207,757,377
Amount due to holding company	-	-	39,456,482	39,456,482
Amount due to related companies	-	-	21,236,868	21,236,868
Bank borrowings	-	-	388,293,784	388,293,784
Lease liabilities	-	-	4,712,291	4,712,291
Total financial liabilities	-	-	750,337,382	750,337,382
<b>2022</b>				
<b>Financial Liabilities</b>				
Trade payables	-	-	85,265,048	85,265,048
Other payables	-	-	100,862,152	100,862,152
Amount due to holding company	-	-	4,834,343	4,834,343
Amount due to related companies	-	-	3,875,435	3,875,435
Bank borrowings	-	-	253,483,598	253,483,598
Lease liabilities	-	-	4,359,788	4,359,788
Total financial liabilities	-	-	452,680,364	452,680,364

# NOTES TO THE FINANCIAL STATEMENTS

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## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial asset at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
<b>Company</b>				
<b>2023</b>				
<b>Financial Assets</b>				
Other investments	53,937,444	-	-	53,937,444
Other receivables	-	847,766	-	847,766
Amount due from subsidiary companies	-	127,546,095	-	127,546,095
Cash and bank balances	-	5,028,543	-	5,028,543
Total financial assets	53,937,444	133,422,404	-	187,359,848
<b>2022</b>				
<b>Financial Assets</b>				
Other receivables	-	204,289	-	204,289
Amount due from subsidiary companies	-	49,156,348	-	49,156,348
Cash and bank balances	-	3,348,191	-	3,348,191
Total financial assets	-	52,708,828	-	52,708,828
<b>Company</b>				
<b>2023</b>				
<b>Financial Liabilities</b>				
Other payables	-	-	828,493	828,493
Amount due to holding company	-	-	39,450,069	39,450,069
Amount due to subsidiary companies	-	-	3,451,125	3,451,125
Bank borrowings	-	-	42,399,832	42,399,832
Total financial liabilities	-	-	86,129,519	86,129,519
<b>2022</b>				
<b>Financial Liabilities</b>				
Other payables	-	-	466,236	466,236
Amount due to holding company	-	-	4,834,343	4,834,343
Amount due to subsidiary companies	-	-	15,482,162	15,482,162
Bank borrowings	-	-	19,438,000	19,438,000
Lease liabilities	-	-	410,352	410,352
Total financial liabilities	-	-	40,631,093	40,631,093

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Net (loss)/gain arising from financial instruments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Net (loss)/gain on impairment of financial instruments				
- Financial assets at amortised cost	<b>(4,576,041)</b>	859,294	-	-

(c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk and liquidity risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with licensed banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts. In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers. In respect of trade receivables arising from the sale of commercial vehicles, the Group mitigates its credit risk through repossession of commercial vehicles.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's maximum exposure to credit risk except for financial guarantee provided to licensed banks for banking facilities granted to certain subsidiary companies.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

### (c) Financial risk management objectives and policies (Cont'd)

#### (i) Credit risk (Cont'd)

The Group's maximum exposure in this respect is RM168,898,075 (2022: RM59,032,925) while the Company's maximum exposure in this respect is RM406,589,534 (2022: RM439,423,231), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

#### Credit risk concentration

At the reporting date, approximately 39% (2022: 52%) of the Group's trade receivables were due from 3 (2022: 1) major customer which contribute from construction segment for the current year and property development segment in prior financial period.

#### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
<b>Group</b>						
<b>2023</b>						
Trade payables	80,503,679	8,376,901	-	-	88,880,580	88,880,580
Other payables	207,757,377	-	-	-	207,757,377	281,962,729
Amount due to holding company	39,456,482	-	-	-	39,456,482	39,456,482
Amount due to related companies	21,236,868	-	-	-	21,236,868	21,236,868
Bank borrowings	134,273,149	101,404,022	155,447,361	31,095,653	422,220,185	388,293,784
Lease liabilities	1,956,486	1,744,054	1,297,968	81,494	5,080,002	4,712,291
Finance guarantee*	168,898,075	-	-	-	168,898,075	-
<b>Total financial liabilities</b>	<b>654,082,116</b>	<b>111,524,977</b>	<b>156,745,329</b>	<b>31,177,147</b>	<b>953,529,569</b>	<b>824,542,734</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
<b>Group</b>						
<b>2022</b>						
Trade payables	78,659,507	6,605,541	-	-	85,265,048	85,265,048
Other payables	100,862,152	-	-	-	100,862,152	168,378,535
Amount due to holding company	4,834,343	-	-	-	4,834,343	4,834,343
Amount due to related companies	3,875,435	-	-	-	3,875,435	3,875,435
Bank borrowings	74,021,181	28,317,775	149,804,897	36,133,474	288,277,327	253,483,598
Lease liabilities	2,156,595	1,551,690	923,258	-	4,631,543	4,359,788
Finance guarantee*	59,032,925	-	-	-	59,032,925	-
<b>Total financial liabilities</b>	<b>323,442,138</b>	<b>36,475,006</b>	<b>150,728,155</b>	<b>36,133,474</b>	<b>546,778,773</b>	<b>520,196,747</b>

