

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF CHIN HIN GROUP BERHAD ("CHIN HIN" OR THE "COMPANY") DATED 18 FEBRUARY 2016 ("ELECTRONIC PROSPECTUS")

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("Bursa Securities") website at www.bursamalaysia.com ("Website").

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, M&A Securities Sdn Bhd ("M&A Securities"), or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, M&A Securities and Chin Hin take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from 10.00 a.m. on 18 February 2016 and will close at 5.00 p.m. on 25 February 2016 or for such further period or periods as the Directors of Chin Hin in their absolute discretion may decide.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website. The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



PROSPECTUS



PROSPECTUS

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING:-

(I) PUBLIC ISSUE OF 63,197,900 NEW ORDINARY SHARES OF RM0.50 EACH ("SHARES") IN THE FOLLOWING MANNER:-

- 25,294,400 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- 6,400,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS AND EMPLOYEES; AND
- 31,503,500 NEW SHARES BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS.

AND

(II) OFFER FOR SALE OF 65,000,000 EXISTING SHARES IN THE FOLLOWING MANNER:-

- 14,411,200 EXISTING SHARES BY WAY OF PLACEMENT TO IDENTIFIED INVESTORS; AND
- 50,588,800 EXISTING SHARES BY WAY OF PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

AT AN ISSUE/OFFER PRICE OF RM0.65 PER SHARE, PAYABLE IN FULL UPON APPLICATION



CHIN HIN GROUP BERHAD
(Company No. 1097507-W)
(Incorporated in Malaysia under the Companies Act. 1965)

REGISTERED OFFICE

Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2279 3080
Facsimile: 03-2279 3090

HEAD OFFICE

A-1-9, Pusat Perdagangan Kuchai
No. 2, Jalan 1/127
Off Jalan Kuchai Lama
58200 Kuala Lumpur

Telephone number: 03-7981 7878
Facsimile: 03-7981 7575

www.chinhingroup.com

CHIN HIN GROUP BERHAD
(Company No. 1097507-W)
(Incorporated in Malaysia under the Companies Act. 1965)

Adviser, Underwriter and Placement Agent



M&A SECURITIES SDN BHD (15017-H)
(A Wholly-Owned Subsidiary of INSAS BHD)
A Participating Organisation of Bursa Malaysia Securities Berhad

YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 4 HEREIN.

THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

This Prospectus is dated 18 February 2016

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors (as defined herein) have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there is no false or misleading statement or other facts which, if omitted, would make any statement in the Prospectus false or misleading.

M&A Securities Sdn Bhd ("**M&A Securities**"), being the Adviser, Underwriter and Placement Agent for our Initial Public Offering ("**IPO**"), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

The Securities Commission Malaysia ("**SC**") has approved our IPO and a copy of this Prospectus has been registered with the SC. The approval, and registration of this Prospectus, should not be taken to indicate that the SC recommends our IPO or assumes the responsibility for the correctness of any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of the Shares being offered for investment.

The SC is not liable for any non-disclosure on the part of our company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN US. IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for our entire enlarged issued and paid-up share capital. Our admission to the Official List of the Main Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our company or our securities. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of this Prospectus, together with the application form, has also been lodged with the Registrar of Companies who takes no responsibility for its contents.

OTHER STATEMENTS

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the Capital Markets and Services Act, 2007 ("**CMSA**").

Securities listed on Bursa Securities are offered to the public premised on full and accurate disclosure of all material information concerning the issue for which any of the persons set out in Section 236 of the CMSA, e.g. directors and advisers, are responsible.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility if you are or may be subject to the laws of countries or jurisdictions other than Malaysia, to consult your legal and/or other professional advisers as to whether our IPO would result in the contravention of any law of such countries or jurisdictions.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will at all applicable time be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

The distribution of this Prospectus and the offer, sale and/or issue of our IPO Shares (as defined herein) are subject to Malaysian law, and neither we nor M&A Securities take any responsibility for the distribution of this Prospectus and/or offer, sale and/or issue of our IPO Shares outside Malaysia, which may be restricted by law in other jurisdictions. We will not take any action to ensure that this Prospectus complies with the laws of any countries or jurisdiction other than the laws of Malaysia. This Prospectus does not constitute and may not be used for purpose of an offer to sell and/or issue, or an invitation of an offer to buy and/or subscribe for, any IPO Shares in any jurisdiction in which such offer or invitation is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions. It is your sole responsibility to consult your legal and/or other professional advisers on the applicable laws that you are or might be subjected to. Neither we nor our Adviser will accept any responsibility or liability if your application becomes illegal, unenforceable, voidable or void in any country or jurisdiction.

We have not authorised any person to give any information or to make any representation that is not contained in this Prospectus in connection with our IPO. If any such information or representation is given or made, you must not rely on them as having been authorised by us and/or M&A Securities. Neither the delivery of this Prospectus nor any public issue made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of our Company since the date of this Prospectus. Nonetheless, should we become aware of any significant change affecting a matter disclosed in this Prospectus up to the date of the Listing (as defined herein), we shall further issue a supplemental or replacement prospectus (as the case may be), in accordance with the provisions of Section 238 of the CMSA.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from the Bursa Securities' website at www.bursamalaysia.com.

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. You may also obtain a copy of the Electronic Prospectus from the websites of CIMB Investment Bank Berhad at www.eipocimb.com, CIMB Bank Berhad at www.cimbclicks.com.my, Malayan Banking Berhad at www.maybank2u.com.my, RHB Bank Berhad at www.rhbbank.com.my, Public Bank Berhad at www.pbe.com.my, Affin Bank Berhad at www.affinOnline.com and Affin Hwang Investment Bank Berhad at trade.affinhwang.com.

You are advised that the Internet is not a fully secured medium, and that your Internet Share Application (as defined herein) may be subject to risks in data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institution (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt about the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Adviser or Issuing House (as defined herein), a paper / printed copy of this Prospectus. In the event of any discrepancy arising between the contents of the Electronic Prospectus and the paper / printed copy of this Prospectus for any reason whatsoever, the contents of the paper / printed copy of this Prospectus, which is identical to the copy of the Prospectus registered with the SC, shall prevail. The Electronic Prospectus submitted to the SC and Bursa Securities is the same as the registered paper / printed copy.

In relation to any reference in this Prospectus to third party Internet sites (referred to as **"Third Party Internet Sites"**), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:-

- (i) we and our Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites. Accordingly, we and our Adviser are not responsible for any availability of, or the content or any data, files or other material provided on the Third Party Internet Sites. You bear all risk associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We and our Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, files or materials provided by such parties; and
- (iii) any data, files or other materials downloaded from the Third Party Internet Sites is done at your discretion and risk. We and our Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other materials.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:-

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent that the content of the Electronic Prospectus situated on the web server or the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institutions, and subsequently communicated or disseminated in any manner to you or other parties; and

- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the Internet is not a fully secured medium.

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence or in connection with any inaccuracy, change, alteration, deletion or omission in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault with web browser or other relevant software, any fault on yours or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this Prospectus, the English version shall prevail.

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INDICATIVE TIMETABLE

All terms used are defined under "Definitions" commencing from page viii.

The indicative timing of events leading to the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities is set out below:-

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	18 February 2016
Closing of application for our IPO	25 February 2016
Balloting of the application for our IPO Shares	1 March 2016
Allotment of our IPO Shares to successful applicants	4 March 2016
Tentative date of Listing	8 March 2016

This timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. The application period for our IPO will close at the date stated above or such later date as our Directors and our Underwriter in their absolute discretion may mutually decide.

In the event the closing date of the application is extended, we will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

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PRESENTATION OF INFORMATION

All terms used are defined under "Definitions" commencing from page viii.

All references to "Chin Hin" and "Company" in this Prospectus are to Chin Hin Group Berhad (Company No. 1097507-W), references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors, key management and key technical personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word "approximately" used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or one (1) decimal place (for percentages) or dollar and sen for currency. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

Certain abbreviations, acronyms and technical terms used are defined in "Definitions" appearing after this section. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include companies and corporations.

All reference to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from the report(s) prepared by our IMR. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly, you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website or any website directly or indirectly linked to such websites does not form part of this Prospectus and you should not rely on it.

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FORWARD LOOKING STATEMENTS

All terms used are defined under "Definitions" commencing from page viii.

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

Such forward-looking statements include, without limitations, statements relating to:

- (a) demand for our products and/or services;
- (b) our business strategies;
- (c) our plans and objectives for future operations;
- (d) our financial position;
- (e) our future earnings, cash flows and liquidity; and
- (f) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:-

- (a) the economic, political and investment environment in Malaysia and globally; and
- (b) Government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 4 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

The following terms in this Prospectus bear the same meanings as set out below unless otherwise defined or the context requires otherwise:-

COMPANIES WITHIN OUR GROUP:-

"Ace Logistic"	: Ace Logistic Sdn Bhd (642802-M)
"C&H Transport"	: C&H Transport Sdn Bhd (808916-H)
"Chin Hin" or "Company"	: Chin Hin Group Berhad (1097507-W)
"Chin Hin Concrete"	: Chin Hin Concrete Holdings Sdn Bhd (969862-P)
"Chin Hin Concrete (KL)"	: Chin Hin Concrete (KL) Sdn Bhd (818159-D)
"Chin Hin Concrete (North)"	: Chin Hin Concrete (North) Sdn Bhd (803784-W)
"Chin Hin Group" or "Group"	: Chin Hin and its wholly-owned subsidiaries, collectively
"Comet Steel"	: Comet Steel Sdn Bhd (1009789-M)
"G-Cast Concrete"	: G-Cast Concrete Sdn Bhd (971228-X)
"Green Cement"	: Green Cement Sdn Bhd (1008610-A)
"Metal Sphere"	: Metal Sphere Sdn Bhd (1082934-A)
"Metex Steel"	: Metex Steel Sdn Bhd (957930-X)
"Pintar Sinar"	: Pintar Sinar Sdn Bhd (916505-X)
"PP Chin Hin"	: PP Chin Hin Sdn Bhd (334885-H)
"PP Chin Hin (SG)"	: PP Chin Hin Pte Ltd (200908657H)
"SPPCH"	: Syarikat Perniagaan dan Pengangkutan Chin Hin Sdn Bhd (now known as PP Chin Hin)
"Starken AAC"	: Starken AAC Sdn Bhd (752003-D)

GENERAL:-

"Acquisitions"	: Acquisitions comprising the following:-
	(i) Acquisition of PP Chin Hin;
	(ii) Acquisition of PP Chin Hin (SG);
	(iii) Acquisition of Chin Hin Concrete;
	(iv) Acquisition of Ace Logistic; and
	(v) Acquisition of C&H Transport

which were completed on 2 December 2014. Additional information on the Acquisitions is further described in Section 5.3 of this Prospectus

DEFINITIONS *(cont'd)*

"Acquisition of Ace Logistic"	: Acquisition by Chin Hin of the entire equity interest of Ace Logistic, comprising 11,000,000 ordinary shares of RM1.00 each in Ace Logistic for a total purchase consideration of RM16,800,000 satisfied via the issuance of 33,600,000 new Shares at par
"Acquisition of C&H Transport"	: Acquisition by Chin Hin of the entire equity interest of C&H Transport, comprising 1,250,000 ordinary shares of RM1.00 each in C&H Transport for a total purchase consideration of RM5,107,000 satisfied via the issuance of 10,214,000 new Shares at par
"Acquisition of Chin Hin Concrete"	: Acquisition by Chin Hin of the entire equity interest of Chin Hin Concrete, comprising 12,001,000 ordinary shares of RM1.00 each in Chin Hin Concrete for a total purchase consideration of RM26,279,000 satisfied via the issuance of 52,558,000 new Shares at par
"Acquisition of PP Chin Hin"	: Acquisition by Chin Hin of the entire equity interest of PP Chin Hin, comprising 50,000,000 ordinary shares of RM1.00 each in PP Chin Hin for a total purchase consideration of RM170,624,000 satisfied via the issuance of 341,248,000 new Shares at par
"Acquisition of PP Chin Hin (SG)"	: Acquisition by Chin Hin of the entire equity interest of PP Chin Hin (SG), comprising 1,000 ordinary shares in PP Chin Hin (SG) for a total purchase consideration of RM2,535,000 satisfied via the issuance of 5,070,000 new Shares at par
"Act"	: Companies Act, 1965, as amended from time to time, and any re-enactments thereof
"ADA"	: Authorised Depository Agent
"Application"	: The application for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form"	: The printed application form for the application of our IPO Shares accompanying this Prospectus
"ATM"	: Automated teller machines of a Participating Financial Institution
"Board"	: Board of Directors of Chin Hin
"Bursa Depository"	: Bursa Malaysia Depository Sdn Bhd (165570-W)
"Bursa Securities"	: Bursa Malaysia Securities Berhad (635998-W)
"CAGR"	: Compounded annual growth rate
"CCM"	: Companies Commission of Malaysia
"CDS"	: Central Depository System
"CDS Account"	: An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor

DEFINITIONS (cont'd)

"Closing Date"	: Means the date adopted in this Prospectus as the last date for acceptance and receipt of application for the subscription to our IPO Shares or such other later date as our Company and the Underwriter may agree upon
"CMSA"	: Capital Markets & Services Act 2007, as amended from time to time, and any re-enactments thereof
"CPM"	: Concrete Plant Management Sdn Bhd (1085236-P)
"Depository Rules"	: The Rules of Bursa Depository and any appendices thereto as they may be amended from time to time
"Divine Inventions"	: Divine Inventions Sdn Bhd (1119952-P)
"EBIT"	: Earnings before interest and taxes
"EBITDA"	: Earnings before interest, taxes, depreciation and amortisation
"Electronic Share Application"	: Application for our IPO Shares through a Participating Financial Institution's ATM
"EPS"	: Earnings per share
"FPE"	: Financial period ended/ending 31 August, as the case may be
"FYE"	: Financial year(s) ended/ending 31 December, as the case may be
"GP"	: Gross profit
"GST"	: Goods and Services Tax
"IMR"	: Protégé Associates Sdn Bhd, our Independent Business and Market Research Consultants for our Listing
"IMR Report"	: Independent Market Research Report on the Strategic Analysis of the Building Materials Industry in Malaysia prepared by the IMR
"Internet Share Application"	: Application for our IPO Shares through an Internet Participating Financial Institution
"Internet Participating Financial Institutions"	: The participating financial institutions for Internet Share Application as listed in Section 16 of this Prospectus
"IPO"	: Our initial public offering comprising the Public Issue and the Offer for Sale
"IPO Price"	: The issue/offer price of RM0.65 per IPO Share pursuant to our IPO
"IPO Shares"	: Collectively, the Issue Shares and the Offer Shares
"ISO"	: International Organisation for Standardisation

DEFINITIONS (cont'd)

"Issue Shares"	: 63,197,900 new Shares to be issued under the Public Issue, representing 12.5% of the enlarged issued and paid-up share capital of our Company upon Listing
"Issuing House"	: Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
"LPD"	: 18 January 2016, being the latest practicable date prior to the registration of this Prospectus
"Listing"	: Listing of and quotation for our entire enlarged issued and paid-up share capital of 505,888,000 Shares on the Main Market of Bursa Securities
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"Listing Scheme"	: Comprising the Public Issue, Offer for Sale and Listing, collectively
"M&A Securities"	: M&A Securities Sdn Bhd (15017-H)
"Malaysian Public"	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"MIDA"	: Malaysian Investment Development Authority
"MITI"	: Ministry of International Trade and Industry
"NA"	: Net asset
"NBV"	: Net book value
"NTA"	: Net tangible asset
"Offer for Sale"	: The offer for sale by our Offerors of the Offer Shares at our IPO Price payable in full upon full application subject to the terms and conditions of this Prospectus
"Offer Shares"	: 65,000,000 existing Shares to be offered pursuant to the Offer for Sale, representing 12.8% of the enlarged issued and paid-up share capital of our Company upon Listing
"Offerors"	: Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon, collectively
"Participating Financial Institution(s)"	: Participating financial institution(s) for Electronic Share Application
"PAT"	: Profit after taxation
"PBT"	: Profit before taxation
"PE Multiple"	: Price-earnings multiple
"Pink Form Allocations"	: The allocation of 6,400,000 new Shares to our eligible Directors and employees pursuant to our IPO

DEFINITIONS (cont'd)

"PP Chin Hin Realty"	: PP Chin Hin Realty Sdn Bhd (963099-V)
"Private Placement"	: Placement of 96,503,500 IPO Shares by way of private placement in conjunction with our IPO to identified investors
"Promoters"	: Promoters for our IPO, comprising PP Chin Hin Realty, Divine Inventions and the Offerors
"Prospectus"	: This prospectus dated 18 February 2016 in relation to our IPO
"Public Issue"	: Public issue of the Issue Shares at the IPO Price payable in full upon application subject to the terms and conditions of this Prospectus
"RM and sen"	: Ringgit Malaysia and sen respectively
"SC"	: Securities Commission Malaysia
"SGD"	: Singapore Dollar
"Share(s)"	: Ordinary share(s) of RM0.50 each in Chin Hin
"SICDA"	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time, and any re-enactments thereof
"SIRIM"	: Sirim QAS International Sdn Bhd (410334-X)
"SPAN"	: Suruhanjaya Perkhidmatan Air Negara
"TNB"	: Tenaga Nasional Berhad (200866-W)
"Underwriter"	: M&A Securities
"Underwriting Agreement"	: The underwriting agreement dated 26 January 2016 entered into between our Company and M&A Securities pursuant to our IPO
"Vendors"	: Datuk Chiau Beng Teik, Chiau Haw Choon and Datin Wong Mee Leng, collectively
"Vendors' Shareholdings Reorganisation"	: The reorganisation of the Vendors' shareholdings in our Company during the subscription period involving the transfer of 303,532,800 Shares which they collectively received from the Acquisitions to Divine Inventions, a wholly-owned subsidiary of PP Chin Hin Realty, which in turn is collectively owned by the Vendors

GLOSSARY OF TECHNICAL TERMS

"AAC"	: Autoclaved Aerated Concrete, a lightweight, precast concrete building material that is an alternative to cement and clay bricks
"AC"	: Asbestos Cement, a cement mixture that consist of asbestos fibres, cement and water
"ft ² "	: Square feet
"HDW"	: Hard drawn wire, a type of wire product that is made with a special heat treatment and cold drawing process
"IBS"	: Industrialised building system, a construction process that utilises products and/ or components which involve prefabricated components and on-site installations
"m ² "	: Square metre
"m ³ "	: Cubic metre
"mm"	: Millimetre
"mt"	: Metric tonne
"OBM"	: Other building materials such as plywood, concrete products, roofing, tiles, pipes, sanitary wares, ironmongery, wire mesh and bricks
"PVC"	: Polyvinyl chlorite, a type of synthetic plastic polymer
"Ready-mixed concrete"	: A concrete product that is produced in concrete batching plants
"Roof batten" or "batten"	: Horizontal structural members on a roof truss which form the fixing points for roofing tiles
"Roof truss" or "trusses"	: A structural framework designed to bridge the space above a building to provide support for a roof
"Skimcoats"	: A coating product that is applied to internal AAC walls

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Address	Nationality/ Profession/ Gender
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Independent Non-Executive Chairman	No. 25, Jalan Bidai U8/13 Section U8, Bukit Jelutong 40150 Shah Alam Selangor	Malaysian/ Director/ Male
Datuk Chiau Beng Teik	Deputy Group Executive Chairman	B-22-1, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Malaysian/ Director/ Male
Chiau Haw Choon	Group Managing Director	B-22-1, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Malaysian/ Director/ Male
Lee Hai Peng	Executive Director cum Chief Financial Officer	A-20-3A, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Malaysian/ Director/ Male
Datuk Cheng Lai Hock	Independent Non-Executive Director	29-C, Taman Berjaya Off Jalan Pegawai 05050 Alor Star Kedah	Malaysian/ Director/ Male
Yeoh Chin Hoe	Independent Non-Executive Director	No 37, Jalan BU2/5 Bandar Utama 47800 Petaling Jaya Selangor	Malaysian/ Director/ Male

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1. CORPORATE DIRECTORY (Cont'd)**AUDIT COMMITTEE**

Name	Designation	Directorship
Yeoh Chin Hoe	Chairman	Independent Non-Executive Director
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Member	Independent Non-Executive Chairman
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Chiau Haw Choon	Chairman	Group Managing Director
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director
Yeoh Chin Hoe	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Chairman	Independent Non-Executive Chairman
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director
Yeoh Chin Hoe	Member	Independent Non-Executive Director

REGISTERED OFFICE	: Suite 10.03, Level 10 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: 03-2279 3080 Facsimile: 03-2279 3090
HEAD OFFICE	: A-1-9, Pusat Perdagangan Kuchai No. 2, Jalan 1/127 Off Jalan Kuchai Lama 58200 Kuala Lumpur Telephone number: 03-7981 7878 Facsimile: 03-7981 7575
EMAIL ADDRESS AND WEBSITE	: Email address: info@chinhingroup.com Website: http://www.chinhingroup.com
COMPANY SECRETARIES	: Tan Tong Lang (MAICSA 7045482) Chong Voon Wah (MAICSA 7055003) Suite 10.03, Level 10 The Gardens South Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: 03-2279 3080 Facsimile: 03-2279 3090

1. CORPORATE DIRECTORY (*Cont'd*)

**AUDITORS AND
REPORTING
ACCOUNTANTS FOR
OUR LISTING**

: UHY (AF1411)

Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2279 3088
Facsimile: 03-2279 3099

**SOLICITORS FOR OUR
LISTING**

: Teh & Lee

A-3-3 & A-3-4, Northpoint Offices
Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur

Telephone number: 03-2283 2800
Facsimile: 03-2283 2500

PRINCIPAL BANKERS

: Maybank Islamic Berhad

Alor Setar Business Centre
Business Banking
No.19, Lengkok Sari
Taman Bandar Baru Mergong
Lebuhraya Sultanah Bahiyah
05150 Alor Setar
Kedah

Telephone number: 04-730 4811
Facsimile: 04-730 8533

AmBank (M) Berhad

Wholesale Banking Coverge-Northern Region
Level 8, 37, Jalan Sultan Ahmad Shah
10050 Pulau Pinang

Telephone number: 04-226 1818
Facsimile: 04-229 7488

Hong Leong Bank Berhad

Kuala Lumpur Business Centre
Business Banking Division
Level 5, Wisma Hong Leong
18, Jalan Perak
50450 Kuala Lumpur

Telephone number: 03-2180 8888
Facsimile: 03-2161 4457

1. CORPORATE DIRECTORY (Cont'd)

HSBC Bank Malaysia Berhad

Head Office
2, Leboh Ampang
50100 Kuala Lumpur

Telephone number: 03-2075 3870

Facsimile: 03-2031 1254

OCBC Bank (Malaysia) Berhad

Head Office
Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

Telephone number: 03-2034 5034

Facsimile: 03-2698 4363

United Overseas Bank (Malaysia) Bhd

North Area Centre
1st Floor, 64E-H
Lebuh Bishop
P.O. Box 820
10200 Pulau Pinang

Telephone number: 04-258 8188

Facsimile: 04-262 9119

**INDEPENDENT
BUSINESS AND
MARKET RESEARCH
CONSULTANTS**

: Protégé Associates Sdn Bhd

Suite C-06-06 Plaza Mont' Kiara
2, Jalan Kiara, Mont' Kiara
50480 Kuala Lumpur

Telephone number: 03-6201 9301

Facsimile: 03-62017302

**ADVISER,
UNDERWRITER AND
PLACEMENT AGENT**

: M&A Securities Sdn Bhd

No. 45-11 & 47-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Telephone number: 03-2284 2911

Facsimile: 03-2284 2718

ISSUING HOUSE

: Tricor Investor & Issuing House Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South,
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1. CORPORATE DIRECTORY (Cont'd)

	Telephone number: 03-2264 8888 Facsimile: 03-2282 1886
SHARE REGISTRAR	: Boardroom Corporate Services (KL) Sdn Bhd Lot 6.05, Level 6, KPMG Tower 8, First Avenue Bandar Utama 47800 Petaling Jaya Selangor Telephone number: 03-7720 1188 Facsimile: 03-7720 1111
LISTING SOUGHT	: Main Market of Bursa Securities

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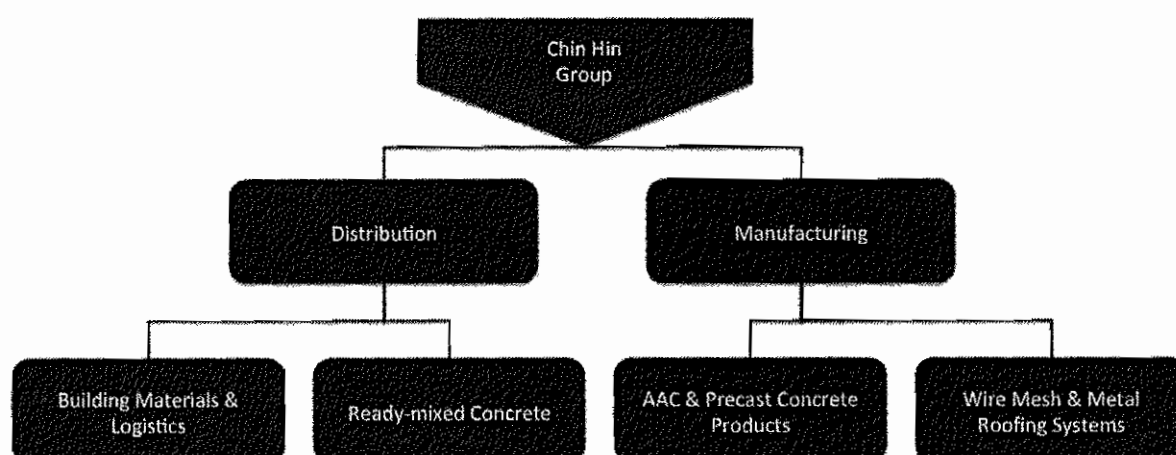
2. INFORMATION SUMMARY

THE INFORMATION CONTAINED IN THIS SECTION IS INTENDED ONLY TO BE A SUMMARY OF SOME SALIENT INFORMATION RELATING TO US AND OUR IPO, AND THE INFORMATION CONCERNED IS DERIVED FROM AND SHOULD BE READ IN CONJUNCTION WITH THE FULL TEXT OF THIS PROSPECTUS. YOU SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN OUR SHARES.

2.1 HISTORY AND BUSINESS

We are principally involved in the distribution of building materials and provision of logistics, supply of ready-mixed concrete, manufacturing of AAC and precast concrete products, wire mesh and metal roofing systems.

Our products are categorised under four (4) main business segments, as illustrated in the diagram below:-



Our Group's history can be traced back to 1974 when our founder, Datuk Chiau Beng Teik took over his family's hardware shop in Alor Setar, Kedah selling building materials to local renovators and walk-in customers, under the name Chop Chin Hin.

In 1995, Datuk Chiau Beng Teik saw an opportunity to venture into the transportation business and established SPPCH to undertake this new business. Operating from an office in Alor Setar, Kedah, SPPCH started providing transportation services to cement traders and manufacturers in the northern region of Malaysia, for instance, Cement Industries Malaysia Berhad and Perak-Hanjoong Simen Sdn Bhd (now part of YTL Cement Bhd).

In 1996, SPPCH expanded into the distribution of building materials to contractors and developers operating in the northern region of Malaysia. In 1998, having established its business in the northern region, SPPCH turned its attention to the construction activities in Kuala Lumpur and Selangor by setting up a branch office in Kuala Lumpur.

In May 2008, our Group ventured into the ready-mixed concrete business through our subsidiary Chin Hin Concrete (KL). This was an upstream diversification move. In 2011, we successfully expanded our ready-mixed concrete business to the northern region through the acquisition of Chin Hin Concrete (North).

2. INFORMATION SUMMARY (Cont'd)

SPPCH subsequently changed its name to PP Chin Hin in December 2008. In 2009, our Group undertook an internal restructuring exercise to consolidate and streamline our distribution businesses and operations. As part of the reorganisation and efforts to centralise our business operations, we moved our head office from Alor Setar to Kuala Lumpur. We made further steps to strengthen our presence nationwide by setting up branches /warehouse in Mentakab (Pahang), Kuala Terengganu (Terengganu), Muar (Johor), Ipoh (Perak) and Kuantan (Pahang).

Towards the end of 2009, our current Group Managing Director, Chiau Haw Choon joined his father, Datuk Chiau Beng Teik in running the fast growing businesses under our Group. After a strategic review of these businesses, our Group decided that it was time to further diversify and broaden our earnings base.

Having reviewed and analysed various options, we decided on a vertical integration through the manufacturing of building material products which are less labour intensive as follows:-

- (a) AAC products which have growth potential as a substitution for cement and clay bricks;
- (b) precast concrete products which allow us to penetrate into the infrastructure sector; and
- (c) wire mesh and metal roofing systems on the back of regular orders from PP Chin Hin's customers.

In September 2010, Pintar Sinar was set up to acquire the land on which the manufacturing facilities owned by Starken AAC and G-Cast Concrete are currently situated and in 2011, commenced construction of the abovesaid manufacturing facilities. The construction of G-Cast Concrete's factory was completed in 2012 and production of precast concrete pipes commenced soon after. In 2013, Starken AAC's factory was completed and we commenced production of AAC products in January 2014.

In 2010, we also commenced construction of our manufacturing facilities for wire mesh and metal roofing systems in Nilai, Negeri Sembilan which was completed in October 2012 and began production of wire mesh and metal roofing systems immediately thereafter. In 2012, we acquired a factory in Prai, Pulau Pinang for the manufacturing of HDW and metal roofing systems to expand our market coverage in the northern region.

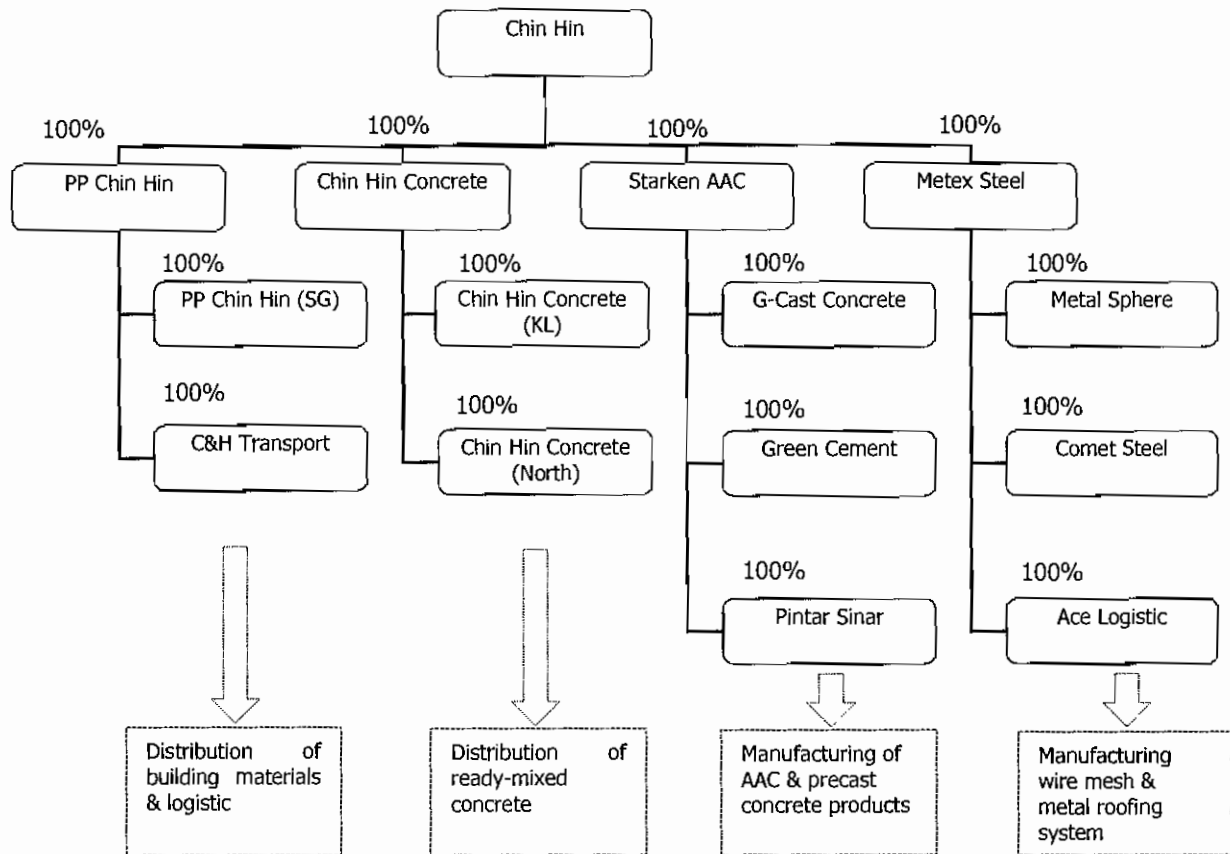
Over the years, our Deputy Group Executive Chairman together with our Group Managing Director and key management team have successfully transformed our business from the distribution of building materials to an integrated building materials provider.

Please refer to Section 5.1 of this Prospectus for further details of our Group's history.

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2. INFORMATION SUMMARY (Cont'd)

Our Group structure as at the LPD and prior to our IPO is diagrammatically summarised below:-



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2. INFORMATION SUMMARY (Cont'd)

The details of our subsidiaries are as follows:-

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
Held by Chin Hin						
PP Chin Hin (334885-H)	25 February 1995/Malaysia	March 1995	50,000,000	50,000,000	100.0	Distribution of building materials, letting of properties and hire purchase financing
Chin Hin Concrete (969862-P)	29 November 2011/Malaysia	December 2011	25,000,000	12,001,000	100.0	Investment holding
Starken AAC (752003-D)	2 November 2006/Malaysia	January 2014	50,000,000	30,000,000	100.0	Manufacturing and sales of AAC products
Metex Steel (957930-X)	22 August 2011/Malaysia	October 2012	50,000,000	30,000,000	100.0	Manufacturing and sales of wire mesh and metal roofing systems
Held by PP Chin Hin						
PP Chin Hin (SG) (200908657H)	16 May 2009/ Singapore	June 2009	SGD1,000	SGD1,000	100.0	Trading and distribution of building materials in Singapore
C&H Transport (808916-H)	6 March 2008/ Malaysia	April 2008	5,000,000	1,250,000	100.0	Transportation of cement

2. INFORMATION SUMMARY (Cont'd)

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
<u>Held by Chin Hin Concrete</u>						
Chin Hin Concrete (KL) (818159-D)	18 May 2008/ Malaysia	June 2008	5,000,000	4,000,000	100.0	Distribution of ready-mixed concrete
Chin Hin Concrete (North) (803784-W)	21 January 2008/ Malaysia	February 2008	5,000,000	2,000,000	100.0	Distribution of ready-mixed concrete
<u>Held by Starken AAC</u>						
G-Cast Concrete (971228-X)	11 December 2011/ Malaysia	August 2012	5,000,000	5,000,000	100.0	Manufacturing and sales of precast concrete products
Green Cement (1008610-A)	4 July 2012/ Malaysia	⁽ⁱⁱ⁾ N/A	100,000	2	100.0	Currently dormant, the intended principal activity is to produce concrete products
Pintar Sinar (916505-X)	30 September 2010/ Malaysia	⁽ⁱ⁾ March 2012	100,000	2	100.0	Property investment holding

2. INFORMATION SUMMARY (Cont'd)

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
Held by Metex Steel						
Metal Sphere (1082934-A)	2 March 2014/ Malaysia	2 February 2015	25,000,000	15,000,002	100.0	Manufacturing of metal roofing profiles and trusses
Comet Steel (1009789-M)	12 July 2012/ Malaysia	⁽ⁱ⁾ N/A	100,000	2	100.0	Currently dormant, the intended principal activity is sales and trading of steel wire mesh, wire rods and other steel products
Ace Logistic (642802-M)	18 February 2004/Malaysia	⁽ⁱ⁾ November 2009	25,000,000	11,000,000	100.0	Property investment holding

Notes:-

- (i) These dates refer to the dates in which these companies commenced their investing activities.
- (ii) Not applicable as these companies are presently dormant and have not commenced operations since their incorporation. Please refer to Sections 5.4.9(a), 5.4.12(a) and 5.4.13(a) for further information on the future plans of these companies.

As at the date of this Prospectus, we do not have any associate company.

Further details on our history and business overview are set out in Sections 5 and 6 of this Prospectus, respectively.

2. INFORMATION SUMMARY (Cont'd)

2.2 COMPETITIVE STRENGTHS

Set out below are our competitive strengths which we believe allow our Group to compete effectively within the industry we operate in:-

- (a) Integrated building materials provider;
- (b) Nationwide offices and warehouses;
- (c) Established market reputation and broad customer base;
- (d) Strong and experienced management; and
- (e) Production efficiency and quality products.

Further details on our Group's competitive strengths are set out in Section 6.14 of this Prospectus.

2.3 FUTURE PLANS

Our future plans and strategies are as follows:-

- (a) Penetration into foreign markets especially those in the Asia Pacific regions such as Taiwan, Australia, Hong Kong, Singapore, Philippines and Indonesia as well as widening of customer base geographically;
- (b) Expansion of G-Cast Concrete's new manufacturing plant and Starken AAC's production facilities; and
- (c) Widening and expansion of product range, especially our Group's in-house manufactured products such as our present range of wire mesh, AAC products, industrialised building system precast products and jacking pipe.

Further details on our Group's future plans are set out in Section 6.15 of this Prospectus.

2.4 PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Our Promoters, substantial shareholders, Directors and key management personnel are as follows:-

Name	Designation
Promoters and substantial shareholders	
Datuk Chiau Beng Teik	Deputy Group Executive Chairman
Datin Wong Mee Leng	Substantial shareholder
Chiau Haw Choon	Group Managing Director
Divine Inventions	-
PP Chin Hin Realty	-
Directors	
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Independent Non-Executive Chairman
Datuk Chiau Beng Teik	Deputy Group Executive Chairman
Chiau Haw Choon	Group Managing Director
Lee Hai Peng	Executive Director cum Chief Financial Officer
Yeoh Chin Hoe	Independent Non-Executive Director
Datuk Cheng Lai Hock	Independent Non-Executive Director

2. INFORMATION SUMMARY (Cont'd)

Name	Designation
Key management personnel	
Tan Cheak Joo	Head of Business Unit, PP Chin Hin
Yeoh Meng Hooi	National General Manager, PP Chin Hin
Lok Boon Cheng	Head of Business Unit, Metex Steel
Chen Meng Aik	General Manager of Operations, Metex Steel
Chong Kam Yean	Senior General Manager (Metal Roofing), Metex Steel
Ng Wai Luen	Head of Business Unit, Starken AAC and G-Cast Concrete
Yee Chut Yau	General Manager of Operations, Starken AAC and G-Cast Concrete
Tan Ming Hong	Head of Business Unit, Chin Hin Concrete

Details of our Promoters, substantial shareholders, Directors and key management personnel are set out in Section 8 of this Prospectus.

2.5 FINANCIAL HIGHLIGHTS

For detailed financial information relating to our Group, please refer to Sections 11, 12 and 13 of this Prospectus, respectively.

2.5.1 Historical combined statements of comprehensive income

The following table sets forth an extract of the audited combined statements of comprehensive income for the past FYEs 2011 to 2014 and FPEs 2014 to 2015. The following selected historical financial information should be read in conjunction with the "Management Discussion and Analysis of Financial Condition and Results of Operations" set out in Section 12 of this Prospectus and the Accountants' Report and related notes set out in Section 13 of this Prospectus.

	Combined Group					
	Audited					
	FYE				FPE	
	2011	2012	2013	2014	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,014,597	1,046,108	1,220,416	1,219,418	833,667	816,980
Less: Cost of sales	(953,805)	(989,339)	(1,149,925)	(1,130,887)	(777,578)	(750,722)
GP	60,792	56,769	70,491	88,531	56,089	66,258
Other operating income	3,068	24,600	17,800	16,306	4,366	5,505
Administrative expenses	(28,155)	(28,659)	(36,512)	(42,920)	(22,879)	(32,120)
Profit from operations	35,705	52,710	51,779	61,917	37,576	39,643
Finance costs	(8,628)	(11,513)	(14,457)	(18,702)	(12,798)	(13,455)
PBT	27,077	41,197	37,322	43,215	24,778	26,188
Taxation	(7,956)	(6,603)	(7,870)	(13,029)	(8,454)	(6,183)
PAT	19,121	34,594	29,452	30,186	16,324	20,005

2. INFORMATION SUMMARY (Cont'd)

	Combined Group					
	Audited					
	FYE				FPE	
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2014 RM'000	2015 RM'000
No. of Shares assumed to be in issue ('000) ⁽ⁱ⁾	442,690	442,690	442,690	442,690	442,690	442,690
EBIT ⁽ⁱⁱ⁾	35,705	52,710	51,779	61,917	37,576	39,643
EBITDA ⁽ⁱⁱⁱ⁾	43,867	58,388	61,241	75,020	46,353	49,238
GP margin (%)	6.0	5.4	5.8	7.3	6.7	8.1
PBT margin (%)	2.7	3.9	3.1	3.5	3.0	3.2
PAT margin (%)	1.9	3.3	2.4	2.5	2.0	2.4
Effective tax rate (%)	29.4	16.0	21.1	30.1	34.1	23.6
Net EPS (sen) ⁽ⁱⁱⁱ⁾	4.32	7.81	6.65	6.82	3.69	4.52
No. of Shares assumed to be in issue ('000) ^(iv)	505,888	505,888	505,888	505,888	505,888	505,888
Diluted net EPS (sen) ^(v)	3.78	6.84	5.82	5.97	3.23	3.95

Notes:-

(i) Based on the number of Shares in issue before our IPO.

(ii) Calculated based on the following:-

	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
PAT	19,121	34,594	29,452	30,186	20,005
Add: Finance costs	8,628	11,513	14,457	18,702	13,455
Tax expense	7,956	6,603	7,870	13,029	6,183
EBIT	35,705	52,710	51,779	61,917	39,643
Add: Depreciation	7,726	5,583	9,335	13,103	9,595
Amortisation	436	95	127	-	-
EBITDA	43,867	58,388	61,241	75,020	49,238

(iii) Calculated based on PAT divided by our existing issued and paid-up share capital of 442,690,100 Shares.

(iv) Based the enlarged number of Shares after our IPO.

(v) The diluted net EPS is computed by dividing PAT over the enlarged number of Shares after our IPO.

There were no exceptional or extraordinary items during the financial years/period under review. Our audited financial statements for the past financial years under review have not been subjected to any audit qualifications.

2. INFORMATION SUMMARY (Cont'd)**2.5.2 Pro forma consolidated statements of financial position**

The pro forma consolidated statements of financial position as set out below are provided for illustrative purposes only to show the effects on the consolidated statements of financial position of our Group as at 31 August 2015 should the Acquisitions, Group re-organisation, Public Issue and utilisation of proceeds been completed on that date.

