

CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | |
|--|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
| | 31.3.2024 RM'000 | 31.3.2023 RM'000 | Changes % | 31.3.2024 RM'000 | 31.3.2023 RM'000 | Changes % |
| Revenue | 134,212 | 138,433 | -3% | 134,212 | 138,433 | 0% |
| Cost of sales | (121,591) | (116,755) | 4% | (121,591) | (116,755) | 0% |
| Gross profit | 12,621 | 21,678 | -42% | 12,621 | 21,678 | -42% |
| Other income | 1,420 | 771 | 84% | 1,420 | 771 | 84% |
| Administrative expenses | (7,246) | (10,092) | -28% | (7,246) | (10,092) | -28% |
| Other operating expenses | (2,038) | (321) | >100% | (2,038) | (321) | >100% |
| Fair value gain on other investment | 8,356 | 4,147 | >100% | 8,356 | 4,147 | >100% |
| Operating profit | 13,113 | 16,183 | -19% | 13,113 | 16,183 | -19% |
| Finance costs | (3,731) | (1,230) | >100% | (3,731) | (1,230) | >100% |
| Share of results of associate companies | (22) | 424 | >100% | (22) | 424 | >100% |
| Share of results of joint venture company | 348 | 2,321 | -85% | 348 | 2,321 | -85% |
| Profit before tax | 9,708 | 17,698 | -45% | 9,708 | 17,698 | -45% |
| Income tax expense | (1,505) | (3,190) | -53% | (1,505) | (3,190) | -53% |
| Profit after tax | 8,203 | 14,508 | -43% | 8,203 | 14,508 | -43% |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income for the financial period | 8,203 | 14,508 | -43% | 8,203 | 14,508 | -43% |

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FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | |
|--|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
| | 31.3.2024 RM'000 | 31.3.2023 RM'000 | Changes % | 31.3.2024 RM'000 | 31.3.2023 RM'000 | Changes % |
| Profit after tax attributable to: | | | | | | |
| Owners of the parent | 7,860 | 13,674 | -43% | 7,860 | 13,674 | -43% |
| Non-controlling interests | 343 | 834 | -59% | 343 | 834 | -59% |
| | <u>8,203</u> | <u>14,508</u> | -43% | <u>8,203</u> | <u>14,508</u> | -43% |
| Total comprehensive income: | | | | | | |
| Owners of the parent | 7,860 | 13,674 | -43% | 7,860 | 13,674 | -43% |
| Non-controlling interests | 343 | 834 | -59% | 343 | 834 | -59% |
| | <u>8,203</u> | <u>14,508</u> | -43% | <u>8,203</u> | <u>14,508</u> | -43% |
| Earnings per share in sen | | | | | | |
| - Basic | <u>1.22</u> | <u>2.84</u> | -57% | <u>1.22</u> | <u>2.84</u> | -57% |
| - Diluted | <u>1.22</u> | <u>2.81</u> | -57% | <u>1.22</u> | <u>2.81</u> | -57% |

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial report.

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CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

| | As at 31.3.2024 RM'000 (Unaudited) | As at 31.12.2023 RM'000 (Audited) |
|---|---|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 70,690 | 72,030 |
| Right-of-use assets | 11,140 | 6,703 |
| Investment properties | 31,620 | 31,620 |
| Goodwill on consolidation | 3,978 | 3,978 |
| Investment in joint venture company | 92,665 | 92,401 |
| Other investment | 35 | 35 |
| Trade receivables | 26,808 | 22,221 |
| Deferred tax assets | 923 | 923 |
| | <u>237,859</u> | <u>229,911</u> |
| Current assets | | |
| Inventories | 524,852 | 508,576 |
| Contract assets | 224,000 | 210,081 |
| Trade receivables | 81,170 | 93,850 |
| Other receivables, deposits and prepayments | 49,274 | 64,048 |
| Other investment | 65,660 | 53,937 |
| Tax recoverable | 2,591 | 1,601 |
| Fixed deposits with licensed banks | 38,839 | 35,004 |
| Cash and bank balances | 44,069 | 41,914 |
| | <u>1,030,455</u> | <u>1,009,011</u> |
| Asset classified as held for sale | <u>1,794</u> | <u>-</u> |
| | <u>1,032,249</u> | <u>1,009,011</u> |
| TOTAL ASSETS | <u>1,270,108</u> | <u>1,238,922</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 269,424 | 228,204 |
| Treasury shares | (255) | (255) |
| Reserves | 124,919 | 117,060 |
| | <u>394,088</u> | <u>345,009</u> |
| Non-controlling interests | 13,183 | 12,239 |
| Total equity | <u>407,271</u> | <u>357,248</u> |

CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

| | As at 31.3.2024 RM'000 (Unaudited) | As at 31.12.2023 RM'000 (Audited) |
|-------------------------------------|---|--|
| Non-current liabilities | | |
| Contract liabilities | 59 | 43 |
| Trade payables | 8,673 | 8,377 |
| Bank borrowings | 299,432 | 266,750 |
| Lease liabilities | 6,163 | 2,557 |
| Deferred tax liabilities | 6,690 | 7,197 |
| | <u>321,017</u> | <u>284,924</u> |
| Current liabilities | | |
| Contract liabilities | 1,695 | 34 |
| Trade payables | 74,398 | 80,504 |
| Other payables | 244,388 | 281,963 |
| Amount due to a director | 44,572 | 46,296 |
| Amount due to holding company | 45,878 | 39,456 |
| Amount due to related companies | 22,674 | 21,237 |
| Borrowings | 100,514 | 121,544 |
| Lease liabilities | 3,677 | 2,155 |
| Taxation | 4,024 | 3,561 |
| | <u>541,820</u> | <u>596,750</u> |
| Total liabilities | <u>862,837</u> | <u>881,674</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,270,108</u> | <u>1,238,922</u> |
| | | |
| Net Asset Per Share (RM) | 0.84 | 0.81 |

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

CHIN HIN GROUP PROPERTY BERHAD [Registration No: 200101017677 (553434-U)]
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(The figures have not been audited)

| | Non-Distributable | | | | Distributable | | Non-controlling | | Total Equity RM' 000 |
|---|-----------------------------|-------------------------------|-------------------------------|------------------------------|----------------------------------|--------------------------------|------------------|----------------------|----------------------------|
| | Share Capital RM' 000 | Treasury Shares RM' 000 | Warrant Reserve RM' 000 | Capital Reserve RM'000 | Revaluation reserve RM'000 | Retained Profits RM' 000 | Total RM' 000 | Interests RM' 000 | |
| Opening balance at 1 Jan 2023 | 134,813 | (255) | 1,589 | (28) | 15,912 | 58,981 | 211,012 | 31,976 | 242,988 |
| Profit for the period | - | - | - | - | - | 13,674 | 13,674 | 834 | 14,508 |
| Realisation of revaluation surplus | - | - | - | - | (54) | 54 | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (54) | 13,728 | 13,674 | 834 | 14,508 |
| Exercise of warrants | 459 | - | (107) | - | - | - | 352 | - | 352 |
| Private placement | 15,796 | - | - | - | - | - | 15,796 | - | 15,796 |
| Acquisition of equity interest in NCI | - | - | - | - | - | 4,465 | 4,465 | (21,165) | (16,700) |
| Total transactions with owners | 16,255 | - | (107) | - | - | 4,465 | 20,613 | (21,165) | (552) |
| Closing balance at 31 March 2023 | 151,068 | (255) | 1,482 | (28) | 15,858 | 77,174 | 245,299 | 11,645 | 256,944 |
| Opening balance at 1 Jan 2024 | 228,204 | (255) | - | (28) | 21,212 | 95,876 | 345,009 | 12,239 | 357,248 |
| Profit for the quarter period | - | - | - | - | - | 7,860 | 7,860 | 343 | 8,203 |
| Realisation of revaluation surplus | - | - | - | - | (57) | 57 | - | - | - |
| Total comprehensive income for the period | - | - | - | - | (57) | 7,917 | 7,860 | 343 | 8,203 |
| Private placement | 41,220 | - | - | - | - | - | 41,220 | - | 41,220 |
| Capital contribution by NCI in subsidiaries | - | - | - | - | - | - | - | 600 | 600 |
| Total transactions with owners | 41,220 | - | - | - | - | - | 41,220 | 600 | 41,820 |
| Closing balance at 31 March 2024 | 269,424 | (255) | - | (28) | 21,155 | 103,793 | 394,089 | 13,182 | 407,271 |