\* Based on the maximum amount that can be called for under the financial guarantee contract.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
<b>Company</b>						
<b>2023</b>						
Other payables	828,493	-	-	-	828,493	828,493
Amount due to holding company	39,450,069	-	-	-	39,450,069	39,450,069
Amount due to subsidiary companies	3,451,125	-	-	-	3,451,125	3,451,125
Term loan	5,516,139	3,707,927	10,104,116	-	19,328,182	16,150,000
Margin facilities	26,249,832	-	-	-	26,249,832	26,249,832
Financial guarantee*	406,589,534	-	-	-	406,589,534	-
<b>Total financial liabilities</b>	<b>482,085,192</b>	<b>3,707,927</b>	<b>10,104,116</b>	<b>-</b>	<b>495,897,235</b>	<b>86,129,519</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total Contractual Cash Outflow RM	Total Carrying Amount RM
<b>Company</b>						
<b>2022</b>						
Other payables	466,236	-	-	-	466,236	466,236
Amount due to holding company	4,834,343	-	-	-	4,834,343	4,834,343
Amount due to subsidiary companies	15,482,162	-	-	-	15,482,162	15,482,162
Term loan	4,117,791	3,965,229	10,962,548	3,056,575	22,102,143	19,438,000
Lease liabilities	97,200	97,200	259,600	-	454,000	410,352
Financial guarantee*	439,423,231	-	-	-	439,423,231	-
<b>Total financial liabilities</b>	<b>464,420,963</b>	<b>4,062,429</b>	<b>11,222,148</b>	<b>3,056,575</b>	<b>482,762,115</b>	<b>40,631,093</b>

\* Being corporate guarantee for banking facilities of certain subsidiary companies which will only be encashed in the event of default by these companies.

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

The maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies, amounting to RM406,589,534 as at 31 December 2023 (2022: RM439,423,231). The earliest year any of the financial guarantees can be called upon by the financial institutions is within the next 12 months. At end of the financial year, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currencies of the Group entities. The currencies giving rise to this risk are primarily Japanese Yen ("JPY"), Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), UK Pound ("GBP"), United States Dollar ("USD"), Chinese Renminbi ("RMB") and Indonesian Rupiah ("IDR").

The Group has not entered into any derivative instruments for hedging or trading purposes. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in										Total RM	
	JPY RM	SGD RM	HKD RM	GBP RM	USD RM	RMB RM	IDR RM					
<b>Group</b>												
<b>2023</b>												
Other receivables	10,414	-	31,524	-	-	23,492	-	-	-	-	-	65,430
Cash and bank balances	24	16,043	27,440	322	2,644	2	17	-	-	-	-	46,492
Trade payables	(2,092,156)	(765,862)	(1,602)	(224,397)	(1,835,039)	(19,523)	-	-	-	-	-	(4,938,579)
	(2,081,718)	(749,819)	57,362	(224,075)	(1,832,395)	3,971	17	-	-	-	17	(4,826,657)
<b>Group</b>												
<b>2022</b>												
Other receivables	22,534	8,003	31,524	-	-	23,492	-	-	-	-	-	85,553
Cash and bank balances	41	15,163	26,290	291	13,469	69,826	17	-	-	-	-	125,097
Trade payables	(10,316,835)	(504,133)	(152,420)	(110,246)	(1,175,028)	(19,606)	-	-	-	-	-	(12,278,268)
	(10,294,260)	(480,967)	(94,606)	(109,955)	(1,161,559)	73,712	17	-	-	-	17	(12,067,618)

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows: (Cont'd)

	Denominated in			
	SGD RM	USD RM	IDR RM	Total RM
<b>Company</b>				
<b>2023</b>				
Cash and bank balances	51	1,863	17	1,931
<b>2022</b>				
Cash and bank balances	111	11,603	17	11,731

### Sensitivity analysis for foreign currency exchange risk

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the JPY, SGD, HKD, GBP, USD, RMB and IDR exchange rates against RM, with all other variables held constant.

	2023		2022	
	Change in currency rate RM	Effect on profit before tax RM	Change in currency rate RM	Effect on profit before tax RM
<b>Group</b>				
JPY	<b>Strengthened 5%</b>	<b>(104,086)</b>	Strengthened 5%	(514,713)
	<b>Weakened 5%</b>	<b>104,086</b>	Weakened 5%	514,713
SGD	<b>Strengthened 5%</b>	<b>(37,491)</b>	Strengthened 5%	(24,048)
	<b>Weakened 5%</b>	<b>37,491</b>	Weakened 5%	24,048
HKD	<b>Strengthened 5%</b>	<b>2,868</b>	Strengthened 5%	(4,730)
	<b>Weakened 5%</b>	<b>(2,868)</b>	Weakened 5%	4,730
GBP	<b>Strengthened 5%</b>	<b>(11,204)</b>	Strengthened 5%	(5,498)
	<b>Weakened 5%</b>	<b>11,204</b>	Weakened 5%	5,498
USD	<b>Strengthened 5%</b>	<b>(91,620)</b>	Strengthened 5%	(58,078)
	<b>Weakened 5%</b>	<b>91,620</b>	Weakened 5%	58,078
RMB	<b>Strengthened 5%</b>	<b>199</b>	Strengthened 5%	3,686
	<b>Weakened 5%</b>	<b>(199)</b>	Weakened 5%	(3,686)
IDR	<b>Strengthened 5%</b>	<b>1</b>	Strengthened 5%	-
	<b>Weakened 5%</b>	<b>(1)</b>	Weakened 5%	-



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

Sensitivity analysis for foreign currency exchange risk (Cont'd)

	2023		2022	
	Change in currency rate RM	Effect on profit before tax RM	Change in currency rate RM	Effect on profit before tax RM
<b>Company</b>				
SGD	<b>Strengthened 5%</b>	<b>3</b>	Strengthened 5%	6
	<b>Weakened 5%</b>	<b>(3)</b>	Weakened 5%	(6)
USD	<b>Strengthened 5%</b>	<b>93</b>	Strengthened 5%	580
	<b>Weakened 5%</b>	<b>(93)</b>	Weakened 5%	(580)
IDR	<b>Strengthened 5%</b>	<b>1</b>	Strengthened 5%	-
	<b>Weakened 5%</b>	<b>(1)</b>	Weakened 5%	-

(b) Interest rate risk

The Group and the Company exposed to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's and the Company's policy is to obtain the financing with the most favourable interest rates in the market.