	As at 31 August 2015 RM'000	(I) After Public Issue RM'000	(II) After Pro forma (I) and utilisation of proceeds RM'000
<u>Non-Current Assets</u>			
Property, plant and equipment	195,485	195,485	210,485
Investment properties	103,235	103,235	103,235
Total Non-Current Assets	298,720	298,720	313,720
<u>Current Assets</u>			
Inventories	46,153	46,153	46,153
Trade receivables	308,460	308,460	308,460
Other receivables	22,149	22,149	22,149
Hire purchase receivables	819	819	819
Tax recoverable	85	85	85
Derivative financial assets	585	585	585
Fixed deposits with licensed banks	14,589	14,589	14,589
Cash and bank balances	149,875	190,954	156,954
	542,715	583,794	549,794
Asset held for sale	3,663	3,663	3,663
Total Current Assets	546,378	587,457	553,457
Total Assets	845,098	886,177	867,177
<u>Equity</u>			
Share capital	221,345	252,944	252,944
Share premium	-	9,480	9,480
Foreign exchange reserve	427	427	427
Revaluation reserve	8,769	8,769	8,769
Merger deficit	(153,192)	(153,192)	(153,192)
Retained profits	173,657	173,657	169,657
Total equity attributable to equity holders of the Company	251,006	292,085	288,085
<u>Non-Current Liabilities</u>			
Finance lease payables	12,989	12,989	12,989
Bank borrowings	81,834	81,834	81,834
Deferred tax liabilities	5,218	5,218	5,218
Total Non-Current Liabilities	100,041	100,041	100,041

2. INFORMATION SUMMARY (Cont'd)

	(I)	(II)
	As at 31 August 2015 RM'000	After Public Issue RM'000
		After Pro forma (I) and utilisation of proceeds RM'000
Current Liabilities		
Trade payables	140,091	140,091
Other payables	20,129	20,129
Amount owing to Directors	11,382	11,382
Finance lease payables	10,496	10,496
Bank borrowings	309,182	309,182
Tax payable	2,771	2,771
Total Current Liabilities	494,051	494,051
Total Liabilities	594,092	594,092
Total Equity and Liabilities	845,098	886,177
Par value per Share (RM)	0.50	0.50
Number of Shares ('000)	442,690	505,888
NA (RM'000)	251,006	292,085
NA per share (RM)	0.57	0.58
Borrowings (All interest bearing debts) (RM'000)	414,501	414,501
Gearing (times) ⁽ⁱ⁾	1.65	1.42

Note:-

(i) Calculated based on the total borrowings (i.e. finance lease payables and bank borrowings) of our Group divided by the total equity of our Group.

Detailed information on our pro forma consolidated statements of financial position is set out in Section 11 of this Prospectus.

2.5.3 Dividend policy

As we are a holding company, our Company's income and therefore our ability to pay dividends are dependent upon the dividends we receive from our subsidiaries. The payment of dividends by our subsidiaries will depend on their distributable profits, operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

Further details of our dividend policy are set out in Section 12.8 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)**2.6 PRINCIPAL STATISTICS RELATING TO OUR IPO**

The following statistics relating to our IPO are derived from the full text of this Prospectus and should be read in conjunction with that text.

IPO Price	RM0.65
63,197,900 Issue Shares for subscription by:	
• Malaysian Public via balloting	25,294,400
• Eligible Directors and employees of our Group	6,400,00
• Identified investors via private placement	31,503,500
65,000,000 Offer Shares for subscription by:-	
• Identified investors via private placement	14,411,200
• Placement to Bumiputera investors approved by MITI	50,588,800
Total enlarged issue and paid-up share capital after Listing	505,888,000
Market capitalisation at our IPO Price	RM328,827,200

The IPO Price is payable in full upon Application, subject to the terms and conditions of this Prospectus. The basis of arriving at our IPO Price is set out in Section 3.7 of this Prospectus.

2.7 UTILISATION OF PROCEEDS

The total estimated gross proceeds of RM41.08 million to be raised from the Public Issue shall be utilised in the following manner:-

No.	Proposed utilisation	RM'000	%	Estimated timeframe for use (from the listing date)
(a)	Purchase of new plant, equipment and machineries as well as expansion of manufacturing facility	15,000	36.5	Within twenty four (24) months
(b)	Repayment of bank borrowings	15,000	36.5	Within six (6) months
(c)	Working capital requirements	7,079	17.2	Within twenty four (24) months
(d)	Estimated listing expenses	4,000	9.8	Immediately
	Total	41,079	100.0	

There is no minimum subscription to be raised from our IPO.

Detailed information on our utilisation of proceeds is set out in Section 3.10 of this Prospectus.

2. INFORMATION SUMMARY (Cont'd)

2.8 RISK FACTORS

Before applying for our IPO Shares, you should carefully consider the following material risk factors in addition to the other information contained elsewhere in this Prospectus.

(a) Risks relating to the industry in which our Group operates:-

- Our Group's business is dependent on the construction and property development industries;
- Competition risks; and
- Political, regulatory and economic risks.

(b) Risks relating to our business and our operations:-

- We are dependent on our experienced management and key personnel;
- We do not have any long term contracts with our customers;
- We are subject to the credit risks of our customers;
- We are dependent on obtaining adequate financing to fund our operations;
- We are subject to our debt servicing obligations;
- Dependency on major suppliers;
- We are exposed to product warranties and product liability claims by our customers; and
- Fluctuation in prices of raw materials.

(c) Risks relating to the investment in our Shares:-

- No prior market for our Shares;
- Failure/delay in or termination/abortion of our Listing;
- Dividend payment is not assured; and
- Trading prices and volume of our Shares.

(d) Other risks:-

- Continued control by our Promoters/substantial shareholders;
- Future fund raising may dilute shareholders' equity or restrict our operations; and
- Forward-looking/prospective statements.

For more detailed commentaries, please refer to Section 4 of this Prospectus.

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3. PARTICULARS OF OUR IPO

3.1 INTRODUCTION

This Prospectus is dated 18 February 2016. Our IPO is subject to the terms and conditions of this Prospectus.

We have registered a copy of this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Form with the Registrar of Companies Malaysia, who takes no responsibility for their contents.

We received the SC's approval for our IPO and Listing on 20 October 2015. The approval of the SC shall not be taken to indicate that the SC recommends our IPO or assumes responsibility for the correctness or any statement made or opinion or report expressed in this Prospectus. The SC has not, in any way, considered the merits of our Shares being offered for investment. The SC is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any part of the contents of this Prospectus.

You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.

We have also obtained the approval from Bursa Securities on 18 December 2015, for, *inter-alia*, our admission to the Official List of the Main Market of Bursa Securities and for permission to deal in and for the listing of and quotation for all our Shares on the Main Market of Bursa Securities.

Our Shares will be admitted to the Official List of the Main Market of Bursa Securities and an official quotation will commence after, *inter-alia*, the receipt of confirmation from Bursa Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been issued and despatched to all the successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares and/or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. Following this, we will deposit our Shares directly with Bursa Depository and any dealings in our Shares will be carried out in accordance with SICDA and Rules of Bursa Depository. We will not issue any share certificate to the successful applicants.

Pursuant to the Listing Requirements, at least 25% of our issued and paid-up share capital must be in the hands of 1,000 public shareholders, each holding not less than 100 Shares upon admission to the Main Market of Bursa Securities. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing. In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within fourteen (14) days after we become liable to do so, the provision of sub-section 243(2) of the CMA shall apply accordingly.

3. PARTICULARS OF OUR IPO (Cont'd)

You should rely only on the information contained in this Prospectus or any applicable Prospectus supplement. Neither we nor our advisers have authorised anyone to provide you with information that is different and not contained in this Prospectus. The delivery of this Prospectus or any issue made in connection with this Prospectus shall not, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Prospectus. Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMA.

We are not making any invitation to subscribe for our IPO Shares in any jurisdiction and in any circumstances in which such offer or invitation are authorised or lawful to any person to whom it is unlawful to make such an offer or invitation. As the distribution of this Prospectus and the sale of our IPO Shares in certain other jurisdictions may be restricted by law, persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

You must have a CDS Account when applying for our IPO Shares. In the case of an application by way of Application Form, you must state your CDS Account number in the space provided in the Application Form. If you do not presently have a CDS Account, you should open a CDS Account at an ADA prior to making an application for our IPO Shares. In the case of an application by way of Electronic Share Application, you shall furnish your CDS Account number if the instructions on the ATM screen at which you enter your Electronic Share Application require you to do so. A corporation or institution cannot apply for our IPO Shares by way of Electronic Share Application.

This Prospectus can also be viewed or downloaded from the website of Bursa Securities at www.bursamalaysia.com.

Our IPO is subject to the terms and conditions of this Prospectus and upon acceptance, our IPO Shares are expected to be allocated in the manner described below.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

3.2 OPENING AND CLOSING OF APPLICATION PERIOD

The application period will open at 10.00 a.m. on 18 February 2016 and will remain open until at 5.00 p.m. on 25 February 2016 or such further period or periods as our Directors and Underwriter may in their absolute discretion mutually decide. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

Our Directors and Underwriter may in their absolute discretion mutually decide to extend the closing date and time for application of our IPO to any later date or dates. In the event the closing date for application is extended, we will advertise the notice of the extension in a widely-circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the application for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly.

3. PARTICULARS OF OUR IPO (Cont'd)**3.3 IMPORTANT TENTATIVE DATES**

Events	Tentative Dates
Issuance of this Prospectus/Opening of Application for our IPO	18 February 2016
Closing of application for our IPO	25 February 2016
Balloting of the application for our IPO Shares	1 March 2016
Allotment of our IPO Shares to successful applicants	4 March 2016
Tentative date of Listing	8 March 2016

These dates are tentative and are subject to changes which may be necessary to facilitate the implementation procedures. Our Directors and Underwriter may, in their absolute discretion, mutually decide to extend the closing date of the application to a further date or dates. Should the closing date of the application be extended, the dates for the balloting, allotment of our IPO Shares and the listing of and quotation for our entire enlarged issued and paid-up share capital on the Main Market of Bursa Securities would be extended accordingly. Any change to the closing date of the application will be advertised in the widely circulated English and Bahasa Malaysia newspapers in Malaysia.

3.4 DETAILS OF OUR IPO**3.4.1 Public Issue**

Our public issue of 63,197,900 Issue Shares at the IPO Price, representing approximately 12.5% of our enlarged issued and paid-up share capital, shall be allocated in the following manner:-

(a) Malaysian Public

25,294,400 Issue Shares, representing 5.0% of our enlarged issued and paid-up share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:-

- (i) 12,647,200 Issue Shares made available to public investors; and
- (ii) 12,647,200 Issue Shares allocated to Bumiputera public investors.

(b) Eligible Directors and employees

6,400,000 Issue Shares, representing 1.3% of our enlarged issued and paid-up share capital, will be reserved for our eligible Directors and employees under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 3.4.3 of this Prospectus.

(c) Private placement to identified investors

31,503,500 Issue Shares, representing 6.2% of our enlarged issued and paid-up share capital has been reserved for private placement to identified investors.

Upon completion of our Public Issue, our issued and paid-up share capital will increase from RM221,345,050 comprising 442,690,100 Shares to RM252,944,000 comprising 505,888,000 Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

The basis of allocation for our IPO Shares shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants to meet the public spread requirements and to establish a liquid and adequate market in our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

There is no over-allotment or 'greenshoe' option.

31,694,400 Issue Shares available for application by the Malaysian Public, our eligible Directors and employees. The balance 31,503,500 Issue Shares reserved under the private placement will not be underwritten and will be placed out by M&A Securities, our Placement Agent. Please refer to Section 3.11 and Section 3.12 of this Prospectus for further details on the underwriting and placement arrangements.

Any of our Issue Shares not subscribed for under Section 3.4.1(a) and Section 3.4.1(b) shall be made available to identified investors via private placement. Thereafter, any remaining re-offered Issue Shares that have not been subscribed for will then be subscribed for by our Underwriter based on the terms of the Underwriting Agreement. However, in the event that all of our Issue Shares under Section 3.4.1(a) are oversubscribed, shares not subscribed for under Section 3.4.1(b), Section 3.4.1(c) and Section 3.4.2, if any, will be made available for application for subscription by the Malaysian Public.

3.4.2 Offer for Sale

65,000,000 Offer Shares, representing 12.8% of our enlarged issued and paid-up share capital will be offered by our Offerors at the IPO Price in the following manner:-

(a) Private placement to identified investors

14,411,200 Offer Shares, representing 2.8% of our enlarged issued and paid-up share capital has been reserved for private placement to identified investors.

(b) Private placement to identified investors

50,588,800 Offer Shares, representing 10.0% of our enlarged issued and paid-up share capital, will be allocated to Bumiputera public investors approved by MITI.

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3. PARTICULARS OF OUR IPO (Cont'd)

Details of our Offerors are as follows:-

Name/ Address	Material relationship with our Group	Before Offer for Sale ⁽ⁱ⁾		Offer Shares offered		After Offer for Sale	
		No. of Shares	%	No. of Offer Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ^(iv)
Datuk Chiau Beng Teik B-22-1, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Deputy Group Executive Chairman, Promoter and substantial shareholder	244,034,320	55.1	35,832,000	8.1	208,202,320	41.2
Chiau Haw Choon B-22-1, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Group Managing Director, Promoter and substantial shareholder	142,895,750	32.3	20,981,000	4.6	121,914,750	24.1
Datin Wong Mee Leng B-22-1, Kondominium Gembira Residen 2, Jalan Senangria Taman Gembira 58200 Kuala Lumpur	Promoter and substantial shareholder	55,759,930	12.6	8,187,000	1.8	47,572,930	9.4

3. PARTICULARS OF OUR IPO (Cont'd)**Notes:-**

- (i) After the completion of the Acquisitions prior to the Public Issue.
- (ii) Based on our issued and paid-up share capital of 442,690,100 Shares before our Public Issue.
- (iii) Based on our issued and paid-up share capital of 505,888,000 Shares after our Public Issue.
- (iv) Before taking into consideration the Vendors' Shareholdings Reorganisation. Please refer to Section 9.2.1 of this Prospectus for further details on the Vendors' Shareholdings Reorganisation.

Further details of our Offerors can be found in Section 8 of this Prospectus.

Our Offerors shall bear all expenses relating to the Offer for Sale. The Offer Shares are not underwritten.

Save as disclosed above, there is no other offeror in conjunction with our IPO who has a material relationship with our Group for the past three (3) years up to the LPD.

3.4.3 Pink Form Allocations

We have allocated 6,400,000 Issue Shares to our eligible Directors and our employees under the Pink Form Allocations as follows:-

Category	No. of eligible persons/ corporations	Aggregate number of Issue Shares allocated
Eligible Directors	4	650,000
Eligible employees	542	5,750,000
Total	546	6,400,000

The criteria of allocation for the Issue Shares to our eligible Directors and employees (as approved by our Board) are based on, *inter-alia*, the following:-

- (a) The employee must be an eligible and confirmed employee and on the payroll of our Group;
- (b) The number of shares allocated to our eligible employees are based on their seniority, position, their length of service and their respective contribution made to our Group as well as other factors deemed relevant to our Board; and
- (c) The employee must be a full-time employee of at least eighteen (18) years of age.

Our Issue Shares to be allotted to our eligible Directors and employees shall be based on their contribution and support to our Group, as approved by our Board.

3. PARTICULARS OF OUR IPO (Cont'd)

Details of the proposed allocation to our Directors are as follows:-

Name	Designation	No. of Issue Shares allocated
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Independent Non-Executive Chairman	200,000
Lee Hai Peng	Executive Director cum Chief Financial Officer	250,000
Datuk Cheng Lai Hock	Independent Non-Executive Director	100,000
Yeoh Chin Hoe	Independent Non-Executive Director	100,000
Total		650,000

3.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

Upon completion of our IPO exercise, our share capital would be as follows:-

	No. of Shares	Par Value RM	RM
Authorised share capital	1,000,000,000	0.50	500,000,000
Issued and fully paid-up			
As at the date of this Prospectus	442,690,100	0.50	221,345,050
To be issued pursuant to the Public Issue	63,197,900	0.50	31,598,950
Enlarged issued and paid-up share capital upon Listing	505,888,000	0.50	252,944,000
IPO Price			0.65
Market capitalisation (based on the IPO Price and the enlarged issued and paid-up share capital upon Listing)			328,827,200

Note:-

The Offer for Sale would not have any effect on our issued and paid-up share capital.

THE IPO PRICE IS PAYABLE IN FULL UPON APPLICATION.

As at the date of this Prospectus, we have only one (1) class of shares, being ordinary shares of RM0.50 each, all of which rank *pari passu* amongst one another. Our IPO Shares will, upon allotment and issue, rank *pari passu* in all respects with our existing issued and paid-up ordinary shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our IPO Shares.

3. PARTICULARS OF OUR IPO (Cont'd)

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount paid-up on the Shares held by them, be entitled to dividends and other distributions of our Group, in accordance with our Memorandum and Articles of Association.

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by the attorney or by other duly authorised representative. On a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote, and in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of our Group and the provisions of Section 149(1)(b) of the Act shall not apply to our Group.

3.6 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:-

- (a) To enable our Group to raise funds for the purposes specified in Section 3.10 herein;
- (b) To enable us to gain access to the capital market to raise additional funds for our future expansion and growth;
- (c) To provide an opportunity for the Malaysian Public, our eligible Directors and our employees to participate in our equity; and
- (d) To enable our Group to gain recognition through its listing status and further enhance our corporate reputation and image which is aimed at expanding our customer base.

3.7 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined and agreed upon by our Directors, Promoters, Offerors and M&A Securities, as the Adviser, Underwriter and Placement Agent, after taking into consideration the following factors:-

- (a) The PE Multiple of about 10.96 times based on our annualised net EPS of approximately 5.93 sen for the FPE 2015 and our enlarged issued and paid-up share capital upon Listing of 505,888,000 Shares.
- (b) Our pro forma consolidated NA per Share as at 31 August 2015 after the Public Issue (but before utilisation of proceeds) of RM0.58 based on our pro forma audited consolidated NA as at 31 August 2015 of approximately RM292.08 million and our enlarged issued and paid-up share capital upon Listing of 505,888,000 Shares;
- (c) Our historical financial track record for the past four (4) FYEs 2011 to FYE 2014 as well as FPE 2015:-

	FYE2011	FYE2012	FYE2013	FYE 2014	FPE 2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,014,597	1,046,108	1,220,416	1,219,418	816,980
GP	60,792	56,769	70,491	88,531	66,258
PAT	19,121	34,594	29,452	30,186	20,005
Net EPS (sen) ⁽ⁱ⁾	4.32	7.81	6.65	6.82	⁽ⁱⁱ⁾ 6.80

3. PARTICULARS OF OUR IPO (Cont'd)**Notes:-**

- (i) Based on our issued and paid-up share capital of 442,690,100 Shares before our IPO.
(ii) Annualised.

- (d) Our competitive strengths as set out in Section 6.14 of this Prospectus; and
(e) The prospects and future plans of our Group as set out in Section 6.15 of this Prospectus.

In relation to the PE Multiple in (a) above, we set out below the PE Multiple of selected companies involved in similar business as our Group listed on the Main Market of Bursa Securities:-

No.	Name	Principal activities	(i) 1 year volume weighted average price RM	(ii) EPS Sen	(iii) PE Multiple times	(vii) Market capitalisation RM'000
1.	Chuan Huat Resources Berhad ^(iv)	Principally involved in the distribution of building materials segment as a stockist of iron and steel, and as an importer and exporter of structural steel and other construction materials.	0.55	0.02	>100	92,240
2.	Ipmuda Berhad	Involved in multiple business segments, including trading, property and investment holding, contracting, manufacturing as well as property development. The trading segment is the largest revenue contributor and under the trading segment, the company is involved in the distribution of building materials as a distributor and supplier of construction and finishing building materials, heavy steel products, architectural hardware, home improvement materials, cabinet systems, fuel and lubricants for the construction, infrastructural and manufacturing sectors and end users.	1.30	12.57	10.34	94,210
3.	Atta Global Group Berhad (formerly known as SMPC Corporation Berhad)	Principally involved in manufacturing or processing of steel coil, tube, strapping, steel furniture, metal roofing, floor decking, perforated metal and the industrial recycling of scrap metal.	0.64	7.34	8.72	44,964

3. PARTICULARS OF OUR IPO (Cont'd)

No.	Name	Principal activities	⁽ⁱ⁾ 1 year volume weighted average price RM	⁽ⁱⁱ⁾ EPS Sen	⁽ⁱⁱⁱ⁾ PE Multiple times	^(vii) Market capitalisation RM'000
4.	Harrisons Holdings (Malaysia) Berhad	Principally involved in marketing, sales, warehousing and distribution of consumer, building materials and engineering products, fine wines, agricultural and industrial chemicals, and the operation of shipping/logistics and travel agencies.	3.21	25.85	12.42	219,808
5.	Ajiya Berhad	Principally involved in manufacturing and marketing of glass products, metal roofing, metal door and window frames, floor decks, metal ceiling and other building materials.	3.59	29.85	12.03	273,365
6.	Lafarge Malaysia Berhad ^(iv)	Principally involved in the manufacture and sale of cement, ready-mixed concrete, aggregates and other related building materials.	9.42	30.40	30.99	8,004,127
			High		12.42	
			Low		8.72	
			Average		10.88	
	Chin Hin Group	Principally involved in the distribution of building materials and provision of logistics, the supply of ready-mixed concrete, manufacturing of AAC and precast concrete, wire mesh and metal roofing systems.	^(v) 0.65	^(vi) 5.93	10.96	328,827

The selected public listed companies may not be directly comparable to our Group as there is no listed company involved in all four (4) business segments of our Group. The selected public listed companies are however to a certain extent involved in certain business segments similar to our Group as set out in the "Competitive Analysis" in Section 7 of this Prospectus. Please refer to Section 7 "Competitive Analysis" of this Prospectus for further details on the selection criteria of the comparable companies. We have excluded certain companies such as Hap Seng Consolidated Berhad, Hong Leong Industries Berhad and Wah Seong Corporation Berhad as they are involved in various business segments and distribution of building materials segment contributes less than 50% of their revenue.

Notes:-

- (i) From 1 January 2015 to 31 December 2015.
- (ii) Based on the trailing twelve (12) months EPS of the respective companies extracted from their quarterly results announced to Bursa Securities up to the LPD.
- (iii) PE Multiple is calculated based on the one (1) year volume weighted average price or IPO Price (where applicable) divided by EPS.

3. PARTICULARS OF OUR IPO (Cont'd)

- (iv) *Chuan Huat Resources Berhad has been excluded from the computation of the average and high-low range of PE Multiple as its PE Multiple is above 100 times and thus is considered as an anomaly. Lafarge Malaysia Berhad has also been excluded from the computation of the average and the high-low range of PE Multiple as its market capitalisation is more than twenty (20) times larger than that of Chin Hin based on the IPO Price.*
- (v) *Being our IPO Price.*
- (vi) *As our latest audited net EPS was based on our eight (8) months financial results, we have annualised it to estimate and reflect the net EPS for a full financial year. The annualised net EPS of 5.93 sen was calculated based on our Group's annualised net profit of RM30.01 million (computed based on our PAT of RM20.01 million for FPE 2015) divided by our enlarged issued and paid-up share capital upon our Listing of 505,888,000 Shares.*
- (vii) *Calculated based on the outstanding number of shares of the respective company as at 31 December 2015 multiplied by the one (1) year volume weighted average price of each company.*

You should note that the price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties. You are reminded to carefully consider the risk factors as set out in Section 4 of this Prospectus and form your own views on the value of our IPO Shares before deciding to invest in our Shares.

3.8 TOTAL MARKET CAPITALISATION

Based on the IPO Price and our enlarged issued and paid-up share capital comprising 505,888,000 Shares upon Listing, our total market capitalisation is RM328,827,200.

3.9 DILUTION

Dilution is the amount by which the IPO Price exceeds the NA per Share immediately after our IPO. Our pro forma consolidated NA per Share as at 31 August 2015 before the Public Issue is RM0.57. Our pro forma consolidated NA per Share as at 31 August 2015 after the Public Issue and utilisation of gross proceeds remains at RM0.57.

Based on the foregoing, there is no immediate change in the pro forma consolidated NA per Share to our existing shareholders. However, there is an immediate dilution of RM0.08 in the pro forma consolidated NA per Share to our new public investors. The following table illustrates such dilution on a per Share basis:-

	RM
IPO Price	0.65
Our pro forma consolidated NA per Share as at 31 August 2015 before Public Issue	0.57
Change in the pro forma consolidated NA per Share attributable to existing shareholders	-
Our pro forma consolidated NA per Share as at 31 August 2015 after Public Issue and utilisation of proceeds	0.57
Dilution in the pro forma consolidated NA per Share to our new public investors	0.08
Dilution in the pro forma consolidated NA per Share as a percentage of the IPO Price	12.3%

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares for the past three (3) years prior to the date of this Prospectus as well as new investors who subscribe for our Shares pursuant to our IPO:-

3. PARTICULARS OF OUR IPO (Cont'd)

Shareholders and Promoters	No. of Shares received	Total consideration RM	Average effective cost per Share RM
Datuk Chiau Beng Teik	⁽ⁱ⁾ 244,034,320	122,017,160	0.50
Chiau Haw Choon	⁽ⁱ⁾ 142,895,750	71,447,875	0.50
Datin Wong Mee Leng	⁽ⁱ⁾ 55,759,930	27,879,965	0.50
Total	442,690,000	221,345,000	0.50
New investors from the Public Issue	63,197,900	41,078,635	0.65

Note:-

(i) Received on 2 December 2014 pursuant to the Acquisitions.

Apart from the Shares received by our Directors, substantial shareholders and Promoters pursuant to the Acquisitions, there is no material acquisition of any existing Shares that involved cash in our Company by our Directors, senior management, substantial shareholders or persons connected with them, or in which they have the right to acquire, during the past three (3) years prior to the date of this Prospectus.

3.10 UTILISATION OF PROCEEDS AND ITS FINANCIAL IMPACT**3.10.1 Utilisation of proceeds**

Based on the IPO Price, the estimated gross proceeds arising from the Public Issue of RM41.08 million shall accrue entirely to our Company and are planned to be utilised within twenty four (24) months from the date of our Listing in the following manner:-

No.	Proposed Utilisation	RM'000	%	Estimated timeframe for use (from the listing date)
(a)	Expansion of existing manufacturing facility and purchase of new equipment and machineries	15,000	36.5	Within twenty four (24) months
(b)	Repayment of bank borrowings	15,000	36.5	Within six (6) months
(c)	Working capital requirements	7,079	17.2	Within twenty four (24) months
(d)	Estimated listing expenses	4,000	9.8	Immediately
	Total	41,079	100.0	

3. PARTICULARS OF OUR IPO (Cont'd)

Brief details on the proposed utilisation of the gross proceeds from our Public Issue are as follows:-

(a) Expansion of existing manufacturing facility and purchase of new equipment and machineries

The details of utilisation of proceeds are set out below:-

Items	Notes	No. of unit	Total cost RM'000
G-Cast Concrete (for manufacturing of precast concrete products) (i)			
Expansion of existing manufacturing facility			1,800
Installation of additional plant and machineries:			
- Spinning machine		6	900
- Caging machine		1	250
- Batching plant		1	600
- Spinning mould		100	1,000
- Manholes mould		40	450
Subtotal			5,000
Starken AAC (for manufacturing of AAC products) (ii)			
New plant, equipment and machineries:			
- Chiller		1	100
- Slurry tank		1	350
- Cement silo		1	50
- Pre-curing mould		15	1,000
- Autoclave		3	5,500
- Cutting line machine		1	2,500
- Packing		1	500
Subtotal			10,000
Total			15,000

Notes:-

- (i) We have earmarked RM5.0 million for the expansion of our existing manufacturing facility operated by G-Cast Concrete, located at Plot 6, Jalan Bunga Azalea 1/2, Kawasan Industri Jalan Bunga Azalea, 48200, Serendah, Selangor, including the installation of additional equipment and machineries. The expansion of our manufacturing floor space is undertaken to expand our existing manufacturing line pursuant to the purchase of the new plant, equipment and machineries.

Our plant is currently automated, with the increase in the number of spinning and caging machines used in production as well as the addition of a new concrete batching plant to supplement the existing one at the factory, we will be able to produce more concrete for the production of our precast concrete products. The increase in the number of spinning moulds and manhole moulds will increase the daily casting capacity of the precast concrete products and as such our overall production capacity increases as well. With the expansion of the manufacturing floor space and the increase in the number of machines and moulds, it is expected that G-Cast Concrete's

3. PARTICULARS OF OUR IPO (Cont'd)

production capacity will increase from 45,000 mt per annum to 67,500 mt per annum. We will then be able to cater to the secured purchase orders for various precast concrete pipe products amounting to approximately RM100.73 million, to be fulfilled by 2018.

Upon completion, the manufacturing floor space shall be expanded from 2,160 m² to 3,660 m². Expansion has begun in January 2016 and is estimated to complete by December 2016.

- (ii) The Starken AAC factory is an automated factory. The installation of the new equipment in our Starken AAC factory will reduce the cycle time and as such we will be able to produce more AAC products daily. The increase in the number of pre-curing moulds and autoclave will increase the production capacity of Starken AAC as there are more pre-curing moulds and autoclaving space to cure the AAC products. As such, we will be able to produce more AAC products. The installation and/or upgrading of new machineries onto our existing production facilities in Starken AAC will result in an increase of our AAC products production capacity from 375,000 m³ to 600,000 m³ per annum. With the increase in production capacity, we will be able to cater to the anticipated increase in sales and order book of AAC products by our customers. The expansion is expected to begin in the first half of 2016 and expected to be completed by the end of 2016.

The total cost of expansion and installation of new machineries in our existing manufacturing facilities in G-Cast Concrete and Starken AAC is expected to be RM15.0 million, which shall be fully funded via the IPO proceeds.

(b) Repayment of bank borrowings

We intend to utilise the proceeds of RM15.0 million to pare down and reduce the utilisation of our bankers' acceptance facilities. The interest rates and the tenure of the bankers acceptances are set out below:-

No.	Banking facility	Tenure	Interest rate (% per annum)/ Maturity/ Duration	Amount outstanding as at the LPD RM'000	Proposed repayment RM'000	Purpose of borrowing
(1)	Bankers' acceptances	30 to 120 days	4.15% to 5.56%/ 1 month to 4 months as at LPD	263,411	15,000	To finance working capital

As at the LPD, we have utilised bankers acceptance facilities from various banks including Maybank Islamic Berhad, Standard Chartered Bank Berhad, Hong Leong Bank Berhad, OCBC Bank Berhad, RHB Bank Berhad, AmBank (Malaysia) Berhad, United Overseas Bank Berhad and HSBC Bank (Malaysia) Berhad.

We will repay the bankers acceptances as and when it falls due and as such we are unable to determine which bankers acceptance we will repay at this juncture as it depends on the timing of the receipt of the IPO proceeds and the maturity date of the bankers acceptances at that point in time. There is no cost advantage to us to

3. PARTICULARS OF OUR IPO (Cont'd)

repay bankers acceptances ahead of their maturity dates as interest on it has been paid upfront and is not refundable. Furthermore, based on our past experience, banks as a matter of practice do not accept early repayment of bankers acceptances prior to their maturity dates.

The proposed repayment will reduce our overall gearing level from 1.65 times to 1.39 times based on the pro forma consolidated statements of financial position as at 31 August 2015 as set out in Section 2.5.2 of this Prospectus and result in an expected annual interest savings of approximately RM0.75 million per annum, assuming the effective interest rate of 5.00% per annum, which was arrived at based on the average interest rate charged, amount of bank borrowings undertaken and repayment period. However, the actual interest savings may vary depending on the then applicable interest rate.

(c) Working capital

RM7.08 million has been earmarked for working capital to finance our day to day operations in the following manner:-

	RM'000
Purchase of raw materials and day-to-day operating expenses for the following business segments:-	
(i) Manufacturing of precast concrete products (cement, sand, lime powder, aluminium and gypsum)	1,000
(ii) Manufacturing of AAC products (cement, sand, aggregates, admixture, hard drawn wire, steel bars and steel collars)	4,000
Marketing, promotion and branding activities on our in-house products ⁽ⁱ⁾ :-	
(i) Manufacturing of AAC products	1,079
(ii) Manufacturing of precast concrete products	1,000
Total	7,079

Note:-

- (i) This includes the costs to be incurred for various publications such as magazines, brochures, flyers, booklets, online content on websites as well as costs to be incurred for our Group's participation in various exhibitions to promote our AAC products and precast concrete products.

3. PARTICULARS OF OUR IPO (Cont'd)**(d) Listing expenses**

The allocated amount of RM4.00 million is based on the estimated costs for our Listing. If our actual Listing expenses are higher than the amount budgeted, the deficit will be funded out of the portion allocated for working capital and vice versa.

The following summarises the estimated expenses incidental to our Listing:-

Estimated Listing Expenses	RM'000
Professional fees ⁽ⁱ⁾	2,000
Fees payable to the authorities	500
Underwriting, placement and brokerage fees	1,232
Contingencies ⁽ⁱⁱ⁾	268
Total	4,000

Notes:-

- (i) Includes advisory fees for, amongst others, our Adviser, Solicitors, Reporting Accountants, Solicitors, IMR and other professional advisers as well as Issuing House.
- (ii) Other incidental or related expenses in connection with our IPO.

Pending full utilisation, we intend to place the proceeds raised from our Public Issue (including accrued interest, if any) or the balance thereof in interest-bearing accounts with licensed financial institution(s) or in short-term money market instruments.

3.10.2 Financial impact

Our utilisation of the proceeds raised from our IPO is expected to have a financial impact on our Group in the following manner:-

- (a) Our cash and cash equivalents will increase from RM149.9 million to approximately RM191.0 million immediately after our Public Issue;
- (b) Gearing ratio will improve from 1.65 times to 1.39 times upon repayment of our bank borrowings;
- (c) Interest expense is expected to reduce by approximately RM0.75 million per annum assuming the effective interest rate of 5.0% per annum. However, the actual interest savings may vary depending on the then applicable interest rate; and
- (d) The expansion and upgrading of our manufacturing facilities will increase our production capacity from the existing 45,000 mt to 67,500 mt per annum for G-Cast Concrete and an increase of our production capacity from 375,000 m³ to 600,000 m³ per annum for Starken AAC, which will contribute positively towards our revenue.

3. PARTICULARS OF OUR IPO (Cont'd)

3.11 BROKERAGE, PLACEMENT AND UNDERWRITING COMMISSION

Brokerage is payable by us in respect of our Issue Shares which are made available for application by the Malaysian Public at the rate of 1.0% of the IPO Price in respect of successful applications which bear the stamp of either M&A Securities, the Adviser, Underwriter and Participating Agent, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

The placement fee is payable by us to M&A Securities, our Placement Agent at a rate of 2.5% of the IPO Price in respect of the number of IPO Shares successfully placed out.

The Underwriter has agreed to underwrite up to 31,694,400 Issue Shares, the details of which are set out in Section 3.4 of this Prospectus. The underwriting commission is payable by us at the rate of 3.0% of the IPO Price in respect of the 31,694,400 Issue Shares to be underwritten.

3.12 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following are the salient terms contained in the Underwriting Agreement including terms which allow our Underwriter to withdraw from the underwriting obligation after the opening of our Public Issue. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:-

- 1.1 Pursuant to the terms of the Underwriting Agreement, M&A Securities has agreed to underwrite 31,694,400 Issue Shares ("Underwritten Shares").
- 1.2 The several obligations of the Underwriter under the Underwriting Agreement shall be further conditional upon the following ("Conditions Precedent"):-
 - (a) the acceptance of the listing proposal from Bursa Securities, the clearance of registrable prospectus from the SC and the lodgement of registrable prospectus with the CCM respectively together with copies of all documents required under Section 42 of the Act prior to the issuance of the Prospectus to the public;
 - (b) the issuance of the Prospectus (including advertisement of the Prospectus and all other procedures, requirements, letters and documents) required under Section 42 of the Act to the public within three (3) months from the date hereof or such extension as consented by the Underwriter;
 - (c) there having been, as at any time hereafter up to and including the Closing Date, no material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise of our Company and its subsidiaries (which in the reasonable opinion of the Underwriter is or will be material in the context of the issue of the Underwritten Shares) from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings, if they are repeated on and as of the Closing Date;

3. PARTICULARS OF OUR IPO (*Cont'd*)

- (d) the issue, offering and subscription of the Underwritten Shares in accordance with the provisions hereof and the Prospectus not being prohibited by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (e) all necessary approvals and consents required in relation to the IPO including but not limited to governmental approvals having been obtained and are in full force and effect;
- (f) the Underwriter having been satisfied that the arrangements have been made by our Company to ensure payment of the expenses;
- (g) the delivery to the Underwriter prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of our Company of all the resolutions of the Directors of our Company and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the IPO and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by duly authorised officers of our Company stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence;
- (h) the delivery to the Underwriter on the Closing Date of such reports and confirmations dated the Closing Date from the Board of Directors of our Company as the Underwriter may reasonably require to ascertain that there is no material change subsequent to the date of the Underwriting Agreement that will adversely affect the performance or financial position of our Group or its subsidiaries nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/or warranties as though they have been given and/or made on such date; and
- (i) the Underwriter being satisfied that our Company will, following completion of the IPO be admitted to the Official List and its entire issued and paid-up share capital listed and quoted on the Main Market of Bursa Securities without undue delay.

- 1.3 In the event any of the Conditions Precedent are not satisfied by the Closing Date, the Underwriter shall thereupon be entitled but not bound to terminate the Underwriting Agreement by notice given to our Company not later than three (3) market days after the Closing Date and upon such termination our Company and the Underwriter shall be released and discharged from their obligations save for our Company's obligations and none of the parties shall have a claim against the other save for antecedent breaches by our Company and claims arising therefrom. Each party shall in such event return any and all monies paid to the other under the Underwriting Agreement within seventy-two (72) hours of the receipt of such notice (except for monies paid by our Group for the relevant payment of the expenses). The Underwriter reserves the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Underwriter's rights under the Underwriting Agreement.

3. PARTICULARS OF OUR IPO (Cont'd)

- 1.4 The Underwriter may by notice in writing to our Group given at any time on or before the allotment and issuance of the IPO Shares, terminate and cancel and withdraw its commitment to underwrite the 31,694,400 Issue Shares if:-
- (a) there is any breach by our Group of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution of the IPO Shares; or
 - (b) there is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, which, in the opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group and the success of the IPO, or the distribution of the IPO Shares; or
 - (c) there shall have occurred, happened or come into effect in the opinion of the Underwriter any material and/or adverse change to the business or financial condition of our Company or any of its subsidiaries; or
 - (d) there shall have occurred, happened or come into effect any of the following circumstances:-
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Group and/or the Underwriter (including without limitation, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); which, (in the reasonable opinion of the Underwriter), would have or can reasonably be expected to have, a material adverse effect on and/or materially prejudice the business or the operations of our Company or any of its subsidiaries and the success of the IPO, or the distribution of the IPO Shares, or which has or is likely to have the effect of making any material part of this agreement incapable of performance in accordance with its terms;

3. PARTICULARS OF OUR IPO (Cont'd)

(iii) the FTSE Bursa Malaysia KLCI Index ("Index") is, at the close of normal trading on Bursa Securities, on any market day:-

- (aa) On or after the date of the Underwriting Agreement; and
- (ba) Prior to the allotment of the IPO Shares,

Lower than ninety percent (90%) of the level of the Index at the last close of normal trading on the relevant exchange on the market day immediately prior to such date and remains at or below that level for at least three (3) market days; and

(iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency.

(e) there is failure on the part of our Company to perform any of their respective obligations contained in the Underwriting Agreement.

(f) any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the IPO; or

(g) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

1.5 Upon such notice(s) being given, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

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4. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL THE OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ARE NOT AN EXHAUSTIVE OR EXCLUSIVE LIST OF THE CHALLENGES THAT WE CURRENTLY FACE OR THAT MAY DEVELOP IN THE FUTURE. ADDITIONAL RISKS, WHETHER KNOWN OR UNKNOWN, MAY IN THE FUTURE HAVE A MATERIAL ADVERSE EFFECT ON US OR OUR SHARES.

IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

4.1 RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES

4.1.1 Our Group's business is dependent on the construction and property development industries

Our Group is involved in the distribution and manufacturing of building materials to the construction and property development industries. As such, our Group is exposed to the vagaries of these industries caused by various factors which include political and economic stability, inflation, labour shortages, as well as increase in raw material costs. Any adverse changes to the construction and property development industries will adversely affect the business of our Group.

4.1.2 Competition risks

The building materials industry in which our Group operate is highly competitive in nature. Although there is intense competition amongst the existing players (both new and existing) in the manufacturing of building materials industry, there are high barriers to entry such as high initial capital investment and working capital resources, which lessen the threat from more players entering the industry.

On the other hand, the Malaysian building materials distribution industry is very fragmented, characterised by a host of small, medium and large players, which resulted in a very competitive market. Players survive and grow by adopting strategies that allow them to maintain their competitiveness. For larger players like us, our strategy is to continually leverage on our economies of scale, negotiating power, strong financial resources and wide distribution network which smaller market players do not have.

4.1.3 Political, regulatory and economic risks

Our financial and business prospects, and the prospects of the industry in which we operate, will depend to some degree on the developments of the political, economic and regulatory front in the countries in which we operate. Amongst the political, economic and regulatory factors are changes in inflation rates, interest rates and foreign exchange rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in government policies and regulations. Any adverse developments in the political, economic and regulatory conditions in Malaysia and other countries which we operate could materially and unfavourable affect the financial position and business prospects of our Group.

4. RISK FACTORS (*Cont'd*)

4.2 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

4.2.1 We are dependent on our experienced management and key personnel

We attribute our success to the leadership and contributions of our Deputy Group Executive Chairman, Group Managing Director and our key management team. The loss of these key management personnel without any suitable and timely replacement, and our inability to attract or retain qualified and right personnel would have an unfavourable and material impact on our Group's operations.

4.2.2 We do not have any long term contracts with our customers

Our Group does not enter into any long term contracts with our customers. Our business is normally transacted via purchase orders, which is commonplace practice in the industry. There is no assurance on the continuity of purchase orders from our customers. Because of this, the financial results of our Group are dependent on our ability to secure new purchase orders on a timely basis.

4.2.3 We are subject to the credit risks of our customers

Our financial performance and position are dependent, to a certain extent, on the creditworthiness of our customers. If our customers are unable to pay us on time or have difficulty in making payments to us, our cash flow will be affected. We generally grant our customers credit terms within the range of sixty (60) to ninety (90) days. We are exposed to credit risks arising from trade receivables which risks may increase during periods of economic uncertainty or market downturn, and which are beyond our control.

4.2.4 We are dependent on obtaining adequate financing to fund our operations

There is an inherent timing difference between our trade collections from our customers and payments to our suppliers. Normally, we are granted trade credit facilities of between fourteen (14) to ninety (90) days by our suppliers, whereas our trade collections are between sixty (60) to ninety (90) days. As such, we are required to fund our purchases from our suppliers, either from internal resources or borrowings. If we are unable to secure adequate financing, our cash flow, operations, growth and expansion plans will be adversely affected.

Our total borrowings as at the LPD amounted to approximately RM395.86 million. Any significant increase in interest rates will adversely affect our profitability.