Notes:

(1) *The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(The figures have not been audited)

| | 3 months ended | |
|---|-----------------------|------------------|
| | 31.3.2024 | 31.3.2023 |
| | RM'000 | RM'000 |
| Operating activities | | |
| Profit before taxation | 9,708 | 17,698 |
| Adjustments for: | | |
| Depreciation and amortisation | 2,301 | 1,373 |
| Fair value gain on other investment | (8,325) | (4,147) |
| Reversal of impairment loss on trade and other receivables | (173) | (266) |
| Interest expense | 3,723 | 1,230 |
| Gain on disposal of property, plant and equipment | - | (55) |
| Gain on termination of lease | (11) | - |
| Unrealised loss/(gain) on foreign exchange | 9 | (231) |
| Realised losses on foreign exchange | - | 46 |
| Share of profits in associates | - | (424) |
| Share of profits in joint ventures | (348) | (2,321) |
| Interest income | (133) | (140) |
| Total adjustments | (2,957) | (4,935) |
| Operating cash flows before changes in working capital | 6,751 | 12,763 |
| Changes in working capital: | | |
| Inventories | (16,276) | (21,730) |
| Receivables | 25,055 | 14,969 |
| Payables | (45,409) | (1,043) |
| Contact asset/liabilities | (12,242) | (22,287) |
| Total changes in working capital | (48,872) | (30,091) |
| Cash generated from operations | (42,121) | (17,328) |
| Interest paid | (4,005) | (1,230) |
| Tax paid | (2,455) | (1,410) |
| Net cash flows used in operating activities | (48,581) | (19,968) |
| Investing activities | | |
| Acquisition of a subsidiary | - | (1,118) |
| Changes in subsidiary's ownership interests | - | (16,700) |
| Capital contribution by NCI in subsidiary | 600 | - |
| Proceeds from disposal of property, plant and equipment | - | 55 |
| Purchase of other investment | (3,397) | (24,095) |
| Purchase of property, plant and equipment | (947) | (1,146) |
| Purchase of right-of-use assets | (18) | (96) |
| Interest received | 133 | 140 |
| Net cash flows used in investing activities | (3,629) | (42,960) |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**
(The figures have not been audited)

| | 3 months ended | |
|--|-----------------------|------------------|
| | 31.3.2024 | 31.3.2023 |
| | RM'000 | RM'000 |
| Financing activities | | |
| Advance from director | (1,724) | 59,013 |
| Advance from holding company | 6,148 | 27 |
| Advance/(Repayment to) from related companies | 1,437 | (37,977) |
| Increase in fixed deposits pledged | 1,880 | 664 |
| Proceeds from exercise of warrants | - | 352 |
| Proceeds from private placement | 41,219 | 15,796 |
| Drawdown of term loan | 27,003 | 9,329 |
| Repayment of term loan | (10,314) | (924) |
| Repayment of lease liabilities | (1,087) | (922) |
| Net changes in banker's acceptances, revolving credit and trust receipts | 7,127 | (12,881) |
| Net cash flows from financing activities | 71,689 | 32,477 |
| Net increase/(decrease) in cash and cash equivalents | 19,479 | (30,451) |
| Effect on exchange rate changes on cash and cash equivalents | - | (2) |
| Cash and cash equivalents as at 1 January | 26,368 | 54,524 |
| Cash and cash equivalents as at 31 March | 45,847 | 24,071 |
| Cash and cash equivalents : | | |
| Cash and bank balances | 44,069 | 30,515 |
| Fixed deposits with licensed banks | 38,839 | 26,077 |
| Bank overdrafts | (9,981) | (12,312) |
| | <u>72,927</u> | <u>44,280</u> |
| Less : Fixed deposits pledged | (27,080) | (20,209) |
| | <u>45,847</u> | <u>24,071</u> |

Notes :

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2024

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2024

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134- Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements (“Listing Requirements”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant accounting policies

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2024:-

| | |
|------------------------|---|
| 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 |

A2. Significant accounting policies (Cont'd)

The Group has not applied the following standards, amendments and interpretations under the MFRS framework that have been issued by the Malaysia Accounting Standards Boards as they have yet to be effective for the Group:

| | | 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 |

A3. Auditors' report

The auditor's report on the preceding annual financial statements was not subject to any audit qualification.