The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2023 RM	2022 RM
<b>Group</b>		
<b>Fixed rate instruments</b>		
<b>Financial asset</b>		
Fixed deposits with licensed banks	<b>35,003,959</b>	21,875,113
<b>Financial liability</b>		
Lease liabilities	<b>4,712,291</b>	4,359,788
<b>Floating rate instrument</b>		
<b>Financial liability</b>		
Bank borrowings	<b>388,293,784</b>	253,483,598

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The carrying amounts of the Group and of the Company's financial instruments that are exposed to interest rate risk are as follows: (Cont'd)

	2023 RM	2022 RM
<b>Company</b>		
<b>Fixed rate instrument</b>		
<b>Financial liability</b>		
Lease liabilities	-	410,352
<b>Floating rate instrument</b>		
<b>Financial asset</b>		
Bank borrowings	<b>42,399,832</b>	19,438,000

#### Interest rate risk sensitivity analysis

##### Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

##### Cash flow sensitivity analysis for floating rate instruments

This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

	2023 RM	2022 RM
<b>Effect to profit or loss</b>		
<b>Group</b>		
Interest rate increased by 0.5%	<b>1,941,469</b>	1,267,418
Interest rate decreased by 0.5%	<b>(1,941,469)</b>	(1,267,418)
<b>Company</b>		
Interest rate increased by 0.5%	<b>211,999</b>	97,190
Interest rate decreased by 0.5%	<b>(211,999)</b>	(97,190)

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 41. FINANCIAL GUARANTEE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bank guarantees issued				
- for execution of contracts of the subsidiary companies	<b>45,000</b>	45,000	-	-
- in favour of third parties granted in the ordinary course of its construction business of subsidiary company	<b>150,703,075</b>	47,437,925	-	-
Corporate guarantees to licensed banks for credit facilities granted to subsidiary companies				
- limit of guarantees	-	-	<b>784,384,427</b>	639,797,041
- amount utilised	-	-	<b>406,589,534</b>	439,423,231
Corporate guarantees by a subsidiary for credit facilities granted to a joint venture company	<b>18,150,000</b>	11,550,000	-	-
	<b>168,898,075</b>	59,032,925	<b>1,190,973,961</b>	1,079,220,272

## 42. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group	
	2023 RM	2022 RM
Total loans and borrowings	<b>393,006,075</b>	257,843,386
Less: Deposits, bank and cash balances	<b>(55,327,817)</b>	(75,397,874)
Net debt	<b>337,678,258</b>	182,445,512
<b>Total equity</b>	<b>345,009,237</b>	211,011,789
<b>Gearing ratio</b>	<b>0.98</b>	0.86

There were no changes in the Group's and the Company's approach to capital management during the financial year.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 43. SIGNIFICANT EVENTS

### (i) Acquisition of non-controlling interests of subsidiary companies

- (a) On 25 August 2022, the Company entered into a share sale agreement with Chan Kin Keong to acquire 3,000,000 ordinary shares in KKSBB, representing 30% equity interest in KKSBB for a cash consideration of RM16,700,000.

On 30 December 2022, approval from the shareholders was obtained at an extraordinary general meeting.

On 1 January 2023, the acquisition was deemed completed in view that the Company had fulfilled all its payment obligation under the share sale agreement and obtained control of KKSBB in accordance with *MFRS 3 Business Combinations*. Consequently, KKSBB became a 95% owned subsidiary of the Company.

- (b) On 28 July 2023, BKGD entered into a share sale agreement with Atlantic Blue Holdings Sdn. Bhd. (“ABHSB”) to acquire 2,450,000 ordinary shares in BKA representing 49% equity interest in BKA for a cash consideration of RM2,450,000.

On 30 August 2023, the proposed acquisition was completed as BKGD fulfilled the term and conditions under the agreement and obtained 100% control of BKA. Consequently, BKA became a wholly-owned subsidiary of BKGD.

### (ii) Acquisition of a subsidiary company

On 25 August 2022, BKGD entered into a share sale agreement with Aera Property Group Sdn. Bhd. (“Aera”) to acquire 11,500,000 ordinary shares in Quaver, representing 100% equity interest in Quaver, for a cash consideration of RM1,250,000.

On 13 March 2023, the acquisition of Quaver was completed.

### (iii) Subscription of Placement Shares

On 23 March 2023, the Company accepted the offer letter from AmlInvestment Bank Berhad, the placement agent appointed by NCT Alliance Berhad (“NCT”) to subscribe 75,045,000 ordinary shares in NCT for a total cash consideration of RM24,129,600 via private placement (“Placement Shares”) at RM0.32 per Placement Share, representing 4.78% voting shares in NCT.

On 27 March 2023, NCT had allotted the Placement Shares to the Company.

### (iv) Disposal of land

On 21 July 2022, BKVI entered into a conditional sale and purchase agreement (“SPA”) with OKBB Sdn. Bhd. (“OKBB”) for the disposal of a parcel of leasehold land identified as Pajakan Mukim 8584, Lot 16388, Mukim Dengkil, Daerah Sepang, Negeri Selangor for a total consideration of RM1,257,765.

The disposal was completed on 16 May 2023.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 43. SIGNIFICANT EVENTS (CONT'D)

### (v) Incorporation of subsidiary companies

(a) On 13 June 2023, CHCE incorporated a fully-owned subsidiary company, CHMSB with cash subscription of RM2.

(b) On 14 June 2023, BKGD incorporated fully-owned subsidiary companies, ACSB and TLSB with cash subscription of RM2 each respectively.

### (vi) Struck off of a subsidiary company

BK Sepadu had on 14 November 2019 submitted the application for striking off to Companies Commission of Malaysia ("CCM"). Subsequently, name of BK Sepadu has been struck off from the register on 17 July 2023.