4.2.5 We are subject to our debt servicing obligations

In general, the building materials industry is capital intensive in nature. This is mainly due to high costs associated with the financing of purchases of building materials upfront before we are able to collect the amount owed by our customers. Our working capital and capital expenditure requirements are funded by internally generated funds and/or bank borrowings. As at the LPD, our total outstanding borrowings amounted to RM395.86 million of which RM312.99 million is short term borrowings and RM82.88 million is long term borrowings. As mentioned in Section 4.2.4 above, there is an inherent timing difference between our collections from our customers and payments to our suppliers. The reason is that our Group leverages on the early payment rebates from our suppliers to enjoy cost savings by utilising trade line facilities to repay our suppliers earlier than the due date. This has resulted in the high short term borrowings taken up by our Group.

4. RISK FACTORS (Cont'd)

As we operate in a capital-intensive industry, we have historically required capital to finance purchases of building materials. Our ability to meet our debt settlement serving obligation is dependent upon our ability to generate sufficient cash from the sales of these building materials. Our total finance costs and our interest coverage ratio for the past four (4) FYE 31 December 2011 to 2014 and FPE 2015 is as follows:-

	Finance costs RM'000	Profit before interest and tax RM'000	⁽ⁱ⁾Interest coverage ratio times
FYE 2011	8,628	35,705	4.1
FYE 2012	11,513	52,710	4.6
FYE 2013	14,457	51,779	3.6
FYE 2014	18,702	61,917	3.3
FPE 2015	13,455	39,643	2.9

Note:-

(i) Computed based on profit before interest and tax divided by finance costs.

Our Group's current ratio for the past four (4) FYE 2011 to 2014 and FPE 2015 are as follows:-

	Current assets RM'000	Current liabilities RM'000	⁽ⁱ⁾Current ratio times
FYE 2011	398,833	378,989	1.1
FYE 2012	429,451	488,525	0.9
FYE 2013	497,100	578,433	0.9
FYE 2014	519,616	508,840	1.0
FPE 2015	546,378	494,051	1.1

Note:-

(i) Computed based on current asset divided by current liabilities.

4.2.6 Dependency on major suppliers

Sales of cement consistently exceed 30% of our Group's total revenue for the past four (4) financial years. As such, we are dependent on our major cement suppliers, as disclosed in Section 6.11 of this Prospectus.

We have been dealing with our major suppliers for at least three (3) years. Other than our cement suppliers, we are not dependent on any other major suppliers for our other products and raw materials.

Our ready-mixed concrete business however is solely dependent on CPM for the production and mixing of ready-mixed concrete through an exclusivity agreement with them. In the event of sudden termination of the exclusivity agreement with CPM, the operations of our ready-mixed concrete product business segment may be disrupted while we source for other reliable contractors. Please refer to Section 6.1.1.2 of this Prospectus for further details of the arrangement with CPM.

4. RISK FACTORS (Cont'd)

4.2.7 We are exposed to product warranties and product liability claims by our customers

We provide product warranties for our AAC products and metal roofing systems. Such product warranties are for ten (10) years from the date of purchase of the AAC products or date of completion and installation of the metal roofing systems. If products manufactured by us prove to be defective and result in losses to our customers, we may be liable to product liability claims and any such claims could damage our relationships with our customers and business reputation.

4.2.8 Fluctuations in prices of raw materials

We utilise various raw materials in our manufacturing processes, which include cement, sand, aggregates, steel bars and others. Hence, we are dependent on the supply of such raw materials which we source from a number of suppliers.

Raw materials are price sensitive, and we face the risk of obtaining sufficient quantities of raw materials at competitive prices. Price fluctuations in the raw materials market caused by the price volatility of raw materials, which are beyond our control, could also result in increased costs and material adverse effect on our Group's financial performance.

4.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

4.3.1 No prior market for our Shares

Prior to our Listing, there has been no public trading for our Shares on any stock market. Accordingly, there can be no assurance that an active market for our Shares will develop and continue to develop upon our Listing or, if developed, that such a market will be sustained. Our IPO Price was determined after taking into consideration a number of factors including but not limited to our Group's historical earnings, prospects and future plans, our financial and operating history and conditions, and the market value of our assets. There can be no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the Main Market of Bursa Securities upon or subsequent to our Listing or that an active market for our Shares will develop and continue upon or subsequent to our Listing.

The price at which our Shares will trade on the Main Market of Bursa Securities after our IPO may be influenced by a number of factors including, amongst others, the depth and liquidity of the market for our Shares, investors' individual perceptions of our Group, market and economic conditions. There is no assurance that the market price may not decline below our IPO Price. Hence, there can be no assurance of the ability of the shareholders or the prices at which they would be able to sell their shares.

4.3.2 Failure/delay in or termination/abortion of our Listing

Our Listing is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:-

- (a) Our Underwriter exercising its rights pursuant to the Underwriting Agreement discharging itself from their obligations therein;
- (b) We are unable to meet the public shareholding spread requirement as determined by Bursa Securities, whereby at least 25% of our enlarged issued and paid-up share capital for which listing is sought must be held by a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing; and

4. RISK FACTORS (*Cont'd*)

- (c) The revocation of approvals from the relevant authorities for our Listing and/or admission to the Official List of the Main Market of Bursa Securities for whatever reason.

In this respect, we will exercise our best endeavour to comply with the various regulatory requirements, including, *inter-alia*, the public shareholding spread requirement in paragraph (b) above for our successful Listing. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or non-implementation of our Listing.

Upon the occurrence of any of these events, investors will not receive any Shares and our Offerors and us will return in full, without interest, all monies paid in respect of any application for our Shares within fourteen (14) days, failing which the provisions of sub-sections 243(2) and 243(6) of the CMA will apply accordingly and we will be liable to repay the monies with interest at the rate of 10.0% per annum or such other rate as may be prescribed by the SC upon expiration of that period until full refund is made.

In the event our Listing is aborted and/or terminated, and our Shares have been allotted to the shareholders, a return of monies to all of our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation requires the sanction of our shareholders by special resolution in a general meeting, consent of our creditors (unless dispensation with such consent has been granted by the High Court of Malaysia) and the confirmation of the High Court of Malaysia. There can be no assurance that such monies can be recovered within a short period of time or at all in such circumstances.

4.3.3 Dividend payment is not assured

Our Company, an investment holding company, derives its income mainly from dividends received from our subsidiaries. Hence, our ability to pay future dividend and our ability to sustain our dividend policy in the future are largely dependent on the performance of our subsidiaries. In determining the size of any dividend recommendation, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, availability of distributable reserves and tax-exempt profit/tax credits, future expansion plans, loan covenants and compliance with regulatory requirements.

4.3.4 Trading prices and volume of our Shares

The trading prices and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our operating results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

In addition, the performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

4. RISK FACTORS (Cont'd)

4.4 OTHER RISKS

4.4.1 Continued control by our Promoters/substantial shareholders

Upon our Listing, our Promoters, as set out in Section 8.1 of this Prospectus will collectively control 74.6% of our Group's enlarged issued and paid-up share capital.

Thus, our Promoters will be able to exercise some influence over the business direction and matters governing our Group requiring the vote of our Company's shareholders unless they are required to abstain from voting by law and/or by the relevant guidelines or regulations. The interests of our Promoters may differ from or have conflict with the interests of other shareholders of our Company.

4.4.2 Future fund raising may dilute shareholders' equity or restrict our operations

We may require additional funding for our future growth. This may result in dilution of our shareholders' equity, or restrictions imposed by additional debt funding such as, amongst others, maintenance of a certain level of current ratio, gearing ratio and/or dividend payouts.

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our customer base and the need to maintain and expand our building materials supply business activities. Thus, we may need additional capital expenditure for mergers and acquisitions or investments. An issue of Shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investment by shareholders.

4.4.3 Forward-looking/prospective statements

Certain statements in this Prospectus are based on historical data of our Group which may not be reflective of future results and others are forward-looking in nature that are based on assumptions and subject to uncertainties and contingencies which may or may not be achievable. Whether such statements would ultimately prove to be accurate depends upon a variety of factors that may affect our businesses and operations, and such forward-looking statements also involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance and achievements, or industry results, to be materially different from any future results, plans, performances and achievements, expressed or implied, by such prospective statements. Although we believe that the expectations reflected in such future statements are reasonable at this time, there can be no assurance that such prospective statements or expectations will prove to be correct in the future. Any deviation from the expectations may have a material adverse effect on our business and financial performance.

The above is not an exhaustive list of challenges we are currently facing or that may develop in the future. Additional risks whether known or unknown, may in the future have a material adverse effect on us and/or our IPO Shares.

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5. GENERAL INFORMATION ON OUR GROUP

5.1 OUR HISTORY

We are principally involved in the distribution of building materials and provision of logistics, the supply of ready-mixed concrete, manufacturing of AAC and precast concrete products, wire mesh and metal roofing systems.

Our Group's history can be traced back to 1974 when our founder, Datuk Chiau Beng Teik took over his family's hardware shop in Alor Setar, Kedah selling building materials to local renovators and walk-in customers, under the name Chop Chin Hin.

In 1995, Datuk Chiau Beng Teik saw an opportunity to venture into the transportation business and established SPPCH to undertake this new business venture. Operating from an office in Alor Setar, Kedah, SPPCH started by providing transportation services to cement traders and manufacturers in the northern region of Malaysia, for instance, Cement Industries Malaysia Berhad and Perak-Hanjoong Simen Sdn Bhd (now part of YTL Cement Bhd).

In 1996, SPPCH expanded into the distribution of building materials to contractors and developers operating in the northern region of Malaysia. With the expansion of SPPCH, the hardware shop business under Chop Chin Hin was gradually wound down.

In 1998, having established its business in the northern region of Malaysia, SPPCH turned its attention to the construction activities in Kuala Lumpur and Selangor by setting up a branch office in Kuala Lumpur. This move was later followed by expansions into the eastern and southern regions of Malaysia with the setting up of branches in Kota Bharu, Kelantan and Johor Bahru, Johor in 2004 and 2005, respectively. As our business grew, our fleet of cement tankers and trucks expanded and proved to be not efficient for us to maintain them as it required tedious and time consuming administrative attention arising from the maintenance of these vehicles, managing large pool of drivers and complying with vehicle licensing requirements. As such, we undertook a strategic decision to dispose off our fleet of cement tankers and trucks and started to engage external contractors to provide logistic services to our customers instead of maintaining our own fleet of vehicles. Given that our Group had a long history in the transportation business especially for cement manufacturers, we continue to maintain our logistic business segment despite that the revenue earned from the logistic business segment is not as significant as our distribution of building materials segment. The provision of the logistic services is a value-add services to our customers in our business of distribution of building materials in the sense that we can ensure prompt delivery of cement directly from the cement manufacturers to our customers.

In 2006, we successfully obtained a money lending license from the Ministry of Local Government and Housing, Malaysia for the provision of hire purchase financing activity. When required, we also provide financing to these external contractors to purchase their own vehicles on the condition that they will provide transportation services to our Group. Such financing is provided as part of our hire purchase financing activities specifically to our contractors for our logistic business. In 2007, SPPCH transferred its transportation business to C&H Transport so that it can focus on its distribution business.

5. GENERAL INFORMATION ON OUR GROUP (*Cont'd*)

In May 2008, our Group ventured into the ready-mixed concrete business segment through our subsidiary, Chin Hin Concrete (KL). This was also an upstream diversification move by our Group from our cement distribution and transportation business segment. In 2011, we successfully expanded our ready-mixed concrete business to the northern region through the acquisition of Chin Hin Concrete (North). As our ready-mixed concrete business expanded, we had to sub-contract a portion of approximately 30.0% of the manufacturing and operations of our batching plants to sub-contractors since 2012. Such arrangement was undertaken on a plant by plant basis to a few external sub-contractors. We found it to be more efficient to sub-contract certain plants as it will allow us to redeploy our resources from activities such as managing the labour and operations, repair and maintenance of the equipment and mixer trucks to more critical areas in the marketing and distribution functions.

SPPCH subsequently changed its name to PP Chin Hin in December 2008. In 2009, our Group undertook an internal restructuring exercise to consolidate and streamline our distribution businesses and operations. As part of the reorganisation and efforts to centralise our business operations, we moved our head office from Alor Setar to Kuala Lumpur. We also made further steps to strengthen our presence in the east coast of Malaysia by setting up additional branches / warehouse in Mentakab (Pahang) and Kuala Terengganu (Terengganu) in 2009. In 2009, our Group expanded into Singapore with the establishment of PP Chin Hin (SG). Our expansion continued in 2010, with the setting up of branches in Muar (Johor) and Ipoh (Perak), followed by Melaka in 2011. PP Chin Hin's branch office in Kuantan was also set up in October 2012. In 2013, PP Chin Hin opened a sales office cum warehouse in Jalan Ipoh, Kuala Lumpur to better serve its hardware and retail customers. Please refer to Section 6.14.2 of this Prospectus for a listing of our nationwide offices and warehouses.

Towards the end of 2009, our current Group Managing Director, Chiau Haw Choon, joined his father Datuk Chiau Beng Teik in running the fast growing businesses under our Group, which at the time were mainly in transportation of cement, distribution of building materials and ready-mixed concrete. Under the leadership of our Group Managing Director, we undertook a strategic review of our businesses and decided that it was time to diversify and broaden our earnings base.

Having reviewed and analysed various strategies, we decided on vertical integration by venturing into the manufacturing of the following building material products:-

- (a) AAC products which have growth potential as a substitution for cement and clay bricks;
- (b) precast concrete products which allow us to penetrate into the infrastructure sector; and
- (c) wire mesh and metal roofing systems on the back of regular orders from PP Chin Hin's customers.

In September 2010, Pintar Sinar was set up to acquire the land on which the manufacturing facilities owned by Starken AAC and G-Cast Concrete are currently situated and in 2011, commenced construction of the abovesaid manufacturing facilities. The construction of our G-Cast Concrete factory was completed in 2012 and production of precast concrete pipes commenced soon after. In 2013 Starken AAC's factory was completed and we commenced production of AAC products in January 2014.

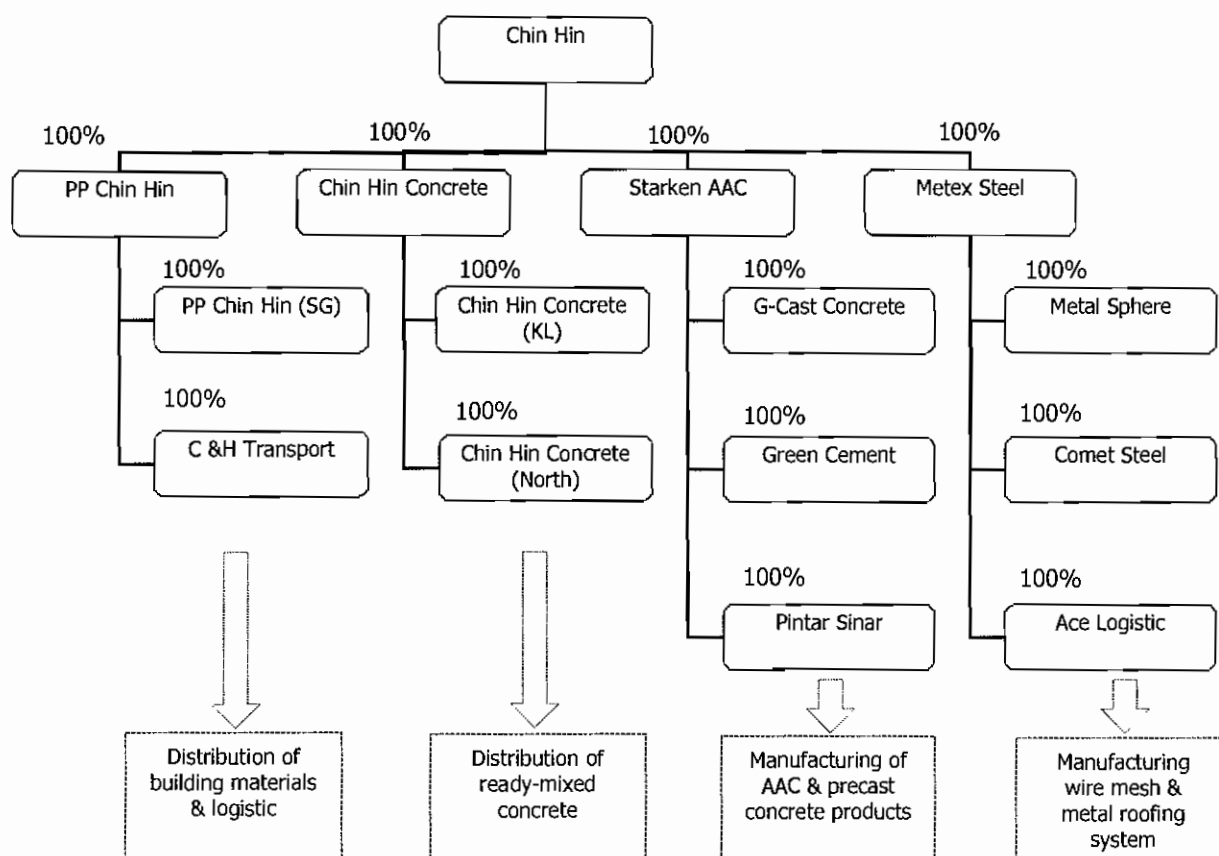
In 2010, we also commenced construction of our manufacturing facilities for wire mesh and metal roofing systems in Nilai, Negeri Sembilan which was completed in October 2012 and began production of wire mesh and metal roofing systems immediately thereafter. In 2012, we acquired a factory in Prai, Pulau Pinang for the manufacturing of HDW and metal roofing systems to expand our market coverage in the northern region.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Our Group experienced significant growth in revenue from 2007 to 2014 where our Group's revenue grew from approximately RM392 million in FYE 2007 to RM1.22 billion for FYE 2014. Such growth in our revenue was mainly contributed by our distribution of building materials segment. Prior to FYE 2007, our Group's distribution of building materials business only focussed on the distribution of cement. Subsequently between FYE 2007 to FYE 2014, we expanded our product range into the distribution of steel bars and OBM to increase our Group's revenue and profitability. Todate, we supply more than 1,000 types of building materials as compared to only supplying cement to our customers. During the same period, we also expanded our presence and distribution networks all across Malaysia and into Singapore by setting up additional branches and warehouses to better serve our customers. We increased the strength of our sales and marketing team from only eight (8) personnels in 2007 to ninety six (96) people in 2014. We further diversified into the ready-mixed concrete business segment in 2008 which contributed to the improvement of our revenue to surpass the RM1.0 billion mark in 2011. We also ventured into the manufacturing of building materials in 2010 so that we can enhance and improve our future earnings and profitability. The manufacturing segment started to contribute to our revenue in FYE 2012 and its contribution had gradually increased from FYE 2012 to FPE 2014.

Over the years, our Deputy Group Executive Chairman together with our Group Managing Director and key management team have successfully transformed our business from the distribution of building materials to an integrated building materials provider.

Our Group structure as at the LPD and prior to our IPO is diagrammatically summarised below:-



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.2 SHARE CAPITAL**

Our authorised share capital is RM500,000,000.00 comprising 1,000,000,000 ordinary shares of RM0.50 each, of which RM221,345,050.00 comprising 442,690,100 Shares have been issued and fully paid-up as at the LPD.

The movements in our issued and paid-up share capital since the date of our incorporation are set out below:-

Date of allotment	No. of Shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
12 June 2014	2	0.50	RM1/Subscribers' shares	1
22 August 2014	98	0.50	RM49/Cash	50
2 December 2014	442,690,000	0.50	RM221,345,000/ Acquisitions	221,345,050

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment. Upon completion of our IPO, our enlarged issued and paid-up share capital will be increased to RM252,944,000 comprising 505,888,000 Shares.

5.3 OUR RESTRUCTURING

In preparation of our Listing, we have undertaken a restructuring exercise in relation to the companies under our Group and a rationalisation exercise to streamline our business. The restructuring comprises the Acquisitions and internal re-organisation which is summarised below.

5.3.1 Acquisitions

Our Company had entered into share sale agreements dated 19 November 2014 for the acquisitions of the entire 100% equity interests of PP Chin Hin, Chin Hin Concrete, Ace Logistis, C&H Transport and PP Chin Hin (SG) for an aggregate consideration of RM221,345,000.00 satisfied via the issuance of 442,690,000 Shares to the Vendors in the proportions set out in the table below. The Acquisitions were undertaken in preparation of our Listing to formalise our listing group.

The purchase consideration was arrived at willing-buyer willing-seller basis, after taking into consideration the then unaudited NA position of the respective companies as at 31 August 2014 as the audit for FPE 31 August 2014 was still ongoing at that point in time. The Acquisitions were completed on 2 December 2014. Thereafter, PP Chin Hin, Chin Hin Concrete, Ace Logistic and C&H Transport became our direct wholly owned subsidiaries. PP Chin Hin (SG) became a wholly owned subsidiary of PP Chin Hin vide our renunciation cum nomination letter dated 2 December 2014 whereby we have renounced and nominated PP Chin Hin to receive the PP Chin Hin (SG) shares that we purchased from the Vendors.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

A summary of the Acquisitions are as follows:-

Company	% of equity interest acquired	Unaudited NA as at 31 August 2014 RM	Purchase consideration RM
PP Chin Hin	100.0	170,623,685	170,624,000
PP Chin Hin (SG)	100.0	2,534,730	2,535,000
Chin Hin Concrete	100.0	26,278,253	26,279,000
Ace Logistic	100.0	16,799,295	16,800,000
C&H Transport	100.0	5,106,413	5,107,000
Total		221,342,376	221,345,000

A summary of the number of Shares received by the Vendors pursuant to the Acquisitions is set out in the table below:-

Vendors	No. of Shares received	Purchase consideration RM
Datuk Chiau Beng Teik	244,034,320	122,017,160
Chiau Haw Choon	142,895,750	71,447,875
Datin Wong Mee Leng	55,759,930	27,879,965
Total	442,690,000	221,345,000

5.3.2 Internal reorganisation

Subsequent to the Acquisitions, our Company entered into a share sale agreement dated 23 January 2015 and letter of amendment dated 1 June 2015 with PP Chin Hin in relation to our acquisition of the entire 100% equity interests of Metex Steel and Starken AAC for an aggregate cash consideration of RM54,836,895. This intercompany transaction was also completed on 23 January 2015 and resulted in Metex Steel and Starken AAC being our direct wholly owned subsidiaries.

Further to the above, our Company had in turn entered into share sale agreements dated 1 June 2015 respectively with:-

- (a) PP Chin Hin for the transfer of our entire 100% equity interest in C&H Transport to PP Chin Hin for an aggregate cash consideration of RM4,955,414; and
- (b) Metex Steel for the transfer of our entire 100% equity interest in Ace Logistic to Metex Steel an aggregate cash consideration of RM16,800,296.

The purchase consideration for the internal reorganisation was based on the audited NA position of the respective companies as at 31 August 2014. The internal reorganisation was undertaken so that the eventual group structure clearly reflects the four (4) main business segments that our Group is involved in. With the completion of this subsequent intercompany transaction on 10 June 2015, our Group had completed its internal reorganisation resulting in our Group structure as illustrated in Section 5.1.

5. GENERAL INFORMATION ON OUR GROUP (*Cont'd*)

The above intercompany transactions do not have any impact on our Group's financial position and were undertaken to streamline our Group's business operations.

For your better understanding of our group's business and history we have also set out below part of the rationalisation exercise undergone by our subsidiaries' business in Section 5.3.3 below.

5.3.3 Rationalisation

We have undertaken the following rationalisation exercise to streamline our businesses.

Cessation of property development business segment

In 2010, PP Chin Hin ventured into the development of twenty (20) units of three (3)-storey shop offices located in Kelantan and eight (8) units of semi-detached factories located in Alor Setar, Kedah on several pieces of its land. By the end of 2012, both projects were completed and fully sold except for three (3) semi-detached factories retained by PP Chin Hin for its own use. Subsequently, we decided to focus and concentrate on our core business in the building materials business segment and PP Chin Hin's property development activities were discontinued. As both projects were completed in 2012 with all related revenue and costs fully recognised by FYE 2012, there is no further financial impact from the discontinuation of the property development activities. Despite the discontinuation of our property development activities, our Group is still maintaining the property investment activities including letting of properties under PP Chin Hin and property investment under Ace Logistic and Pintar Sinar. We are maintaining our property investment activities in PP Chin Hin as the properties we invested in are mainly used as collaterals for our bank borrowings. We are involved in the distribution of building materials where strong working capital is required to finance the purchase of building materials from our suppliers and we have utilised bank borrowings to take advantage of the early repayment discounts given by certain suppliers. Nevertheless, we have over the years disposed off certain investment properties and are not actively looking to increase our pool of investment properties.

Disposal of Chin Hin Concrete Sdn Bhd and Chin Hin Building Materials Supply (JB) Sdn Bhd

On 24 July 2013, PP Chin Hin disposed the entire 100% equity interest in Chin Hin Concrete Sdn Bhd, a dormant company, to Asthetik Property Group Sdn Bhd (involved in property development, property investment and property management), a wholly owned subsidiary of PP Chin Hin Realty (involved in property management and investment holding in investment properties, property development and hotels business), for an aggregate cash consideration of RM100,000.00. On 30 December 2013, PP Chin Hin also disposed the entire 100% equity interest in Chin Hin Building Materials Supply (JB) Sdn Bhd, a dormant company, for the same cash consideration to Datuk Chiau Beng Teik and Chiau Haw Choon, our Promoters. The disposal consideration for Chin Hin Concrete Sdn Bhd and Chin Hin Building Materials Supply (JB) Sdn Bhd was arrived at after taking into consideration the issued and paid-up share capital of Chin Hin Concrete Sdn Bhd of RM250,000.00 and Chin Hin Building Materials Supply (JB) Sdn Bhd of RM500,000.00. We have disposed the above two (2) companies as part of our move to streamline our businesses into the four (4) main business segments and to dispose dormant and non core subsidiaries.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**Outsourcing of manufacturing of ready-mixed concrete**

We have since 2012 sub-contracted part of the manufacturing and operations of our batching plants to sub-contractors on a plant by plant basis as it was challenging to manage all the operations of our batching plants. We then realised that such arrangement is more effective and efficient to manage our ready-mixed concrete business. To further enhance the efficiency in managing our ready-mixed concrete business, in 2014, we decided to fully outsource the manufacturing of ready-mixed concrete to an external party not related to our Group, CPM. CPM's shareholders and directors are Lim Kian Hin and Ho Yau Kong, both holding 50.0% equity interest each in CPM. They are business associates of our Promoters. Ho Yau Kong was involved in the concrete batching system where Chin Hin's batching plants were using such system whereas Lim Kian Hin on the other hand was involved in the logistic and transportation business especially cement transportation and was one of Chin Hin's contractor for its logistic business. We disposed all the assets, stocks and business of our manufacturing of ready-mixed concrete to CPM as further disclosed in the paragraphs below. Such outsourcing arrangement will relieve us from managing the manufacturing operations of ready-mixed concrete whilst we retain the quality control responsibilities and enable us to focus on the distribution of the ready-mixed concrete. By outsourcing the manufacturing operations, we will no longer be responsible for managing the overheads of the batching plants, repair and maintenance of the equipment and mixer trucks, managing the labour, licensing and operations of the batching plant. It is a more cost effective method to manage our business as it will reduce our administration work as we only concentrate on the sales and distribution of ready-mixed concrete instead of running the entire manufacturing operations where we will need to bear the operational risks. The most challenging part of the ready-mixed concrete business is on-time delivery, as such we remain focused on managing the customers' orders and delivery and the production scheduling part of the business.

To ensure the continuity of our supply of ready-mixed concrete, we have entered into an exclusivity agreement with CPM whereby CPM will provide ready-mixed concrete manufacturing services exclusively to our Group.

Consequently Chin Hin Concrete (KL) and Chin Hin Concrete (North) entered into an asset sale agreement and an exclusivity agreement both dated 28 March 2014 with CPM for the disposal of properties, plant and equipment and stocks to CPM for an aggregate consideration of RM9,570,938.87, after taking into account the net asset value of the properties, plant and equipment and stocks to be disposed as at 28 March 2014. In accordance with the exclusivity agreement, Chin Hin Concrete (KL) and Chin Hin Concrete (North) shall supply the raw materials to CPM who shall in return continue to supply ready-mixed concrete to our Group. The ready-mixed concrete shall adhere to our Group's quality control standard.

The salient terms of the asset sale agreement and the exclusivity agreement are as follows:-

Asset sale agreement

- (a) Chin Hin Concrete (KL) and Chin Hin Concrete (North) desire to sell and CPM intends to purchase all the stocks and business to manufacture ready-mixed concrete of Chin Hin Concrete (KL) and Chin Hin Concrete (North) for RM9,570,938.87;
- (b) Conditions precedent

The sale and purchase is subject to the fulfillment of the following within the three (3) months from date of the asset sale agreement:-

- (i) Chin Hin Concrete (KL), Chin Hin Concrete (North) and CPM shall procure directors' and shareholders' approval approving the transaction;

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

- (ii) Within seven (7) days from the execution of the asset sale agreement, Chin Hin Concrete (KL) and Chin Hin Concrete (North) shall provide to CPM a list of its existing employees and their employment terms;
- (iii) Within seven (7) days from the execution of the asset sale agreement, Chin Hin Concrete (KL) and Chin Hin Concrete (North) shall provide to CPM a list of existing stocks and allowing the purchaser during the conditional period or extended conditional period to conduct initial stock take;
- (iv) Satisfactory legal and operation due diligence on the assets and business by CPM; and
- (v) Chin Hin Concrete (North) and Chin Hin Concrete (KL)'s company secretary confirming that there is no debenture or negative pledge created by Chin Hin Concrete (North) and Chin Hin Concrete (KL),

failing which, the parties shall extend the conditional period by one (1) month or such period the parties mutually agreed. In the event that all the conditions precedents are not fulfilled with, the purchaser shall terminate the asset sale agreement and be deemed null and void. The conditions precedent had been fulfilled.

(c) Exclusivity Agreement

Within seven (7) days from the date of the asset sale agreement, Chin Hin Concrete (KL) and Chin Hin Concrete (North) had entered into an exclusivity agreement dated 28 March 2014 and subsequently on 16 November 2015 entered into a supplementary agreement with CPM to supply mixture of ready mixed concrete to Chin Hin Concrete (North) and Chin Hin Concrete (KL). The supplementary agreement was entered into to amend the error made in the name of CPM in the exclusivity agreement dated 28 March 2014.

(d) Completion

The legal possession of the sites and assets were delivered to CPM on 18 April 2014 and CPM shall be solely and exclusively entitled to utilise the assets and business to manufacture ready-mix concrete. CPM is responsible on the taxation payable on income of the manufacturing and supplying of ready-mix concrete.

Exclusivity agreement

- (a) Chin Hin Concrete (KL) and Chin Hin Concrete (North) have engaged the contract manufacturing services of CPM for the following services:-
 - (i) To manage the operations of the plant in the production and manufacture of product in compliance with the production schedules for supply to Chin Hin Concrete (KL) and Chin Hin Concrete (North);
 - (ii) To repair and maintain Chin Hin Concrete (KL)'s and Chin Hin Concrete (North)'s cement mixer trucks; and
 - (iii) To do all such other things necessary or ancillary to (i) and (ii) above.

5. GENERAL INFORMATION ON OUR GROUP (*Cont'd*)

(b) Responsibilities of CPM:-

- (i) CPM shall be responsible for any costs related to the rental of the land for the plant operation;
- (ii) CPM shall maintain the plant at its own costs and expense (including statutory contribution) as well as recruit and employ a competent and experienced workforce to carry out necessary work relating to the services provided under the exclusivity agreement. These workmen shall be the employees of CPM who has sole responsibility to ensure that its workmen are competent and hold the appropriate permits to operate the relevant equipment (where applicable);
- (iii) All raw materials required for the production and manufacture at the plant of ready-mixed concrete shall be purchased or procured directly by Chin Hin Concrete (KL) and Chin Hin Concrete (North) for supply to CPM. CPM shall be liable for any raw material stock variances and Chin Hin Concrete (KL) and Chin Hin Concrete (North) shall back charge the raw material stock variances to CPM with the allowance of variances as follows:-
 - (a) Cement – 1%
 - (b) Aggregates – 3%
 - (c) Sand – 3%
- (iv) CPM is required to cast internal cubes for the purpose of monitoring the cure strength performance and to ensure compliance with product quality and specification set by Chin Hin Concrete (KL) and Chin Hin Concrete (North) and to carry out workability test on fresh product in manner in accordance with the standard methods BS 1881:1983/ MS26:1991 at the direction of Chin Hin Concrete (KL)'s and Chin Hin Concrete (North)'s customers. CPM shall also assist Chin Hin Concrete (KL) and Chin Hin Concrete (North)'s quality assurance /quality control personnel to carry out related works with regards to quality assurance /quality control;
- (v) CPM shall maintain at its own cost the plant and all other necessary and/or ancillary equipment in good and serviceable conditions; and
- (vi) CPM shall comply and all persons employed by CPM shall comply in all respects with all acts, statutes, rules, regulations or other guidelines made by government authority pertaining to the safety, health and welfare of persons working in the plant. Chin Hin Concrete (KL) and Chin Hin Concrete (North) undertakes to pay CPM the service charge subject always that CPM shall produce minimum on guaranteed production volume of 1,500 m³ for each plant. If the agreed rate is RM10 per m³ for volume up to 4,000 m³, Chin Hin Concrete (KL) and Chin Hin Concrete (North) will pay a minimum of RM15,000.00 per month for each plant.

The following acquisitions and/or disposals of shares from and/or to our Promoters and/or their related companies were undertaken as part of our exercise to streamline our business segments:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**PP Chin Hin**

- (a) acquired 5,000,000 ordinary shares of RM1.00 each in Metex Steel on 27 June 2014, being the remaining 17% equity interest not held by it for an aggregate cash consideration of RM5 million. The purchase consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of Metex Steel of RM30 million;
- (b) disposed its entire 100% equity interest comprising 550,000 ordinary shares of RM1.00 each in Landmark Grace Development Sdn Bhd, a dormant company on 10 February 2014, for a nominal consideration of RM2.00. The disposal consideration was based on a nominal amount as the company was dormant and had no assets in it;
- (c) disposed its entire 99.3% equity interest comprising 29,800,000 ordinary shares of RM1.00 each in PP Chin Hin Realty on 1 July 2014 for an aggregate consideration of RM29.80 million which was satisfied by way of contra with the dividend payable to the directors of PP Chin Hin. The disposal consideration was arrived at willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of PP Chin Hin Realty of RM29.80 million;

Chin Hin Concrete

- (a) Disposed its entire 100% equity interest comprising 1,000,000 ordinary shares of RM1.00 each in Chin Hin Concrete Mix Sdn Bhd on 27 March 2014 (ceased operations since May 2013) for an aggregate consideration of RM1 million. The disposal consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of Chin Hin Concrete Mix Sdn Bhd of RM1 million;
- (b) Chin Hin Concrete had on 9 December 2011 acquired 1,400,000 ordinary shares of RM1.00 each in Chin Hin Concrete (North), representing 70% equity interest in Chin Hin Concrete (North) for an aggregate cash consideration of RM2,800,000.00 from Datuk Chiau Beng Teik and Chiau Haw Choon. The purchase consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the net assets of Chin Hin Concrete (North). Furthermore, Chin Hin Concrete had on 31 March 2014 acquired 600,000 ordinary shares of RM1.00 each in Chin Hin Concrete (North), being the remaining 30% equity interest not held by it for an aggregate cash consideration of RM600,000.00 from Daveen Neoh Sun Jie and Wan Qi Xin who are unrelated parties. The purchase consideration was arrived at willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of Chin Hin Concrete (North) of RM2 million; and
- (c) Chin Hin Concrete had also on 29 January 2012 acquired 3,000,000 ordinary shares of RM1.00 each in Chin Hin Concrete (KL), being the entire 100% equity interest of Chin Hin Concrete (KL) for an aggregate cash consideration of RM7,700,000.00 from Datuk Chiau Beng Teik, Chiau Haw Choon, Ng Poh Choon and Kua Kong Chuan. The purchase consideration was arrived at on a willing-buyer willing-seller basis, after taking into consideration the NA of Chin Hin Concrete (KL).

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Metex Steel

- (a) Acquired entire 100% equity interests of Comet Steel on 27 June 2014 for nominal consideration of RM2.00. Metex Steel invested RM1.00 in Metal Sphere and acquired the balance of 50% equity interest in Metal Sphere on 2 March 2014 for RM1.00. The purchase acquisition was arrived at on a willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of Metal Sphere and Comet Steel of RM2.00 each;

Starken AAC

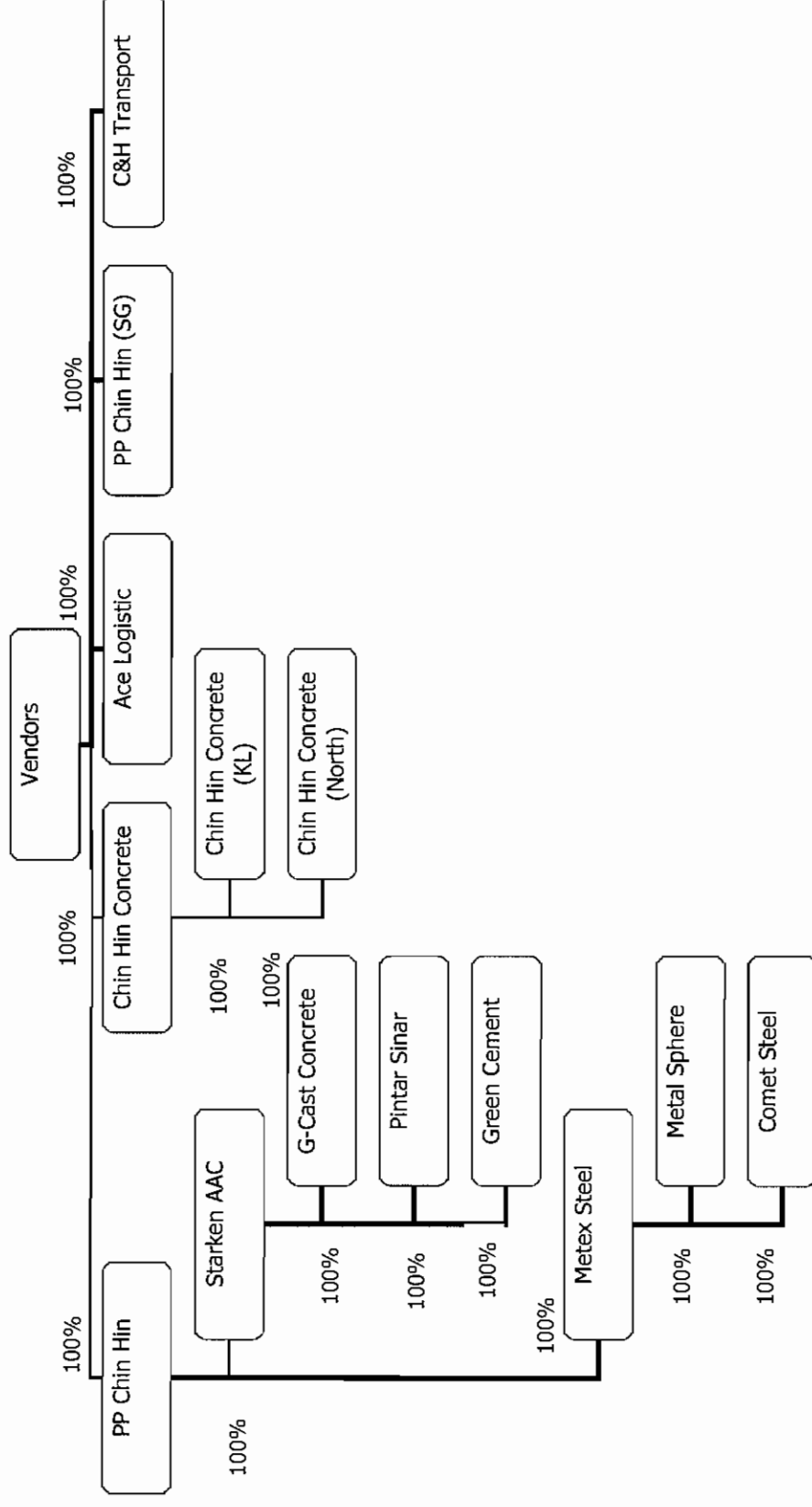
- (a) Acquired entire 100% equity interests of Green Cement on 27 June 2014 for nominal consideration of RM2.00. The purchase acquisition was arrived at on a willing-buyer willing-seller basis, after taking into consideration the issued and paid-up share capital of Green Cement of RM2.00;

The above rationalisation exercises were intended to streamline the businesses of our Group through the disposal / cessation of non core subsidiaries / businesses and consolidating the equity ownership of our core subsidiaries. As such, the purchase / disposal considerations for the above rationalisation exercises were arrived at after taking into consideration the net asset or the issued and paid-up share capital of the respective companies. The above rationalisation exercises do not have any impact on our Group's existing business activities including the provision of hire purchase financing to our Group's contractors for the logistic business segment.