A4. Seasonal and cyclical factors

The results for the current quarter under review were not materially affected by seasonal or cyclical factors.

A5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

A6. Changes in estimates

There were no changes in estimates that have any material effect in the current quarter under review.

A7. Equity and debt securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current quarter under review except for the following: -

- (a) On 22 January 2024, the third tranche of the Private Placement shares of 35,800,000 was issued at an issued price of RM0.76 per shares, raising total proceeds of RM27,208,000.
- (b) On 9 February 2024, the fourth tranche of the Private Placement shares of 20,016,000 was issued at an issued price of RM0.70 per shares, raising total proceeds of RM14,011,200.

During the current financial period, none of the treasury shares is distributed as share dividend to the shareholders. As at 31 March 2024, the number of treasury shares held was 700,000 ordinary shares.

A8. Dividend paid

No dividend has been paid during the current quarter under review.

A9. Segment information
3 months ended 31 March 2024 (Current Financial Period)

| | Property development RM'000 | Construction RM'000 | Commercial vehicles and bodyworks RM'000 | Others segment RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|---|-----------------------------|-----------------------|------------------------|
| Revenue | 25,609 | 125,087 | 10,937 | 171 | (27,592) | 134,212 |
| Results | | | | | | |
| Segment results | 3,381 | 4,256 | 787 | 8,472 | (3,783) | 13,113 |
| Finance costs | (4,588) | (405) | (175) | (884) | 2,321 | (3,731) |
| Share of results of associate companies | - | (22) | - | - | - | (22) |
| Share of results of joint venture company | - | 348 | - | - | - | 348 |
| Profit/(Loss) before tax | (1,207) | 4,177 | 612 | 7,588 | (1,462) | 9,708 |
| Income tax expense | | | | | | (1,505) |
| Profit for the financial period | | | | | | 8,203 |

3 months ended 31 March 2023 (Previous Financial Period)

| | Property development RM'000 | Construction RM'000 | Commercial vehicles and bodyworks RM'000 | Others segment RM'000 | Elimination RM'000 | Consolidated RM'000 |
|---|-----------------------------------|------------------------|---|-----------------------------|-----------------------|------------------------|
| Revenue | 3,630 | 120,989 | 16,423 | 169 | (2,778) | 138,433 |
| Results | | | | | | |
| Segment results | (2,955) | 12,245 | 2,271 | 3,795 | 827 | 16,183 |
| Finance costs | (513) | (273) | (238) | (295) | 89 | (1,230) |
| Share of results of associate companies | - | 424 | - | - | - | 424 |
| Share of results of joint venture company | 3,452 | (1,131) | - | - | - | 2,321 |
| Profit/(Loss) before tax | (16) | 11,265 | 2,033 | 3,500 | 916 | 17,698 |
| Income tax expense | | | | | | (3,190) |
| Profit for the financial period | | | | | | 14,508 |

A10. Valuation of Property, Plant & Equipment and Investment Properties

The Group adopts the fair value model for its investment properties. There is no significant and indicative change in value of the said investment properties since the last balance sheet date.

A11. Changes in the composition of the Group

There were no significant changes in the composition of the Group during the current quarter ended 31 March 2024, other than as disclosed below:

- (a) On 8 January 2024, BKG Development Sdn. Bhd. (“BKGD”), a wholly-owned subsidiary of the Company, 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.
- (b) On 22 January 2024, BKGD incorporated a fully-owned subsidiary company, Chin Hin Management Sdn. Bhd. with cash subscription of RM2.
- (c) On 3 April 2024, BKGD incorporated a fully-owned subsidiary company, Chin Hin Property (Segambut) Sdn. Bhd. with cash subscription of RM2.
- (d) On 23 February 2024, Stellar Platinum Sdn. Bhd. (“SPSB”), a wholly owned subsidiary of BKGD, 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 SPB 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.