### (vii) Acquisition of land

On 8 February 2021, the Company announced that BK Capital, entered into a conditional sale and purchase agreement ("SPA") 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 RM50,223,330.

On 6 December 2021, both parties agreed to extend conditional period of the SPA to 5 June 2022. On 3 June 2022, the parties agreed to further extend the conditional period to 4 March 2023.

On 8 August 2023, the Company announced that the conditional period for the SPA had lapsed and the SPA is of no further effect. As such, the transaction is deemed aborted.

### (viii) Allotment of shares in a subsidiary company

On 18 October 2023, SPSB had increased its paid-up share capital from 2 to 10 ordinary shares by issuance of 8 ordinary shares for a total cash consideration of RM8. BKGD has subscribed for an additional 5 ordinary shares in SPSB for a total cash consideration of RM5.

Upon the completion of the allotment of shares, BKGD's equity interest in SPSB decreased from 100% to 70%.

### (ix) Joint development agreement

On 3 May 2023, the Company announced that SPSB entered into a Joint Development Agreement ("JDA") with Ivory Meadows Sdn. Bhd. ("IMSB") for the proposed development of serviced residence located on a parcel of freehold land held under HSD 19319, Lot 10012 Seksyen 1 Bandar Tanjong Pinang, Daerah Timur Lau, Negeri Penang measuring approximately 8,093 square meters ("Land").

On 5 January 2024, the said JDA became unconditional.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 43. SIGNIFICANT EVENTS (CONT'D)

- (x) Increase in paid-up share capital

The Company increased its issued and paid-up ordinary share capital from RM134,813,102 to RM228,204,465, by way of:

- (a) Conversion of Warrants

During the financial year, the Company had issued 25,796,648 new ordinary shares through conversion of Warrants at an exercise price of RM0.20 for a total cash consideration of RM5,159,330.

On 7 July 2023, the remaining unexercised Warrants had expired and lapsed; and correspondingly on 10 July 2023, the Warrants were removed from the Main Market Bursa Malaysia Securities Berhad ("Bursa Malaysia").

- (b) Private Placements

### Private Placement #1

On 29 November 2022, the Company proposed to undertake a private placement of up to 15% of its issued ordinary shares.

On 13 January 2023, the first tranche of the Private Placement #1 shares of 8,500,000 was issued at an issue price of RM1.00 per share, and raised total proceeds of RM8,500,000.

On 20 February 2023, the second tranche of the Private Placement #1 shares of 7,680,000 was issued at an issue price of RM0.95 per share, and raised total proceeds of RM7,296,000.

On 4 April 2023, the third tranche of the Private Placement #1 shares of 17,000,000 was issued at an issue price of RM0.90 per share, and raised total proceeds of RM15,300,000.

On 18 April 2023, the fourth and last tranche of the Private Placement #1 shares of 11,987,620 was issued at an issue price of RM0.93 per share, and raised total proceeds of RM11,148,487.

On 20 April 2023, the Company announced on Bursa Malaysia that the private placement of 45,167,620 new ordinary shares was completed; and total proceeds of RM42,244,487 was raised.

### Private Placement #2

On 20 November 2023, the Company proposed to undertake a private placement of up to 20% of its issued ordinary shares totalling up to 110,066,000 new ordinary shares.

On 12 December 2023, the first tranche of the Private Placement #2 shares of 32,350,000 was issued at an issue price of RM0.825 per share, and raised total proceeds of RM26,688,750.

On 29 December 2023, the second tranche of the Private Placement #2 shares of 21,900,000 was issued at an issue price of RM0.810 per share, and raised total proceeds of RM17,739,000.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 44. SUBSEQUENT EVENTS

### (i) Increase in paid up share capital

Subsequent to the financial year, the Company increased its issued and paid-up ordinary share capital from RM228,204,465 to RM269,423,665, by the way of:

#### Private Placement #2

On 22 January 2024, the third tranche of the Private Placement #2 shares of 35,800,000 was issued at an issued price of RM0.76 per share, and raised total proceeds of RM27,208,000.

On 9 February 2024, the fourth tranche of the Private Placement #2 shares of 20,016,000 was issued at an issued price of RM0.70 per share, and raised total proceeds of RM14,011,200.

Following the subscription of the fourth tranche Private Placement #2, the listing of 110,066,000 new ordinary shares were fully issued and paid-up. The total proceeds raised from Private Placement #2 amounted to RM85,646,950.

### (ii) Incorporation of subsidiary companies

(a) On 8 January 2024, BKGD incorporated fully-owned subsidiary companies, CHPP and CHPM with cash subscription of RM2 each respectively.

(b) On 22 January 2024, BKGD incorporated a fully-owned subsidiary company, Chin Hin Management with cash subscription of RM2.

(c) On 3 April 2024, BKGD incorporated a fully-owned subsidiary company, CHPS with cash subscription of RM2.

### (iii) Acquisition of land

#### (a) Penang Times Square

On 10 January 2024, CHPP has entered into an agreement with Ivory Glenary Sdn. Bhd. ("IGSB") for the purchase of a plot of freehold land held under a master title known as Geran 172694, Lot 10024, Seksyen 10, Bandar George Town, Daerah Timur Laut, Pulau Pinang, for a total cash consideration of RM40,000,000.

The proposed acquisition is conditional upon fulfillment of conditions precedent by 31 December 2024.

#### (b) Melaka land

On 16 January 2024, CHPM has entered into a Sale and Purchase Agreement with MDS Development Management Sdn. Bhd., Aim Development Worldwide Sdn. Bhd. and Aim Holdings Worldwide Sdn. Bhd. respectively for the purchase of the following 6 parcels of 99 years leasehold lands, for a total cash consideration of RM41,936,800.

The proposed acquisition is conditional upon fulfillment of various condition precedent by 15 May 2024.

These capital commitments relating to acquisition of land amounting to RM81,936,800 are disclosed in Note 39.