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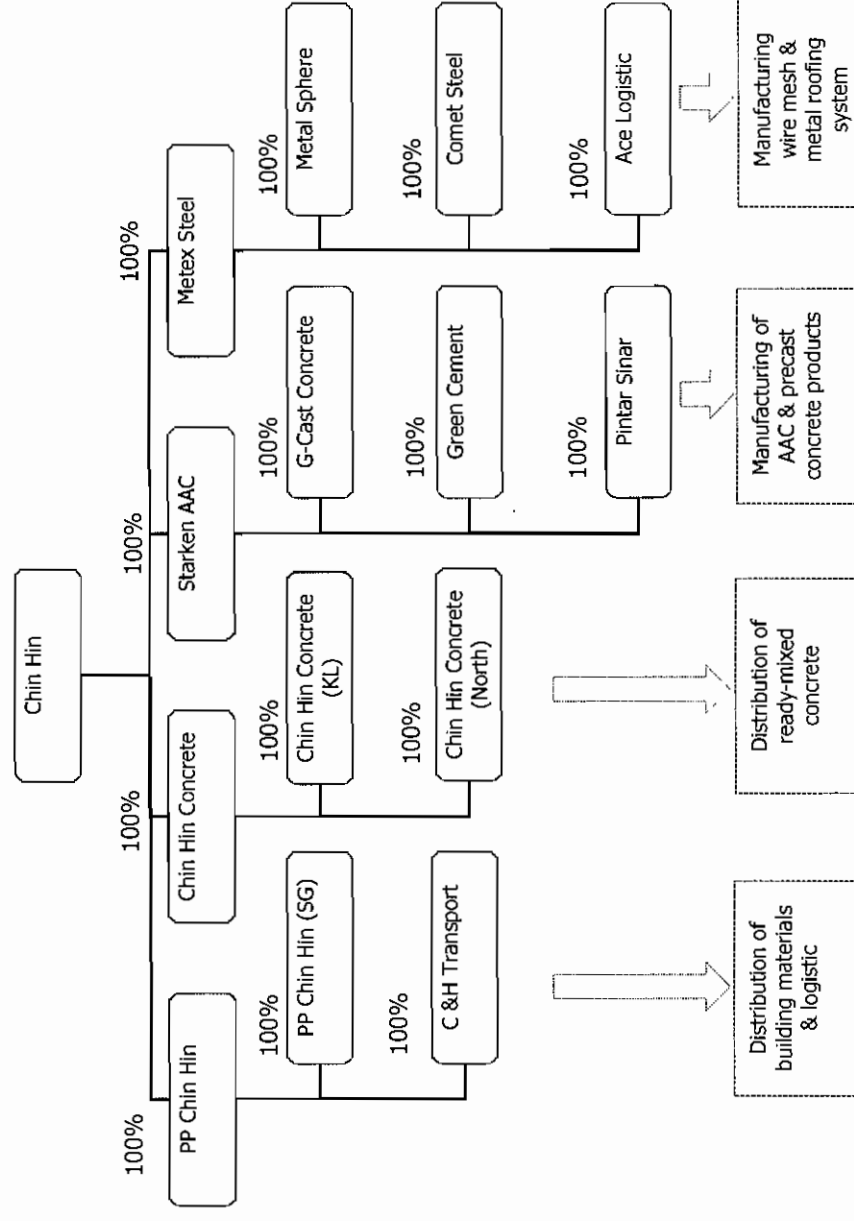
5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Our Group structure immediately before the Acquisitions and the Group internal re-organisation (but post rationalisation) is as follows:-



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Our Group structure as at the LPD (after our Group's restructuring comprising the Acquisitions and internal reorganisation) but prior to our IPO is diagrammatically summarized below:-



5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.4 SUBSIDIARIES**

All of our subsidiaries are wholly-owned by our Company. As at the LPD, we do not have any associate companies. Details of our subsidiaries are summarised as follows:-

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
<u>Held by Chin Hin</u>						
PP Chin Hin (334885-H)	25 February 1995/Malaysia	March 1995	50,000,000	50,000,000	100.0	Distribution of building materials, letting of properties and hire purchase financing
Chin Hin Concrete (969862-P)	29 November 2011/Malaysia	December 2011	25,000,000	12,001,000	100.0	Investment holding
Starken AAC (752003-D)	2 November 2006/Malaysia	January 2014	50,000,000	30,000,000	100.0	Manufacturing and sales of AAC products
Metex Steel (957930-X)	22 August 2011/Malaysia	October 2012	50,000,000	30,000,000	100.0	Manufacturing and sales of wire mesh and metal roofing systems
<u>Held by PP Chin Hin</u>						
PP Chin Hin (SG) (200908657H)	16 May 2009/ Singapore	June 2009	SGD1,000	SGD1,000	100.0	Trading and distribution of building materials in Singapore

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
C&H Transport (808916-H)	6 March 2008/ Malaysia	April 2008	5,000,000	1,250,000	100.0	Transportation of cement
<u>Held by Chin Hin Concrete</u>						
Chin Hin Concrete (KL) (818159-D)	18 May 2008/ Malaysia	June 2008	5,000,000	4,000,000	100	Distribution of ready-mixed concrete
Chin Hin Concrete (North) (803784-W)	21 January 2008/ Malaysia	February 2008	5,000,000	2,000,000	100	Distribution of ready-mixed concrete
<u>Held by Starken AAC</u>						
G-Cast Concrete (971228-X)	11 December 2011/ Malaysia	August 2012	5,000,000	5,000,000	100	Manufacturing and sales of precast concrete products
Green Cement (1008610-A)	4 July 2012/ Malaysia	^(b) N/A	100,000	2	100	Currently dormant, the intended principal activity is to produce concrete products
Pintar Sinar (916505-X)	30 September 2010/Malaysia	^(b) March 2012	100,000	2	100	Property investment holding

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Company	Date/ Place of incorporation	Date of commencement of business	Authorised share capital RM (unless otherwise stated)	Issued and paid-up share capital RM (unless otherwise stated)	Equity interest %	Principal activities
Held by Metex Steel						
Metal Sphere (1082934-A)	2 March 2014/ Malaysia	February 2015	25,000,000	15,000,002	100	Manufacturing of metal roofing profiles and trusses
Comet Steel (1009789-M)	12 July 2012/ Malaysia	⁽ⁱ⁾ N/A	100,000	2	100	Currently dormant, the intended principal activity is sales and trading of steel wire mesh, wire rods and other steel products
Ace Logistic (642802-M)	18 February 2004/Malaysia	⁽ⁱ⁾ November 2009	25,000,000	11,000,000	100	Property investment holding

Notes:-

- (i) These dates refer to the dates in which these companies commenced their investing activities.
(ii) Not applicable as these companies are presently dormant and have not commenced operations since their incorporation.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.4.1 PP Chin Hin****(a) History and business**

PP Chin Hin was incorporated in Malaysia under the Act on 25 February 1995 as a private limited company under the name Syarikat Perniagaan dan Pengangkutan Chin Hin Sdn Bhd. It subsequently changed to its current name on 16 December 2008. PP Chin Hin is currently involved in the distribution of building materials, letting of properties and hire purchase financing.

Save for the cessation of its property development business in 2012, there have been no material changes in the manner in which PP Chin Hin conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

PP Chin Hin's present authorised share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each, of which 50,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of PP Chin Hin since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
25 February 1995	4	1.00	Subscribers' shares	4
2 May 1995	499,996	1.00	Cash	500,000
1 November 1995	500,000	1.00	Cash	1,000,000
2 May 2001	1,000,000	1.00	Cash	2,000,000
15 May 2002	2,000,000	1.00	Cash	4,000,000
27 September 2004	2,000,000	1.00	Cash	6,000,000
30 November 2009	3,000,000	1.00	Cash	9,000,000
22 August 2010	11,000,000	1.00	Cash	20,000,000
31 December 2012	10,000,000	1.00	⁽ⁱ⁾ Others	30,000,000
31 July 2014	20,000,000	1.00	⁽ⁱ⁾ Others	50,000,000

Note:-

- (i) Represents debt capitalisation of shareholders / directors advances for the amount of RM30.0 million. Such advances from directors / shareholders were provided from December 2011 to December 2013 in various tranches, and were utilised as working capital expenditure to support PP Chin Hin's business growth over the years. The debt capitalisation was undertaken to eliminate all amount owing to directors / shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PP Chin Hin.

(c) Substantial shareholders and Directors

PP Chin Hin is our wholly-owned subsidiary and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

5. GENERAL INFORMATION ON OUR GROUP (*Cont'd*)

(d) Subsidiaries and associate companies

As at the LPD, PP Chin Hin has two (2) subsidiaries, namely PP Chin Hin (SG) and C&H Transport. PP Chin Hin does not have any associate company as at the LPD.

5.4.2 PP Chin Hin (SG)

(a) History and business

PP Chin Hin (SG) was incorporated in Singapore under the Singapore Companies Act, Chapter 50 on 16 May 2009 as a private limited company under its present name. PP Chin Hin (SG) is currently principally engaged in the trading and distribution of building materials in Singapore.

There have been no material changes in the manner in which PP Chin Hin (SG) conducts its business or activities since the last three (3) years prior to the LPD.

(b) Share capital

PP Chin Hin (SG)'s present issued and fully paid-up capital is SGD1,000 comprising 1,000 ordinary shares. There has been no movement in issued and paid-up share capital of PP Chin Hin (SG) since its incorporation.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in PP Chin Hin (SG).

(c) Substantial shareholders and Directors

PP Chin Hin (SG) is a wholly-owned subsidiary of PP Chin Hin and the Directors are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Ong It Teong.

(d) Subsidiaries and associate companies

As at the LPD, PP Chin Hin (SG) does not have any subsidiary and/or associate company.

5.4.3 C&H Transport

(a) History and business

C&H Transport was incorporated in Malaysia under the Act on 6 March 2008 as a private limited company under its present name. C&H Transport is currently principally involved in the transportation of cement.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**(b) Share capital**

C&H Transport's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 1,250,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of C&H Transport since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
6 March 2008	2	1.00	Subscribers' shares	2
19 March 2008	99,998	1.00	Cash	100,000
17 May 2008	150,000	1.00	Cash	250,000
2 January 2011	1,000,000	1.00	Cash	1,250,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in C&H Transport.

(c) Substantial shareholders and Directors

C&H Transport is a wholly-owned subsidiary of PP Chin Hin and the Directors are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, C&H Transport does not have any subsidiary and/or associate company.

5.4.4 Chin Hin Concrete**(a) History and business**

Chin Hin Concrete was incorporated in Malaysia under the Act on 29 November 2011 as a private limited company under the name of Chin Hin Mix Holding Sdn Bhd. It subsequently changed to its current name on 17 January 2012.

Chin Hin Concrete is currently principally an investment holding company.

(b) Share capital

Chin Hin Concrete's present authorised share capital is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each, of which 12,001,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Chin Hin Concrete since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
29 November 2011	1,000	1.00	Subscribers' shares	1,000
31 July 2014	12,000,000	1.00	⁽ⁱ⁾ Other	12,001,000

Note:-

(i) Represents debt capitalisation of shareholders / directors advances for the total amount of RM12,000,000. Such advances from directors / shareholders were provided in January 2012 to support Chin Hin Concrete's acquisition of Chin Hin Concrete (KL) and Chin Hin Concrete (North) in year 2011, 2012 and 2014. The debt capitalisation was undertaken to eliminate all amount owing to directors / shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Chin Hin Concrete.

(c) Substantial shareholders and Directors

Chin Hin Concrete is our wholly-owned subsidiary and the Directors are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Chin Hin Concrete has two (2) subsidiaries, namely Chin Hin Concrete (KL) and Chin Hin Concrete (North). Chin Hin Concrete does not have any associate company as at the LPD.

5.4.5 Chin Hin Concrete (KL)**(a) History and business**

Chin Hin Concrete (KL) was incorporated in Malaysia under the Act on 18 May 2008 as a private limited company under its present name. Chin Hin Concrete (KL) is currently principally involved in the distribution of ready-mixed concrete.

(b) Share capital

Chin Hin Concrete (KL)'s present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 4,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Chin Hin Concrete (KL) since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
18 May 2008	2	1.00	Subscribers' shares	2
8 June 2008	499,998	1.00	Cash	500,000
21 July 2009	500,000	1.00	Cash	1,000,000
6 May 2010	1,000,000	1.00	Cash	2,000,000
18 June 2011	1,000,000	1.00	Cash	3,000,000
28 April 2012	1,000,000	1.00	Cash	4,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Chin Hin Concrete (KL).

(c) Substantial shareholders and Directors

Chin Hin Concrete (KL) is a wholly-owned subsidiary of Chin Hin Concrete and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Chin Hin Concrete (KL) does not have any subsidiary and/or associate company.

5.4.6 Chin Hin Concrete (North)**(a) History and business**

Chin Hin Concrete (North) was incorporated in Malaysia under the Act on 21 January 2008 as a private limited company under the name Large Version Sdn Bhd. It then changed its name to L.V. Mix Sdn Bhd on 4 August 2008 and subsequently changed its name to LV Mix Sdn Bhd on 10 February 2010. On 8 November 2011, it changed its name to Chin Hin Mix Sdn Bhd and subsequently adopted its current name on 27 December 2011. Chin Hin Concrete (North) is currently principally involved in the distribution of ready-mix concrete.

(b) Share capital

Chin Hin Concrete (North)'s present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 2,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Chin Hin Concrete (North) since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
21 January 2008	2	1.00	Subscribers' shares	2
12 June 2008	249,998	1.00	Cash	250,000
30 September 2009	750,000	1.00	Cash	1,000,000
23 July 2010	500,000	1.00	Cash	1,500,000
20 October 2010	500,000	1.00	Cash	2,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Chin Hin Concrete (North).

(c) Substantial shareholders and Directors

Chin Hin Concrete (North) is a wholly-owned subsidiary of Chin Hin Concrete. Its Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Chin Hin Concrete (North) does not have any subsidiaries and/or associate company.

5.4.7 Starken AAC**(a) History and business**

Starken AAC was incorporated in Malaysia under the Act on 2 November 2006 as a private limited company under the name Chin Hin Cement Brick Sdn Bhd. It then changed its name to Chin Hin Industries Sdn Bhd on 25 April 2011. It subsequently changed to its current name on 13 September 2011. It is currently principally involved in the manufacturing and sales of AAC products.

(b) Share capital

Starken AAC's present authorised share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each, of which 30,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Starken AAC since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
2 November 2006	2	1.00	Subscribers' shares	2
26 December 2006	99,998	1.00	Cash	100,000
11 October 2007	150,000	1.00	Cash	250,000
9 January 2012	7,750,000	1.00	⁽ⁱ⁾ Other	8,000,000
26 July 2012	2,000,000	1.00	⁽ⁱ⁾ Other	10,000,000
31 July 2013	10,000,000	1.00	⁽ⁱ⁾ Other	20,000,000
26 December 2013	10,000,000	1.00	⁽ⁱ⁾ Other	30,000,000

Note:-

(i) Represents debt capitalisation of shareholders advances for the total amount of RM29,750,000. Such advances from shareholders were provided from December 2011 to December 2013 in various tranches, and were utilised as working capital expenditure to support Starken AAC's capital expenditure over the years. The debt capitalisation was undertaken to eliminate all amount owing to directors / shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Starken AAC.

(c) Substantial shareholders and Directors

Starken AAC is our wholly-owned subsidiary and the Directors are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Starken AAC has three subsidiaries, namely G-Cast Concrete, Green Cement and Pintar Sinar. Starken AAC does not have any associate company as at the LPD.

5.4.8 G-Cast Concrete**(a) History and business**

G-Cast Concrete was incorporated in Malaysia under the Act on 11 December 2011 as a private limited company under its present name. It is currently principally involved in the manufacturing and sales of precast concrete products.

(b) Share capital

G-Cast Concrete's present authorised share capital is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 5,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of G-Cast Concrete since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
11 December 2011	2	1.00	Subscribers' shares	2
10 August 2012	99,998	1.00	Cash	100,000
8 January 2013	2,400,000	1.00	Cash	2,500,000
19 July 2013	2,500,000	1.00	Cash	5,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in G-Cast Concrete.

(c) Substantial shareholders and Directors

G-Cast Concrete is a wholly-owned subsidiary of Starken AAC and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, G-Cast Concrete does not have any subsidiary and/or associate company.

5.4.9 Green Cement**(a) History and business**

Green Cement was incorporated in Malaysia under the Act on 4 July 2012 as a private limited company under its present name. Green Cement is currently dormant and its intended principal activities are investments into the production of industrialised building system (IBS) concrete products which we expect to materialise within two (2) years from the date of our Listing.

(b) Share capital

Green Cement's present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and fully paid-up. There has been no movement in issued and paid-up share capital of Green Cement since its incorporation.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Green Cement.

(c) Substantial shareholders and Directors

Green Cement is a wholly-owned subsidiary of Starken AAC and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Green Cement does not have any subsidiary and/or associate company.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.4.10 Pintar Sinar

(a) History and business

Pintar Sinar was incorporated in Malaysia under the Act on 30 September 2010 as a private limited company under its present name. Pintar Sinar is currently principally involved in property investment holding.

(b) Share capital

Pintar Sinar's present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and fully paid-up. There has been no movement in issued and paid-up share capital of Pintar Sinar since its incorporation.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Pintar Sinar.

(c) Substantial shareholders and Directors

Pintar Sinar is a wholly-owned subsidiary of Starken AAC and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Pintar Sinar does not have any subsidiary and/or associate company.

5.4.11 Metex Steel

(a) History and business

Metex Steel was incorporated in Malaysia under the Act on 22 August 2011 as a private limited company under its present name.

It is currently principally involved in the manufacturing and sales of wire mesh and metal roofing systems.

(b) Share capital

Metex Steel's present authorised share capital is RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each, of which 30,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Metex Steel since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
22 August 2011	2	1.00	Subscribers' shares	2
22 May 2012	6,000,000	1.00	⁽ⁱ⁾ Others	6,000,002
26 July 2012	3,999,998	1.00	⁽ⁱ⁾ Others	10,000,000
23 January 2013	5,000,000	1.00	Cash	15,000,000
4 December 2013	15,000,000	1.00	Cash	30,000,000

Note:-

- (i) Represents debt capitalisation of shareholders advances for the amount of RM9,999,998. Such advances from shareholders were provided from September 2011 to July 2012 in various tranches, and were utilised as working capital expenditure to support Metex Steel's capital expenditure over the years. The debt capitalisation was undertaken to eliminate all amount owing to directors / shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Metex Steel.

(c) Substantial shareholders and Directors

Metex Steel is our wholly-owned subsidiary. Its Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Metex Steel has three (3) subsidiaries, namely Metal Sphere, Comet Steel and Ace Logistic. Metex Steel does not have any associate company as at the LPD.

5.4.12 Metal Sphere**(a) History and business**

Metal Sphere was incorporated in Malaysia under the Act on 2 March 2014 as a private limited company under its present name. The metal roofing business undertaken by Metex Steel has been transferred to Metal Sphere and has commenced operations on 2 February 2015.

(b) Share capital

Metal Sphere's present authorised share capital is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each, of which 15,000,002 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in the issued and paid-up share capital of Metal Sphere since its incorporation are as follows:-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
2 March 2014	2	1.00	Subscribers' shares	2
10 June 2015	15,000,000	1.00	⁽ⁱ⁾ Others	15,000,002

Note:-

- (i) Represents debt capitalisation of shareholders advances for the amount of RM15,000,000. Such advances from shareholders were provided in June 2015 and were utilised as working capital expenditure to support Metal Sphere's capital expenditure over the year. The debt capitalisation was undertaken to eliminate all amount owing to shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Metal Sphere.

(c) Substantial shareholders and Directors

Metal Sphere is a wholly-owned subsidiary of Metex Steel and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Metal Sphere does not have any subsidiary and/or associate company.

5.4.13 Comet Steel**(a) History and business**

Comet Steel was incorporated in Malaysia under the Act on 12 July 2012 as a private limited company under its present name. Comet Steel is currently dormant and its intended principal activities are sales and trading of steel wire mesh, wire rods and other steel products. We expect Comet Steel to commence operations in 2016 and to focus on the sales and trading of steel wire mesh, wire rods and other steel products. Comet Steel will undertake sales and trading of both steel products produced by our Group and also steel products sourced from external suppliers. Although Comet Steel will be involved in the trading business, it will not compete with PP Chin Hin directly as Comet Steel will mainly service the customers of Metex Steel and will focus on steel products.

(b) Share capital

Comet Steel's present authorised share capital is RM100,000 comprising 100,000 ordinary shares of RM1.00 each, of which two (2) ordinary shares of RM1.00 each have been issued and fully paid-up. There has been no movement in issued and paid-up share capital of Comet Steel since its incorporation.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Comet Steel.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**(c) Substantial shareholders and Directors**

Comet Steel is a wholly-owned subsidiary of Metex Steel and the Directors are Datuk Chiau Beng Teik and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Comet Steel does not have any subsidiary and/or associate company.

5.4.14 Ace Logistic**(a) History and business**

Ace Logistic was incorporated in Malaysia under the Act on 18 February 2004 as a private limited company under Chin Hin Building Material Supply Sdn Bhd. It then changed its name to Ace Tiles Sdn Bhd on 7 January 2010 and subsequently changed to its current name on 9 May 2010. Ace Logistic is currently a property investment holding company.

(b) Share capital

Ace Logistic's present authorised share capital is RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each, of which 11,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up. The movements in issued and paid-up share capital of Ace Logistic since its incorporation are as follows:-

Date of allotment	No. of shares allotted	Par value RM	Consideration/ Types of issue	Cumulative issued and paid-up share capital RM
23 February 2004	2	1.00	Subscribers' shares	2
26 February 2004	99,998	1.00	Cash	100,000
12 September 2006	400,000	1.00	Cash	500,000
31 July 2014	10,500,000	1.00	⁽ⁱ⁾ Other	11,000,000

Note:-

- (i) Represents debt capitalisation of shareholders / directors advances for the total amount of RM10,500,000. Such advances from directors / shareholders were provided from November 2010 to July 2014 in various tranches, and were utilised as working capital expenditure to support Ace Logistic's capital expenditure. The debt capitalisation was undertaken to eliminate all amount owing to directors / shareholders in preparation for our Listing.

As at the LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Ace Logistic.

5. GENERAL INFORMATION ON OUR GROUP (*Cont'd*)

(c) Substantial shareholders and Directors

Ace Logistic is a wholly-owned subsidiary of Metex Steel. Its Directors are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon.

(d) Subsidiaries and associate companies

As at the LPD, Ace Logistic does not have any subsidiary and/or associate company.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

5.5 MAJOR APPROVALS, PERMITS AND LICENSES

The major approvals, permits and licenses issued/obtained by our Group to enable us to operate our business as at LPD are summarised below:-

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No	Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
1.	Starken AAC	Manufacturing license	MITI	License No:- A018464 Serial No:- A031282	20 December 2011	N/A ⁽ⁱ⁾	-	N/A
2.	Metex Steel	Manufacturing license	MITI	License No:- A018629 Serial No:- A031550	19 April 2012	N/A ⁽ⁱ⁾	-	N/A
3.	Metex Steel	Manufacturing license	MITI	License No:- A018889 Serial No:- A031981	22 October 2012	N/A ⁽ⁱ⁾	-	N/A
4.	G-Cast Concrete	Manufacturing license	MITI	License No:- A019732 Serial No:- A033410	6 August 2014	N/A ⁽ⁱ⁾	-	N/A
5.	Metex Steel	Iron works license	Majlis Perbandaran Seberang Perai	License No:- 35/13055A/17104	22 January 2015	3 March 2016	-	N/A
6.	PP Chin Hin	Trading license	Ministry of Domestic Trade, Malaysia	License No:- BB05322W Serial No:- A088315	24 July 2014	13 July 2017	-	N/A

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No		Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
7.	PP Chin Hin	Trading license	Ministry of Domestic Trade, Malaysia	License No:- SB05915U Serial No:- A 088285		23 June 2014	22 June 2019	-	Complied
8.	Starken AAC	Pioneer Status approval letter	MIDA	Approval Letter Reference:- 020/B18/002280/3/PS		7 April 2015	30 June 2019	The conditions are as follows:- (i) the value added for the production of lightweight autoclaved aerated concrete blocks and panels must reach at least 67% as proposed; (ii) the total staffs in management, technical and supervisory level must reach at least 54% of the total employment as proposed; (iii) the company must use local oil palm ash as raw material in the finished products of lightweight autoclaved aerated	Complied ⁽ⁱ⁾

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No	Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
9.	G-Cast Concrete	Environmental Impact Assessment endorsement	Environmental Department Selangor	Approval Letter Reference:- B91/110/621	24 April 2013	N/A ⁽ⁱ⁾	<p>concrete blocks and panels;</p> <p>(iv) the company must use at least 10% oil palm ash; and</p> <p>(v) the company must keep a separate account for the encouraged products.</p> <p>Conditions are as follow:- (i) Maximum monthly production of 1400 mt of concrete pipes and 700 mt of concrete products; (ii) to acquire written approval for all fuel-burning equipment; (iii) to maintain noise level <70 A-weighted decibels ("dB(A)") from 7.00 a.m. to 10.00 p.m. and <60dB(A) from 10.00 p.m. to 7.00 a.m.; and (iv) to prohibit all open burning.</p>	Complied

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No	Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
10.	Starken AAC	Endorsement Letter In Relation to Environmental Impact Assessment	Environmental Department Selangor	Approval Letter Reference:- (B)B36/921/000/053	26 April 2014	N/A ⁽ⁱⁱ⁾	Conditions are as follow:- (i) Maximum monthly production of 12,500 mt of autoclaved aerated light weight concrete blocks (ii) to acquire written approval for all fuel- burning equipment; (iii) to maintain noise level <70dB(A) from 7.00 a.m. to 10.00 p.m. and <60dB(A) from 10.00 p.m. to 7.00 a.m.; and (iv) to prohibit all open burning	Complied
11.	Starken AAC	Certificate In Relation to Rules 36 and 38 of Environment Quality (Clean Air) Regulation, 1978	Environmental Department Selangor	Certificate No:- AKUP/280/2013	3 June 2013	N/A ⁽ⁱⁱⁱ⁾	-	N/A

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No	Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
12.	Starken AAC	Design Approval for Autoclaves (Pressurised Vessels)	Department of Occupation Health and Safety	Approval Letter Reference:- JKKP IS 127/453/2-2013238352(4)	2 October 2013	N/A ^(iv)	-	N/A
13.	PP Chin Hin	Money lending license	Ministry of Housing and Local Government	Approval Letter Ref: WL3126/02/01-6/231116	6 February 2014	23 November 2016	The conditions are as follows:- (i) all money lending transaction must be carried on the name of PP Chin Hin Sdn Bhd and at its registered address; (ii) the license is not transferable or allowed or caused others to use the right under license without prior approval of the registrar of Money Lending of Ministry of Urban Wellbeing, Housing and Local Government; (iii) the license is not allowed to be used for pawn business; and	Complied

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Nature of approval/ Licenses/	Issuing Body	License No/ Registration No/ Serial No/ Approval No	Issuance Date	Expiry date	Equity and/or major conditions imposed	Status of Compliance
							(iv) Renewal fees of RM2,000.00 is payable	

Notes:-

- (i) License does not require renewal and shall remain valid unless it has been revoked under the Industrial Co-ordination Act 1975.
- (ii) The department reserves the right to retract the endorsement in the event of failure to implement appropriate pollution control measures during operation of plant.
- (iii) This approval can be retracted or cancelled should installation of the multi cyclone does not comply with drawing/plan approved.
- (iv) Approval is valid up and until:- (a) any amendment to the current design code that differs from the specifications and practice when approval was granted which requires alteration and/or changes in the existing design; or (b) withdrawal or cancellation of such approval by the department.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**5.6 PROPERTIES OF OUR GROUP****5.6.1 Properties occupied and owned by our Group**

Kindly refer to **Appendix I** of this Prospectus for further details of the properties occupied and owned by our Group.

5.6.2 Properties occupied which are rented by our Group

The details of properties rented by us as at the LPD are set out below:-

No.	Address	Owner/ Tenant ⁽¹⁾	Description/ Existing Use	Built-up Area/ Land Area (m ²)	Period of tenancy/ Rental per Annum (RM)	Date of issuance of certificate of fitness for occupation
1.	A-2-5, Pusat Perdagangan Kuchai, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Wan Foong Realty Sdn Bhd/ Starken AAC	One storey of a 3- storey shop house/ Office premises of Starken AAC	⁽¹⁾ 133.5/ 400.1	1 January 2016 to 31 December 2018/ RM19,200	6 July 2010
2.	PT 1493, Kawasan Perindustrian Pengkalan Chepa II, Jalan Chepa II, 16100 Pengkalan Chepa, Kota Bharu, Kelantan	Laksana Saujana Sdn Bhd/ PP Chin Hin	Single storey open sided factory/ Warehouse and office unit of PP Chin Hin	5,616/ 10,189	1 November 2014 to 30 October 2016/ RM60,000	31 January 2013
3.	No. 88-1, Jalan PPM 4, Plaza Pandan Malim Business Park, Balai Panjang, 75250 Melaka	Texland Sdn Bhd/ PP Chin Hin	One storey of a 3- storey shop house/ Office premises of PP Chin Hin	⁽¹⁾ 144.8/ 434.4	1 September 2015 to 31 August 2018/ RM10,200	4 October 2007

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Address	Owner/ Tenant ⁽ⁱ⁾	Description/ Existing Use	Built-up Area/ Land Area (m ²)	Period of tenancy/ Rental per Annum (RM)	Date of issuance of certificate of fitness for occupation
4.	No. 27, Jalan Industri 3/6, Taman Perindustrian Temerloh, 28400 Mentakab, Pahang	Kong Yen Transport & Trading Sdn Bhd/ PP Chin Hin	Single storey fully closed factory unit/ Warehouse and office premises of PP Chin Hin	668.0/ 1,888.0	1 June 2013 to 31 May 2016/ RM66,000	28 October 2011
5.	Lot 2975, Kawasan Perindustrian Cendering, 21080 Kuala Terengganu, Terengganu	JH Agency Sdn Bhd/ PP Chin Hin	Single storey detached factory/Warehouse and office premises of PP Chin Hin	3,025.6/ 3,546.48	1 October 2014 to 30 September 2016/ RM120,000	31 July 2006
6.	Lot 1178, Mukim Batu, NVS 2, Jalan Ipoh, Kuala Lumpur	East & Orient Enterprise Sdn Bhd/ PP Chin Hin	Single storey fully closed factory unit/ Warehouse and office premises of PP Chin Hin	556/ 3,100	1 March 2013 to 29 February 2016/ RM144,000	17 August 1994
7.	No. A-1-11, Pusat Perdagangan Kuchai, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	PP Chin Hin Realty Sdn Bhd/Chin Hin Group Berhad	One storey of a 3-storey shop house/ Office premises of Chin Hin Group Berhad	136/ 153	1 May 2015 to 30 April 2017/ RM25,440	6 July 2010

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

No.	Address	Owner/ Tenant ⁽ⁱ⁾	Description/ Existing Use	Built-up Area/ Land Area (m ²)	Period of tenancy/ Rental per Annum (RM)	Date of issuance of certificate of fitness for occupation
8.	No. A-2-11, Pusat Perdagangan Kuchai, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	PP Chin Hin Realty Sdn Bhd/ Chin Hin Concrete (KL) Sdn Bhd	One storey of a 3- storey shop house/ Office premises of Chin Hin (KL) Concrete Sdn Bhd	136/ 153	15 May 2015 to 14 May 2017/ RM20,352	6 July 2010
9.	No. 22-01, Jalan Kempas Utama 3/1, Taman Kempas Utama, 81200 Kempas, Johor	Lou Feng Leong/ Starken AAC Sdn Bhd	One unit of 2&1/2 storey shop office (1 st floor)/ Office premises of Starken AAC	143.1/ 143.1	1 February 2015 to 31 January 2016/ RM15,600	6 August 2013

Notes:-

- (i) Save for Laksana Saujana Sdn Bhd where Datuk Chiau Beng Teik and Chiau Haw Choon are directors and substantial shareholders, there are no other relationships between the owner of our rented properties and our Group.
- (ii) We occupy only one (1) storey of the three (3) storey shop house unit. As such, the built-up area disclosed for these properties represents only the built up area of one (1) storey currently occupied whilst the land area represents the total area occupied by the respective properties.

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5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

In addition to the above, our Group has also rented several properties for the purpose of accommodating our production workers. There is no non-compliance with current statutory requirements, relevant land rules or building regulations in respect of the above properties leased by our Group. In addition, none of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements, land rules or building regulations or is subject to any environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.

5.6.3 Regulatory requirements and environmental issues

Save for the major approvals, permits and licenses disclosed in Section 5.5 of this Prospectus, there are no regulatory requirements and/or major environmental issues which may affect our Company's operations arising from the utilisation of our assets.

5.6.4 Material capital expenditures and divestitures

Save as disclosed below, there were no other material capital expenditures (including interests in other corporations) made by us for the past four (4) financial years and the FPE 2015:-

	At cost				
	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Material capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Chin Hin Group					
Investment in subsidiaries	⁽ⁱ⁾ 1,800	⁽ⁱⁱ⁾ 29,000	-	⁽ⁱⁱⁱ⁾ 5,600	-
Freehold land and shop offices/building	12,027	17,739	516	1,828	-
Freehold building	-	2,200	1,097	-	-
Leasehold land	2,179	-	-	-	-
Building	1,225	1,631	1,894	896	813
Building under construction	-	4,699	17,272	-	-
Investment property	-	12,336	-	-	-
Plant and machineries	1,521	23,107	13,962	2,903	1,248
Plant and machineries under construction	509	19,015	28,506	-	-
Cabin	1,198	687	2,516	-	-
Capital work-in-progress	3,252	5,162	-	-	-
Factory equipments	-	1,368	1,222	1,560	845
Factory equipments under construction	-	-	-	-	4,682
Mould	-	-	1,636	1,015	603
Electrical installations	-	-	2,477	1,192	-
Motor vehicles	-	-	-	5,501	^(iv) 9,126
Renovations	-	1,008	-	-	-
Total	23,711	117,952	71,098	20,495	17,317

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

	At cost				
	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Material capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Analysed by:-					
Distribution of building materials & provision of logistics					
Investment in subsidiaries	1,800	28,000	-	5,000	-
Freehold land and shop offices/building	9,404	6,449	-	-	-
Freehold building	-	2,200	1,097	-	-
Building	1,225	-	-	-	-
Building under construction	-	-	8,225	-	-
Motor vehicles	-	-	-	800	6,064
Renovations	-	535	-	-	-
	12,429	37,184	9,322	5,800	6,064
Ready-mixed concrete					
Investment in subsidiaries	-	1,000	-	600	-
Freehold land and shop offices/building	2,623	-	-	-	-
Plant and machineries	1,521	877	628	116	-
Plant and machineries under construction	509	325	-	-	-
Cabin	1,198	678	2,504	-	-
Factory equipments	-	105	36	9	-
Motor vehicles	-	-	-	3,916	1,824
Renovations	-	77	-	-	-
	5,851	3,062	3,168	4,641	1,824
Manufacturing of AAC and precast concrete products					
Leasehold land	2,179	-	-	-	-
Freehold land and building	-	-	-	1,072	-
Building	-	1,631	210	896	813
Building under construction	-	4,699	9,047	-	-
Investment property	-	12,336	-	-	-
Plant and machineries	-	869	344	1,601	983
Plant and machineries under construction	-	18,690	28,506	-	-
Cabin	-	8	12	-	-
Factory equipments	-	1,263	1,186	1,551	845
Factory equipments under construction	-	-	-	-	602
Mould	-	-	1,636	1,015	603
Motor vehicles	-	-	-	264	1,238
Electrical installations	-	-	2,477	1,192	-
	2,179	39,496	43,418	7,591	5,084

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

	At cost				
	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Material capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Manufacturing of wire mesh and metal roofing system					
Investment in subsidiaries	-	-	-	-	-
Freehold land and shop offices/building	-	11,290	516	756	-
Building	-	-	1,684	-	-
Plant and machineries	-	21,362	12,990	1,186	265
Factory equipment	3,252	5,162	-	-	-
Factory equipment under construction	-	-	-	-	4,080
Motor vehicles	-	-	-	521	-
Renovations	-	396	-	-	-
	3,252	38,210	15,190	2,463	4,345

Notes:-

- (i) This involves the increase in share capital in PP Chin Hin Realty, previously subsidiary of PP Chin Hin.
- (ii) This involves the increase in share capital in PP Chin Hin Realty and Chin Hin Concrete Mix Sdn Bhd, previously subsidiaries of PP Chin Hin and Chin Hin Concrete respectively.
- (iii) This involves the purchase of the remaining equity interests in Metex Steel and Chin Hin (North), which was previously held by other minority shareholders.
- (iv) During FYE 2014 and FPE 2015, we had purchased new motor vehicles for the following purposes:-
- (a) Additional lorries were purchased to increase our fleet of lorries as well as to replace several units of old lorries for use by our distribution of building materials business segment. With the new lorries, we can improve the efficiency of the transportation of building materials to our customers and provide more support for our warehouses located nationwide;
- (b) Additional mixer trucks were purchased to add and replace several old fleets of mixer trucks used for the distribution of ready-mixed concrete business segment. With the new mixer trucks, we can improve efficiency in the delivery of ready-mixed concrete from the batching plants to our customer's construction locations; and
- (c) In line with the increase in order books received by both Starken AAC and G-Cast Concrete, more units of trailer cranes were purchased in order to support the business growth of the manufacturing of AAC and precast concrete products business segment. This would improve our efficiency in delivery of AAC and precast concrete products to our customers.

The above material capital expenditures were made within Malaysia and primarily financed by a combination of bank borrowings and internally generated funds.

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)

Save as disclosed below, there are no other material capital divestitures (including interests in other corporations) made by us for the past four (4) financial years and the FPE 2015:-

	At cost				
	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Material capital divestitures	RM'000	RM'000	RM'000	RM'000	RM'000
Investment in subsidiaries	-	-	-	⁽¹⁾ 31,350	-
Freehold land and shop office	-	4,125	3,458	3,702	-
Freehold land and shop office – under assets held for sale	-	-	-	2,023	4,635
Leasehold land	-	2,179	-	-	-
Plant and machineries	1,194	1,264	617	10,851	-
Motor vehicles	-	-	-	4,750	423
Total	1,194	7,568	4,075	52,676	5,058
Analysed by:					
Distribution of building materials & provision of logistics					
Investment in subsidiaries	-	-	-	30,350	-
Freehold land and shop office	-	4,125	3,458	3,702	-
Freehold land and shop office – under assets held for sale	-	-	-	2,023	4,635
Plant and machineries	1,194	-	-	-	-
Motor vehicles	-	-	-	60	-
	1,194	4,125	3,458	36,135	4,635
Ready-mixed concrete					
Investment in subsidiaries	-	-	-	1,000	-
Plant and machineries	-	-	131	10,318	-
Motor vehicles	-	-	-	4,690	423
	-	-	131	16,008	423
Manufacturing of AAC and precast concrete products					
Leasehold land	-	2,179	-	-	-
Plant and machineries	-	1,264	-	-	-
	-	3,443	-	-	-
Manufacturing of wire mesh and metal roofing system					
Plant and machineries	-	-	486	533	-
	-	-	486	533	-

5. GENERAL INFORMATION ON OUR GROUP (Cont'd)**Note:-**

- (i) This includes the disposal of the following companies pursuant to the rationalisation undertaken by our Company in 2014:-

No.	Company	RM At cost
(a)	PP Chin Hin Realty	29,800,000
(b)	Landmark Grace Development Sdn Bhd	550,000
(c)	Chin Hin Concrete Mix Sdn Bhd	1,000,000
	Total	31,350,000

The disposal of both PP Chin Hin Realty and Chin Hin Concrete Mix Sdn Bhd was satisfied by way of contra with the dividend payable to the shareholders of PP Chin Hin and Chin Hin Concrete, respectively.

5.6.5 Material plans to construct, expand or improve facilities.

Save as disclosed below, we do not have immediate plans to construct, expand or improve our existing facilities as at the LPD:-

- (a) utilisation of the IPO proceeds for the expansion of our existing manufacturing facility and purchase of new equipment and machineries as set out in Section 3.10 of this Prospectus; and
- (b) the capital commitment of RM5.032 million for the purchase of solar system (such as panel, inverter, array junction box, main switch board, vacuum circuit breaker and transformer) to be installed at our Group's existing factories pursuant to the separate renewable energy power purchase agreements entered into between TNB with Starken AAC and Metex Steel, both dated 19 June 2015, whereby Starken AAC and Metex Steel shall sell and deliver, and TNB shall purchase and accept the metered renewable energy which is generated and delivered from the renewable energy installation and metered by TNB at the respective connection points. The purchase of solar system shall be funded via bank borrowings.

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6. BUSINESS OVERVIEW

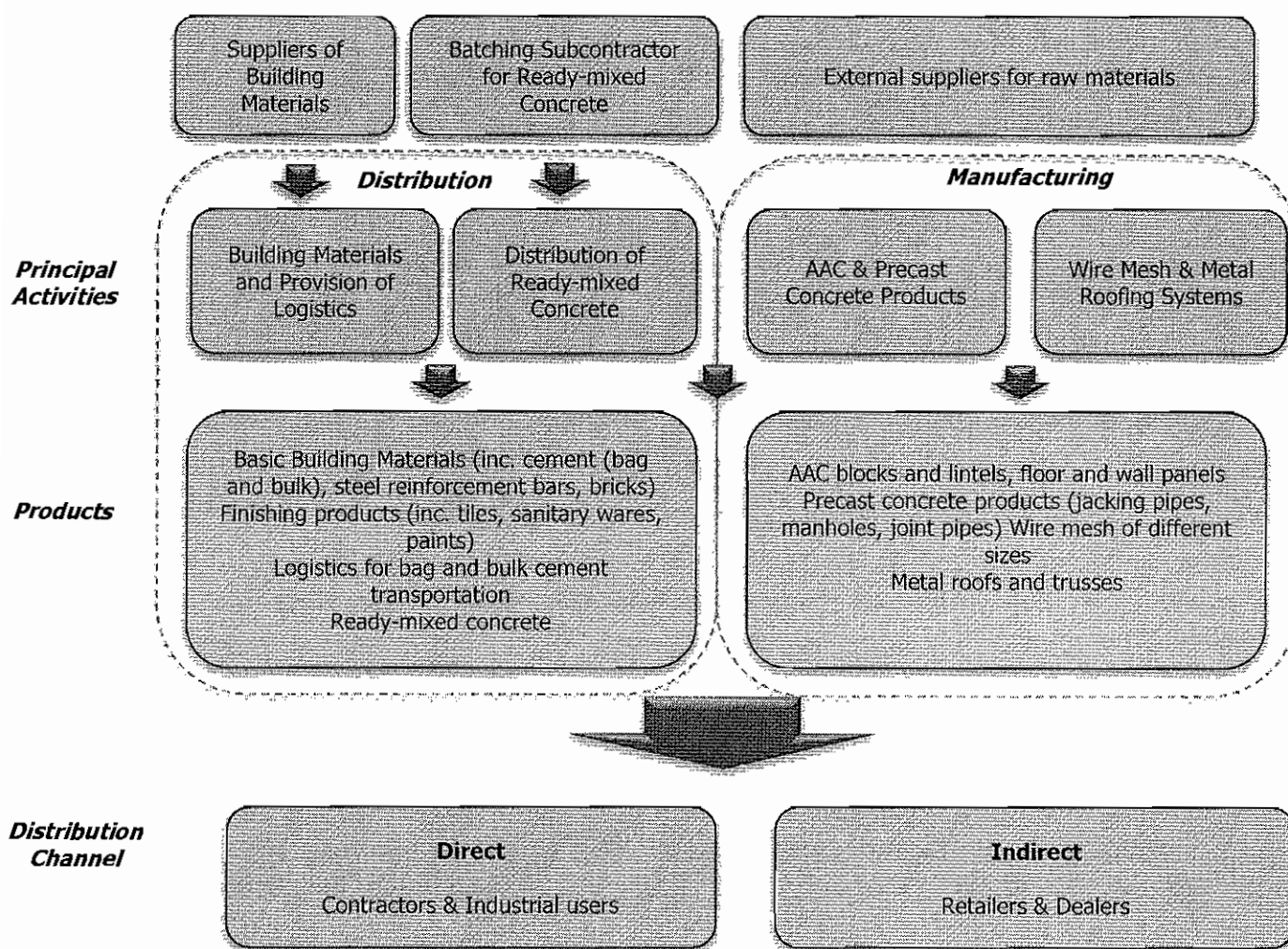
6.1 PRINCIPAL ACTIVITIES AND PRODUCTS

This section outlines our principal activities as well as the range of building materials products distributed and manufactured by us.

6.1.1 Principal business activities

We are principally involved in the distribution of building materials and provision of logistics, supply of ready-mixed concrete and manufacturing of AAC and precast concrete products, wire mesh and metal roofing systems.