A12. Contingent Assets and Liabilities

There were no contingent assets as of the date of this report. Contingent liabilities of the Group were as follows:

| | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| Unsecured | | |
| - Guarantees given to third parties in respect of trade & contracts | 13,905 | 46,285 |
| - Guarantees given to financial institutions for borrowings | 540,923 | 366,118 |
| | 554,828 | 412,403 |

A13. Capital commitment

| | As at | |
|-------------------------------------|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| Approved and contracted for: | | |
| - Acquisition of freehold land | 40,000 | - |
| - Acquisition of leasehold land | 37,743 | - |
| - Plant and equipments | 10,584 | 111 |
| | 88,327 | 111 |

A14. Related party transactions

Our Group's transactions with companies in which our directors or substantial shareholders have an interest for the current financial quarter and financial year to date were as follows:

| | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| Rental expense paid / payable | 159 | 62 |
| Purchase of goods | 17,201 | 6,694 |
| Construction cost incurred | 4,645 | - |
| Road tax and insurance paid | 75 | 85 |
| Progress billing receivables | - | 17,298 |
| Project management fee received/receivables | - | 108 |
| | 22,080 | 24,247 |

These transactions have been entered into in the normal course of business.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
B1. Review of performance
Review of performance against the previous year corresponding period

The Group recorded a revenue of RM134.2 million for the current quarter ended 31 March 2024 compared to a revenue of RM138.4 million in the preceding year's quarter ended 31 March 2023. Profit before tax reduced to RM9.7 million in the current quarter compared to a profit before tax of RM17.7 million in the preceding year's corresponding quarter, mainly due to revision of budgeted cost for certain construction projects and provision of impairment for inventories in current quarter.

Tabulated below are the unaudited various divisional contributions:

| | Individual Quarter 31 March 2024 RM'000 | Cumulative Quarter 31 March 2023 RM'000 |
|---|--|--|
| Revenue | | |
| (a) Property development | 25,609 | 3,630 |
| (b) Construction | 125,087 | 120,989 |
| (c) Commercial vehicles and bodyworks | 10,937 | 16,423 |
| (d) Others segment | 171 | 169 |
| | 161,804 | 141,211 |
| Less : Elimination | (27,592) | (2,778) |
| Total | 134,212 | 138,433 |
| (Loss) / Profit before taxation | | |
| (a) Property development | (1,207) | (3,468) |
| (b) Construction | 3,851 | 11,972 |
| (c) Commercial vehicles and bodyworks | 612 | 2,033 |
| (d) Others segment | 7,588 | 3,500 |
| | 10,844 | 14,037 |
| Less : Elimination | (1,462) | 916 |
| | 9,382 | 14,953 |
| Share of results of associate company | (22) | 424 |
| Share of results of joint venture companies | 348 | 2,321 |
| Total | 9,708 | 17,698 |

B1. Review of performance (Cont'd)**Property development**

Revenue for the current quarter increased to RM25.6 million compared to RM3.6 million in the preceding year's corresponding quarter. The increase in revenue was attributable to higher sales from on-going development projects such as Quaver and Ayanna. The increase in revenue has improved the profit before tax for the current quarter. However, the increase in profit before tax for the current quarter was off-set against higher sales and marketing cost. Consequently, loss before tax has reduced from RM3.5 million in the previous quarter to loss before tax of RM1.2 million in the current quarter.

Construction

Revenue increased to RM125.1 million in the current quarter compared to RM121.0 million in the preceding year's corresponding quarter. Profit before tax reduced to RM3.9 million compared to RM12.0 million in the preceding year's corresponding quarter. This was mainly due to revision of budgeted costs for the on-going projects.

Commercial vehicles and body work

Revenue decreased to RM10.9 million in current quarter compared to RM16.4 million in the preceding year's corresponding quarter, mainly due to lower demand for rebuilt commercial vehicles in current quarter. Profit before tax reduced to RM0.6 million compared to RM2.0 million in the preceding year's corresponding quarter. This is mainly due to lower sales for rebuilt commercial vehicles as well as provision of impairment for inventories for the current quarter.