### (iv) Additional investment in SPSB

On 23 February 2024, SPSB had increased its issued and paid-up ordinary share capital from RM10 to RM2,000,000 by issuance of 1,999,990 ordinary shares for a total consideration of RM1,999,990. BKGD has subscribed for an additional 1,399,993 ordinary shares in SPSB by way of debt conversion of amount owing from SPSB to BKGD for total consideration of RM1,399,993. Consequently, 70% shareholding owned by BKGD in SPSB remained the same.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 44. SUBSEQUENT EVENTS (CONT'D)

- (v) Disposal of subsidiary companies / Internal reorganisation

On 29 February 2024, the Company entered into Share Sale Agreements (“SSAs”) with CHGB for:

- (a) Proposed disposal of 2 ordinary shares in CHCE, representing the entire equity interest in CHCE, to CHGB for a cash consideration of RM16,500,000.
- (b) Proposed disposal of 9,500,000 ordinary shares in KKSBB, representing 95% equity interest in KKSBB, to CHGB for a cash consideration of RM93,500,000.

The SSAs are conditional upon fulfillment of various conditions precedent by 28 May 2024.

- (vi) Proposed joint development

On 29 February 2024, BKGD entered into a Shareholders’ Agreement with Fiamma Holdings Berhad (“Fiamma”) for:

- (a) Joint development with Aricia Sdn. Bhd. (“Aricia”) (formerly known as Fiamma Properties Sdn. Bhd.)

BKGD to facilitate the joint development by subscribing the proposed 5,833,334 new ordinary shares to be issued by Aricia, a wholly-owned subsidiary of Fiamma, at an issue price of RM1.00 per share.

Upon the completion of the subscription of shares, BKGD will hold 70% equity interest in Aricia.

- (b) Joint development with Dawn Land Sdn. Bhd. (“Dawn Land”) (formerly known as Fiamma Land Sdn. Bhd.)

BKGD to facilitate the joint development by subscribing the proposed 1,166,667 new ordinary shares to be issued by Dawn Land, a wholly-owned subsidiary of Fiamma, at an issue price of RM1.00 per share.

Upon the completion of the subscription of shares, BKGD will hold 70% equity interest in Dawn Land.

The proposed joint developments are subjected to shareholders approval.

- (vi) Proposed private placement

On 29 February 2024, the Company proposed to undertake a private placement of up to 20% of its ordinary shares totalling up to 132,000,000 ordinary shares.

The proposal is subject to shareholders approval.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 45. COMPARATIVE FIGURES

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2023.

	As previously stated RM	Reclassification RM	As restated RM
<b>Group</b>			
<b>Statement of Financial Position as at 31 December 2022</b>			
Trade payables	144,132,917	(65,473,410)	78,659,507
Other payables	102,905,125	65,473,410	168,378,535

## 46. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company were authorised for issue in accordance with a resolution of the Board of Directors on 22 April 2024.

# GROUP PROPERTIES

AS AT 31 DECEMBER 2023

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Year of Acquisition	Carrying Amount at 31.12.2023 RM'000
<b>Chin Hin Group Property Berhad</b>						
GM 266 Lot No. 240 GM 755 Lot No. 44506 Mukim Tebrau, District of Johor Bahru, Johor	Freehold	22,383	Land & building	10-15 years	2007	28,800
<b>Boon Koon Vehicles Industries Sdn. Bhd.</b>						
GM 975, Lot 1804 GM 454, Lot 1808 GM 455, Lot 1809 GM 456, Lot 1810 & H.S. (M) 592, Lot 5025 Mukim 9, 1177, Jalan Dato Keramat, 14300 Nibong Tebal, Seberang Perai Selatan, Penang	Freehold	42,007	Office & factory (Note: A)	18-23 years	1999	45,000
<b>Kayangan Kemas Sdn. Bhd.</b>						
B-11-10, Menara Maieistic, Jalan Datuk Tahwil Azar, 30300 Ipoh, Perak.	Freehold	86	3-bedroom business suite	6-7 years	2017	410
A-12-21, Block A, KIP Core Central Persiaran Warisan, KIP Sentral Kota Warisan, 43900 Sepang Selangor.	Freehold	42	Soho	6-7 years	2018	210
No. C-41, Jalan Zuhal U5/178, Pusat Komersial Arena Bintang, Shah Alam, 40150 Shah Alam, Selangor.	Leasehold Expiring 6 May 2111	55	3-storey shop office (end lot)	10-12 years	2011	2,200
Lot No, P.T 21659, Geran No. 15441 7 ½ Mile, Sg. Binjai Road, Mukim Kapar, Daerah Klang, Negeri Selangor	Freehold	6,758	Land with fencing for storage purpose	-	2020	1,350
<b>Makna Setia Sdn. Bhd.</b>						
N-0-6, N-1-6, N-2-6, Pusat Perdagangan Kuchai, No.2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 KL	Freehold	446	3-storey shop office	10-13 years	2016	2,250
Lot 11837, Batu 8, Sijangkang, Teluk Panglima Garang, 42500 Kuala Langat, Selangor	Leasehold Expiring 18 Jan 2094	8,794	Agriculture land	-	2019	1,800