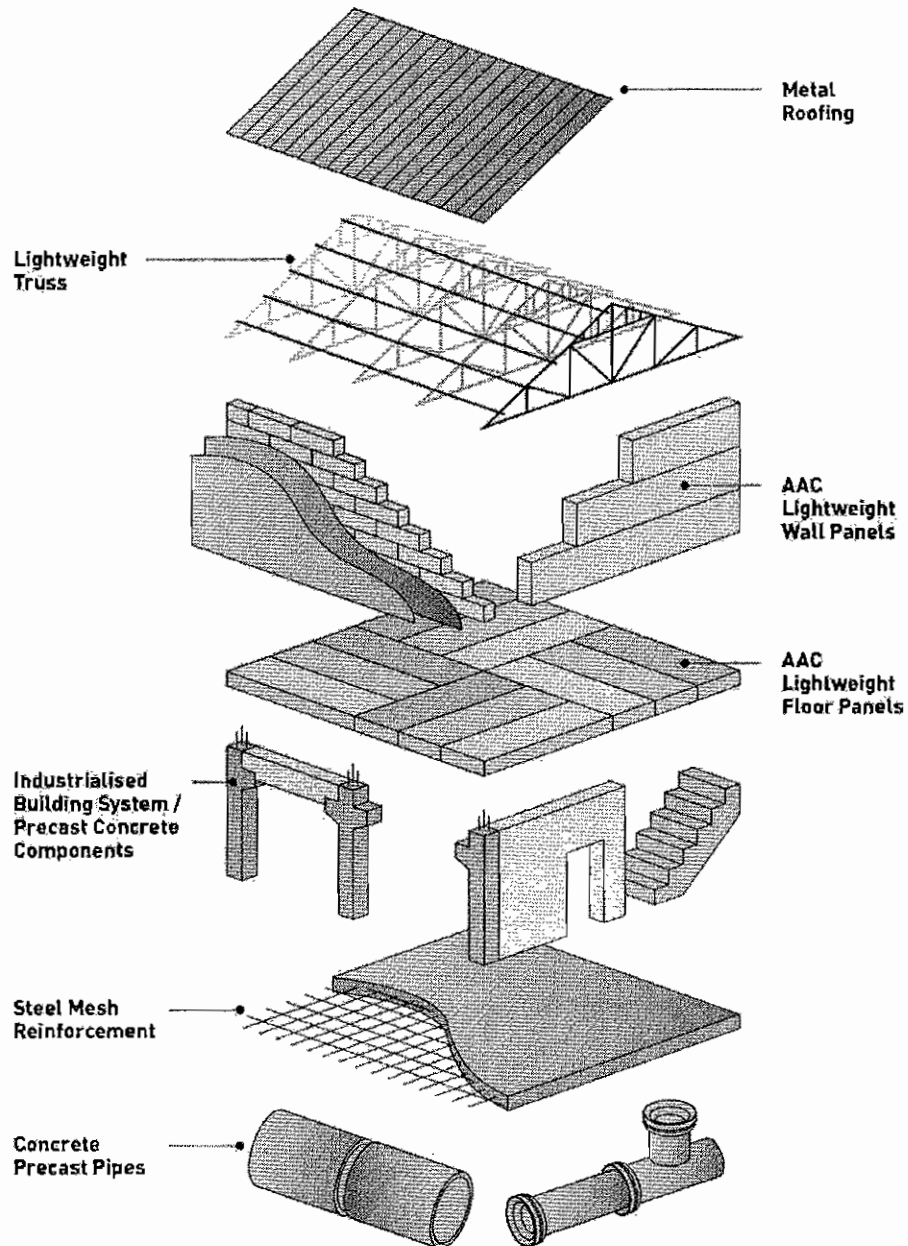
The following diagram depicts our Group's principal activities, the products that we distribute and manufacture as well as the distribution channel of our products to our customers:-



Our Group has grown over the years from a small hardware shop to an integrated building materials provider with the ability to supply a comprehensive range of building materials including in-house manufactured products.

6. BUSINESS OVERVIEW (Cont'd)

The diagram below illustrates our in-house manufactured products used in a typical building project:-



Note:-

Our Group also offers ready-mix concrete to various construction/building projects.

6. BUSINESS OVERVIEW (Cont'd)**6.1.1.1 Distribution - Building materials and logistics****Building materials**

Building materials that we distribute can be categorised under three (3) main product categories namely cement, steel reinforcement bars and OBM, as shown in the following table.

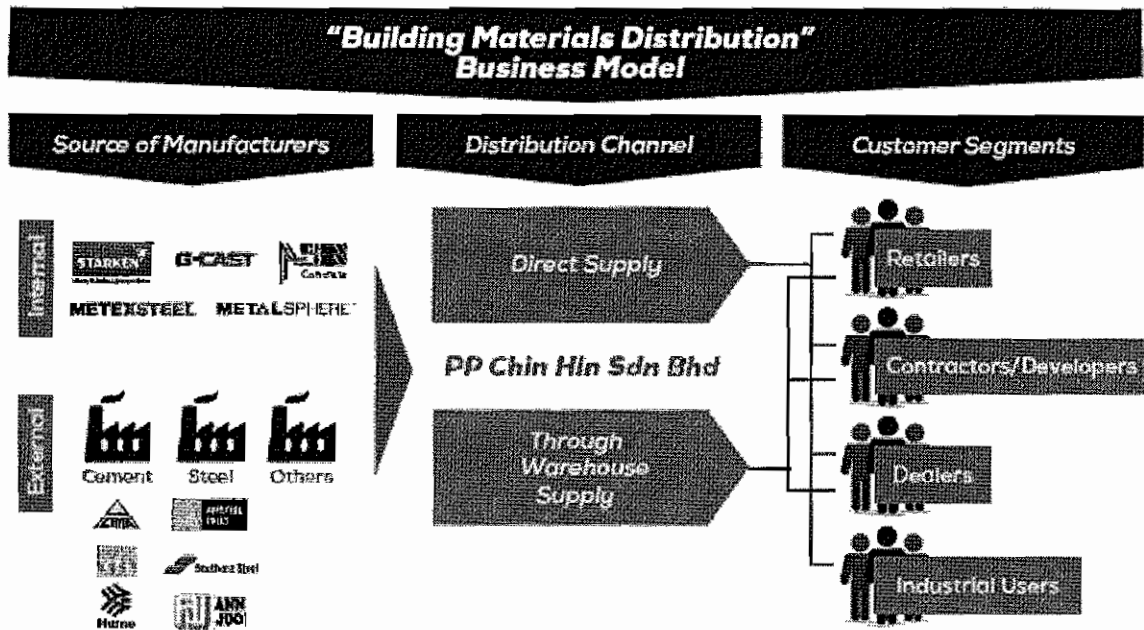
No.	Product Categories	Details	Usage
1.	Steel reinforcement bars	Standard lengths and cut-to-length/bent mild steel or, high tensile bars	All sub- and super-structure works in a reinforced concrete building or structure
2.	Cement	Various types of bag and bulk cement, ordinary Portland cement, blended and specialty cement	All sub- and super-structure works in a reinforced concrete building
3.	OBM		
(a)	Piles	Timber/concrete piles, spun piles, sheet piles.	Foundation and substructure works
(b)	Ready mixed-concrete	Various grades as required by customer	All reinforced concrete works
(c)	Wire mesh	Standard, engineering and cut-to-size sheets	All reinforced concrete works
(d)	Plywood	Various grades and types: Normal, waterproof, special coated and etc.	Used for formwork and/ or permanent finishing
(e)	Sawn timber	Various sizes	Used for formwork and/ or permanent finishing
(f)	Bricks/Blocks	Common clay bricks, cement sand bricks, facing bricks, hollow bricks, AAC product	Used for walls and partitions.
(g)	Dry mix	Skim Coat, tiles adhesives	Plastering of walls, tiling
(h)	Precast concrete products	Culverts, pipes, wall panels, industrialised building system elements, pavers	Drainage and sewerage works, buildings (columns/beams), pedestrian walkways/ car parks
(i)	Roof tiles/decking	Concrete roof tiles, clay roof tiles, metal roofing	Commercial and residential buildings
(j)	Trusses, aluminium foil and rockwool	Timber or lightweight steel trusses plus insulation (single or double sided)	Roofing systems and roof insulation

6. BUSINESS OVERVIEW (Cont'd)

No.	Product Categories	Details	Usage
(k)	Gutter, rainwater down pipe	Made of un-plasticised polyvinyl chloride ("UPVC") or galvanised iron ("GI") - Various types of cast iron, galvanized steel, PVC or vinyl materials	Roof gutters and rainwater down pipes
(l)	Ceiling boards	Various types made from fibre cement board, calcium silicate or plasterboard	Internal ceiling
(m)	Pipes	Concrete pipes, UPVC pipes, GI pipes, sewerage pipes	Drainage, plumbing works, sewerage works
(n)	Water tank	Metal, fibreglass, stainless steel	Water Storage
(o)	Water proofing chemicals compounds	Specialty chemicals	Waterproofing of roofs, slabs/ tanks
(p)	Fencing	Poly vinyl coated galvanised iron fencing, PVC coated galvanised barbed wire, galvanized steel wire, BRC fencing hot dip galvanized wire, chain link fencing	Security fencing
(q)	Road furniture	Concrete or metal, road kerbs, cone/divider, signage	Road works
(r)	Door (and frames)	Solid decorative timber door, plywood flush door, engineered door, PVC door, fire rated door	Internal finishes
(s)	Ironmongery	Locksets and door hinges	Security
(t)	Wall and floor tiles	Ceramic tiles, mosaic tiles, glass mosaic, terrazzo, stones-marble/granite, timber parquet, solid timber strip, laminate floor, vinyl tiles, carpet tiles	Internal bathroom finishes
(u)	Sanitary wares and fittings	Water closets, basin/sinks, bathes and shower trays, urinal, taps and fitting, accessories – paper/soap, holder, towel rails and others	Internal finishes
(v)	Paints	Various kinds of paints	Internal and external finishes

6. BUSINESS OVERVIEW (Cont'd)

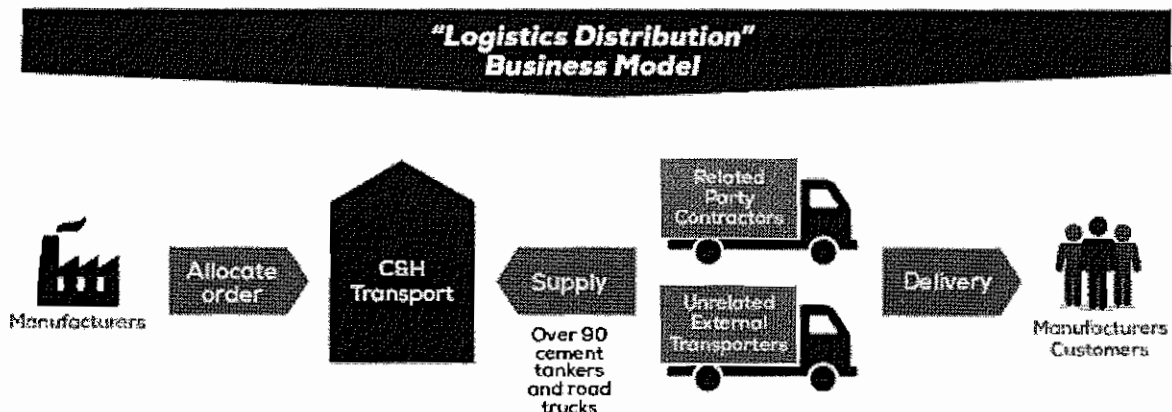
Our business model for the distribution of building materials is depicted as follows:-



We source for our building materials from external suppliers as well as our manufacturing operations and supply it to our customers. We could either supply it directly to our customers from the manufacturer or the customers could purchase it from our warehouse. To date, there had been no changes to our business model for the distribution of building materials.

Logistics

Our current business model for our logistic business is depicted as follows:



6. BUSINESS OVERVIEW (Cont'd)

This business segment is carried out by C&H Transport, and involves the provision of logistics services to transport bulk and bag cement for local cement manufacturers (e.g. Cement Industries of Malaysia Berhad and YTL Cement Berhad) to their respective customers nationwide. In this regard, C&H Transport engages the services of external contractors to undertake the transportation of the bulk and bag cement. As set out in Section 5.1 of this Prospectus, our Group started by providing transportation services to cement traders and manufacturers in the northern region of Malaysia. As our business grew, our fleet of vehicles expanded and proved to be not efficient for us to maintain as it required tedious and time consuming administrative attention arising from the maintenance of the vehicles, managing large pool of drivers and dealing with vehicle licensing issues. As such, we disposed off our fleet of vehicles and started to engage external contractors to provide logistic services to our customers instead of maintaining our own fleet of vehicles. We believe that it is more effective for our Group to fully engage the services of external contractors for this business segment so that we can focus on just managing the orders from our customers.

The key external contractors engaged by C&H Transport to provide logistic services for this business segment are CH Hardware & Transport Sdn Bhd, CHL Logistics Sdn Bhd, Chip Hin Trading, who are our related parties. Notwithstanding, we also engage the services of other third party external transporters (approximately 50 in total).

The above related party contractors (together with AS Chin Sdn Bhd, who is also a related party) constitute approximately 32.0%, 37.2%, 36.2%, and 46.6% of our total cost of sales for the logistics business segment for FYE 2011, FYE 2012, FYE 2013 and FYE 2014, respectively. We have consistently engaged the services of our related parties as they have the required financial strengths and larger fleet of vehicles to support our transportation requirements. CH Hardware & Transport Sdn Bhd, CHL Logistics Sdn Bhd and Chip Hin Trading have in total 46, 34 and 19 cement tankers and road trucks respectively. The other external contractors do not have such large fleet of vehicles to support our logistics business. External transportations companies who have large fleet of vehicles can negotiate and be engaged by the cement manufacturers directly and may not be willing to work with us. The services provided by our related party contractors have proven to be reliable thus far and their large fleet of vehicles enables wide coverage across Malaysia which is an advantage for our business. Nonetheless, to reduce dependency on our related party contractors, we have over the years increased the number of external contractors that work with us. We have added 31 and 21 new external contractors in 2014 and 2015 respectively. We select our contractors based on the location of their trucks and their track record with the cement manufacturers.

All business transactions carried out between our Group and our contractors, whether related parties or otherwise, are carried out at arm's length and on similar terms. Please refer to Section 10.1.2 of this Prospectus for further details of our recurrent related party transactions which includes the logistics services provided by our related parties.

6. BUSINESS OVERVIEW (Cont'd)

There are no formal agreements signed between our Group and our contractors. Our contractors will claim for their services based on the delivery orders duly signed by the recipient of the cement as evidence of the transportation services provided to our customers. We will then invoice our customers based on the acknowledged delivery orders. Fees payable by our customers for the transportation services is based on an agreed rate of RM10 to RM70 per tonne depending on the location of the delivery. We will retain between 4.0% to 6.0% of these fees, and the balance will be paid to our contractors. The allocation of work to our contractors is dependent on the availability and location of their trucks or cement tankers as well as the delivery location.

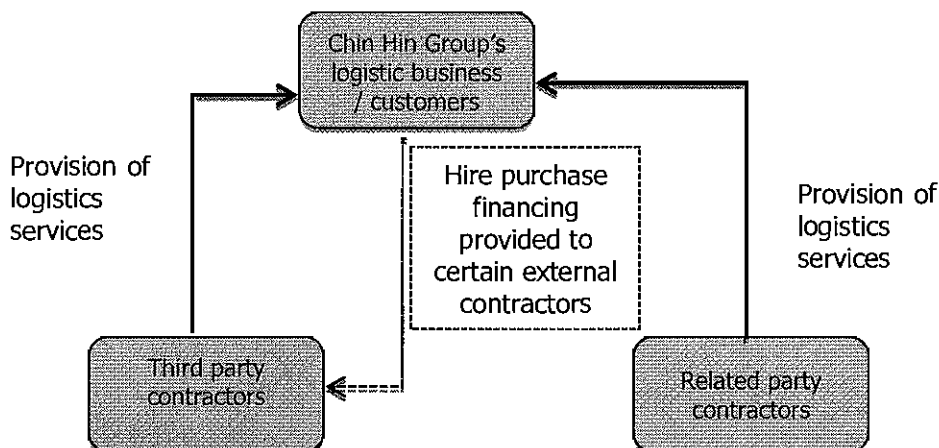
The bulk cement is transported by specialised cement tankers, whereas bag cement is transported by normal road trucks. These vehicles are owned and operated by our contractors. When required, we also provide financing to these contractors to purchase their own vehicles on the condition that they will provide transportation services to our Group.

Such financing is provided as part of our hire purchase financing activities specifically to our contractors for our logistic business. As at the LPD, we have not extended any financing to our related parties under our hire purchase financing to our Group's logistic providers. A hire purchase agreement is signed between our Group and these third party transporters to formalise the terms and conditions of the hire purchase loan given, and an interest rate of 8.0% to 18.0% per annum is charged, depending on the terms and conditions of the hire purchase loan as well as the condition of the vehicles involved. Prior to giving out such financing, we will conduct reference check of the borrower through CTOS Data Systems Sdn Bhd, a registered credit reporting agency under the Credit Reporting Agencies Act 2010, and we will retain the registration cards of those vehicles financed by us. For certain cases, we are able to deduct the hire purchase instalments due from the transporter from our payment to them for the transportation services rendered. Our money lending license is renewed every two (2) years.

Since we obtained our money lending license in 2006, the highest outstanding balance under our hire purchase financing to our Group's logistic providers amounted to about RM4 million. However, as at the LPD, the outstanding balance had reduced to RM0.94 million. Our entire outstanding balance under our hire purchase financing for our Group's logistic providers as at LPD relates only to hire purchase financing extended to 22 third party transporters for the financing of 24 trucks. Since the commencement of our hire purchase financing activities, there have been no disputes between our Group and the borrowers. As this is not our core business, moving forward, we will put less emphasis on this business segment.

6. BUSINESS OVERVIEW (Cont'd)

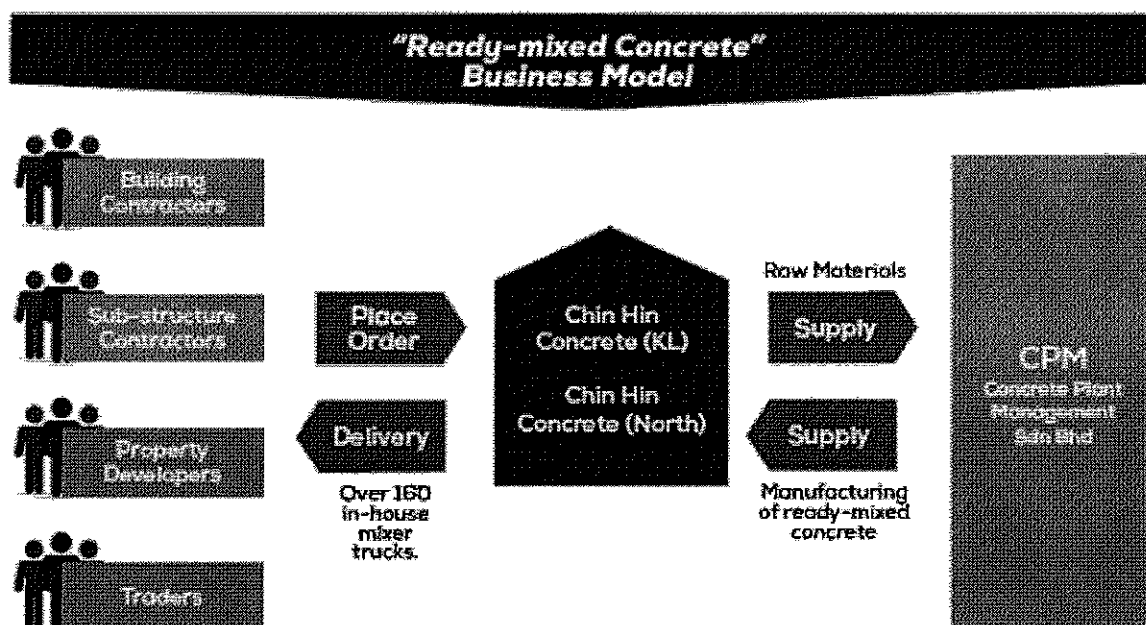
The picture below depicts our arrangement with our contractors under the logistics business:-



6.1.1.2 Distribution - Ready-mixed concrete

Our ready-mixed concrete business is carried out by Chin Hin Concrete (KL) and Chin Hin Concrete (North).

Our current business model for our ready-mixed concrete business is depicted as follows:-



6. BUSINESS OVERVIEW (Cont'd)

We ventured into the ready-mixed concrete business in 2008. As our ready-mixed concrete business expanded, we had to sub-contract a portion of approximately 30.0% of the manufacturing and operations of our batching plants to sub-contractors since 2012 on a plant by plant basis as it was too challenging to manage all the operations of our batching plants. We then realised that such arrangement is a more effective and efficient manner to manage our ready-mixed concrete business. To further enhance the efficiency in managing our ready-mixed concrete business, in 2014, we disposed all the assets and stocks related to the manufacturing of ready-mixed concrete and outsourced all the production of ready-mixed concrete to CPM, while we retain the delivery and quality control aspects of the ready-mixed concrete business. Such outsourcing arrangement will relieve us from having to manage the manufacturing aspects of the ready-mixed concrete business (we will no longer be responsible for managing the overheads of the concrete batching plants, repair and maintenance of the equipment and mixer trucks, managing the labour, licensing and operations of the batching plants) and instead enable us to focus on the distribution aspects of the ready-mixed concrete business.

The operations and productivity of the concrete batching plants will be managed by CPM. Pursuant to our arrangement with CPM, CPM is required to produce a minimum guaranteed production volume of 1,500 m³ for each plant per month which will enable the concrete batching plants to operate at a level that is able to generate sufficient revenue to at least cover its fixed operating costs. Please refer to Section 5.3.3 for the salient terms of the exclusivity agreement with CPM.

It is a common practice within the ready-mixed concrete manufacturing segment to outsource the plant's operations to third party plant operators. By outsourcing the operations, these third party plant operators will be responsible for any operational and quality issues that may arise.

(Source: IMR report)

Having evaluated the cost and benefits of the outsourcing arrangement, we have disposed of our stocks and business to manufacture ready-mixed concrete to external party, CPM via an asset sale agreement executed with CPM on 28 March 2014.

Prior to the execution of the asset sale agreement with CPM, we have negotiated with various parties for the sale and purchase of our stocks and business to manufacture ready-mixed concrete. Our negotiations were however hindered by our pre-requisite that the purchaser of our business shall enter into an exclusivity agreement for the supply of ready-mixed concrete to us, which was not widely acceptable.

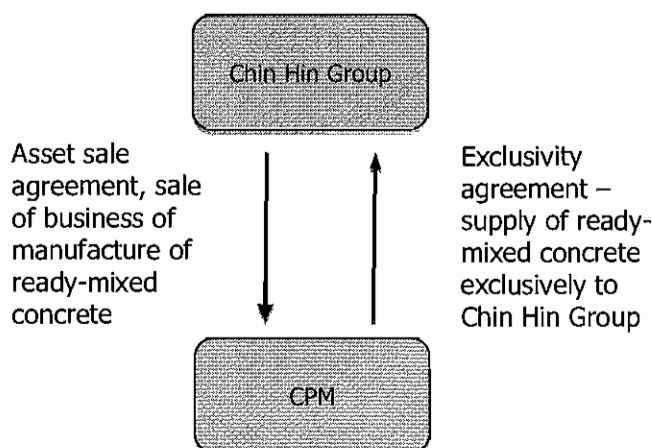
Consequently, we had executed an asset sale agreement with CPM and correspondingly also entered into an exclusivity agreement with CPM, whereby CPM shall be responsible for:-

- Providing ready-mixed concrete manufacturing services exclusively to Chin Hin Concrete (KL) and Chin Hin (North) whereby all the required raw materials shall be procured by Chin Hin Concrete (KL) and Chin Hin Concrete (North);
- Managing the operations of the batching plant in the production of ready-mixed concrete on an ex-plant basis;
- Maintaining the batching plant and all other necessary and/ or ancillary equipment in good and serviceable conditions;

6. BUSINESS OVERVIEW (Cont'd)

- Repairing and maintaining Chin Hin Concrete (KL)'s and Chin Hin Concrete (North)'s cement mixer trucks; and
- Producing a minimum guaranteed production volume of 1,500 m³ for each plant per month. If the agreed rate is RM10 per m³ for volume up to 4,000 m³, Chin Hin Concrete (KL) and Chin Hin Concrete (North) will pay a minimum of RM15,000.00 per month for each plant based on the guaranteed minimum volume of 1,500 m³ for each plant per month. The rate per m³ is to be agreed upon by both parties depending on the prevailing market rate for ready-mixed concrete. Based on the 25 batching plants owned by CPM as at the LPD and assuming the agreed rate is RM10 per m³ for guaranteed minimum volume of 1,500 m³ for each plant per month, our minimum guaranteed payment to CPM per annum is about RM4.50 million. The assumed rate of RM10 per m³ was based on the average rate per m³ paid to CPM from the commencement of the exclusivity arrangement in April 2014 up till FPE 2015.

Please refer to Section 5.3.3 for the salient terms of the asset sale agreement and the exclusivity agreement with CPM. Our arrangement with CPM is depicted as follows:



The delivery of ready-mixed concrete is carried out using our in-house mixer trucks (approximately 160 mixer trucks) as well as engaging the services of third party contractors.

Our ready-mixed concrete business however is solely dependent on CPM for the production and mixing of ready-mixed concrete through an exclusivity agreement with them. Our management is of the view that in the event that the exclusivity agreement with CPM is terminated, they can be easily replaced as there are other such contractors in the market. We do not foresee any difficulty in appointing new producer of ready-mixed concrete should the need arises as there are other alternative producers readily available in the market. Prior to our exclusivity arrangement with CPM, we have in the past sub-contracted part of our manufacturing and operations of our batching plants to other sub-contractors such as Apex Connection Sdn Bhd and Stanwell Engineering & Hardware Sdn Bhd. Such alternative producers are able to cater to our demands, both in terms of quantity and quality. In addition, we can also source for ready-mixed concrete from our customers who purchase cement from us and other suppliers of ready-mixed concrete in the market.

6. BUSINESS OVERVIEW (Cont'd)

Ready-mixed concrete are produced at concrete batching plants, usually situated outside the construction site to reduce on-site congestion, and delivered to the site using special cement-mixer trucks. It can be produced with consistency in qualities, such as strength, workability and slump, and can be produced in large batches.

Depending on projects, our ready-mixed concrete is designed to suit the specifications of our customers (e.g. strength, water proofing and/or setting times).

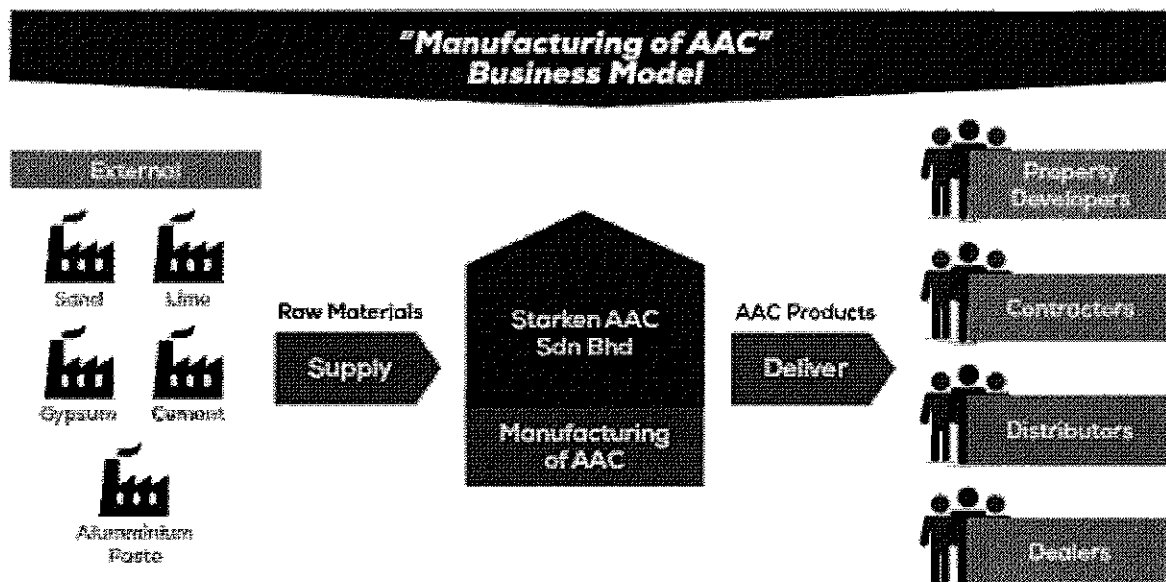


6.1.1.3 Manufacturing AAC and precast concrete products

Starken AAC and G-Cast Concrete are involved in the manufacturing of AAC and precast concrete products, respectively.

AAC products

Our current business model for our manufacturing of AAC products is depicted below:-



AAC products is a type of concrete that is lighter in weight and yet provides better insulation and fire resistance compared to regular concrete. Starken AAC specialises in the manufacturing of AAC products as an alternative to cement bricks, clay bricks and/or masonry concrete blocks.

6. BUSINESS OVERVIEW (Cont'd)

Our AAC products are certified as a green product eco-friendly building material by the Singapore Environment Council and we are currently applying from SIRIM QAS International Sdn Bhd for eco-labelling certification of our AAC products, the approval of which is still pending. Our AAC products are offered as our initiatives to support the Malaysian Government's initiatives to promote the use of green buildings in the country.

Walls built with AAC products do not need to be plastered because they are inherently smoother. Instead of plastering, a layer of skimcoat which is much easier to apply is used, thereby reducing construction costs and time. It is also much lighter than conventional cement or clay bricks thus saving foundation costs by reducing the dead weight of a building.

Unreinforced, it is normally used in non-load bearing applications such as infill walls. AAC can also be reinforced and used for load-bearing applications. At present, Starken AAC only produces reinforced AAC lintels which are used at wall openings such as doors and windows.

The table below shows a price comparison between AAC products and two (2) other commonly used types of bricks, namely clay bricks and cement sand bricks, which are used in the building of one (1) m² of internal wall structure:-

Description	AAC Blocks RM	Claybricks RM	Cement sand bricks RM
Material price per m ²	29	18 to 20 ⁽ⁱ⁾	11 to 13
Labour and installation per m ²⁽ⁱⁱ⁾	10 to 13	10 to 13	10 to 13
Skim coating per m ²	11 to 15	-	-
Plastering per m ²⁽ⁱⁱ⁾	-	30 to 36	30 to 36
Total price per m²	50 to 57	58 to 69	51 to 62

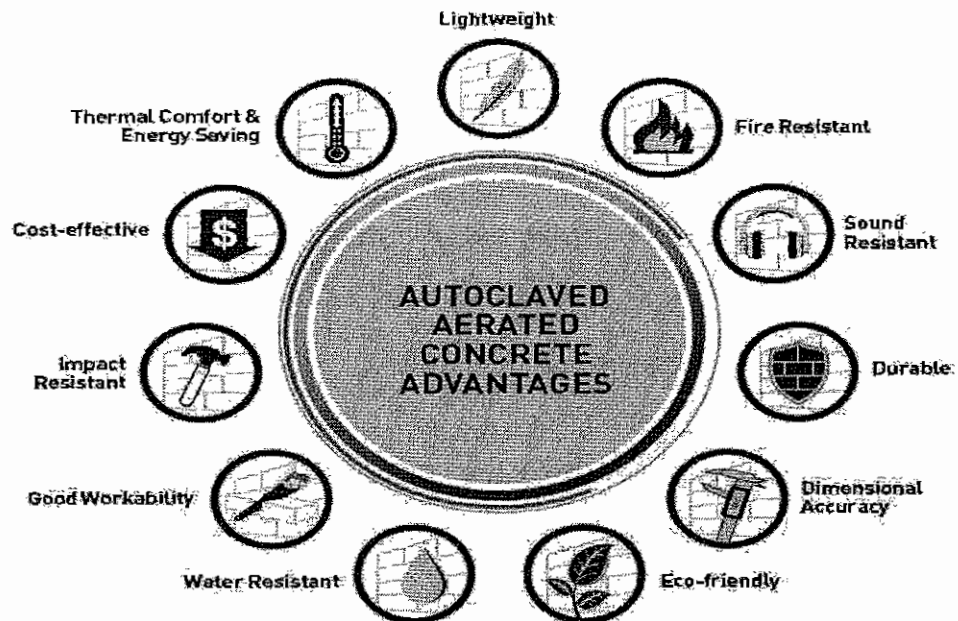
Notes:-

- (i) Assuming the use of ten (10) AAC standard blocks and sixty (60) pieces of clay bricks per m²
- (ii) Price shown varies depending on location and site of project. The assumptions above are based on average prices in Klang Valley.

As shown in the table above, the use of AAC blocks is more cost effective compared to clay bricks and cement sand bricks, mainly due to the savings in plastering costs. Even though AAC blocks are more costly in terms of price per piece compared to claybricks and cement sand bricks, the size of AAC blocks are, on average, approximately six (6) times bigger than clay bricks and cement sand bricks, making it more cost effective on a per square meter basis. Other than its higher costs per piece which is largely offset by other factors (ease of application, lower labour input, lighter weight) and also the need for more careful handling (breaks easier than common bricks), there are no other drawbacks in the utilisation of AAC blocks.

6. BUSINESS OVERVIEW (Cont'd)

Key advantages of AAC products and its descriptions are detailed below:-

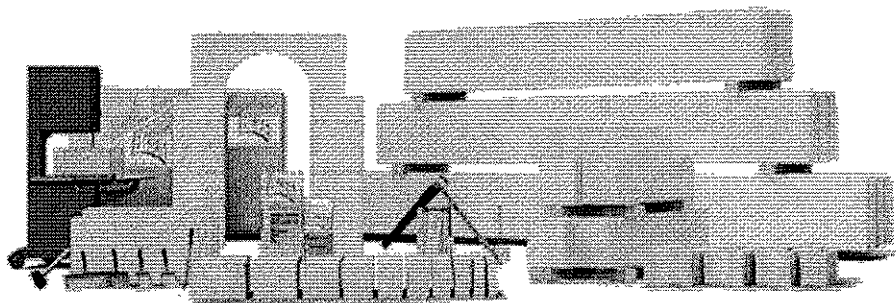


Key Advantages	Description
Lightweight	AAC products weigh approximately one-fifth of the weight of concrete blocks of the same size due to its porosity
Fire resistant	The main materials used to produce AAC products, namely sand, gypsum, lime and cement, creates a product that is inorganic and incombustible and is therefore, suited for fire-rated applications
Sound resistant	AAC products have high sound absorption characteristic due to its porous structure
Durable	The porous structure of AAC products reduces the mass of the AAC products, therefore decreasing the impact that it absorbs, making it particularly durable in the event of earthquakes
Dimensional accuracy	Comes in standard block sizes. Due to its lightweight nature, it can be easily cut, drilled and grooved to fit building designs
Eco-friendly	Made with natural raw materials, AAC products are eco-friendly and does not emit polluting gases during its manufacturing process

6. BUSINESS OVERVIEW (Cont'd)

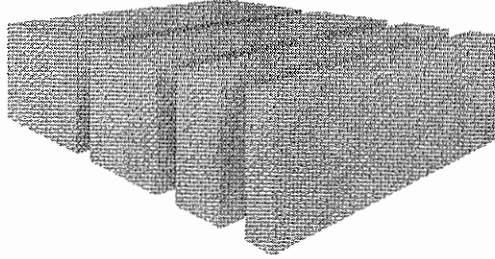
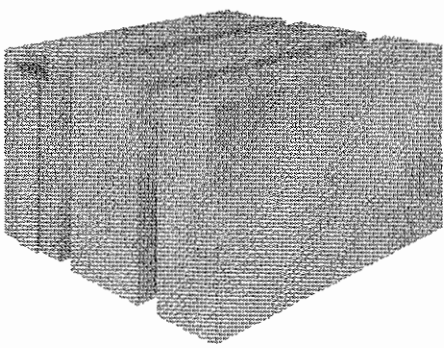
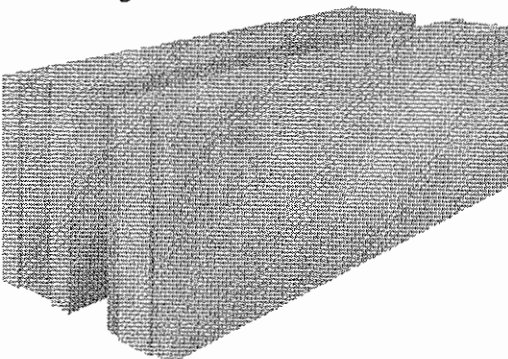

Key Advantages	Description
Water resistant	Contains millions of closed microscopic cells in a standard block due to its porous structure, which strongly resist moisture from seeping through
Good workability	It can be easily sawn, cut, carved, nailed using ordinary hand tools to fit design requirements
Impact resistant	Its design and porous structure enables AAC products to withstand impact loads potentially resulting from rough usage
Cost effective	The larger sizes of AAC products help reduce the number of joints in wall masonry, resulting in faster construction and ultimately, lower costs
Thermal comfort and energy saving	AAC products contain millions of tiny pores that are filled with air, provide excellent thermal insulation, thus reducing heating and air conditioning costs of a building

AAC products are available in various shapes and sizes as illustrated below:-

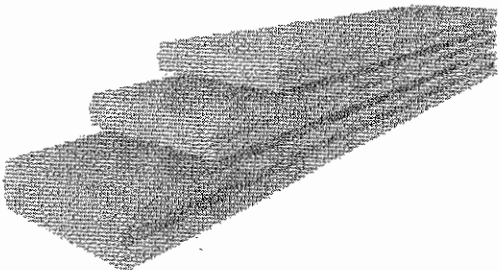
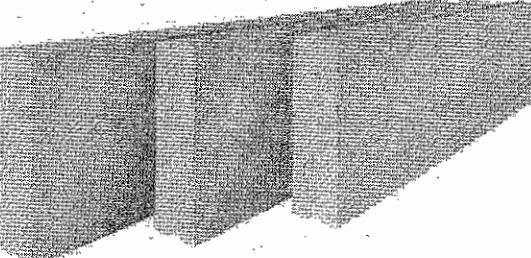


Starken AAC currently only produces blocks, lintels and floor and wall panels which are marketed under our in-house brand, "Starken" and sold to customers in Malaysia, Indonesia, Australia, New Zealand, Hong Kong and Taiwan. Our AAC products, according to types are listed below:-

6. BUSINESS OVERVIEW (Cont'd)

Types	Description
<p>S3 Standard Blocks S5 Standard Blocks</p> 	<p>Available in 600 mm by 200 mm and 625 mm by 200 mm, it can be used as a general internal and external wall, or as party, compartment and separating walls.</p>
<p>S3 Jumbo Block S3 Jumbo Block EZ S5 Jumbo Block S5 Jumbo Block EZ</p> 	<p>Available in sizes of 600 mm by 400 mm, 600 mm by 600 mm, 625 mm by 400 mm and 625 mm by 600 mm, it is used as general internal and external wall, or as party, compartment and separating walls.</p>
<p>Interlocking Block</p> 	<p>Available in sizes 600 mm by 200 mm and 625 mm by 200 mm, interlocking blocks have profiled tongue and interlocking joint system that eases wall construction.</p>
<p>Lintels</p> 	<p>Available in both standard and custom sizes, lintels are reinforced elements similar to panels and are used as support over windows, doorways and other openings in a building.</p>

6. BUSINESS OVERVIEW (Cont'd)

Types	Description
<p>Floor Panels</p> 	<p>Used for residential and non-residential buildings, our floor panels are available in various lengths from 600mm to 6,000mm, with width of 600mm and thickness ranging from 100mm to 200mm.</p>
<p>Wall Panels</p> 	<p>Available in various sizes ranging from 600mm to 6,000mm in length with height of 300mm to 600mm and thickness of 75mm to 200mm. Our wall panels are suitable to be used in residential and non-residential buildings, and are available in various edge profiles such as standard square, chamfered, tongue and groove or combination of these profiles.</p>

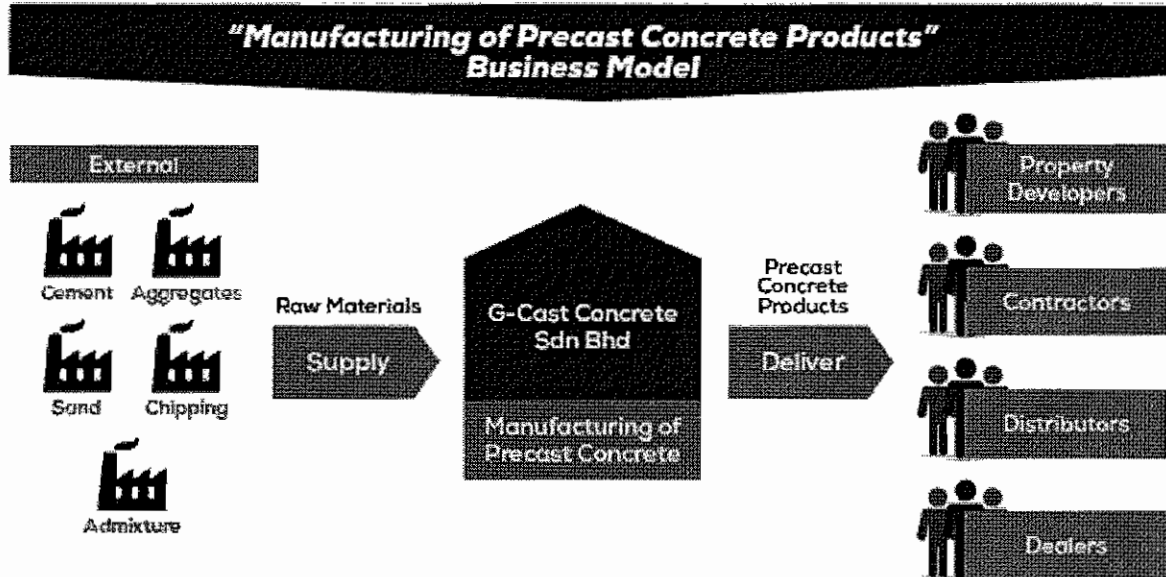
In addition, Starken AAC also sells adhesives, render and skimcoats used for laying and finishing of AAC products under the "Starken" brand.

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6. BUSINESS OVERVIEW (Cont'd)

Precast concrete products

Our current business model for our manufacturing of precast concrete products is depicted below:-



G-Cast Concrete specialises in the manufacturing of various types of precast concrete pipe products, such as pipe culverts, precast jacking pipes, sewerage pipes and precast concrete manholes.

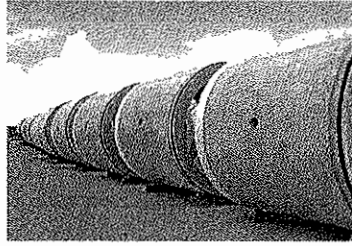
Precast concrete manholes are easier and require less time to install compared to the conventional method of excavating and building up the manhole with bricks and mortar on site. As it comes in modular segments and jointed on site, the depth of the manhole can also be increased by adding additional segments.

Precast jacking pipes are used for installing larger diameter pipes underground (especially under roadways) without open excavation. It facilitates the installation of such pipes by allowing simultaneous excavating or tunnelling at one end of the pipe while hydraulically jacking from the other end. Additional pipes are then inserted and the process is repeated until the required length of pipe is in place. These jacking pipes are specially made using additional reinforcement and thicker concrete to withstand the jacking forces.