B2. Financial review for current quarter compared with immediate preceding quarter

Analysis of performance of the respective business segments are as follows:-

| | Current Quarter 31 March 2024 RM'000 | Immediate Preceding Quarter 31 December 2023 RM'000 |
|---|---|--|
| Revenue | | |
| (a) Property development | 25,609 | 33,958 |
| (b) Construction | 125,087 | 141,927 |
| (c) Commercial vehicles and bodyworks | 10,937 | 18,852 |
| (d) Others segment | 171 | 168 |
| | 161,804 | 194,905 |
| Less : Elimination | (27,592) | (28,909) |
| Total | 134,212 | 165,996 |
| (Loss) / Profit before taxation | | |
| (a) Property development | (1,207) | (1,363) |
| (b) Construction | 3,851 | 1,116 |
| (c) Commercial vehicles and bodyworks | 612 | (2,133) |
| (d) Others segment | 7,588 | (1,107) |
| | 10,844 | (3,487) |
| Less : Elimination | (1,462) | 600 |
| | 9,382 | (2,887) |
| Share of results of associate company | (22) | 35 |
| Share of results of joint venture companies | 348 | 22,361 |
| Total | 9,708 | 19,509 |

Material changes in the current quarter's result compared to the preceding quarter

The Group's revenue decreased to RM134.2 million in the current quarter compared to RM166.0 million in the preceding quarter due to slower progress for construction projects, and lower sales from the property development and rebuild commercial vehicles segment in the current quarter.

Profit before tax of the Group was RM9.7 million in the current quarter compared to RM19.5 million in the preceding quarter. Included in the profit before tax in the current quarter was a net gain from investments in quoted shares of RM8.4 million. However, this net gain was off-set against the reduction in the share of results of a joint venture company of RM22.4 million as the joint venture was completed in the preceding quarter.

B3. Commentary on prospects

For our *property development segment*, the Group is preparing to launch three (3) new property development projects, namely Andalan Residences with an estimated Gross Development Value (“GDV”) of RM247 million, Botanica Hills in Rawang with an estimated GDV of RM392 million and resort themed mixed development in Melaka with an estimated GDV of RM792 million in current financial year. As of 31 March 2024, the Division has total unbilled sales of RM604.2 million mainly from its on-going property development projects namely Quaver Residence, Ayanna Resort Residences, Avantro Residences and Solarvest Suites.

Our *construction segment* expects a gradual improvement in contract flows and target to participate in the construction of the planned launch of the Group’s in-house property development projects. As of 31 March 2024, the construction segment’s outstanding order book was RM1.3 billion. The replenishment of its order book will depend on the roll-out of infrastructure projects by the Malaysian Government and private construction projects. The segment will continue to bid for construction projects to replenish its current order book.

The market for *commercial vehicles* is anticipated to experience continuous challenges. However, the Group remains cautiously optimistic about the prospect of this segment as the demand of light/big truck and prime movers are derived from logistic and transportation business. The Group is continuing to explore for more option available and expanding its sales and marketing for the Cergas Van which caters to the tourism industry, which expects to growth in the next few years. The Group is also exploring electric commercial vehicles in near future, in line with the Malaysian Government’s encouragement and incentive of green energy vehicles.

Barring any unforeseen circumstances, the Group remained optimistic about the Group’s long-term prospects and will continue to seek opportunities to expand the Group’s revenue and ensure the on-going projects are completed on time. The Group will continue to exercise prudence in its business dealings and manage operational efficiency to achieve sustainable growth of business in the long term and create value for shareholders.

B4. Profit forecasts

Not applicable as there was no profit forecast published.