## GROUP PROPERTIES

AS AT 31 DECEMBER 2023

Location of properties	Tenure	Area (Square metre)	Description	Approximate Age of Building	Year of Acquisition	Carrying Amount at 31.12.2023 RM'000
<b>BKSP Autoworld Sdn. Bhd.</b>						
Geran Mukim 98, Lot 797, Mukim Petaling, Tempat 9, 3/4 Mile, Kuchai Road, Daerah Kuala Lumpur.	Freehold	33,340	Land held for residential development	-	2021	91,826
<b>BK Alliance Sdn. Bhd.</b>						
Pajakan Negeri 53073, Lot 481445 Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur	Leasehold Expiring 5 September 2112	1,943	Land held for commercial development	-	2021	22,980
<b>Boon Koon Commercial Sdn. Bhd.</b>						
Geran No. Hakmilik 326333, Lot 484, Pekan Kinrara, Daerah Petaling, Negeri Selangor	Freehold	13,881	Land held for mixed development	-	2021	67,277
<b>Stellar Trinity Sdn. Bhd.</b>						
GM 3734, Lot 648 GM 4035, Lot 650 GM 4036, Lot 651 GM 3418, Lot 652 Geran 23462, Lot 1301 & GM4662, Lot 32661 Mukim Serendah, Daerah Hulu Selangor or Ulu Selangor, Negeri Selangor	Freehold	226,125	Land held for township development	-	2021	64,519

## Note A:

Building erected on the adjoining parcels of land comprising of large single storey factory building with the following annexure:-

- 3 storey office building; and
- 2 storey Sales & Marketing office building

# ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

Class of Shares : Ordinary Shares

Voting Rights : One vote for each ordinary share held

## ANALYSIS BY SIZE OF SHAREHOLDINGS

(Excluding 700,000 treasury shares)

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 99	204	10.26	8,707	0.00
100 – 1,000	487	24.50	156,544	0.02
1,001 – 10,000	682	34.31	3,556,591	0.54
10,001 – 100,000	425	21.38	15,425,119	2.34
100,001 to less than 5% of issued shares	186	9.35	382,767,828	57.96
5% and above of issued shares	4	0.20	258,482,735	39.14
<b>TOTAL</b>	<b>1,988</b>	<b>100</b>	<b>660,397,524</b>	<b>100</b>

## DIRECTORS' SHAREHOLDINGS

## INTEREST IN THE COMPANY

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Datuk Seri Chiau Beng Teik, JP	-	-	365,591,335*	55.36
2.	Chiau Haw Choon	-	-	365,591,335*	55.36
3.	Shelly Chiau Yee Wern	-	-	-	-
4.	Khor Kai Fu	50,000	0.01	-	-
5.	Datuk Cheng Lai Hock	318,500	0.05	-	-
6.	Datuk Hj. Mohd Yusri Bin Md Yusof	-	-	-	-
7.	Kwan Sook Peng	-	-	-	-

\* Deemed interested 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 Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 1 APRIL 2024

## INTEREST OF SHARES IN THE SUBSIDIARIES

By virtue of Section 8 of the Companies Act 2016, Datuk Seri Chiau Beng Teik, JP and Mr. Chiau Haw Choon are also deemed interested in shares of all the subsidiaries to the extent the Company has an interest.

## INTEREST IN HOLDING COMPANY

## CHIN HIN GROUP BERHAD

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Datuk Seri Chiau Beng Teik, JP	358,509,700	20.26	666,699,500 *	36.68
2.	Chiau Haw Choon	101,783,600	5.75	666,699,500 *	36.68
3.	Shelly Chiau Yee Wern	3,650,000	0.21	-	-
4.	Khor Kai Fu	3,944,100	0.22	-	-
5.	Datuk Cheng Lai Hock	300,000	0.02	-	-
6.	Datuk Hj. Mohd Yusri Bin Md Yusof	-	-	-	-
7.	Kwan Sook Peng	-	-	-	-

\* Deemed interested 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 Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.

## LIST OF SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1.	Datuk Seri Chiau Beng Teik, JP	-	-	365,591,335 <sup>(i)</sup>	55.36
2.	Divine Inventions Sdn Bhd	-	-	365,591,335 <sup>(iii)</sup>	55.36
3.	Chiau Haw Choon	-	-	365,591,335 <sup>(i)</sup>	55.36
4.	PP Chin Hin Realty Sdn Bhd	-	-	365,591,335 <sup>(ii)</sup>	55.36
5.	Chin Hin Group Berhad	365,591,335	55.36	-	-

<sup>(i)</sup> Deemed interested 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 Inventions Sdn Bhd, which in turn hold not less than 20% voting shares in Chin Hin Group Berhad.

<sup>(ii)</sup> Deemed interested 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.

<sup>(iii)</sup> Deemed interested 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.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 1 APRIL 2024

### LIST OF 30 LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1.	SJ Sec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Al Rajhi Bank For Chin Hin Group Bhd</i>	84,000,000	12.72
2.	UOBM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chin Hin Group Berhad</i>	81,097,700	12.28
3.	SJ Sec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Al Rajhi Bank For Chin Hin Group Berhad Acc 2</i>	53,385,035	8.08
4.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank Islamic Berhad For Chin Hin Group Berhad</i>	40,000,000	6.06
5.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account - Ambank Islamic Berhad For Chin Hin Group Berhad</i>	30,000,000	4.54
6.	RHB Nominees (Tempatan) Sdn Bhd <i>Bank of China (Malaysia) Berhad Pledged Securities Account For Chin Hin Group Bhd</i>	22,000,000	3.33
7.	Chin Hin Group Berhad	19,717,700	2.99
8.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chin Hin Group Berhad (MY4563)</i>	18,000,000	2.73
9.	CIMB Group Nominees (Tempatan) Sdn Bhd <i>Pembangunan Sumber Manusia Berhad</i>	15,790,000	2.39
10.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account For Desiran Realiti Sdn Bhd (MY3933)</i>	12,900,000	1.95
11.	Goh Boon Koon	11,343,161	1.72
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Tan Hwa Sing (7012335)</i>	10,422,300	1.58
13.	BBL Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Chin Hin Group Berhad</i>	10,000,000	1.51
14.	CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB For Dato' Ong Choo Meng (PB)</i>	10,000,000	1.51
15.	MIDF Amanah Investment <i>Pledged Securities Account For Ong Kah Hoe (MGN-OKH0001M)</i>	9,050,000	1.37