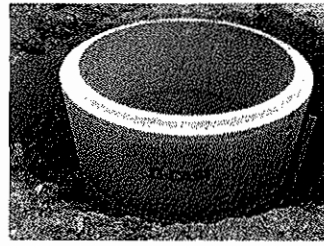
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6. BUSINESS OVERVIEW (Cont'd)

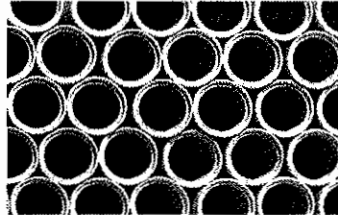
The pictures are examples of our precast concrete products:-



Jacking pipes



Manhole



Rebated joint pipes



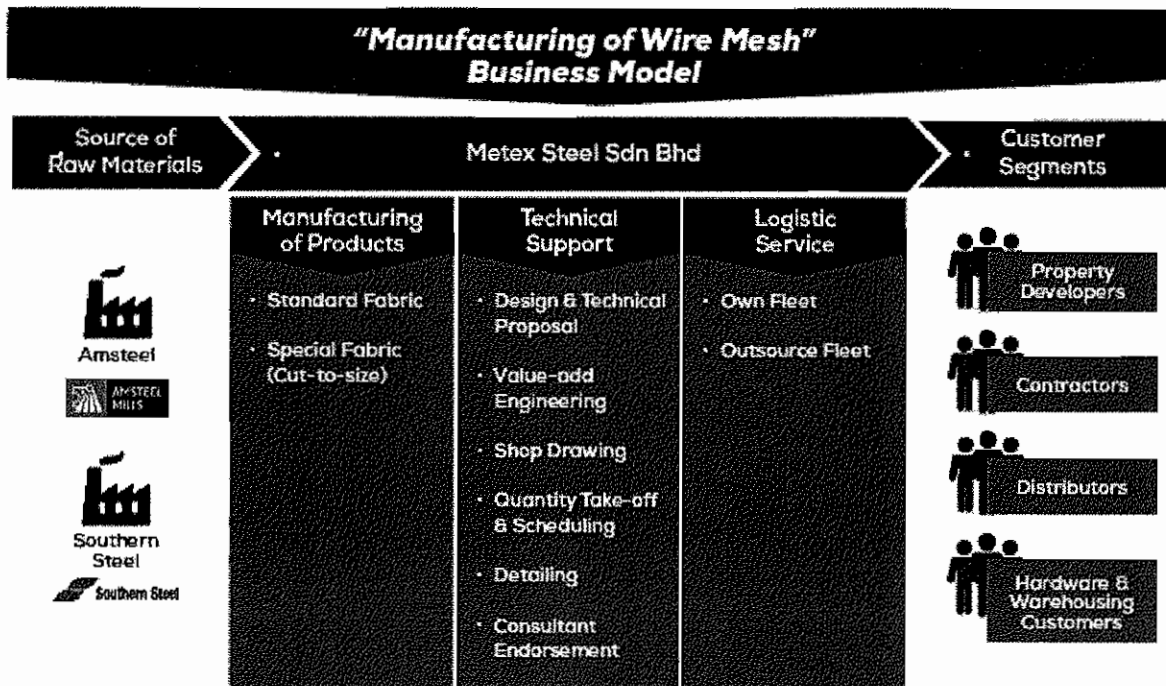
Socket joint pipes

6.1.1.4 Manufacturing of wire mesh and metal roofing systems

Metex Steel and Metal Sphere is primarily engaged in the production of wire mesh and metal roofing systems.

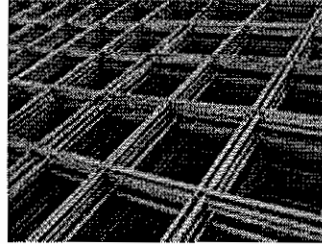
Wire mesh

Our business model for our manufacturing of wire mesh is depicted below:-



6. BUSINESS OVERVIEW (Cont'd)

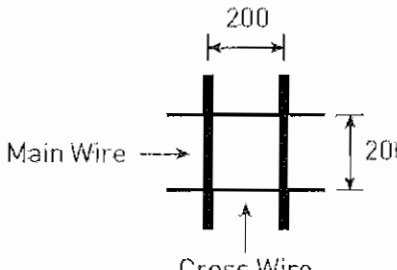
Wire mesh is made up of a series of parallel longitudinal high strength steel wires electrically welded to similar cross wires together in a square or rectangular grid. This mesh is used as reinforcements in concrete structures, especially floor slabs and walls. The spacing and sizes of the steel wires can be selected to suit the loading on the reinforced concrete element it is used for. Picture below shows an example of wire mesh.



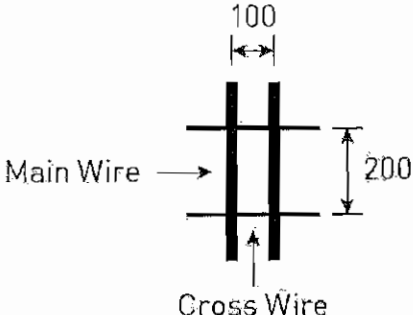
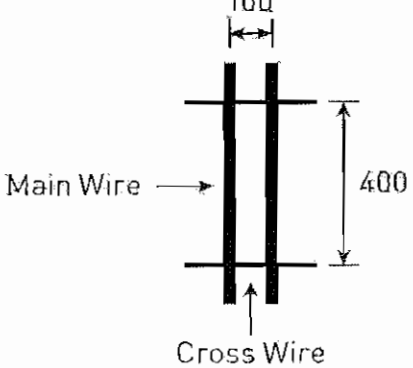
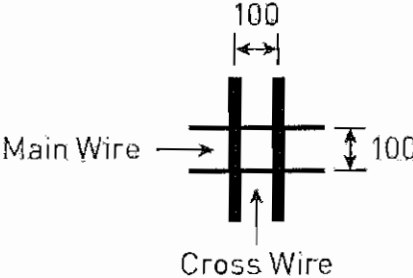
Metex Steel manufactures and supplies two (2) types of wire mesh, namely Metex Standard Fabric and Metex Special Fabric, which are detailed below:-

(a) Metex Steel's standard fabric

Metex Steel produces four (4) types of Standard Fabric welded wire mesh as shown in the table below:-

Types	Shape	Specification
A	Square fabric Mesh "A" Type 	Available in wire spacing of 200 mm (main) by 200 mm (cross), the Type A is available in 10 different sizes and nominal mass strength, according to the wire diameter.
B	Rectangular fabric	Available in wire spacing of 100 mm (main) by 200 mm (cross), the Type B is available in nine (9) different specifications and nominal mass strength, according to the wire diameter

6. BUSINESS OVERVIEW (Cont'd)

Types	Shape	Specification
	Mesh "B" Type	
		
C	Long Fabric	Available in wire spacing of 100 mm (main) by 400 mm (cross), the Type C is available in seven (7) different specifications and nominal mass strength, according to the wire diameter.
	Mesh "C" Type	
		
DA	Small Square Fabric	Available in wire spacing of 100 mm (main) by 100 mm (cross), the type DA is available in nine (9) different sizes and nominal mass strength, according to the wire diameter.
	Mesh "DA" Type	
		

6. BUSINESS OVERVIEW (Cont'd)

(b) Metex Steel's special fabric

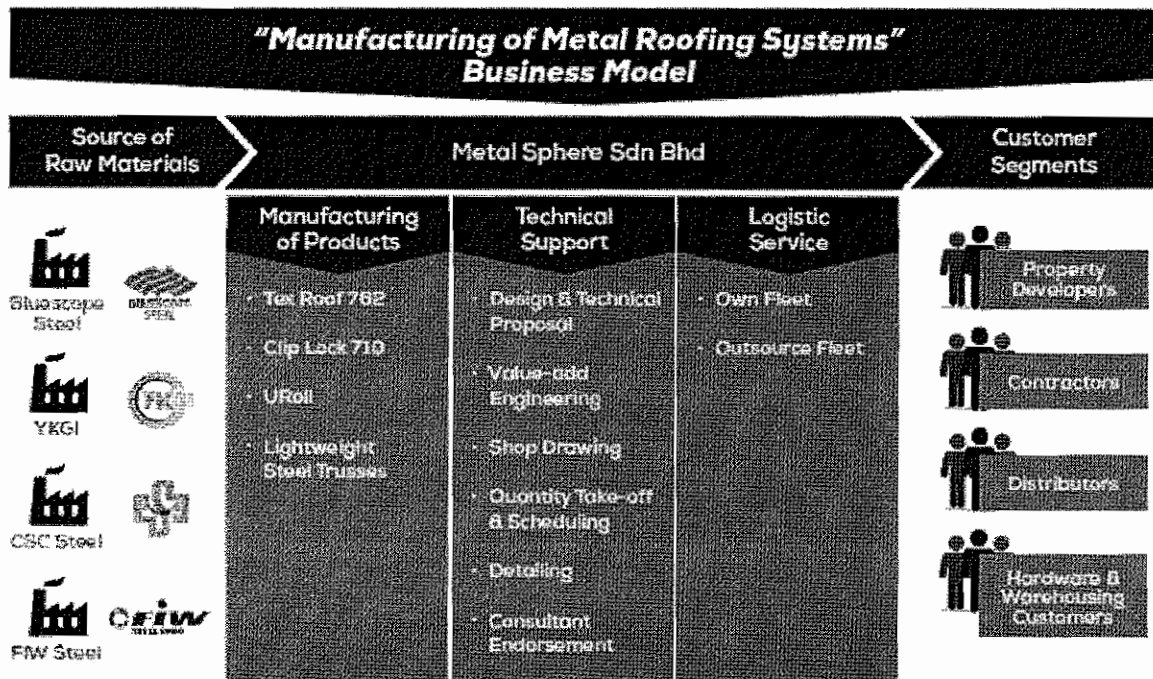
Metex Steel's special fabric refers to a range of mesh fabric, which uses various combinations of wire spacing and diameter for the main and cross wires. Available in three (3) types of fabric (square fabric, rectangular fabric and small square fabric), these special fabrics are made to specific design requirements to avoid over provision of steel.

Both standard and special fabrics are available in either standard sheets (dimension 6.0 metre x 2.2 metre) or cut-to-size (dimensions are tailored to suit the shape and size of the intended concrete structure).

Metex Steel also provides technical advice, site material management, coordination and solution for the site application and installation work.

Metal roofing systems

Our business model for our manufacturing of metal roofing system is depicted below:-



Metal roofing systems are made from cold-formed metal roof sheets supported by lightweight steel trusses. Metal roofs are widely used due to its quality, attractive appearance and ease of installation.

Metal Sphere manufactures both the metal roofs and lightweight galvanised steel trusses used in roofing systems.

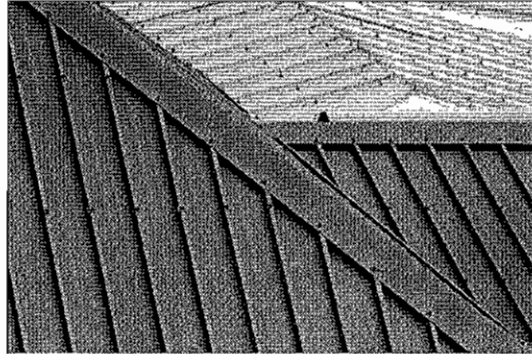
We also undertake supply and installation contracts as part of our value added service to provide technical proposals, design calculation and shop drawings for the installation work at site.

6. BUSINESS OVERVIEW (Cont'd)

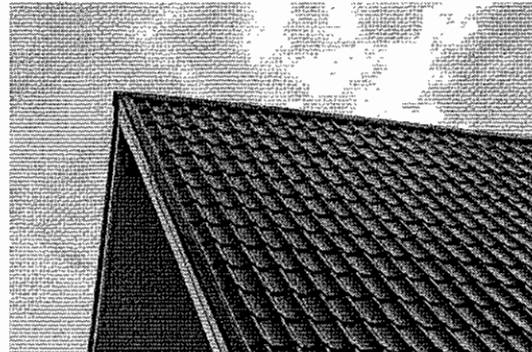
The metal roofs manufactured by Metal Sphere are as follows:-

(a) Metex Tex-Roof

A common type of roof used in metal roofing industries and has five (5) ribs, each with height of 25 mm. It is suitable for residential and commercial building as well as wall hoarding and cladding. An example of Tex-Roof system is shown below.

**(b) Metex Uroll**

Modern roofing system used in various buildings such as condominiums, bungalows, shop offices and school buildings. An example of Uroll roofing system is shown below.



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6. BUSINESS OVERVIEW (Cont'd)**(c) Metex Clip Lock 710**

This is a premium profile roll formed from high tensile steel substrate protected with corrosion inhibitive treatment. Its wide pans and high ribs enable excellent water discharge capacity. This product is suitable for roofs of bigger buildings/ structures, for example exhibition halls, convention centres, warehouses and shop offices.



One of the advantages of Metal Sphere's roofs is the ability to supply extra-long roofing sheets for projects with large roofing area. This is made possible with our mobile on-site rolling equipment which avoids problems and costs of transporting long lengths of roof from factory to site. In addition, rolling on site also means optimum material usage (less wastage) and faster installation.

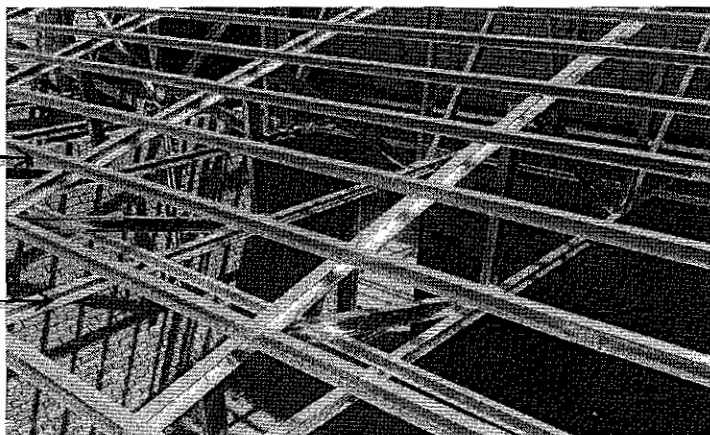
Metal steel trusses and battens are cold-rolled sections manufactured from galvanised steel or galvanised zinc coated cold rolled coils. Roof truss refers to the structural framework designed to bridge the space above a building to provide support for a roof. Roof batten on the other hand, are the horizontal members which form the fixing points for roofing tiles.

Metal Sphere supplies its trusses and battens in various thickness ranging from 0.40 mm to 1.00 mm. Trusses are tailor made in accordance with the configurations and loading on the roof. Picture below shows an example of lightweight metal steel truss.

batten



truss



6. BUSINESS OVERVIEW (Cont'd)

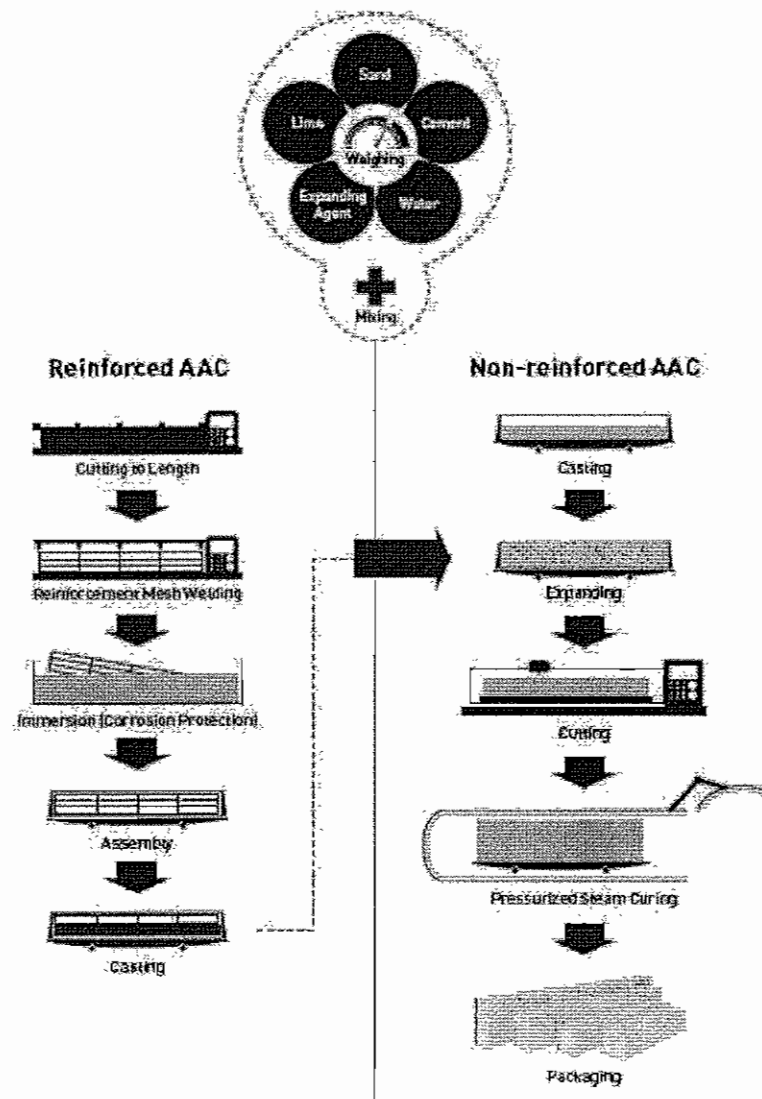
6.1.2 Manufacturing processes

6.1.2.1 Manufacturing of AAC products and precast concrete products

AAC products

AAC products are produced using fine sand, expanding agent (such as aluminium powder), lime, cement and water. Aluminium powder is then added at a prescribed rate (depending on the pre-specified density). After these raw materials are mixed, aluminium powder is added which reacts with the wet mix producing hydrogen. The hydrogen gas foams and doubles the volume of the raw mix by creating gas bubbles. At the end of the foaming process, the hydrogen escapes into the atmosphere and is replaced by air and it is this entrained air that gives AAC products its lightweight (20% of the weight of concrete) and thermal properties.

The manufacturing of AAC products involves four (4) major steps to turn a mixture of cement, lime, sand, expanding agents and water into final AAC products and takes approximately thirteen (13) hours (including twelve (12) hours of curing time), as illustrated in the diagram below.



6. BUSINESS OVERVIEW (Cont'd)

(a) Mixing and batching

Raw materials such as cement, lime, sand and expanding agent (i.e. aluminium powder) are weighed and fed into the main mixer where it will be mixed with predetermined proportion of water. After mixing, the mixture is discharged into oiled moulds.

(b) Pre-curing and cutting

The filled mould is transferred to a pre-curing chamber for the expansion process. In the pre-curing chamber, the mix in the moulds expands (rise like bread dough) through chemical reaction and hardens into a cake. For panel productions, reinforcement mesh is inserted into the mould together with the wet mix. After two to three hours in the pre-curing chamber, the fresh AAC cake is then transferred to the cutting machines to be cut into final precise block dimensions.

(c) Autoclaving/Pressurised steam curing

After cutting, the AAC products are cured in the autoclaves which are maintained at specific temperature and pressure with steam for about twelve (12) hours.

(d) Packaging

Finally, the cured AAC products are shrink-wrapped, palletised and stored prior to delivery to the customers.

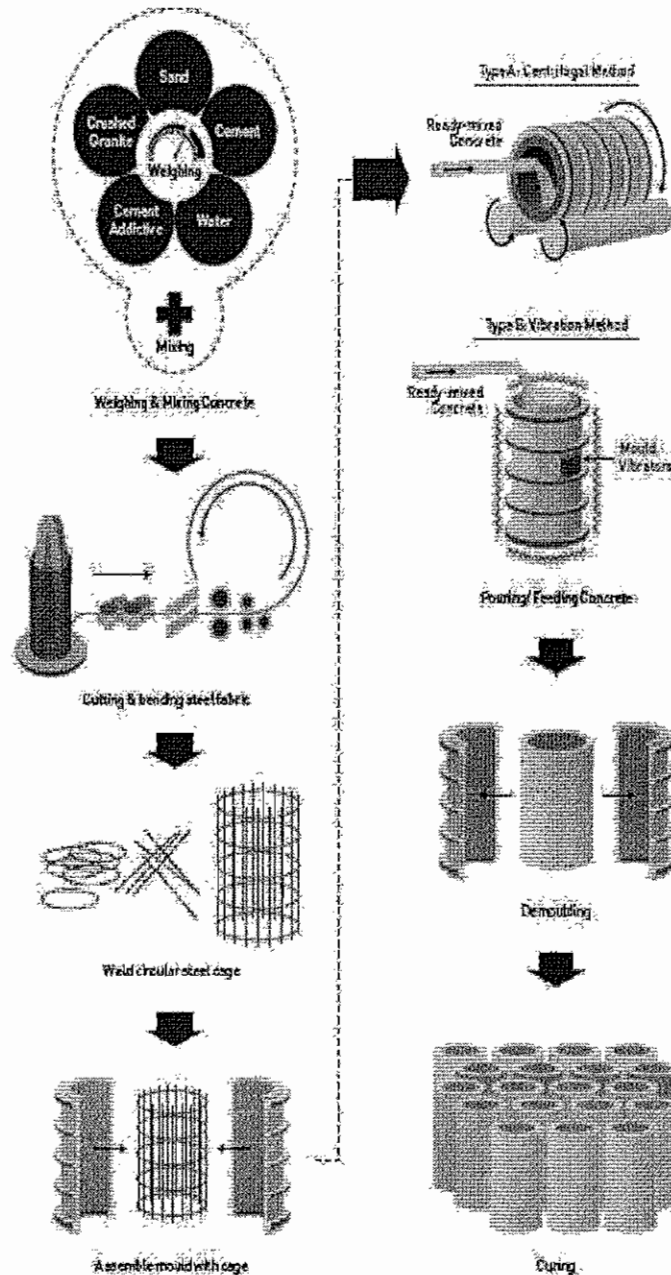
Precast concrete products

G-Cast Concrete's precast concrete products are manufactured using two (2) types of processing methods, namely conventional casting (vibration method) and spinning (centrifugal method).

Both processing method uses the same raw materials and similar production processes, except in the compaction of the wet concrete mixture while in the mould. The whole process takes approximately one (1) hour, from concrete mixing to concrete pouring, as reinforcement cages used in the production are prepared prior to the process. In the conventional casting method, the concrete is compacted by vibrating pokers while in the spinning process; the compacting process is done via centrifugal forces in a spinning machine.

6. BUSINESS OVERVIEW (Cont'd)

The manufacturing process for both types of precast concrete products is illustrated in the diagram below.



Step 1: Concrete weighing/mixing

Cement, sand and aggregates in predetermined proportions are fed into weighing bins and then discharged into the mixer with water to produce ready mix concrete. It is then supplied to the production floor via concrete truck or travelling hopper.

6. BUSINESS OVERVIEW (Cont'd)

Step 2: Reinforcement cage preparation

A reinforcement cage is made up of cut, rolled and bent steel reinforcement bars or welded mesh wires. This cage works together with the concrete and gives the finished product its designed strength while the concrete gives the compression strength. In the manufacturing process, the cage is fitted into the mould for concrete pouring to take place.

Step 3: Concrete pouring/feeding

- (a) Proceeding with Step 1, the ready-mixed concrete is then poured into the mould and the concrete is compacted using immersion vibrating pokers or mould vibrators.
- (b) Proceeding with Step 1, the ready-mixed concrete is similarly poured using the concrete feeder machine into the spinning pipe mould. Compaction of the concrete is through centrifugal forces generated when the mould is spun at high speeds on the spinning machine.

Step 4: Demoulding and curing

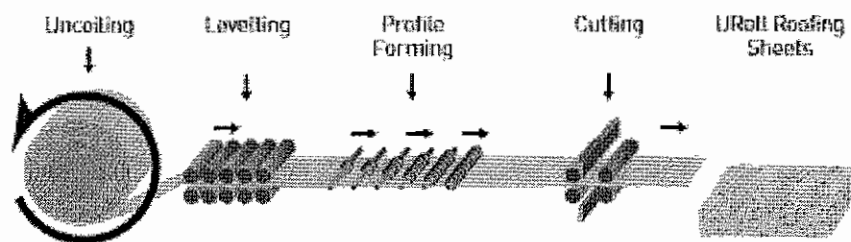
As soon as the concrete product is formed, the initial curing process begins. Before de-moulding takes place, the concrete product is allowed to cure in the mould for at least four (4) hours when adopting the conventional method and one (1) hour when adopting the spinning method. Once de-moulded, the concrete product will be cured for a period of up to seven (7) days. After the product is lifted from the mould, the mould is cleaned, oiled and ready for the next casting.

6.1.2.2 Manufacturing of wire mesh and metal roofing

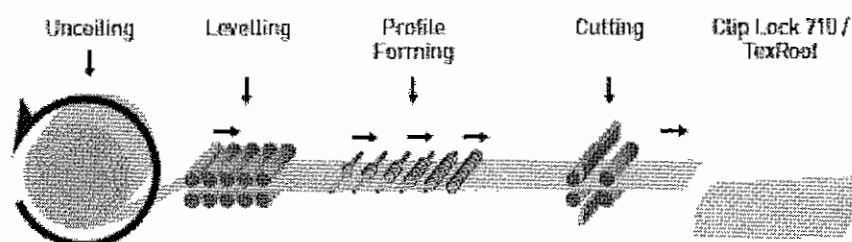
Metal roofing system

The diagram below depicts the entire production flow of metal roofing.

Metal Roof URoll Manufacturing Process



Metal Roof Clip Lock 710 & TexRoof Manufacturing Process



6. BUSINESS OVERVIEW (Cont'd)

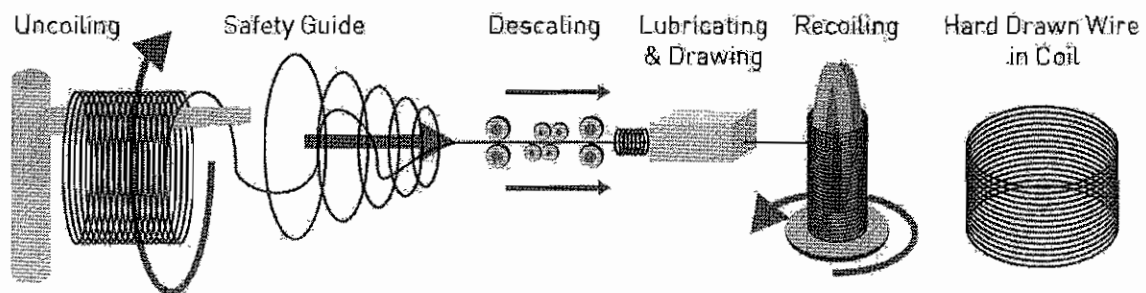
Raw materials used in the production of metal roofs are coloured and non-coloured coils.

Approved raw materials are then stored at the plant's coil bank storage before being processed. The production process takes between one (1) to five (5) working days, depending on the sizes and shapes of the products. During the manufacturing process, metal sheets from the coils are first formed using moulds before going through a bending process. Metal sheets that have been bent are then sheared according to desired sizes. Once sheared, the products are labelled and categorised according to specifications and delivery details. In the storage area, our Group's quality control team will conduct random final inspection on the stored products where the details of the shapes, sizes and shearing are scrutinised. Those products that do not meet the requirements and standards are rejected.

Wire mesh

The diagram below depicts the production flow of our wire mesh products:-

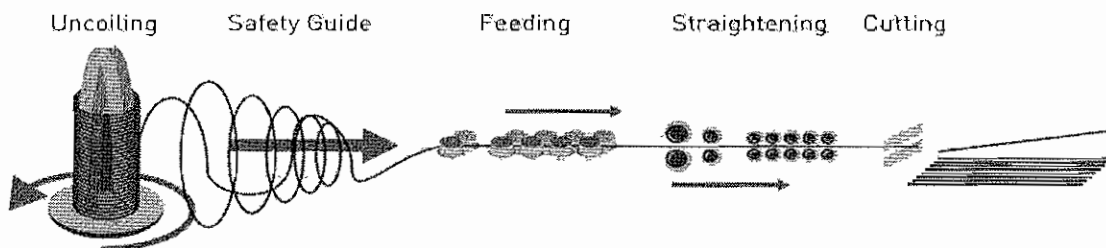
Metex Steel Cold Rolling Process



The first step of the process involves the drawing and cold rolling of metal coils. Semi-finished coils are first uncoiled and then subjected to a descaling process which facilitates the drawing process.

During the rolling process, descaled wire rods are passed through a series of cassette rollers to produce ribbed wires. Ribbed wires are then coiled again into required sizes. The recoiled wires are then tagged with specification of the wires which includes the date of production, diameter as well as weight of the wire. Depending of subsequent production process, the rolled wires may be directly fed to the fully automatic mesh welder machine to be welded or subjected to further straightening and cutting process.

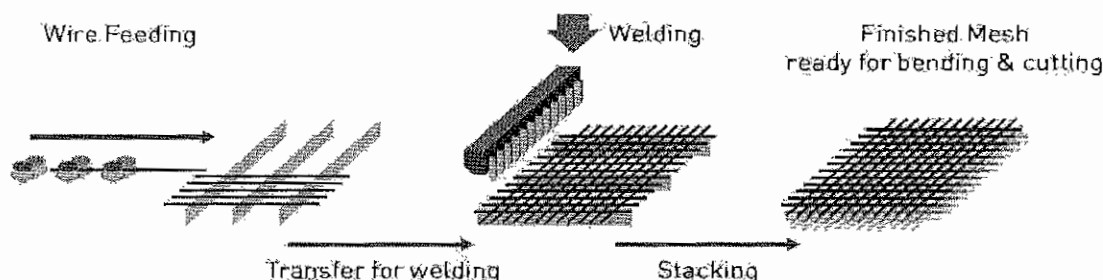
Metex Steel Wire Straightening & Cutting Process



6. BUSINESS OVERVIEW (Cont'd)

In the case of straightening and cutting process, the rolled wires are uncoiled again and fed through a straightening machine consisting of feeder and straightening rollers, which will straighten the wires and cut it according to specific lengths. The intermediate product is called a straightened bar which can be welded into wire mesh. These straightened bars can also be sold as reinforcement bars.

Metex Steel Wire Mesh Welding Process



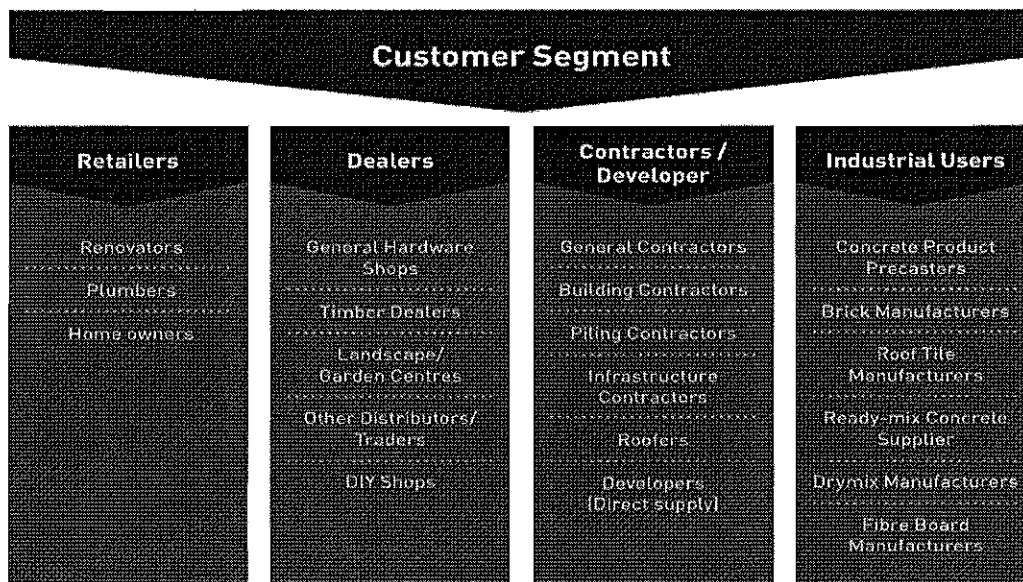
The cut wires from the previous station are then placed into a welding machine to be welded according to their specific sizes (crosses and mains). Once placed, the welding machine takes over and welds intersection points of the wires, in accordance with the pre-determined spacing. When completed, the welded wire mesh will be of standard production sizes and will then be bended and cut into smaller sizes before being stored prior to delivery.

The production time for the above processes depends the type of wire mesh produced. The production cycle for standard fabric normally takes around one (1) to three (3) days, while special fabric takes four (4) to seven (7) days.

6.2 PRINCIPAL MARKETS

The principal market for our building materials is Malaysia. For FPE 2015, 97.3% of our Group's revenue was generated locally while 2.7% was generated overseas. For FYE 2014, FYE 2013, FYE 2012 and FYE 2011, 98.4%, 98.4%, 98.3% and 98.6% of our Group's revenue was generated locally while 1.6%, 1.6%, 1.7% and 1.4% was generated overseas, respectively. Our foreign customers are mainly customers based in Singapore. We also have some customers from Indonesia, Australia, Hong Kong, Taiwan and the Philippines.

Our customers can be categorised into four (4) segments, namely retailers, dealers, projects and industrial users, as illustrated in the diagram below.

6. BUSINESS OVERVIEW (Cont'd)

Our Group currently distributes building materials products to more than 2,300 active customers in Malaysia. Active customers refer to customers who make regular purchases from us.

Generally, there are no sharp seasonal fluctuations as the construction industry operates consistently throughout the year provided there are projects available. As such, our building materials business is not tied to any seasonality factors.

6.3 SALES AND MARKETING STRATEGIES AND DISTRIBUTION NETWORK**6.3.1 Marketing strategies**

Our Group's sales and marketing teams comprise 36 managers which are supported by 60 sales executives as at the LPD. They are led by our business unit heads, each of whom has more than ten (10) years of experience in their respective capacities.

The sales and marketing strategies adopted by our Group include the following:-

(a) Customer loyalty and retention

Our Group values the long and well-established working relationship that we have fostered and established with most of our key customers as they are the main reason for our continuity in the industry. Most of our key customers have been with us for at least five (5) years. Keeping close and frequent touch with them gives us the ability to serve them whenever our services or products are needed, and this drives our sales and marketing strategies. These customers are also the first to be informed whenever there are any new developments in the building materials market, be it fluctuations of prices or supplies. And similarly, whenever we have any new products, they are also the first to be visited by our marketing teams.

6. BUSINESS OVERVIEW (Cont'd)**(b) Creating strong presence**

Since we embarked on the manufacturing of AAC products, we have participated in trade shows and exhibitions both locally and overseas, such as the annual Archidex Exhibition, an international trade show which is held annually showcasing and introducing new products relating to the architecture, design and building industry and foreign trade shows organised by the Malaysia External Trade Development Corporation (MATRADE), to increase our Group's presence and brand name awareness.

We have participated in a foreign trade mission to New Zealand, "Specialised Marketing Mission for Building Materials to Christchurch, New Zealand" which was organised by MATRADE in December 2013 as part of the reconstruction of Christchurch which was greatly affected by the Canterbury earthquake in February 2011. In 2015, we participated in the foreign trade mission to Mauritius, Myanmar and Australia organised by MATRADE.

In addition, we are also working members of industrial associations in Malaysia, as detailed in the table below:-

Company	Association
PP Chin Hin	<ul style="list-style-type: none"> • Building Materials Distributor Association of Malaysia • Master Builders Association of Malaysia
Starken AAC	<ul style="list-style-type: none"> • Building Materials Distributors Association of Malaysia
Metex Steel	<ul style="list-style-type: none"> • Malaysian Iron and Steel Industry Federation • Steel Wire Association of Malaysia
Chin Hin Concrete	<ul style="list-style-type: none"> • National Ready Mix Concrete Association

Participation in the aforementioned associations is an industry norm among our peers and industry players, serving as a platform that gives us an insight in latest market trends and changes in the industry as well as creating networking opportunities.

(c) Broad customer mix

Our Group always ensures a broad customer mix, in terms of size and segment. By diversifying our customer base to consist of customers of various sizes and segments, we are able to reduce the dependency of certain customers. This requires keeping track of our customer mix at all times so that our marketing and sales efforts can be properly planned and executed. Our recent foray into the manufacturing segment has also allowed us to further spread our customer mix to include other distributors as well.

In addition, we have a large customer base of more than 4,000 customers with 2,300 active customers, which is supported by our nationwide network. Active customers refer to customers who make regular purchases from us.

6. BUSINESS OVERVIEW (Cont'd)

(d) Leveraging on common customer base

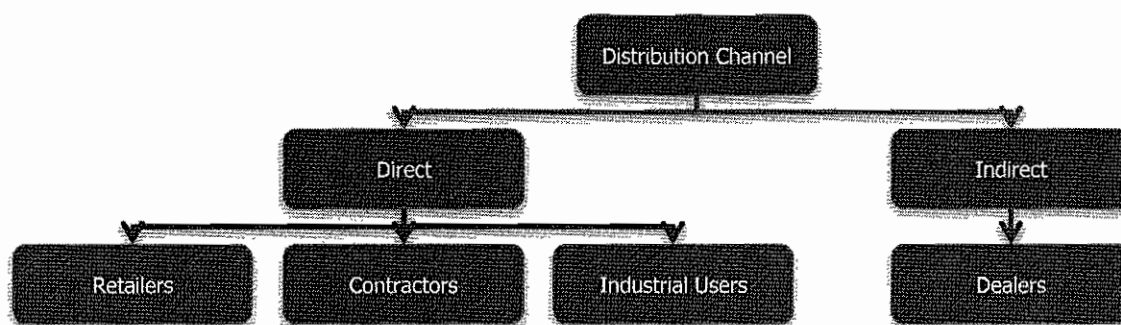
Our customers comprise retailers, dealers, industrial users, developers and contractors mainly involved in the building and construction industries. This customer base is also common for all our business units. Arising from this we are able to cross sell our building material products and increase the revenue per customer.

(e) Well trained and informed sales teams

To ensure our sales personnel possess the required skillsets to perform their tasks, our Group has taken steps to educate and equip them with sufficient knowledge about both trading and in-house products so that they can better serve customers. Training is carried out both in-house and also through educational visits to suppliers' factories for our sales and marketing teams to gain better product knowledge.

6.3.2 Distribution network

The distribution network required for the business units differs depending on the nature of the business. As a result, we adopt a combination of direct and indirect distribution strategy, as depicted in the diagram below:-



(a) Direct distribution channel

We utilise a direct distribution strategy, performed through our sales and marketing team where our products are sold directly to end-users. Our retail segment focuses on walk-in customers who consist mainly of small-scale renovators who purchase small quantities. Our project customers consist of contractors who are involved in the construction of housing projects, high-rise buildings, and infrastructures. We also sell raw material directly to industrial users, who are mainly manufacturers.

(b) Indirect distribution channel

Our indirect distribution strategy involves leveraging our distributors and/or dealers distribution network to reach customers that are not covered by our sales and marketing teams.

Similarly, our foreign sales are achieved via the local distributors of the target countries.

6. BUSINESS OVERVIEW (Cont'd)**6.4 KEY ACHIEVEMENTS AND MILESTONES**

Period	Achievement or Milestones
1995	<ul style="list-style-type: none"> SPPCH began operations as a cement transportation company
1996	<ul style="list-style-type: none"> SPPCH expanded into distribution of building materials
2008	<ul style="list-style-type: none"> Ventured into the ready-mixed concrete segment
2009	<ul style="list-style-type: none"> Centralised nationwide operations in Kuala Lumpur Established market presence in Singapore
2011	<ul style="list-style-type: none"> Achieved RM1.0 billion revenue Commenced construction of Starken AAC, G-Cast Concrete and Metex Steel's factories
2012	<ul style="list-style-type: none"> Metex Steel acquired a factory in Prai, Pulau Pinang to produce metal roofing and HDW Metex Steel commenced operations in Nilai, Negeri Sembilan for manufacturing of wire mesh and metal roofing systems G-Cast Concrete commenced production of precast concrete products in Serendah, Selangor
2013	<ul style="list-style-type: none"> G-Cast Concrete obtained SIRIM Product Certification License and SPAN Certification
2014	<ul style="list-style-type: none"> Commenced operations of Starken AAC factory at Serendah, Selangor

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6. BUSINESS OVERVIEW (Cont'd)**6.5 PRODUCTION AND WAREHOUSING CAPACITY**

The following table lists our Group's production capacity and its utilisation during the financial years under review:-

Company	Products	Number of lines/ Number of machineries	Total production capacity (mt/annum)	Utilisation Rates %				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Starken AAC^(iv)	AAC products	1	375,000 ⁽ⁱⁱ⁾	n/a	n/a	n/a	60	80 ⁽ⁱⁱⁱ⁾
G-Cast Concrete^(v)	Precast concrete products	7	45,000	n/a	17	67	95	100
Metex Steel (Prai)	Straightened bars ⁽ⁱ⁾	8 wire drawing machines	18,000	n/a	n/a	40	50	53
	Metal roofing	5 wire straightening machines	12,000	n/a	n/a	45	50	53
		1 metal roofing machine	400	n/a	n/a	25	45	80
Metex Steel (Nilai)	Wire Mesh	3 wire drawing machines	60,000	n/a	40	50	70	75
	Metal roofing	5 wire straightening machines	31,200	n/a	60	70	70	90
		4 wire welding machines	60,000	n/a	40	50	70	81
		1 metal roofing machine	1,000	n/a	n/a	25	47	49

Notes:-

n/a Not applicable as productions have not commenced at the respective manufacturing facilities.

(i) Straightened bars can be welded into wire mesh and can be sold as reinforcement bars.

(ii) Starken AAC's production capacity is measured in m³. Starken's AAC production commenced in January 2014. The plant's capacity can be increased to 600,000 m³ as there is sufficient space and ancillary services already built in to cater for this expansion.

(iii) The utilisation rate for Starken AAC represents the utilisation for the month of August 2015. Although production commenced in January 2014, production was low in the initial months as Starken AAC just commenced operations. As such, the utilisation rate for August 2015 is more reflective of the actual utilisation rate of Starken AAC's plant.

6. BUSINESS OVERVIEW (Cont'd)

- (iv) As part of our future plans, we plan to install and/or upgrade new machineries onto our existing production facilities in Starken AAC which will result in an increase of our AAC products production capacity from 375,000 m³ to 600,000 m³ per annum. It is estimated that the expansion will cost approximately RM10.0 million and will be financed by the proceeds of the exercise.
- (v) As part of our future plans, we have earmarked RM5.0 million for the expansion of G-Cast Concrete's manufacturing facility. The expansion will include installation of additional equipment and machineries. The expansion of our manufacturing floor space is undertaken to expand our existing manufacturing line pursuant to the purchase of the new plant, equipment and machineries. The estimated cost of expansion will be financed by the proceeds of the exercise.