B5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|---------------|--------------------|---------------|
| | 3 months ended | | 3 months ended | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Reversal of impairment loss on trade receivables | 173 | 266 | 173 | 266 |
| Fair value gain on equity instrument | 8,356 | 4,147 | 8,356 | 4,147 |
| Interest income | 133 | 140 | 133 | 140 |
| Unrealised gain on foreign exchange | 12 | 231 | 12 | 231 |
| Share of results of associate company | 22 | 424 | 22 | 424 |
| Share of results of joint venture companies | (348) | 2,321 | (348) | 2,321 |
| Interest expense | (3,723) | (1,230) | (3,723) | (1,230) |
| Depreciation and amortisation | (2,301) | (1,373) | (2,301) | (1,373) |
| Gain on disposal of plant and equipment | - | 55 | - | 55 |

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

B6. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------|--------------------|---------------|--------------------|---------------|
| | 3 months ended | | 3 months ended | |
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| - Malaysian income tax | (1,505) | (3,190) | (1,505) | (3,190) |
| Deferred tax: | - | - | - | - |
| Total income tax expense | (1,505) | (3,190) | (1,505) | (3,190) |

The effective tax rate for the financial period ended 31 March 2024 is lower than the statutory tax rate due to unutilised tax losses and unabsorbed capital allowances.

B7. Corporate proposal

Saved as disclosed below, there were no other corporate proposals that the Company had announced and are pending completion as of to date:

(a) Acquisition of Penang Land

On 10 January 2024, CHPP, a wholly-owned subsidiary of BKGD, which in turn a wholly-owned subsidiary of the Company has entered into an agreement with Ivory Gleneary Sdn. Bhd. (“IGSB”) for the purchase of a plot of freehold land measuring approximately 1.218 acre (currently identified as Penang Times Square, Phase 4) and forming part of the land held under a master title known as Geran 172694, Lot 10024, Seksyen 10, Bandar George Town, Daerah Timur Laut, Pulau Pinang (“Master Land” or “Master Title”) measuring approximately 4.922 hectares (approximately 12.1625 acres) in area (“the Land”), for a total cash consideration of RM40,000,000.

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

(b) Acquisition of Melaka Land

On 16 January 2024, CHPM, a wholly-owned subsidiary of BKGD, which in turn a wholly-owned subsidiary of the Company 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 acquisition was completed on 17 May 2024.

(c) Disposal of subsidiary companies

On 29 February 2024, the Company entered into Share Sale Agreements (“SSAs”) with Chin Hin Group Berhad (“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. (“KKSBB”), representing 95% equity interest in KKSBB, to CHGB for a cash consideration of RM93,500,000.

The SSAs are conditional upon fulfilment of various conditions precedent by 28 June 2024.

B7. Corporate proposal (Cont'd)**(d) 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.)

Proposed subscription by BKGD of 5,833,334 new ordinary shares in Aricia representing 70% 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:

- (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 measuring approximately 4,047 square metres ("s.m."); 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 measuring approximately 6,535.46 s.m.

("Proposed Aricia Joint Venture")

In conjunction with the Proposed Aricia Joint Venture, BKGD had on 29 February 2024 also entered into the subscription agreements with Fiamma for the proposed issuance of 1,100,000 new redeemable preference shares by BKGD to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Aricia Joint Venture.

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

Proposed subscription by BKGD of 1,166,667 new ordinary shares in Dawn Land representing 70% 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:

- (aa) all that parcel of parcel of freehold land held under Geran 9348, Lot 54 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 773.936 s.m.
- (bb) all that parcel l of freehold land held under Geran 27778, Lot 74 Seksyen 44, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 1,456.8206 s.m.
- (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 measuring approximately 3,477 s.m.

("Proposed Dawn Land Joint Venture")

B7. Corporate proposal (Cont'd)**(d) Proposed joint development (Cont'd)**

- (i) Joint development with Dawn Land Sdn. Bhd. (“Dawn Land”) (formerly known as Fiamma Land Sdn. Bhd.) (Cont'd)

In conjunction with the Proposed Dawn Land Joint Venture, BKGD had on 29 February 2024 also entered into the subscription agreements with Fiamma for the proposed issuance of 10,900,000 new redeemable preference shares by BKGD to Fiamma for a total consideration of RM1.00 to facilitate the Proposed Dawn Land Joint Venture.

The proposals are subject to shareholders approval by 28 June 2024.

(e) 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.