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 1 APRIL 2024

No.	Name	No. of Shares	%
16.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Low Peng Sian @ Chua Peng Sian (7014147)</i>	8,144,900	1.23
17.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Su Ming Keat</i>	7,900,000	1.20
18.	Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Lau Kim San (M04)</i>	7,100,000	1.08
19.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ong Soon Lim</i>	6,500,000	0.98
20.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Ong Choo Meng</i>	6,000,000	0.91
21.	Su Ming Keat	5,800,000	0.88
22.	Amsec Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account – Ambank (M) Berhad For Lau Kim San (SMART)</i>	5,750,000	0.87
23.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Dato' Sri Yap Ngan Choy (7003356)</i>	5,252,800	0.80
24.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Yap Fook Choy (7003369)</i>	5,062,700	0.77
25.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Beng Hoo</i>	5,024,800	0.76
26.	Chin Hin Group Berhad	4,626,500	0.70
27.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account For Low Peng Sian @ Chua Peng Sian (MY4520)</i>	4,500,000	0.68
28.	Alliancegroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ooi Chen Seng (7003417)</i>	4,480,000	0.68
29.	Maybank Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account For Desiran Realiti Sdn Bhd</i>	4,300,000	0.65
30.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd <i>Pledged Securities Account For Ng Soon Teong (SOLARIS-CL)</i>	3,886,600	0.59
<b>TOTAL</b>		<b>512,034,196</b>	<b>77.53</b>

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second (“22nd”) Annual General Meeting of the Company will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting (“RPV”) Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 12 June 2024 at 10.00 a.m. for the following purposes :-

## AGENDA

### AS ORDINARY BUSINESS:

- |    |  |                              |
|----|--|------------------------------|
| 1. | To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.  |                              |
| 2. | To approve the payment of Directors’ fees of RM354,000 for the year ending 31 December 2024.   | <b>Ordinary Resolution 1</b> |
| 3. | To approve the payment of benefits payable to the Directors of the Company up to an amount of RM132,000 for the period from 12 June 2024 until the conclusion of the next Annual General Meeting of the Company. | <b>Ordinary Resolution 2</b> |
| 4. | To re-elect Datuk Cheng Lai Hock who retires in accordance with the Article 95 of the Company’s Constitution.  | <b>Ordinary Resolution 3</b> |
| 5. | To re-elect Datuk Hj. Mohd Yusri Bin Md Yusof who retires in accordance with the Article 95 of the Company’s Constitution.   | <b>Ordinary Resolution 4</b> |
| 6. | To re-appoint Messrs. UHY as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 5</b> |

### AS SPECIAL BUSINESS:

7. To consider and if thought fit, to pass with or without modifications the following resolutions:-

#### 7.1 ORDINARY RESOLUTION

##### AUTHORITY TO ISSUE SHARES

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (the “Act”), Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and/or the approvals of the relevant regulatory authorities, where required, the Directors be and are hereby empowered to issue and allot shares in the Company, at such time and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the Act read together with Article 57 of the Constitution of the Company arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the Act.”

**Ordinary Resolution 6**



## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 7.2 ORDINARY RESOLUTION

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

"THAT subject always to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries ("**CHGP Group**") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of CHGP Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Securities) as specified in Section 2.4, Part A of the Circular to Shareholders dated 30 April 2024, which are necessary for the day-to-day operations of CHGP Group provided that the transactions are in the ordinary course of business and are carried out at arms' length basis on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public as well as are not detrimental to the minority shareholders of the Company and such approval, shall continue to be in force until:-

- (a) conclusion of the next Annual General Meeting ("**AGM**") of the Company, at which time the mandate will lapse, unless the mandate is renewed by a resolution passed at that meeting;
- (b) the expiration of the period within which the next AGM of the Company after that 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 a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities and to deal with all matters in relation thereto and to take such steps and do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

**Ordinary Resolution 7**

### 7.3 ORDINARY RESOLUTION

#### **PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to Sections 112, 113 and 127 of the Act, the provisions of the Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised, to make purchase(s) of ordinary shares in the Company on Bursa Securities subject to the following:-

- (a) The maximum number of shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits of the Company; and
- (c) Upon completion of the purchase by the Company of its own shares, the Directors of the Company are authorised to deal with the shares so bought-back in their absolute discretion in any of the following manner:-

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) cancel the shares so purchased; or
- (ii) retain the shares so purchased as treasury shares and held by the Company; or
- (iii) retain part of the 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;

AND THAT the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution passed at the AGM either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that 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 a resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and other relevant guidelines issued by the Bursa Securities or any other relevant authorities.

AND THAT the Directors of the Company be and are authorised to take all such steps to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, revaluations and/or amendments as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter in accordance with the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authorities."

### Ordinary Resolution 8

8. To transact any other business of which due notices shall have been given in accordance with the Companies Act 2016.

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

Date : 30 April 2024

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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, Suite 16.06, MWE Plaza, No. 8 Lebuhr Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (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 the 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 5 June 2024 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. All resolutions as set out in this notice of Twenty-Second Annual General Meeting are to be voted by poll.

### Explanatory Notes on Ordinary Business

#### Item 1 of the Agenda

#### To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon

The item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require shareholders' approval for the audited financial statements. Therefore, this item will not be put forward for voting.

#### Ordinary Resolution 1 – Payment of Directors' fees

Ordinary Resolution 1 is to facilitate payment of Directors' fees for the year ending 31 December 2024, calculated based on the number of existing Directors and assuming that all Directors will hold office during the said period. In the event the Directors' fees proposed is insufficient (e.g. due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

#### Ordinary Resolution 2 – Payment of Directors' benefits

Ordinary Resolution 2 is to approve the payment of Directors' benefits comprise of allowances and other benefits to Directors of the Company pursuant to the requirements of Section 230 of the Act for the period from 12 June 2024 until the conclusion of the next AGM of the Company.