The following table lists the machinery and equipment that we currently own for our manufacturing activities:-

Starken AAC

No.	Machinery and equipment	Description	Number of machineries	NBV as at 31 August 2015 RM'000
(a)	Factory equipment	Forklift and wheel loader	35	656
(b)	Plant and machinery	Chiller	1	110
		Cement Silo	6	253
		Pre curing mould	31	2,414
		Autoclave	5	11,682
		Cutting line machine	2	6,769
		Packing	1	1,459
		Ball Mill	2	2,313
		Boiler	1	2,567
		Steel structure & piping systems	1	5,310
		Sand, PFA, Anhydrite system	1	746
		Doxing & mixing system	1	2,277
		Electric control system	1	2,124
		Other plant & machinery	-	7,438
		Total	88	46,118

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6. BUSINESS OVERVIEW (Cont'd)**G-Cast Concrete**

No.	Machinery and equipment	Description	Number of machineries	NBV as at 31 August 2015 RM'000
(a)	Factory equipment	Gantry crane, external vibrator, wheel loader, generator, overhead crane, forklift and others	174	1,998
(b)	Plant & machinery	Spinning machinery	6	470
		Caging machinery	1	95
		Batching plant	1	262
		Others	-	123
(c)	Mould	Manholes mould	377	3,031
		Spinning mould	17	95
		Total	576	6,074

Metex Steel (Prai)

No.	Machinery and equipment	Description	Number of machineries	NBV as at 31 August 2015 RM'000
(a)	Straightened bars	Wire drawing machines	6	194
		Wire straightening machines	5	99
(b)	Metal Roofing	Metal roofing machine	1	736
		Total	12	1,029

Metex Steel (Nilai)

No.	Machinery and equipment	Description	Number of machineries	NBV as at 31 August 2015 RM'000
(a)	Wire Mesh	Wire drawing machines	5	3,268
		Wire straightening machines	5	918
		Wire welding machines	4	19,302
(b)	Metal roofing	Metal roofing machine	1	3,239
		Total	15	26,727

6. BUSINESS OVERVIEW (Cont'd)

As at the LPD, Starken AAC has a secured order book with purchase orders amounting to approximately RM37.0 million to be fulfilled within 2016. The orders comprise mainly AAC products which will be used in the construction of condominiums, low-rise residential homes, high-rise commercial buildings as well as shopping complexes.

As at the LPD, G-Cast Concrete has also secured purchase orders for various precast concrete pipe products amounting to approximately RM100.73 million, to be fulfilled by 2018. Metex Steel and Metal Sphere have also secured purchase orders of RM40.0 million for "cut to size" wire mesh products and RM3.90 million for metal roofing system products respectively as at the LPD which are to be fulfilled within 2016.

Our Group operates a number of warehouses under PP Chin Hin located throughout Peninsular Malaysia. The table below details our warehouses located in various states in the Peninsular Malaysia.

No	Company	Owned/ Rented	Warehouse	Purpose	Size (m ²)	Details of owner
1.	PP Chin Hin	Owned	400 & 401 Jalan Perusahaan 5 Taman Bandar Baru Mergong Lebuhraya Sultanah Bahiyah 05150 Alor Setar Kedah	Storage of building materials	1,189	Not applicable
2.	PP Chin Hin	Rented	Lot 1178 Jalan Ampat Tin Batu 4 1/2, Off Jalan Ipoh 51200 Kuala Lumpur	Storage of building materials	556	East & Orient Enterprise Sdn Bhd
3.	PP Chin Hin	Rented	No 27, Jalan Industri 3/4 Taman Perindustrian Temerloh 28400 Mentakab Pahang	Storage of building materials	668	Kong Yen Transport & Trading Sdn Bhd
4.	PP Chin Hin	Rented	Lot 2975 Kawasan Perindustrian Cendering 21080 Kuala Terengganu, Terengganu	Storage of building materials	3,276	JH Agency Sdn Bhd

6. BUSINESS OVERVIEW (Cont'd)

No	Company	Owned/ Rented	Warehouse	Purpose	Size (m ²)	Details of owner
5.	PP Chin Hin	Rented	Lot PT 1493, Kawasan Perniagaan Pengkalan Chepa 11, Seksyen 44 Mukim Panchor Daerah Kemumin 16100 Kota Bharu Kelantan	Storage of building materials	84.5	Laksana Saujana Sdn Bhd (a company where Datuk Chiau Beng Teik and Chiau Haw Choon are the directors and substantial shareholders)

Please refer to Section 5.6.2 for further details on the properties rented by us.

6.6 QUALITY ASSURANCE POLICY

As a distributor of building materials, our Group relies on our suppliers to ensure that their products meet the required quality standards. In addition, we conduct periodical visits to our suppliers' premises/factories to better understand their products and quality standard.

On the other hand, all of our manufacturing units have stringent quality control and assurance programmes to ensure our products are manufactured to the required specifications and standards. Our manufactured products are SIRIM certified for quality assurance. Our AAC products are also fire rated products endorsed by the fire service department of Malaysia and SETSCO Pte Ltd of Singapore, a testing and inspection company accredited by the Singapore Accreditation Council.

In terms of our Group's manufactured products, we provide product warranties of ten (10) years for our AAC products from the date of purchase and metal roofing systems from the date of completion and installation, respectively. Should there be any defects on our AAC products or metal roofing systems, we will exchange / replace it for our customers depending on the customers' requirement. If our customer returns the product to us and does not wish to seek for a replacement, we will issue credit notes to our customers. All returned products will be expensed out in our income statements, where we will record it as sales return and our revenue shall be reduced accordingly. For exchange of defected products, the costs of the defected products will be expensed out in our income statements. We have to date not experienced any claim against our products warranties for our manufacturing segments.

We firmly believe that with the experience and expertise of our Group and by working closely with our manufacturers, suppliers and distributors to ensure that the quality of our range of building material products are met, any defects in these products supplied is minimised.

6. BUSINESS OVERVIEW (Cont'd)

In terms of third party building material products that we sell and distribute, a product warranty is given to our customers provided that warranty is obtained on a back-to-back basis from our suppliers. Such back-to-back arrangement is an industry practice within the distribution of building materials industry. We provide our customers with exchange/return policies (should the products are of inferior quality or do not meet their specifications) that allow them to replace or return the defective or flawed products. We will issue credit notes to our customers for any returned goods. Such returned products will be expensed out in our income statements, where we record it as sales return and our revenue will be reduced accordingly. We will also issue debit notes to our suppliers and charged it to our income statements where our cost of sales will be reduced accordingly. For replacement / exchange of products which are defective, we will also exchange / obtain replacements of such defective products from our suppliers and no book entry is made into the accounting system.

Our Group has recourse to claim (in lieu of replacements / exchanges) from the manufacturers and suppliers of the building material products that we sell and distribute, should there be any defects in their products. To date, we have not experienced any difficulties in claiming the defect products from our suppliers. As such, the impact to our Group arising from any of these warranty claims is minimal.

For the years/period under review, the amount of sales return recorded for our distribution of building materials and ready-mixed concrete segment is as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM'000	RM'000	RM'000	RM'000	RM'000
Sales return	542	764	794	805	883
% of revenue	0.1	0.1	0.1	0.1	0.1

As shown in the table above, the sales return over the years/period under review represents approximately 0.1% of our total revenue for the respective years/period under review.

To date, we have not provided for warranty and sales return claims in our financial statements. We will only make provision for warranty claims and sales return when it is probable that we will be required to settle the warranty claims or sales return and when a reliable estimate can be made of the amount of the warranty claims or sales return.

For our manufacturing segment, we have not experienced any claim against our products warranties and for our distribution of building materials and ready-mixed concrete segment, the sales return experienced is minimal as shown above. Nevertheless, there can be no assurance that there will not be any substantial claims relating to our products in the future which could have a material adverse impact on our financial performance.

6. BUSINESS OVERVIEW (Cont'd)

6.7 TECHNOLOGY USED

The following describes the technology used in our AAC and wire mesh production. Our pre-cast concrete and metal roofing products are produced with conventional methods, utilising moulds, forming and cutting as described in Section 6.1.2 of this Prospectus.

AAC manufacturing

Starken AAC utilises modern manufacturing equipment sourced at a one-off fee from Wehrhahn GmbH, a German company that is principally involved in the design, manufacture and supply of machines for the building materials industry. It offers industrial plants for the production of construction materials, such as autoclaved aerated concrete blocks and panels, fibre cement flat and corrugated boards, calcium silicate boards, and dry mix mortars. Wehrhahn GmbH does not provide warranty for the technology and performance of its manufacturing equipment.

The Wehrhahn plant was chosen specifically for its efficient and highly automated production capabilities with fully computerised controls, which means high volumes, lower costs and consistent quality. In addition, Wehrhahn production systems are modular in design, which allows for additional capacities when the need arises.

The plant's built-in recycling features also allow all rejected materials to be re-processed and used as raw materials with almost zero production wastes from the factory resulting in minimal impact on the environment.

Wire mesh manufacturing

Our wire mesh plant is equipped with Entwicklungs-und Verwertungs-Gesellschaft m.b.H ("EVG") machinery from Austria, which is sourced at a one-off fee. EVG does not provide warranty for the technology and performance of its machinery. The machinery is capable of producing full cut-to-size wire mesh. The produced meshes are easily discharged from the machine and stacked automatically to allow for continuous production without interruption. This process reduces the production time giving added advantage to both Metex Steel and its customers.

To meet increasing demand on quality and from the competitive construction environment, Metex Steel has also installed an integrated enterprise resources planning system to meet customers' quality expectation as well as timely delivery.

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6. BUSINESS OVERVIEW (Cont'd)**6.8 PRODUCT DEVELOPMENT AND ENHANCEMENT**

Our Group's product development and enhancement activities are depicted in the table below:-

Business Units	Product Development and Enhancement Activities
Chin Hin Concrete	The product development activities include the use of alternative sources of raw materials and development of mix designs to suit different needs of our customers' projects.
Starken AAC	Activities are being carried out to identify alternative raw materials which can be used instead of those used at present. In addition, Starken is developing alternative applications for products made with reinforced AAC blocks.
Metex Steel	Product development activities under this segment are divided into the wire mesh development and roofing products. In terms wire mesh development, efforts are focused on a fencing system and engineering mesh such as twin wire mesh, staggered mesh and curtailment mesh. On the roofing front, efforts are being made towards enhancement of high-rib profile, wider sheet and S-curve roofing system. New product ranges will cover new application for the Poly-urethane sheet and multiple-tier comprehensive system form.
G-Cast Concrete	Work to develop a more efficient joint system to connect precast concrete pipes has been completed, and the Industrial Design for it has been registered with the authorities. Submission for it to be patented has been also made and is now pending approval. Marketing of this new product has already begun since the second half of 2015. The new product is a jacking pipe with cast-in anti-slide steel collar that are designed with groove lines that provide improved traction between surfaces to prevent sliding as well as increased rigidity.

6.9 INTERRUPTIONS IN BUSINESS

We have not experienced any interruption to our business, which has had significant effects on our operations for the past twelve (12) months preceding the LPD.

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6. BUSINESS OVERVIEW (Cont'd)**6.10 MAJOR CUSTOMERS**

Our Group is not dependent on any single customer as none of our customers contributed to more than 10% of our total revenue for the financial periods under review. It is an industry norm for the participants of the building materials industry to have a large pool of customer base (Source: IMR Report). Our Group have a large customer base of more than 4,000 customers with 2,300 active customers, hence we do not enter into any supply contracts with our customers and all sales are conducted on purchase order basis. However, for information purposes only, we set below our Group's top ten (10) customers, based on their revenue contributions to each business segment based on FPE 2015 and their level of revenue contribution for the past four (4) FYEs 2011 to 2014 as well as FPE 2015:-

Distribution of building materials and logistics

Rank	Customers	Country of origin	Type of customers	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FPE 2015		Length of relationship Years
				Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	
1.	Samwoh Ready Mix Pte Ltd	Singapore	Industrial users	8,434	0.8	8,854	0.8	13,847	1.1	13,568	1.1	16,287	2.0	6
2.	Bluebros E & C Sdn Bhd	Malaysia	Contractors	-	-	-	-	-	-	-	-	12,086	1.5	1
3.	Emix Industry (M) Sdn Bhd	Malaysia	Industrial users	-	-	-	-	7,822	0.6	13,161	1.1	9,843	1.2	3
4.	Evermix Concrete Sdn Bhd	Malaysia	Industrial users	4,500	0.4	6,712	0.6	12,058	1.0	11,337	0.9	7,580	0.9	10
5.	Durable Mix Sdn Bhd	Malaysia	Industrial users	1,711	0.2	2,363	0.2	8,382	0.7	11,789	1.0	7,257	0.9	10
6.	Excel Ready-Mix Sdn Bhd	Malaysia	Industrial users	7,700	0.8	22,200	2.1	18,750	1.5	13,682	1.1	6,384	0.8	7
7.	S.G. Concrete Products (M) Sdn Bhd	Malaysia	Industrial users	2,944	0.3	3,027	0.3	3,566	0.3	6,880	0.6	5,860	0.7	5
8.	Eka Bina Construction Sdn Bhd	Malaysia	Contractors	1,517	0.2	1,505	0.1	4,458	0.4	1,548	0.1	5,003	0.6	5
9.	Super Sterling Mix (M) Sdn Bhd	Malaysia	Industrial users	8,812	0.9	8,231	0.8	6,829	0.6	7,559	0.6	4,509	0.6	5
10.	Noah Ark Builders Sdn Bhd	Malaysia	Contractors	-	-	-	-	2,851	0.2	7,617	0.6	4,372	0.5	3
Total				35,618	3.5	52,892	5.1	78,563	6.4	87,141	7.1	79,181	9.7	

6. BUSINESS OVERVIEW (Cont'd)**Distribution of ready-mixed concrete business segment**

Rank	Customers	Country of Origin	Type of customers	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	
1.	Protasco Trading Sdn Bhd	Malaysia	Retailers	1,244	0.1	-	-	-	-	8,388	0.7	6,843	0.8	6
2.	Corporate Alpine (M) Sdn Bhd	Malaysia	Contractors	-	-	-	-	-	-	1,436	0.1	6,496	0.8	2
3.	Noah Ark Builders Sdn Bhd	Malaysia	Contractors	-	-	-	-	3,386	0.3	7,749	0.6	4,063	0.5	3
4.	Zubicon Sdn Bhd	Malaysia	Contractors	-	-	-	-	464	neg	420	neg	4,030	0.5	3
5.	Dover Construction Sdn Bhd	Malaysia	Contractors	-	-	-	-	3	neg	3,321	0.3	3,719	0.5	3
6.	SQA Builders Sdn Bhd	Malaysia	Contractors	5	neg	6	neg	4,024	0.3	1,810	0.1	3,614	0.4	5
7.	B & G Concept Engineering Sdn Bhd	Malaysia	Contractors	3,210	0.3	1,969	0.2	3,249	0.3	6,398	0.5	2,790	0.3	5
8.	Borneo Geotechnic Sdn Bhd	Malaysia	Contractors	-	-	-	-	-	-	-	-	2,497	0.3	1
9.	Hunza Trading Sdn Bhd	Malaysia	Retailers	-	-	1,224	0.1	1,453	0.1	1,956	0.2	2,380	0.3	5
10.	Jin Sing Sdn Bhd	Malaysia	Contractors	-	-	-	-	-	-	288	neg	2,380	0.3	2
Total				4,459	0.4	3,199	0.3	12,579	1.0	31,766	2.5	38,812	4.7	

Note:-

neg Negligible

6. BUSINESS OVERVIEW (Cont'd)**Manufacturing of AAC products and precast concrete products business segment**

Rank	Customers	Country of origin	Type of customers	FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	
1.	Eiscon Construction Sdn Bhd	Malaysia	Contractors	24	neg	1,485	0.1	9,257	0.8	6,546	0.8	4
2.	Hume Marketing Sdn Bhd	Malaysia	Industrial users	-	-	-	-	1,716	0.1	4,439	0.5	2
3.	Rockwood Building Materials (S) Pte Ltd	Singapore	Retailers	-	-	-	-	627	0.1	2,747	0.3	2
4.	Lifomax Woodbuild Sdn Bhd	Malaysia	Retailers	-	-	-	-	76	neg	2,258	0.3	2
5.	Ban Hin Electrical & Construction Sdn Bhd	Malaysia	Contractors	-	-	-	-	45	neg	1,599	0.2	2
6.	Gembina Sdn Bhd	Malaysia	Contractors	-	-	-	-	-	-	1,527	0.2	1
7.	Hume Marketing (EM) Sdn Bhd	Malaysia	Retailers	-	-	-	-	136	neg	1,418	0.2	2
8.	Mersing Construction and Engineering Sdn Bhd	Malaysia	Contractors	-	-	142	neg	2,051	0.2	1,344	0.2	3
9.	Renique Sdn Bhd	Malaysia	Retailers	-	-	-	-	177	neg	1,227	0.2	2
10.	Diversified Ace (M) Sdn Bhd	Malaysia	Retailers	-	-	-	-	69	neg	1,124	0.1	2
Total				24	neg	1,627	0.1	14,154	1.2	24,229	3.0	

Note:-

neg Negligible

6. BUSINESS OVERVIEW (Cont'd)**Manufacturing of wire mesh and metal roofing systems business segment**

Rank	Customers	Country of origin	Type of customers	FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship years
				Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	Revenue RM'000	%	
1.	Sunway Marketing Sdn Bhd	Malaysia	Retailers	-	-	1,929	0.2	4,544	0.4	4,629	0.6	3
2.	Bnk Resources Sdn Bhd	Malaysia	Retailers	8	neg	174	neg	2,583	0.2	4,316	0.5	4
3.	S P Setia Marketing Sdn Bhd	Malaysia	Retailers	-	-	-	-	37	neg	2,265	0.3	2
4.	VGM Marketing Sdn Bhd	Malaysia	Retailers	166	neg	1,314	0.1	3,272	0.3	1,888	0.2	4
5.	Kenwealth Trading Sdn Bhd	Malaysia	Retailers	83	neg	2,079	0.2	1,821	0.1	1,288	0.2	4
6.	Eng Meng Metal Sdn Bhd	Malaysia	Retailers	24	neg	339	neg	761	0.1	1,257	0.2	4
7.	Acolia Sdn Bhd	Malaysia	Retailers	-	-	-	-	83	neg	1,250	0.2	2
8.	Tradego Sdn Bhd	Malaysia	Retailers	-	-	-	-	-	-	1,222	0.1	1
9.	Lifomax Woodbuild Sdn Bhd	Malaysia	Retailers	-	-	-	-	225	neg	1,186	0.1	2
10.	Jurihan Sdn Bhd	Malaysia	Retailers	127	neg	1,131	0.1	603	neg	1,172	0.1	4
Total				408	neg	6,966	0.6	13,929	1.1	20,473	2.5	

Note:-

neg

Negligible

6. BUSINESS OVERVIEW (Cont'd)**6.11 MAJOR SUPPLIERS**

Our Group's major suppliers according to our four (4) business segments are as follows: -

Distribution of building materials and logistics

Rank	Suppliers	Country of origin	Type of supplier	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	
1.	Pemasaran Simen Negara Sdn Bhd	Malaysia	Distributor	248,302	26.0	189,371	19.1	148,179	12.9	200,562	17.7	157,771	21.0	21
2.	YTL Cement Marketing Sdn Bhd	Malaysia	Distributor	280,113	29.4	268,963	27.2	316,304	27.5	185,739	16.4	154,145	20.5	11
3.	Hume Cement Sdn Bhd	Malaysia	Manufacturer	-	-	8,003	0.8	88,874	7.7	139,792	12.4	94,606	12.6	3
4.	Amsteel Mills Marketing Sdn Bhd	Malaysia	Distributor	16,211	1.7	49,026	5.0	30,804	2.7	59,555	5.3	50,385	6.7	3
5.	Southern Steel Berhad	Malaysia	Manufacturer	23,576	2.5	34,773	3.5	41,538	3.6	32,414	2.9	23,235	3.1	6
6.	Monier Malaysia Sdn Bhd	Malaysia	Manufacturer	6,293	0.7	10,285	1.0	12,240	1.1	12,425	1.1	8,214	1.1	6
7.	Hume Cemboard Marketing Sdn Bhd	Malaysia	Distributor	3,561	0.4	5,287	0.5	7,442	0.6	10,128	0.9	6,264	0.8	6
8.	Mallex Industrial Products Sdn Bhd	Malaysia	Manufacturer	3,495	0.4	6,070	0.6	5,370	0.5	5,282	0.5	3,204	0.4	6
9.	Hume Roofing Products Sdn Bhd	Malaysia	Manufacturer	988	0.1	1,678	0.2	1,928	0.2	2,645	0.2	1,521	0.2	6
10.	Kin Kee Marketing Sdn Bhd	Malaysia	Distributor	12,811	1.3	47,789	4.8	5,842	0.5	6,843	0.6	1,124	0.1	6
Total				595,350	62.4	621,245	62.8	658,521	57.3	655,385	57.9	500,469	66.7	

6. BUSINESS OVERVIEW (Cont'd)**Distribution of ready-mixed concrete business segment**

Rank	Suppliers	Country of origin	Type of supplier	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	
1.	Negeri Sembilan Cement Industries Sdn Bhd	Malaysia	Distributor	-	-	-	-	-	-	53,124	4.7	47,399	6.3	2
2.	CHL Logistics Sdn Bhd	Malaysia	Trading company	-	-	-	-	1,347	0.1	4,201	0.4	6,456	0.9	3
3.	Prosful Trading Sdn Bhd	Malaysia	Trading company	-	-	3,471	0.4	7,015	0.6	5,716	0.5	4,312	0.6	5
4.	Strucon Engineering Sdn Bhd	Malaysia	Trading company	-	-	3	neg	2,454	0.2	4,562	0.4	1,839	0.2	5
5.	Spring Energy Sdn Bhd	Malaysia	Quarry	-	-	-	-	3,352	0.3	2,220	0.2	1,622	0.2	3
6.	Kenwealth Trading Sdn Bhd	Malaysia	Trading company	-	-	3,962	0.4	2,911	0.3	3,948	0.3	1,485	0.2	4
7.	Sin Huat Hin Logistics Sdn Bhd	Malaysia	Trading company	-	-	3	neg	554	neg	820	0.1	1,401	0.2	5
8.	Kajang Rock Quarry Sdn Bhd	Malaysia	Quarry	1,635	0.2	-	-	2,121	0.2	2,924	0.3	1,361	0.2	5
9.	Impress Logistics Sdn Bhd	Malaysia	Trading company	2,426	0.3	601	0.1	-	-	996	0.1	1,338	0.2	5
10.	Nanyang Enterprise Sdn Bhd	Malaysia	Trading company	4,443	0.5	3,812	0.4	3,587	0.3	3,596	0.3	1,333	0.2	6
Total				8,504	0.9	11,852	1.2	23,341	2.0	82,107	7.3	68,546	9.1	

Note:-

neg Negligible

6. BUSINESS OVERVIEW (Cont'd)**Manufacturing of AAC products and precast concrete products business segment**

Rank	Supplier	Country of origin	Type of supplier	FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	
1.	Negeri Sembilan Cement Industries Sdn Bhd	Malaysia	Distributor	-	-	-	-	4,963	0.4	7,159	1.0	2
2.	LTP Engineering Sdn Bhd	Malaysia	Manufacturer	26	neg	546	neg	3,151	0.3	2,546	0.3	4
3.	NSL Chemicals (M) Sdn Bhd	Malaysia	Manufacturer	4	neg	-	-	1,838	0.2	2,052	0.3	4
4.	EMIX Industry Sdn Bhd	Malaysia	Manufacturer	-	-	-	-	1,074	0.1	1,576	0.2	2
5.	AMS Maju Gemilang Sdn Bhd	Malaysia	Trading company	-	-	-	-	120	neg	1,571	0.2	1
6.	Schlenk Metallic Pigments GmbH	Germany	Manufacturer	-	-	-	-	1,843	0.2	1,482	0.2	2
7.	Chin Hin Gypsum Sdn Bhd	Malaysia	Trading company	-	-	-	-	1,040	0.1	1,001	0.1	2
8.	Sen Heng Trading	Malaysia	Trading company	-	-	8	neg	176	neg	668	0.1	3
9.	Sunway Quarry Industries Sdn Bhd	Malaysia	Quarry	-	-	71	neg	50	neg	579	0.1	3
10.	Teik Joo Chan Sdn Bhd	Malaysia	Trading company	-	-	-	-	518	neg	283	neg	2
Total				30	neg	625	0.1	14,773	1.3	18,917	2.5	

Note:-

neg Negligible

6. BUSINESS OVERVIEW (Cont'd)**Manufacturing of wire mesh and metal roofing systems business segment**

Rank	Supplier	Country of origin	Type of supplier	FYE 2012		FYE 2013		FYE 2014		FYE 2015		Length of relationship Years
				Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	Purchase value RM'000	%	
1.	Brother Steel Limited	Hong Kong	Trading company	-	-	-	-	887	0.1	25,535	3.4	2
2.	FIW Steel Sdn Bhd	Malaysia	Manufacturer	4,355	0.4	2,539	0.2	5,011	0.4	11,967	1.6	4
3.	Yuan Resources Pte Ltd	Singapore	Trading company	4,567	0.5	20,589	1.8	38,393	3.4	10,856	1.4	4
4.	NS Bluescope Malaysia Sdn Bhd	Malaysia	Manufacturer	1,385	0.1	3,400	0.3	5,556	0.5	7,186	1.0	4
5.	Southern Steel Berhad	Malaysia	Manufacturer	-	-	13,997	1.2	3,388	0.3	7,146	1.0	3
6.	Smart TimingSteel Limited	Hong Kong	Trading company	-	-	-	-	-	-	6,845	0.9	1
7.	Amsteel Mills Marketing Sdn Bhd	Malaysia	Distributor	20,354	2.1	128,625	11.2	22,179	2.0	3,150	0.4	4
8.	Stemcor (S.E.A) Pte Ltd	Singapore	Trading company	-	-	1,713	0.1	4,482	0.4	1,958	0.3	3
9.	NS Steel & Metal Sdn Bhd	Malaysia	Manufacturer	760	0.1	3,550	0.3	806	0.1	862	0.1	4
10.	NJ Ferrum Sdn Bhd	Malaysia	Manufacturer	-	-	-	-	698	0.1	728	0.1	2
Total				31,421	3.2	174,413	15.2	81,400	7.2	76,233	10.2	

All our purchases with our suppliers are on purchase order basis and we do not enter into any purchase contracts with our suppliers. Prior to 2012, our top two (2) suppliers of cement are YTL Cement Marketing Sdn Bhd and Pemasaran Simen Negara Sdn Bhd which accounted for approximately 55.4% of our total cost of sales for the FYE 2011. As such we were dependent on these two (2) suppliers for our cement. However, we have taken steps to reduce this dependency from FYE 2012 onwards by also sourcing our cement from Hume Cement Sdn Bhd.

Our Group usually make purchases from our approved list of local suppliers with whom we had long-term business relationships leveraging on their consistency and reliability in the supply of various types of building materials. We recognise the importance of not only relying on any one supplier and will continue to maintain our policy of having multiple sources to diversify our supplier base. Other than our cement suppliers, we are not dependent on any other major suppliers for our other products and raw materials.

6. BUSINESS OVERVIEW (Cont'd)**6.12 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS**

The major types of raw materials for our manufacturing of AAC and precast concrete products are cement, sand, aggregate, steel reinforcement which are all sourced locally and are widely available. The prices of these raw materials have been generally stable for the financial years/periods under review. Meanwhile, the major types of raw material for our manufacturing of wire mesh and metal roofing systems are wire rods and steel coils. While the steel coils are sourced locally entirely, the wire rods are partially sourced from overseas suppliers i.e. China. Both raw materials are widely available. For the financial years/periods under review the prices of these raw materials have not been volatile with price fluctuations not exceeding 10.0%. Our distribution business (i.e. distribution of building materials and logistics and distribution of ready-mixed concrete) do not purchase raw materials as it is involved in the trading and distribution of finished goods.

The table below shows the major types of raw materials purchased by our Group for our manufacturing segments (ie manufacturing of AAC and precast products and manufacturing of wire mesh and metal roofing) for the financial years / periods under review:-

Activities	Major raw materials purchased	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of AAC and precast concrete product											
- AAC product	Sand, cement, gypsum, lime and aluminium powder	-	-	-	-	-	-	20,456	50.1	16,518	33.8
- precast concrete	Cement, sand, coarse aggregates and steel reinforcement bar	-	-	358	52.8	5,227	54.3	6,904	16.8	7,311	14.9
Manufacturing of wire mesh and metal roofing systems											
- Wire mesh	Wire rods	-	-	6,086	69.1	49,908	69.2	73,935	68.3	63,235	71.8
- Metal roofing	Metal coils	-	-	545	6.2	13,763	19.1	21,969	20.3	13,954	15.8

6. BUSINESS OVERVIEW (*Cont'd*)

6.13 OUTLOOK OF THE BUILDING MATERIALS MARKET IN MALAYSIA

The analysis of the building materials market in Malaysia including the market dynamism, competitive analysis, barriers to entry and outlook is set out in Section 7 of this Prospectus.

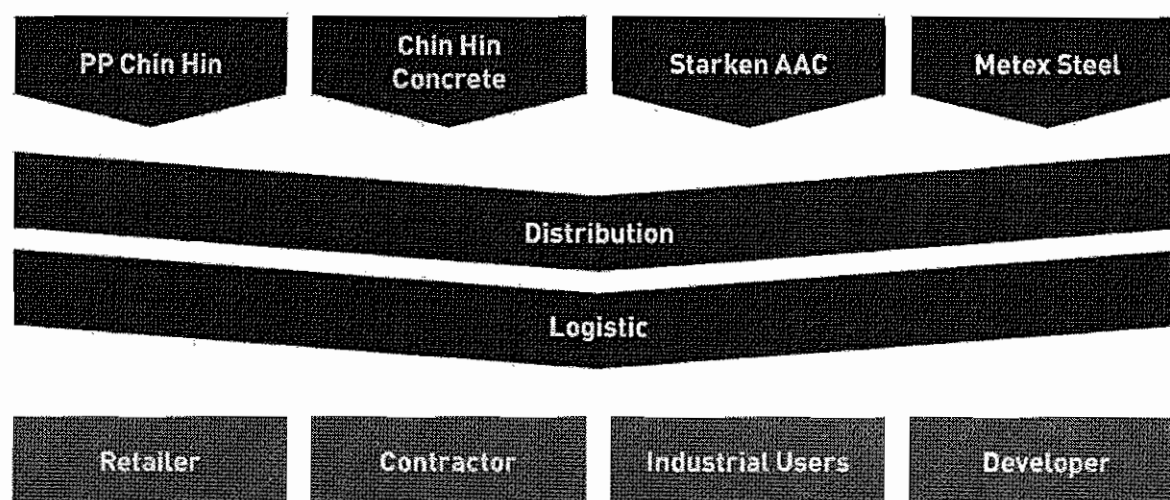
6.14 COMPETITIVE STRENGTHS

6.14.1 Integrated building materials provider

One of the competitive strengths of our Group lies in the integrated nature of our businesses as we manufacture, distribute and deliver a wide range of building materials for the building industry.

We are an integrated building materials provider with the ability to supply a comprehensive range of building materials. Building materials manufactured by us include AAC and precast concrete products, as well as wire mesh and metal roofing systems. As for our distribution business, we rely on external manufacturers supplying the entire range of products needed by our customers.

All our products are distributed throughout our distribution channel located in various locations in Peninsular Malaysia and to various categories of customers. The diagram below shows the distribution of our products from our respective subsidiaries to the different categories of customers.



Together with our in-house manufactured products and other products which we source from third-party suppliers, we are now able to supply the majority of products required by the building industry, servicing our customers the majority of whom are retailers, contractors, industrial users and developers. Distribution activities of our products are supported by our strategically located warehouses and/or offices throughout Peninsular Malaysia to service and cater to the needs of our customers.

6. BUSINESS OVERVIEW (Cont'd)

Our logistics services business segment is involved in transporting bulk and bag cement for local cement manufacturers (e.g. YTL Cement Bhd and Permasaran Simen Negara Sdn Bhd) to their customers throughout the country. Bulk cement is transported by specialised cement tankers that are owned and operated by external parties, whereas bag cement is transported by normal road trucks which are also owned and operated by external parties.

6.14.2 Nationwide offices and warehouses

Our Group has ten (10) branch offices located in cities and major towns of every state in Peninsular Malaysia except Perlis. In addition, we have five (5) warehouses located in Kuala Lumpur, Terengganu, Kelantan, Kedah and Pahang. This network of branches brings us close to our customers - allowing us to supply and service them efficiently. This wide network has also enabled us to build up a 4,000 strong customer base, half of which are active.

Our strategically located and well-stocked warehouses are also equipped with our own fleet of lorries, enabling us to serve our customers quickly. These warehouses can also break up large consignments of goods delivered by the factories into smaller loads which are then sold to those customers that need them in smaller quantities.

The location of our branches are set out below, please refer to Section 6.5 of this Prospectus for the location of our warehouses.

No.	Branch Offices	Address
1.	Kuala Lumpur	No A-1-9, Pusat Perdagangan Kuchai No 2, Jalan 1/127 Off Jalan Kuchai Lama 58200 Kuala Lumpur
2.	Johor Bahru	Sutera Utama Biz Centre No 90A, Jalan Sutera Tanjung 8/4 Taman Sutera Utama, 81300 Skudai, Johor Bahru Johor
3.	Muar	No 16, 1st Floor Jalan Perdana 12 Taman Junid Perdana 84000 Muar Johor
4.	Melaka	No 88-1, Jalan PPM4 Plaza Pandan Malim Business Park Balai Panjang 75250 Melaka
5.	Pulau Pinang	No 468, Jalan Raja Uda Pusat Perniagaan Raja Uda 12300 Butterworth Pulau Pinang

6. BUSINESS OVERVIEW (Cont'd)

No.	Branch Offices	Address
6.	Ipoh	GA-C-10C 3rd Floor, No. 10C Persiaran Greentown 4 Greentown Business Centre 30450 Ipoh Perak
7.	Kuantan	A-249, 2nd Floor Jalan Air Putih 25300 Kuantan Pahang
8.	Kota Bharu	Lot PT 1493, Kawasan Perniagaan Pengkalan Chepa 11, Seksyen 44 Mukim Panchor, Daerah Kemumin 16100 Kota Bharu Kelantan
9.	Kuala Terengganu	Lot 2975, Kawasan Perindustrian Cendering 21080 Kuala Terengganu Terengganu
10.	Alor Setar	400 & 401, Jalan Perusahaan 5 Taman Bandar Baru Mergong Lebuhraya Sultanah Bahiyah 05150 Alor Setar Kedah

6.14.3 Established market reputation and broad customer base

Over the past twenty (20) years since its inception, our Group has established a reputation as a major distributor of building materials in Malaysia. This is evident as our customer base is 4,000 strong with 2,300 active customers. Active customers refer to customers who make regular purchases from us.

This market reputation and large customer base has resulted in better purchasing terms from our suppliers compared to smaller players and has together with long established track record enabled us to benefit from business referrals from our satisfied customers.

6.14.4 Strong and experienced management

Our Group's past success and future growth have been and will continue to be influenced by the leadership of our team of experienced directors and key management.

Our founder and Deputy Group Executive Chairman, Datuk Chiau Beng Teik has forty (40) years of accumulated experience in the building materials industry. He plays an instrumental role in steering our Group's growth strategies and business directions and amongst his contributions was the rapid expansion of our Group's business from a single outlet in Alor Setar to multiple branches throughout Peninsular Malaysia.

6. BUSINESS OVERVIEW (*Cont'd*)

Our Group has also benefited from the combined leadership and experience of our senior management such as Chiau Haw Choon (Group Managing Director) and Lee Hai Peng (Executive Director cum Chief Financial Officer) supported by the respective business unit heads namely Lok Boon Cheng (Metex Steel), Ng Wai Luen (Starken AAC and G-Cast Concrete), Tan Cheak Joo (PP Chin Hin) and Tan Ming Hong (Chin Hin Concrete) who bring with them their experience and also network of business contacts built throughout their years in the industry.

Our heads of business units are in turn supported by experienced managers and other technical personnel to ensure the smooth running of their respective operations.

6.14.5 Production efficiency and quality products

Since the beginning of our venture into the manufacturing business, our management has adopted a strategy to produce quality products in an efficient manner. With this our management committed itself by selecting only technically advanced plants and equipment for our AAC products and wire mesh factories.

This is most evident in Starken AAC's plant, which uses one of the latest machineries and technologies supplied by Wehrhahn GmbH of Germany, which was chosen specifically for its efficient and highly automated production capabilities which require far less labour input.

Metex Steel on the other hand invested in EVG wire mesh machineries and equipment from Austria. EVG wire mesh machineries are fully automated and flexible, using latest technologies which mitigate potential hazards on the work floor without sacrificing efficiencies and quality end products.

6.15 FUTURE PLANS

6.15.1 Penetration into foreign markets and widening of customer base

Our management intends to expand our foreign markets especially those in the Asia Pacific regions. The management of our Group believes that the Asia Pacific markets present vast potential for our own products such as wire mesh and AAC products. Both products are ideally suited to developed countries where labour-saving materials are used extensively.

This strategy to export our products overseas is expected to broaden our customer base geographically as well as ensure business sustainability by reducing our dependence on the local market. This will involve marketing and promotion of our in-house products overseas and we have allocated a total of RM2.08 million from our IPO proceeds for such marketing, promotion and branding activities. Any short fall will be funded via our internally generated funds.

As at LPD, Starken AAC has secured repeated purchase orders for its AAC products from interested customers in Taiwan, Australia, Hong Kong, Singapore, Philippines and Indonesia.

6. BUSINESS OVERVIEW (*Cont'd*)

6.15.2 Expansion of G-Cast Concrete's new manufacturing plant and Starken AAC's production facilities

As part of our efforts to grow the manufacturing segment of our business, we intend to expand G-Cast Concrete's current manufacturing facility. The expansion will increase the number of spinning and caging machines used in production as well as the addition of a new concrete batching plant to supplement the existing one at the factory. With the expansion, it is expected that G-Cast's production capacity will increase from 45,000 mt per annum to 67,500 mt per annum.

Upon completion, the manufacturing floor space shall be expanded from 2,160 m² to 3,660 m². With the increase in production capacity, we will be able to cater to the anticipated increase in sales and order book of building materials by our customers. Expansion has commenced in January 2016 and is estimated to complete by December 2016.

In addition, we also plan to increase Starken AAC's production capacity from the current 375,000 m³ to 600,000 m³ of AAC products annually. For this purpose, our Group intends to utilise RM10.0 million from the IPO proceeds to purchase additional plant, equipment and machineries, such as chiller, slurry tank, cement silo, autoclave, cutting machines as well as additional moulds. The expansion is expected to begin in the first half of 2016 and expected to be completed by end of 2016.

With the increase in Starken AAC's production capacity, we will be able to cater to the anticipated increase in sales and order book of AAC products by our customers. Starken AAC currently has also secured order book with purchase orders amounting to approximately RM32.55 million which needs to be fulfilled within 2016. The orders comprise mainly AAC products which will be used in the construction of condominiums, low-rise residential homes, high-rise commercial buildings as well as shopping complexes.

The expansion of G-Cast's Concrete's manufacturing plant and Starken AAC's production facilities will be financed with proceeds from the IPO. Further details on the expansion of G-Cast Concrete's manufacturing plant and Starken AAC's production facilities as well as the breakdown the estimated costs are available in Section 3.10 of this Prospectus.

6.15.3 Widening and expansion of product range

Our Group plans to widen our range of products, especially our Group's in-house manufactured products.

We plan to expand our present range of wire mesh with a focus on fencing systems and engineering mesh such as twin wire mesh, staggered mesh and curtailment mesh. Similarly we aim to develop more AAC products which will include slabs as well as other precast structural elements such as walls, beams and columns/staircases. G-Cast Concrete, on the other hand, will focus on the industrialised building system precast products and jacking pipe with cast-in anti-slide steel collar that prevents sliding and increased rigidity. Chin Hin Concrete is also exploring the possibilities of using alternative types of raw materials and development of mix designs to suit different needs of our customers. We are unable to determine the total costs involved for these product developments as product development and enhancement are ongoing processes for our Group. Such product development and enhancement costs are funded through internally generated funds and/or bank borrowings. Please refer to Section 6.8 of this Prospectus for further details on our Group's product development and enhancement activities.

6. BUSINESS OVERVIEW (*Cont'd*)**6.16 PROSPECTS OF OUR GROUP**

Our Group's prospect remains positive, in tandem with the construction industry. According to the IMR report, the construction industry grew by 11.8% to RM43.2 billion in 2014 from RM38.7 billion in 2013. In 2015, the construction industry in Malaysia is estimated to expand by 8.8%.

The outlook for building materials industry in tandem with the construction industry remains positive for the immediate term, and steady growth is projected throughout the period of 2014 to 2019. According to the IMR report, the construction industry in Malaysia was valued at RM43.2 billion in 2014. In 2015, the construction industry is estimated to grow by 8.8% to RM47.0 billion.

Moving forward, the construction industry is expected to continue growing and is estimated to reach RM64.9 billion in 2019 – representing a CAGR of 8.5% from the period of 2014 to 2019. The forecast expansion in the construction industry will underpin growth in demand for building materials and this augurs well for the overall development of the building materials industry. Factors priming growth in the building materials industry in tandem with the expansion seen for construction industry are likely to come from the government-led initiatives and spending, a growing economy to sustain spending and investment in properties, and steady population growth.

(Source: IMR Report)

Following the awareness promoted after the initiatives by Greenbuildingindex Sdn Bhd and incentives for Green Building Index certified projects for the 2009 to 2014 period, the construction industry may anticipate greater adoption of green building practices moving forward. The proliferation in green building design and construction along with the expected rise in usage of green building materials are expected to drive the building materials industry.

Moving forward, we have in place a series of business plans that are focused in expanding our presence and market share both in the domestic and regional markets, expanding our range of building material products range that can be offered to our customers as well as expanding G-Cast Concrete's new manufacturing plant and Starken AAC's production facilities. These future plans will help us to sustain our business and provide growth opportunities for our Group.

Our future plans set out in Section 6.15 above are expected to be implemented within two (2) years from the date of our Listing.

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7. EXECUTIVE SUMMARY OF THE IMR REPORT

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Protégé
ASSOCIATES

PROPERTY FINANCE MARKETS

The Board of Directors
Chin Hin Group Berhad
No. A-1-9, Pusat Perdagangan Kuchai,
No. 2, Jalan 1/127, Off Jalan Kuchai Lama,
58200 Kuala Lumpur.

03 FEB 2016

Dear Sirs,

Executive Summary of the Strategic Analysis of the Building Materials Industry in Malaysia

This Executive Summary of the 'Strategic Analysis of the Building Materials Industry in Malaysia' is prepared by Protégé Associates Sdn. Bhd. ("Protégé Associates") for inclusion in the Prospectus of Chin Hin Group Berhad ("Chin Hin" or "the Company") in relation to the proposed listing of and quotation for the entire issued and paid-up share capital of Chin Hin on the Main Market of Bursa Malaysia Securities Berhad.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

1 MALAYSIA ECONOMIC OVERVIEW

The Malaysian economy registered a strong finish in 2014. It expanded at a faster pace of 6.0 percent in 2014 on the back of continued expansion in domestic demand and an improvement in external trade performance.

In the third quarter of 2015, the Malaysian economy registered a growth of 4.7 percent on the back of continued growth in domestic demand driven by private sector expenditure. The improvement in public spending and the turnaround in the net exports had also supported growth in the Malaysian economy.

The construction and manufacturing sectors managed to grow at a faster pace of 9.9 percent and 4.8 percent respectively in the third quarter ("Q3") of 2015 as compared to their performance in the second quarter of 2015. The former was boosted by faster expansion in the civil engineering and specialised construction activities sub-sectors while the latter was driven by an improvement in the export-oriented industries.

The other three sectors recorded a slower growth in the third quarter of 2015. The lower growth registered in the mining and quarrying sector as well as the agriculture, forestry and fishery sector was due to a moderation in crude oil and palm oil production respectively. Meanwhile, a slower capital market activity and a moderation in household spending have led to a slower expansion in the services sector.