(f) Development Agreement for Mont Kiara Land

On 24 April 2024, BKHS Capital Sdn. Bhd. (“BKHS”), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP entered into a Development Agreement (“Agreement”) with Archmill Sdn. Bhd. (“ASB”) and Suasa Sentosa Sdn. Bhd. (“SSSB”) to appoint BKHS to implement and complete the development of all that parcel of freehold land held under Geran 65422, Lot 55347, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 10,790 square metres (2.67 acres) (“Land”) into a residential development.

The agreement is pending the fulfilment of the condition precedents by 23 April 2025.

(g) Development Agreement for Segambut Land

On 24 April 2024, Chin Hin Property (Segambut) Sdn. Bhd. (“CHPS”), a wholly-owned subsidiary of BKGD, which in turn is a wholly-owned subsidiary of CHGP has entered into a Development Agreement (“Agreement”) with New York Empire Sdn. Bhd. (“NYESB”) and Kar Sin Bhd (“Kar Sin”) to appoint CHPS to implement and complete the development of all that parcel of freehold land held under Geran Mukim 54, Lot 448, Kepong Rly Line 8th Mile, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 26,253.121 square metres (6.49 acres) (“Land”) into a residential development.

The agreement is pending the fulfilment of the condition precedent by 23 April 2025.

B8. Utilisation of proceeds

| | Actual utilisation |
|---|---------------------------|
| | RM'000 |
| Details of utilisation | |
| - Working capital | 84,847 |
| - Estimated expenses for the Proposed Private Placement | 800 |
| | 85,647 |

B9. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows:

| | As at | |
|------------------------------|----------------------|----------------------|
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| Short term borrowings | | |
| <u>Secured:</u> | | |
| Banker's acceptances | 16,163 | 23,096 |
| Revolving credits | 15,508 | 20,000 |
| Term loans | 4,189 | 4,736 |
| Trust receipts | 25,165 | - |
| Margin facilities | 29,508 | - |
| Bank overdrafts | 9,981 | 12,312 |
| | 100,514 | 60,144 |
| Long term borrowings | | |
| <u>Secured:</u> | | |
| Term loans | 299,432 | 246,758 |
| | | |
| Total borrowings | | |
| <u>Secured:</u> | | |
| Banker's acceptances | 16,163 | 23,096 |
| Revolving credits | 15,508 | 20,000 |
| Term loans | 303,621 | 251,494 |
| Trust receipts | 25,165 | - |
| Margin facilities | 29,508 | - |
| Bank overdrafts | 9,981 | 12,312 |
| | 399,946 | 306,902 |

B10. Lease liabilities

| | As at | |
|---|---------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| | RM'000 | RM'000 |
| Present value of minimum lease payments:- | | |
| - Repayable within twelve months | 3,677 | 1,963 |
| - Repayable after twelve months | 6,163 | 2,276 |
| | 9,840 | 4,239 |

B11. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly, there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2024.

B12. Changes in material litigation

There are no pending material litigations as at the date of this report.

B13. Earnings per share
(a) Basic

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|------------|--------------------|------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Profit attributable to the owners of the Company | 7,860 | 13,674 | 7,860 | 13,674 |
| Number of ordinary shares in issue as at 1 January | 605,282 | 480,067 | 605,282 | 480,067 |
| Effect of ordinary share issued during the financial period | 40,427 | 2,870 | 40,427 | 2,870 |
| Effect of treasury shares held | (700) | (700) | (700) | (700) |
| Weighted average number of ordinary shares in issue | 645,009 | 482,237 | 645,009 | 482,237 |
| Basic earnings per share (sen) | 1.22 | 2.84 | 1.22 | 2.84 |

(b) Diluted

| | Individual Quarter | | Cumulative Quarter | |
|---|--------------------|------------|--------------------|------------|
| | 31.12.2024 | 31.12.2023 | 31.12.2024 | 31.12.2023 |
| Profit attributable to the owners of the Company | 7,860 | 13,674 | 7,860 | 13,674 |
| Weighted average number of ordinary shares as above | 645,009 | 482,237 | 645,009 | 482,237 |
| Adjustment for assumed conversion of warrants | - | 4,912 | - | 4,912 |
| Weighted average number of ordinary shares | 645,009 | 487,149 | 645,009 | 487,149 |
| Diluted earnings per share (sen) | 1.22 | 2.81 | 1.22 | 2.81 |