#### Ordinary Resolutions 3 and 4 – Re-election of Directors

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Datuk Cheng Lai Hock and Datuk Hj. Mohd Yusri Bin Md Yusof (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with performance as well as fitness and propriety of the Retiring Directors. The details and profiles of the Retiring Directors are provided in the Profiles of Directors of the Annual Report for the financial year ended 31 December 2023.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes on Special Business

#### Ordinary Resolution 6 – Authority to Issue Shares

The proposed Ordinary Resolution 6, if passed, primarily to renew the mandate to give authority to the Board of Directors of the Company to issue and allot shares in the Company up to an amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without convening a general meeting. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM.

As at date of this notice, the Company has not issued any new shares pursuant to the general authority granted to the Directors at the Twenty-First AGM held on 30 May 2023 and which will lapse at the conclusion of the 22nd AGM to be held on 12 June 2024.

A renewal of this authority is being sought at the 22nd AGM under proposed Ordinary Resolution 6.

The renewal mandate if granted will provide flexibility to the Company for the allotment of shares for the purpose of fund raising activities including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital, acquisition(s) and/or settlement of banking facility(ies).

Pursuant to Section 85 of the Companies Act 2016 read together with Article 57 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company.

The proposed Ordinary Resolution 6, if passed, would allow the Directors to issue new shares to any person under the said mandate without having to offer the new shares in the Company to be issued equally to all existing shareholders of the Company prior to issuance.

#### Ordinary Resolution 7 – Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 7, if passed, will enable the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties which are necessary for the Group's day-to-day operations and are in the ordinary course of business which carried out on an arm's length basis based on normal commercial terms and on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. The details of the proposal are set out in the Circular to Shareholders dated 30 April 2024.

#### Ordinary Resolution 8 – Proposed Renewal of Share Buy-Back Authority

The proposed Ordinary Resolution 8, if passed, will allow the Directors of the Company to exercise the power of the Company to purchase up to 10% of the total number of issued shares of the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities.

### PERSONAL DATA POLICY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to the AGM (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.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming AGM.

The Company will seek shareholders' approval on the general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of AGM of the Company for the details.



Chin Hin Group Property Berhad

CHIN HIN GROUP PROPERTY BERHAD

[Company No.: 200101017677 (553434-U)]

(Incorporated in Malaysia)

CDS Account No.												

### PROXY FORM

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 \_\_\_\_\_

\_\_\_\_\_  
 (ADDRESS)  
 (EMAIL ADDRESS: \_\_\_\_\_) (MOBILE NO.: \_\_\_\_\_)  
 or failing him, \_\_\_\_\_

\_\_\_\_\_  
 (FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)  
 (NRIC No. \_\_\_\_\_) of \_\_\_\_\_

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

or failing \*him/her, the Chairman of the meeting, as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 12 June 2024 at 10.00 a.m. or at any adjournment thereof.

### AGENDA

As Ordinary Business:		For	Against
Ordinary Resolution 1	Approval of payment of Directors' fees for the year ending 31 December 2024		
Ordinary Resolution 2	Approval of payment of benefits payable to the Directors of the Company for the period from 12 June 2024 until the conclusion of the next Annual General Meeting		
Ordinary Resolution 3	Re-election of Datuk Cheng Lai Hock as Director		
Ordinary Resolution 4	Re-election of Datuk Hj. Mohd Yusri Bin Md Yusof as Director		
Ordinary Resolution 5	Re-appointment of Messrs UHY as Auditors and to authorise the Directors to fix the Auditors' remuneration		
As Special Business:			
Ordinary Resolution 6	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to issue shares		
Ordinary Resolution 7	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction for voting is given, the proxy may vote as he/she thinks fit.

No. of shares held

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies:		
	No. of shares	%
Proxy 1		
Proxy 2		
Total		100

Contact number \_\_\_\_\_

\* Strike out whichever is not desired

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

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, Suite 16.06, MWE Plaza, No. 8 Lebuq Farquhar, 10200 George Town, Pulau Pinang not less than forty-eight (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 the 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 5 June 2024 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. All resolutions as set out in this notice of Twenty-Second Annual General Meeting are to be voted by poll.

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Postage  
Stamp

**THE COMPANY SECRETARIES**

**CHIN HIN GROUP PROPERTY BERHAD**

Registration No.: 200101017677 (553434-U)  
Suite 16.06, MWE Plaza,  
No.8, Lebuq Farquhar,  
10200 George Town,  
Pulau Pinang.

*2nd Fold Here*







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*Fold This Flap For Sealing*

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# REDUCING THE ENVIRONMENT IMPACTS OF THIS REPORT

We have taken conscious efforts to manage and minimise the environmental impact of our annual report and relates processes.

 <p>Paper sourced from responsibly managed forests that provide environmental benefits. Cover is printed on FSC® Certified Mix Credit Art Card 2s 300gsm; Inner pages are printed on FSC® Certified Mix Credit Matt Art Paper 128gsm and FSC® Certified Mix Credit Simili 100gsm.</p>	 <p>Eco design is both a principle and an approach. It consists of integrated environmental protection criteria environmental management system to minimise environmental impact.</p>
 <p>Paper and printing wastes are responsibly handled through recycling in order to reduce the burden on landfills.</p>	 <p>Printed with carbon neutral press machines, eco materials, managed and certified under ISO 14001:2015 environmental management system to minimise environmental impact.</p>
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However, you can make the greatest difference.

Did you know that the equivalent of one football field of forest is cut down every second? Play your part, if you can download the soft copy of Chin Hin Group Property Berhad Annual Report 2023, instead of requesting for a hard copy.

## CHIN HIN GROUP PROPERTY BERHAD

200101017677 (553434-U)

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