The Malaysian economy is expected to grow by between 4.5 to 5.5 percent and by between 4.0 to 5.0 percent in 2015 and 2016 respectively. The services sector is expected to remain the largest contributor to the economy by accounting for more than half of Malaysia's real GDP in 2015 and 2016. In terms of pace of growth, the construction sector is expected to register the fastest pace among all the key economic sectors in 2015 and 2016.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

2 INTRODUCTION

This report will begin with an introduction on the construction and building materials, followed by a comprehensive overview of the building materials market, including trends and insights pertaining to demands for building materials specifically from the construction industry.

2.1 DEFINITIONS

Construction

Construction refers to the conversion of raw materials through the use of labour into various forms of buildings and infrastructures. Construction is not limited to buildings alone, but also includes bridges, dams, roads, canals, et cetera ("etc").

Building Materials

Building materials, also known as construction materials or construction-related materials, refer to any material used for the purpose of construction. This could include natural substances such as sand, wood, rocks, etc. or manufactured building materials such as concrete, metal, cement, glass, etc. which are used in various applications for construction purposes. In addition, finishing or architectural products which include ready-made items/sections made from different materials that form part of a building, be it for architectural or decorative purposes, can also be classified as building materials.

2.2 SEGMENTATION ANALYSIS

2.2.1 Market Segmentation

The building materials industry comprises manufacturers and producers of building materials and also building materials traders/distributors. The construction industry is therefore heavily dependent on the building materials industry to:-

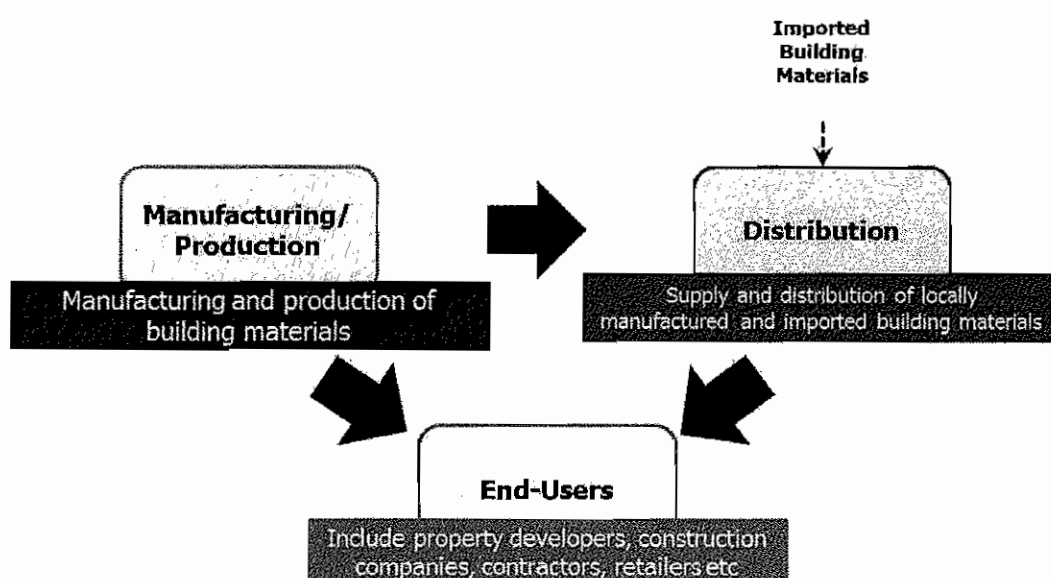
- Produce basic metal, metal fabrication, wood and wood products, and non-metallic products

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

- Supply construction materials which are essential to the building of houses, factories and many others

Generally, the building materials distributors form an integral linkage between the building materials manufacturers/producers to the respective end-users of building materials including property developers, construction companies, contractors, wholesalers, retailers, etc. There are also building materials manufacturers/producers that supply directly to the end-users.

Figure 1: Building Materials Industry and End-Users



Source: IMR Report

Building Materials Manufacturing/Production

Market participants in the building materials manufacturing/production segment are involved in the manufacture and production of building materials. They typically market their products through distributors or agents, while some may also distribute their products through their own or related-party marketing arms.

Building Materials Distribution

Market participants in the building materials distribution segment supply and distribute locally manufactured and imported building materials to the end-users, mainly from the construction industry.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**End-Users**

Demand for building materials mainly comes from end-users such as property developers, construction companies, contractors, wholesalers, retailers, renovators, etc, who are also participants of the construction industry.

2.2.2 Types of Building Materials**Figure 2: Main Types of Building Materials Categories**

Materials	Products
Cement	portland cement, asbestos cement
Concrete Products	ready-mixed concrete, bricks, blocks, roofing tiles, piles, poles/posts, beams, culverts
Clay and Refractory Construction Materials	refractory bricks, clay roofing tiles, ceramic wall and floor tiles, clay pipes, ceramics sanitary ware
Glass and Glass Products	float glass, laminated glass, architectural glass, mirror
Dimension Stone	marble slabs and tiles, granite slabs and tiles
Iron and Steel Products	long products, flat-rolled products, iron and steel bars and rods, tubes and pipes, iron and steel angles, shapes and sections, billets, hot rolled coil ("HRC"), cold rolled coil ("CRC")
Non-Ferrous Metals	aluminium extrusions for windows and doors, curtain walls, aluminium panels, aluminium roofing
Wood and Wood Products	plywood, hardboard, veneer, particle board, block board, mouldings & builders' carpentry& joinery, reconstituted wood-based panel

Source: IMR Report

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

3 ANALYSIS OF THE BUILDING MATERIALS INDUSTRY IN MALAYSIA

3.1 OVERVIEW OF THE BUILDING MATERIALS INDUSTRY

The construction industry is an important component of the Malaysia's economy due to its extensive linkages with the rest of the economy. The construction industry serves as a catalyst for national wealth creation and has a multiplier effect to other industries such as manufacturing, financial as well as other related supporting services. The construction industry further supports the social development of the country through the provision of basic infrastructures and employment opportunities.

The prominence given to the development of the construction industry has given rise to the emergence and development of related industries such as various building materials manufacturing and production industries along with supporting services like building materials distribution.

The following provide overviews of selected building materials industries in Malaysia:

- **Basic Metal Industry**

The basic metal industry plays a major role in the development of manufacturing and construction industry. The industry covers the primary processing and downstream manufacturing of ferrous (iron and steel) and non-ferrous (aluminium, tin, copper, zinc, lead, etc.) metal products.

- **Metal Fabrication Industry**

The metal fabrication industry is a well-established industry in Malaysia and it caters to a diverse range of fabricated metal products.

- **Wood and Wood Products Industry**

The wood and wood products industry is one of the major contributors to the country's economy. Over the years, the wood and wood products industry has developed from a

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

primary processing industry to a more advanced and technology-driven industry producing a significant number of downstream value-added products.

- **Non-Metallic Mineral Products Industry**

The non-metallic mineral products industry includes cement and concrete products, fibre cement and gypsum products, ceramic and clay products, glass, insulation materials, dimension stones and other non-metallic minerals. Malaysia is a net exporter of non-metallic mineral products and some of the major exports include glass and glassware, lime, cement and fabricated construction materials.

The building materials industry has grown and evolved in tandem with the expansion in the construction industry. It is largely dependent on the construction industry and the outlook remains encouraging as the Malaysian construction industry continues to be driven by government-led initiatives and spending, a sustained economic growth boosting spending and investment in properties and steady population growth.

3.2 OVERVIEW OF THE CONSTRUCTION INDUSTRY

The Malaysian construction industry has been on a growth trajectory since 2007. In 2015, the industry is expected to expand by 8.8 percent. Growth in the industry is expected to be largely supported by the various projects under the Economic Transformation Programme ("ETP") specifically the Klang Valley Mass Rapid Transit ("MRT") project and other Entry Point Projects ("EPPs") as well as other major infrastructure projects such as the Pan-Borneo Highway and the West Coast Expressway. Moving forward, the Malaysian construction industry is expected to expand by 8.4 percent in 2016, supported by the on-going mega construction projects.

Figure 3: Performance of the Construction Industry in Malaysia, 2013-2016

Year	% Change
2013	10.8
2014	11.8
2015 ^e	8.8
2016 ^f	8.4

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)*Notes:*

- 1) % change is based on real GDP at constant 2010 prices;
- 2) ^e denotes estimate;
- 3) ^f denotes forecast.

Source: IMR Report

In 2014, construction activities within the residential sub-sector improved following the completion of several properties, particularly terrace houses and condominiums/ apartments. Construction activities in the residential sub-sector increased in completions by 18.7 percent to 96,879 units in 2014 as compared to 81,639 units in 2013. Construction starts increased by 6.8 percent from 145,779 units to 155,667 units in 2014. In Q3 2015, completions within the residential sub-sector registered 62,512 units, or 7,898 units lower as compared to Q3 2014. However, construction starts within the residential sub-sector improved to 152,801 units in Q3 2015 as compared to 110,021 units in Q3 2014.

Meanwhile, there were mixed results in terms of construction activities in the purpose-built offices sub-sector in 2014. The sub-sector managed to register almost a three-fold increase in construction completions from 141,685 s.m. in 2013 to 423,739 s.m. in 2014. However, construction starts decreased by 47.4 percent from 290,553 s.m. in 2013 to 152,771 s.m. in 2014. Occupancy rate remained reasonably high at 84.9 percent in 2014. By comparison, in Q3 2015, construction starts for the purpose-built office sub-sector showed a marked improvement, overtaking the total completions in Q3 2014. Construction completions for the sub-sector stood at 412,758 s.m. for the same period.

In 2013, the shop sub-sector recorded a contraction in construction completions and starts by 1.5 percent and 2.9 percent respectively. In 2014, construction completions and starts within the shop sub-sector stood at 9,520 units and 17,429 units respectively. And in Q3 2015, both construction completions and starts within the shop sub-sector were higher as compared to the corresponding period in 2014. Construction completions and starts within the shop sub-sector stood at 7,490 and 18,474 units respectively in Q3 2015.

The shopping complexes sub-sector saw a 52.7 percent increase in completions from 451,743 s.m. in 2013 to 689,982 s.m. in 2014. Construction starts for the shopping complex sub-sector also registered an increase during the year. Construction starts within the shopping complex sub-sector increased from 263,040 s.m. in 2013 to 378,269 s.m. in 2014. In Q3 2015, the construction completions of this sub-sector were more toned down as compared to Q3 2014, with a total area of 304,532 s.m. However, construction starts of shopping

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

complexes sub-sector was strengthened to 579,147 s.m., higher than the construction starts of the sub-sector in Q3 2014.

As for the industrial property sub-sector, there was a double-digit growth registered in terms of completions and starts in 2014. Construction completions increased by 11.2 percent from 827 units in 2013 to 920 units in 2014 while construction starts surged by 37.9 percent from 1,924 units in 2013 to 2,676 units in 2014. In Q3 2015, construction completions and starts for the industrial property sub-sector stood at 709 units and 1,750 units respectively.

In terms of the Malaysian Government policies and support for the construction industry, projects with a high positive impact on the citizenry and low import value are expected to be implemented, although there is a possibility that major government projects with low multiplier effect may be rescheduled.

Previously in the Budget 2015, the Malaysian Government announced the implementation of large-scale infrastructure projects such as the 59-kilometre ("km") Sungai Besi-Ulu Klang Expressway ("SUKE") at a total construction cost of RM5.3 billion, the 276-km West Coast Expressway from Taiping to Banting at a total construction cost of RM5.0 billion, the 47-km Damansara-Shah Alam Highway ("DASH") at a total construction cost of RM4.2 billion and the 36-km Eastern Klang Valley Expressway ("EKVE") at a total construction cost of RM1.6 billion. The Malaysian Government has also highlighted its intention to start construction of the 1,663-km Pan-Borneo Highway at a total construction cost of RM27.0 billion. Besides that, RM150.0 million has been allocated to upgrade the East Coast railway line along Gemas-Mentakab, Jerantut-Sungai Yu and Gua Musang-Tumpat. In addition, the MRT and light rail transit ("LRT") are being expanded with the future construction of the 56-km Second MRT Line from Selayang to Putrajaya at an estimated cost of RM23.0 billion and implementation of the LRT 3 project linking Bandar Utama to Shah Alam at an estimated cost of RM9.0 billion. These large-scale infrastructure projects are expected to be a growth catalyst for the construction industry in Malaysia.

Affordable housing has continued to receive close attention from the Malaysian Government. Measures related to affordable housing announced in Budget 2015 included the allocation of RM1.3 billion under the 1Malaysia People's Housing Programme ("PR1MA") to provide 80,000 units of affordable houses and RM644.0 million under the People's Housing Programme ("PPR") for the National Housing Department to build 26,000 units of house. In addition, 12,000 units of 'Rumah Mesra Rakyat', 5,000 units of 'Rumah Idaman Rakyat' and 20,000

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

units of Rumah Aspirasi Rakyat are expected to be built on private land by Syarikat Perumahan Negara Berhad as announced in the Budget 2015.

In another development, a wholly-owned subsidiary of the Employees Provident Fund ("EPF"), Kwasa Land Sdn Bhd ("Kwasa Land"), announced that Malaysian Resources Corporation Berhad has won the bid to develop the first parcel of land in the massive Kwasa Damansara project. Kwasa Land was established to undertake the development of 2,330 acres of prime land located in the Klang Valley following the mandate given to EPF to purchase this massive acreage for future development in the 2010 Budget announced by the Prime Minister of Malaysia. The land is expected to be developed under a 15 to 20 year construction plan and this is expected to provide further impetus for the growth in the local construction industry. On a more recent note, the Malaysian government reiterated its ambition in the Budget 2016 to improving the infrastructure in the country with continued support for the construction of SUKE and DASH, on top of the construction of the 325-km Central Spine Road. As for the East Malaysia, the Malaysian government continues to support the construction of Pan-Borneo Highway alongside the construction of Mukah Airport in Sarawak and a 706-km highway from Sindium to Tawau. Allocation is also made for the expansion of MRT Line 2 and LRT Line 3 at an estimated cost of RM28 billion and RM10 billion respectively.

Affordable housing continued to be highlighted by the Malaysian Government. Measures related to affordable housing announced in Budget 2016 included the construction of 175,000 units of affordable houses by PR1MA, 10,000 units of 'Rumah Mesra Rakyat' by Syarikat Perumahan Negara Berhad, 100,000 houses by Perumahan Penjawat Awam 1 Malaysia, 22,300 units of apartment and 9,800 units of terrace houses by PPR,

In another development, a total of RM900 million has been allocated for the Jalan Tun Razak Traffic Dispersal Project, which is expected to ease traffic flow in the area and in turn increase demand for properties within the vicinity. Other projects such as the Malaysian Vision Valley, the Cyber City Centre in Cyberjaya, the KLIA Aeropolis, the Rubber City in Kedah, the Samalaju Industrial Park in Sarawak and the Palm Oil Jetty in Sabah is expected to provide growth in the construction and property industry in Malaysia.

Moreover, the construction industry is expected to benefit from government led initiatives and spending as outlined the Eleventh Malaysia Plan ("11MP"). A higher total of RM260 billion has been allocated under 11MP for development as compared to RM230 billion under the Tenth

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Malaysia Plan. Around half of the allocation has been pegged for infrastructure development. Among the notable construction projects outlined in the 11MP include the Tun Razak Exchange, KL118 Tower, Kuala Lumpur-Singapore High Speed Rail, 5 new power plants, the Pan-Borneo Highway, the MRT Line 2 (Sungai Buloh to Serdang to Putrajaya), the LRT Line 3 (Bandar Utama to Klang) and the Gemas-Johor Bahru Rail Double-Tracking.

3.3 MARKET DYNAMICS SCORECARD

Due to the diverse variety and nature of building materials, along with the multitude of requirements and market participants serving the building materials industry, the market size of the building materials market is not readily available. The building materials industry is driven as a result of the demand created from the construction industry and is used as a direct assessment of the market performance of the building materials industry. The market dynamics for the building materials industry rises in tandem with the construction industry, of which details are shown in Figure 4 below.

Figure 4: Market Dynamics Scorecard for the Construction Industry in Malaysia

Market Dynamics Indicators	Measurement	Trends
2014 Construction Industry Size (RM billion)*	43.19	Increasing
2014 Construction Industry Growth Rate (%)*	11.8	-
2019 Forecast Construction Industry Size (RM billion) *	64.88	Increasing
Forecast Period Market CAGR (2014 – 2019) (%)*	8.5	-
2015-2016 Demand Conditions	Government led initiatives and spending along with improving consumer sentiment and interest in properties will continue to underpin demand.	Stable
2015-2016 Supply Conditions	Favourable with an established local building materials industry.	Stable

Note:

** Construction industry size and growth rate at constant 2010 prices. The construction industry creates demand for building materials and hence acts as a proxy to illustrate the growth of the building materials industry.*

Source: IMR Report

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

3.4 HISTORICAL MARKET PERFORMANCE AND GROWTH FORECAST

Protégé Associates has provided the historical performance and growth forecast of the construction industry in Malaysia based on the primary and secondary research as well as analytical works conducted. The construction industry in Malaysia was worth approximately RM38.7 billion in 2013, representing a 10.8 percent growth year-on-year from 2012. The growth in the industry was supported mainly by the civil engineering sub-sector. Besides that, the residential and non-residential sub-sectors had also contributed to the growth in the construction industry.

Protégé Associates has projected the construction industry to grow at a CAGR of 8.5 percent for the 2014 to 2019 periods.

Figure 5: Estimated Market Size and Growth Forecast for the Construction Industry in Malaysia, 2012 – 2019

Year	Market Size (RM billion)*	Growth Rate (%)
2012	34.88	-
2013	38.65	10.8
2014	43.19	11.8
2015	46.97	8.8
2016	50.94	8.4
2017	55.37	8.7
2018	60.36	9.0
2019	64.88	7.5

CAGR (2014 – 2019): 8.5 percent

Notes:

- * At constant 2010 prices;*
- All figures are rounded; the base year is 2014.*

Source: IMR Report

The building materials market is largely dependent on the construction industry, and its outlook is encouraging in the light of favourable growth in the construction industry moving forward. In 2014, the construction industry expanded by 11.8 percent. Growth in 2014 was supported by the implementation of various projects under the ETP specifically the MRT project, the Tun Razak Exchange and other EPPs. Growth within the construction industry is also supported by the implementation of other major infrastructure projects such as the West Coast Expressway and the redevelopment of Pudu Jail. And in 2015, the Malaysian

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

construction industry is expected to expand by 8.8 percent attributed by the on-going mega construction projects.

Going forward, the construction industry is expected to continue growing and is estimated to reach RM64.9 billion in 2019. The forecast expansion in the construction industry will underpin growth in demand for building materials and this augurs well for the overall development of the building materials industry. Factors driving growth in the building materials industry in tandem with the expansion in the construction industry include the government-led initiatives and spending, a sustained economic growth boosting spending and investment in properties and steady population growth.

Much of the construction industry's growth prospects from 2016 to 2019 hinges upon the speed and effective implementation of the various projects identified under the 11MP and ETP, along with the continued execution of various public-private partnership ("PPP") projects. The implementation of civil engineering projects in the utility and transportation segment is expected to support growth in the construction industry. Support from the oil and gas segment, while usually being one of the key contributors to the Malaysian construction industry, may be lesser in the short term due to the declining crude oil prices leading to cuts in capital expenditure for oil and gas industry players.

3.5 COMPETITIVE ANALYSIS

3.5.1 Key Market Players

The fluid and competitive nature of the market Chin Hin Group operates in has resulted in a wide differentiation and diversification in terms of products/service offerings and business models by market players. As such, it is almost impossible to perform a direct or like-for-like comparison on market participants within the building materials industry.

Nevertheless, certain comparable market participants within the following building materials segments namely manufacture of articles of concrete, cement and plaster, manufacture of structural metal products and distribution of building materials has been identified for comparison purposes. These market participants encompass local companies and local subsidiaries of multinational corporations ("MNCs") and are selected based on their business activities, products offering and involvement in the corresponding building materials segment as well their size in tandem with their respective financial performance.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Protégé Associates has conducted the research through a combination of both secondary and primary research. The main secondary researched were with the Malaysian Standard Industrial Classification and relevant associations, including the Malaysia Hardware, Machinery and Building Materials Dealers' Association, the National Ready-mixed Concrete Association of Malaysia and the Malaysian Iron and Steel Industry Federation to ascertain a list of comparable market players. Then, Protégé Associates conducted primary research with the market players in the local construction industry to further identify the closest comparable market players in each segment. Individual revenue numbers for each identified market players were also obtained through companies' searches and annual reports of listed companies to supplement our findings and to determine their size in tandem with their revenue.

The list of these players is not exhaustive and each player's product offerings may not exactly coincide with others'. Market players may participate in one or more segments other than the indicated building materials segment.

Distribution of Building Materials

The building materials distribution market in Malaysia is highly competitive and fragmented with numerous market players ranging from small to medium size companies catering to the various needs of the local market. The distribution of building materials segment is estimated to value at RM30.7 billion in 2013. In 2014, the value of distribution of building materials segment is estimated at RM32.3 billion.

Chin Hin Group is involved in the building materials distribution segments with its building materials distribution activities through PP Chin Hin. PP Chin Hin distributes a wide range of building materials, ranging from basic building materials (such as cement, steel reinforcement bars and mesh, bricks) to finishing products (such as wall and floor tiles, sanitary wares, bath fixtures, paints, timber flooring, doors, windows and pavers). In addition, Chin Hin Group is also involved in the manufacturing segment within the building materials industry.

For comparison purposes, Figure 6 details selected other market players within the distribution of building materials segment that register annual turnover of over RM200 million attributed to the said segment, and distributes similar building materials as Chin Hin Group.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Figure 6: Selected Other Market Players within the Distribution of Building Materials Segment**

Company	Key Activities
Chuan Huat Resources Berhad ("Chuan Huat")	<ul style="list-style-type: none"> • Incorporated in 1976; • Listed on the Main Market of Bursa Malaysia; • Principally involved in the distribution of building materials segment as a stockist of iron and steel, and as an importer and exporter of structural steel and other construction materials; • Also involved in the manufacture and sale of welded wire mesh and hard drawn steel wires through its wholly owned subsidiary, CH Samawira Mesh Sdn Bhd; • Its building material product range includes concrete products, roofing tiles, polyglass fibre, cement and bricks, window and door frames, terram, storage tanks steel pipe products, etc; • For its FYE 31 December 2014, Chuan Huat registered RM708.7 million in revenue, including RM657.9 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM52.1 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires; • For its FYE 31 December 2013, Chuan Huat registered RM693.2 million in revenue, including RM638.6 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM60.2 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires; • For its FYE 31 December 2012, Chuan Huat registered RM708.3 million in revenue, including RM648.3 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM70.3 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires.
Hap Seng Consolidated Berhad ("Hap Seng")	<ul style="list-style-type: none"> • Listed on Main Market of Bursa Malaysia in 1978, and was acquired by the Malaysian Mosaics Berhad Group in 1995; • Involved in multiple business segments, including plantations, property investment and development, credit financing, trading of fertilisers and automotive, as well as building materials and stone quarries; • Involved in the distribution of building materials segment through its subsidiary, Hap Seng Trading (BM) Sdn Bhd, to

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<p>supply a wide range of building materials for the construction and building industry;</p> <ul style="list-style-type: none"> • Its building material products include steel bars, cement, wire mesh, concrete products, aggregates, pipes, roofing, sanitary wares, tiles, ironmongery, wood and board, as well as adhesive; • Also involved in the manufacture of bricks through Hap Seng Clay Products Sdn Bhd; • For its FYE 31 December 2014, Hap Seng registered RM3.8 billion in revenue; • For its FYE 31 December 2013, Hap Seng registered RM3.5 billion in revenue, including RM293.3 million recorded by Hap Seng Trading (BM) Sdn Bhd in trading of building materials; • For its FYE 31 December 2012, Hap Seng registered RM4.0 billion in revenue, including RM236.8 million recorded by Hap Seng Trading (BM) Sdn Bhd in trading of building materials.
Harrisons Holdings (Malaysia) Berhad ("Harrisons Malaysia")	<ul style="list-style-type: none"> • Incorporated in 1990; • Listed on the Main Market of Bursa Malaysia; • A wholly owned subsidiary of Harrisons and Crosfield PLC; • Principally involved in marketing, sales, warehousing and distribution of consumer, building materials and engineering products, fine wines, agricultural and industrial chemicals, and the operation of shipping/ logistics and travel agencies; • Involved in distribution of building materials in Peninsular Malaysia through its subsidiary, Harrisons Peninsular Sdn Bhd; • Its building material products include cement, steel, roofing products, building boards, etc; • For its FYE 31 December 2014, Harrisons Malaysia registered RM1.4 billion in revenue; • For its FYE 31 December 2013, Harrisons Malaysia registered RM1.4 billion in revenue, including RM218.7 million recorded by Harrisons Peninsular Sdn Bhd in distribution of building materials; • For its FYE 31 December 2012, Harrisons Malaysia registered RM1.4 billion in revenue, including RM207.5 million recorded by Harrisons Peninsular Sdn Bhd in distribution of building materials.
Hong Leong Industries Berhad ("HLI")	<ul style="list-style-type: none"> • Principal activities are segregated into 4 main categories, i.e. semiconductor, motorcycle, building materials and others. • Involved in the distribution of building materials segment through its wholly owned subsidiaries, Hume Marketing Co.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<p>Sdn Bhd and Hume Marketing (EM) Sdn Bhd;</p> <ul style="list-style-type: none"> • Products under the trading and distribution of building materials division include cement, ceramic tiles, paint, steel bars, pipes, wire mesh, sanitary wares and fittings, ceiling sheets and roofing materials; • For its FYE 30 June 2015, HLI registered RM2.2 billion in revenue; • For its FYE 30 June 2014, HLI registered close to RM2.3 billion in revenue, including RM272.2 million recorded by Hume Marketing Co. Sdn Bhd and RM69.8 million recorded by Hume Marketing (EM) Sdn Bhd in trading and distribution of building materials; • For its FYE 30 June 2013, HLI registered RM2.2 billion in revenue, including RM314.5 million recorded by Hume Marketing Co. Sdn Bhd and RM69.5 million recorded by Hume Marketing (EM) Sdn Bhd in trading and distribution of building materials; • For its FYE 30 June 2012, HLI registered RM2.2 billion in revenue, including RM312.3 million recorded by Hume Marketing Co. Sdn Bhd and RM75.4 million recorded by Hume Marketing (EM) Sdn Bhd in trading and distribution of building materials.
Ipmuda Berhad ("Ipmuda")	<ul style="list-style-type: none"> • Incorporated in 1975 and listed on the Main Market of Bursa Malaysia in 1993; • Involved in multiple business segments, including trading, property and investment holding, contracting, manufacturing as well as property development; • Involved in the distribution of building materials segment as a distributor and supplier of construction and finishing building materials, heavy steel products, architectural hardware, home improvement materials, cabinet systems, fuel and lubricants for the construction, infrastructural and manufacturing sectors and end users; • Involved in trading of general building products through its subsidiaries, Ipmuda Berhad, Ipmuda Utara Sdn Bhd, Ipmuda Selatan Sdn Bhd, Ipmuda Timuran Sdn Bhd, Ipmuda Borneo Sdn Bhd Ipmuda Trading Pte Ltd and Ipmuda Buildermart Sdn Bhd; • Also involved in the manufacture of kitchen or wardrobe doors and wooden mouldings through Roset-BLG Sdn Bhd; • For its FYE 31 December 2014, Ipmuda registered RM635.5 million in revenue, of which 82.0 percent amounting to RM521.1 million of segmental revenue in trading of building materials;

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<ul style="list-style-type: none"> For its FYE 31 December 2013, Ipmuda registered RM628.1 million in revenue, of which 82.0 percent amounting to RM515.0 million of segmental revenue in trading of building materials; For its FYE 31 December 2012, Ipmuda registered RM657.2 million in revenue, including RM585.5 million of segmental revenue from its trading division.
Lafarge Malaysia Berhad ("Lafarge Malaysia")	<ul style="list-style-type: none"> Incorporated in Malaysia in 1950; A subsidiary of Lafarge S.A.; Listed on the Main Market of Bursa Malaysia; Principally involved in the manufacture and sale of cement, ready-mixed concrete, aggregates and other related building materials; Manufacturing facilities include 3 integrated cement plants in Langkawi, Kanthan and Rawang, a grinding station in Pasir Gudang, more than 30 ready-mixed concrete batching plants and 6 aggregates quarries throughout Peninsular Malaysia; Involved in manufacturing and sale of ready-mixed concrete through its subsidiaries, Lafarge Concrete (Malaysia) Sdn Bhd, Lafarge Concrete Industries Sdn Bhd and Lafarge Concrete (East Malaysia) Sdn Bhd; Also involved in trading of cement and other building materials through its wholly owned subsidiary, CMCM Perniagaan Sdn Bhd in Malaysia, and Lafarge Cement Singapore Pte Ltd in Singapore; For its FYE 31 December 2014, Lafarge Malaysia registered RM2.7 billion in revenue, of which an estimated of RM582.1 million was generated from its trading of cement and other building materials; For its FYE 31 December 2013, Lafarge Malaysia registered RM2.9 billion in revenue, of which an estimated of RM573.2 million was generated from its trading of cement and other building materials; For its FYE 31 December 2012, Lafarge Malaysia registered RM2.7 billion in revenue, of which an estimated of RM588.3 million was generated from its trading of cement and other building materials.
Wah Seong Corporation Berhad ("Wah Seong")	<ul style="list-style-type: none"> Incorporated in 1994; Listed on the Main Market of Bursa Malaysia; Principally involved in the provision of infrastructure and services for oil and gas and renewable energy sector, oil palm plantation, as well as distribution of infrastructure and

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<p>building materials;</p> <ul style="list-style-type: none"> Involved in building materials trading and distribution in Peninsular Malaysia through its subsidiary, Syn Tai Hung Trading Sdn Bhd; For its FYE 31 December 2014, Wah Seong registered RM2.4 billion in revenue, including RM531.3 million recorded by Syn Tai Hung Trading Sdn Bhd in trading and distribution of building materials; For its FYE 31 December 2013, Wah Seong registered RM1.8 billion in revenue, including RM551.3 million recorded by Syn Tai Hung Trading Sdn Bhd in trading and distribution of building materials; For its FYE 31 December 2012, Wah Seong registered RM1.9 billion in revenue, including RM617.6 million recorded by Syn Tai Hung Trading Sdn Bhd in trading and distribution of building materials.

Source: IMR Report

Manufacture of Articles of Concrete, Cement and Plaster

The manufacture of articles of concrete, cement and plaster segment includes the manufacture of ready-mix and dry-mix concrete and mortars, precast concrete, cement or artificial stone articles for use in construction, prefabricated structural components for building or civil engineering of cement, concrete or artificial stone, etc. The value of the manufacture of articles of concrete, cement and plaster segment is estimated at RM5.4 billion in 2013. In 2014, the value of the manufacture of articles of concrete, cement and plaster segment is estimated at RM5.2 billion.

Chin Hin Group is involved in the manufacture of articles of concrete, cement and plaster segment with its manufacture of ready-mixed concrete (through Chin Hin Concrete (KL) and Chin Hin Concrete (North)), and its manufacture of precast concrete products (through G-Cast). Subsequently in 2014, Chin Hin Group commenced its manufacture of AAC blocks and outsourced its manufacture of ready-mixed concrete. For comparison purposes, Figure 7 details selected other market players within the manufacture of articles of concrete, cement and plaster segment that register annual turnover of above RM100 million attributed to the said segment.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 7: Selected Other Market Players within the Manufacture of Articles of Concrete, Cement and Plaster Segment

Company	Key Activities
Hanson Building Materials Malaysia Sdn Bhd ("Hanson Malaysia")	<ul style="list-style-type: none"> • A subsidiary of HeidelbergCement AG; • Principally involved in the manufacture of ready-mix concrete and concrete products; • Has over 40 ready-mix concrete plants serviced by approximately 400 mixer trucks in Malaysia; • For its FYE 31 December 2013, Hanson Malaysia registered RM365.0 million in revenue; • For its FYE 31 December 2012, Hanson Malaysia registered RM296.7 million in revenue.
Lafarge Malaysia	<ul style="list-style-type: none"> • Incorporated in Malaysia in 1950; • A subsidiary of Lafarge S.A.; • Listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"); • Principally involved in the manufacture and sale of cement, ready-mixed concrete, aggregates and other related building materials; • Manufacturing facilities include 3 integrated cement plants in Langkawi, Kanthan and Rawang, a grinding station in Pasir Gudang, more than 30 ready-mixed concrete batching plants and 6 aggregates quarries throughout Peninsular Malaysia; • Involved in manufacturing and sale of ready-mixed concrete through its subsidiaries, Lafarge Concrete (Malaysia) Sdn Bhd, Lafarge Concrete Industries Sdn Bhd and Lafarge Concrete (East Malaysia) Sdn Bhd; • Also involved in trading of cement and other building materials through its wholly owned subsidiary, CMCM Perniagaan Sdn Bhd in Malaysia, and Lafarge Cement Singapore Pte Ltd in Singapore; • For its FYE 31 December 2014, Lafarge Malaysia registered RM2.7 billion in revenue, of which an estimated of RM390.2 million was generated from its manufacturing and sale of ready-mixed concrete; • For its FYE 31 December 2013, Lafarge Malaysia registered RM2.9 billion in revenue, of which an estimated of RM427.5 million was generated from its manufacturing and sale of ready-mixed concrete; • For its FYE 31 December 2012, Lafarge Malaysia registered RM2.7 billion in revenue, of which an estimated of RM360.7 million was generated from its manufacturing and sale of

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	ready-mixed concrete.

Notes:

1. These market players are identified for comparison purpose only, and do not constitute and is not limited to the actual quantity of market players within the manufacture of articles of concrete, cement and plaster segment;
2. The selected market players are alphabetically arranged and this does not constitute as a ranking.

Source: IMR Report

Manufacture of Structural Metal Products

The manufacture of structural metal products segment includes the manufacture of industrial frameworks (such as frameworks for blast furnaces, lifting and handling equipment, etc.), prefabricated buildings mainly of metal doors, windows and their frames, shutters and gates, and others (such as metal frameworks or skeletons for construction and parts thereof as well as metal room partitions for floor attachment). In 2013, the value of the manufacture of structural metal products segment is estimated at approximately RM2.0 billion. In 2014, the value of structural metal products segment is estimated at approximately RM1.9 billion.

Chin Hin Group is involved in the manufacture of structural metal products segment with its manufacture of wire mesh and metal roofing systems through Metex Steel. For comparison purposes, Figure 8 details selected other market players within the manufacture of structural metal products segment that register annual turnover of over RM30 million attributed to the said segment.

Figure 8: Selected Other Market Players within the Manufacture of Structural Metal Products Segment

Company	Key Activities
Ajiya Berhad ("Ajiya")	<ul style="list-style-type: none"> • Listed on the Main Board of the Bursa Malaysia; • Principally involved in manufacturing and marketing of glass products, metal roofing, metal door and window frames, floor decks, metal ceiling and other building materials; • Involved in manufacturing of metal roll-forming products, such as metal roofing system, metal frame products, structural products, light-weight channel products, metal ceiling and sun shade products under its wholly-owned subsidiary, Asia Roofing Industries Sdn Bhd; • Asia Roofing Industries Sdn Bhd has 3 manufacturing sites located in Segamat and Senai, Johore, and Shah Alam, Selangor;

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<ul style="list-style-type: none"> For its FYE 30 November 2014, Aijaya registered RM412.5 million in revenue, including RM151.3 recorded by Asia Roofing Industries Sdn Bhd in manufacturing of metal roll-forming products; For its FYE 30 November 2013, Aijaya registered RM391.9 million in revenue, including RM143.6 million recorded by Asia Roofing Industries Sdn Bhd in manufacturing of metal roll-forming products; For its FYE 30 November 2012, Aijaya registered RM379.2 million in revenue, including RM140.8 million recorded by Asia Roofing Industries Sdn Bhd in manufacturing of metal roll-forming products.
Asia Wire Steel Mesh Manufacturers Sdn Bhd ("Asia Wire")	<ul style="list-style-type: none"> Incorporated in 1970; Principally involved in manufacturing of steel products and supplying reinforcing steel fabric, steel wire and galvanised products for building, construction, rural and other industries in Malaysia; Asia Wire's products include steel welded mesh and galvanised mesh; For its FYE 31 December 2014, Asia Wire registered RM97.8 million in revenue; For its FYE 31 December 2013, Asia Wire registered RM88.3 million in revenue; For its FYE 31 December 2012, Asia Wire registered RM94.4 million in revenue.
Bersatu Wire Mesh Industries Sdn Bhd ("Bersatu Wire Mesh")	<ul style="list-style-type: none"> Established in 2000; Principally involved in mesh manufacturing; Also involved in manufacturing and distribution of steel fabric for concrete reinforcement, galvanised welded mesh, low carbon hard drawn wire, steel bar, barbed wire, chain link fence, bed mesh and custom-made products; Majority products are used in construction, manufacturing and housing industries; For its FYE 31 December 2014, Bersatu Wire Mesh registered close to RM42.0 million in revenue; For its FYE 31 December 2013, Bersatu Wire Mesh registered close to RM36.1 million in revenue; For its FYE 31 December 2012, Bersatu Wire Mesh registered RM36.4 million in revenue.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
Chuan Huat	<ul style="list-style-type: none"> • Incorporated in 1976; • Listed on the Main Market of Bursa Malaysia; • Principally involved in the distribution of building materials segment as a stockist of iron and steel, and as an importer and exporter of structural steel and other construction materials; • Also involved in the manufacture and sale of welded wire mesh and hard drawn steel wires through its wholly owned subsidiary, CH Samawira Mesh Sdn Bhd; • Its building material product range includes concrete products, roofing tiles, polyglass fibre, cement and bricks, window and door frames, terram, storage tanks steel pipe products, etc; • For its FYE 31 December 2014, Chuan Huat registered RM708.7 million in revenue, including RM657.9 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM52.1 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires; • For its FYE 31 December 2013, Chuan Huat registered RM693.2 million in revenue, including RM638.6 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM60.2 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires; • For its FYE 31 December 2012, Chuan Huat registered RM708.3 million in revenue, including RM648.3 million of segmental revenue from trading of steel and iron products, building and construction materials of all kinds, and RM70.3 million recorded by CH Samawira Mesh Sdn Bhd in the manufacture and sale of welded wire mesh and hard drawn steel wires.
EC Excel Wire Sdn Bhd ("EC Excel Wire")	<ul style="list-style-type: none"> • Incorporated in 2005; • Principally involved in manufacturing and distribution of steel wire mesh for concrete reinforcement, galvanised welded mesh, steel bar, chain link fencing and barbed wire; • Supplies its products to domestic and overseas market; • For its FYE 31 December 2014, EC Excel Wire registered RM152.6 million in revenue; • For its FYE 31 December 2013, EC Excel Wire registered RM87.3 million in revenue;

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	<ul style="list-style-type: none"> For its FYE 31 December 2012, EC Excel Wire registered RM65.4 million in revenue.
Kamen Steel Industries Sdn Bhd ("Kamen Steel")	<ul style="list-style-type: none"> Incorporated in 1989; Principally involved in manufacturing and supply of welded mesh, steel bar, hard drawn wire, fence, engineering bar and others; For its FYE 31 December 2014, Kamen Steel registered RM190.3 million in revenue; For its FYE 31 December 2013, Kamen Steel registered RM191.0 million in revenue; For its FYE 31 December 2012, Kamen Steel registered RM174.6 million in revenue.
KHP Steel Product (M) Sdn Bhd ("KHP Steel Product")	<ul style="list-style-type: none"> Incorporated in 2000; Principally involved in manufacture of steel products, particularly steel roofing materials; For its FYE 31 December 2014, KHP Steel Product registered RM60.7 million in revenue; For its FYE 31 December 2013, KHP Steel Product registered close to RM53.0 million in revenue; For its FYE 31 December 2012, KHP Steel Product registered RM39.2 million in revenue.
SMPC Corporation Berhad ("SMPC") (currently known as Atta Global Group Berhad)	<ul style="list-style-type: none"> Incorporated in 1981 as SMPC; Listed on the Main Market of Bursa Malaysia; Principally involved in manufacturing or processing of steel coil, tube, strapping, steel furniture, metal roofing, floor decking, perforated metal and the industrial recycling of scrap metal; For its FYE 31 March 2015, SMPC registered RM141.2 million in revenue, of which RM72.4 million of segmental revenue generated from its manufacturing of metal related products; For its FYE 31 March 2014, SMPC registered RM143.6 million in revenue, of which RM72.2 million of segmental revenue generated from its manufacturing of metal related products; For its FYE 31 March 2013, SMPC registered RM137.1 million in revenue, of which RM78.7 million of segmental revenue generated from its manufacturing of metal related products; For its FYE 31 March 2012, SMPC registered RM127.6 million in revenue, of which RM63.1 million of segmental revenue generated from its manufacturing of metal related products; Assumed its current name of Atta Global Group Berhad in

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Company	Key Activities
	September 2015.

Notes:

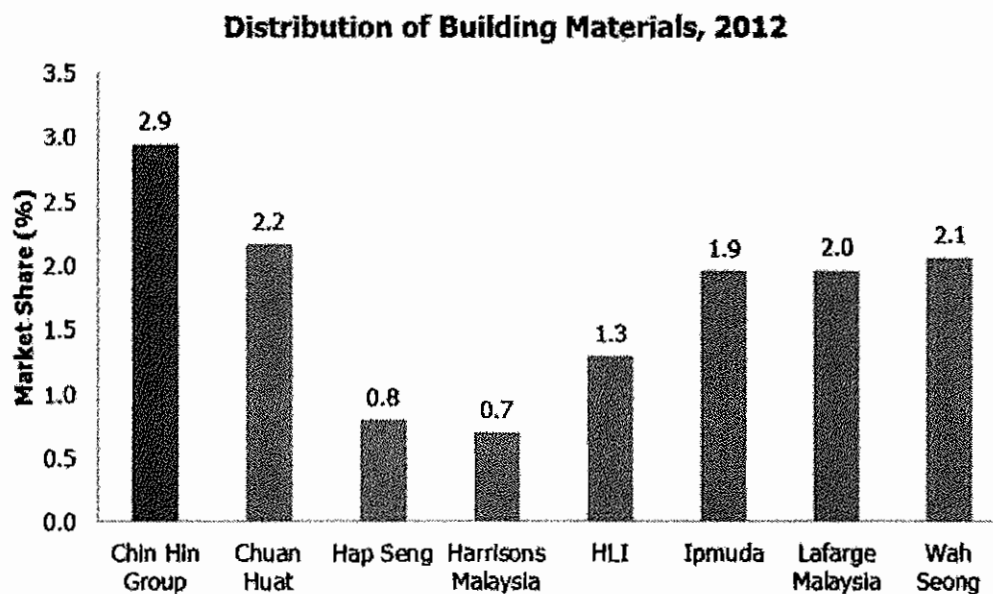
- 1) These market players are identified for comparison purpose only, and do not constitute and is not limited to the actual quantity of market players within the manufacture of structural metal products segment;
- 2) The selected market players are alphabetically arranged and this does not constitute as a ranking.

Source: IMR Report

3.5.2 Market Share Analysis

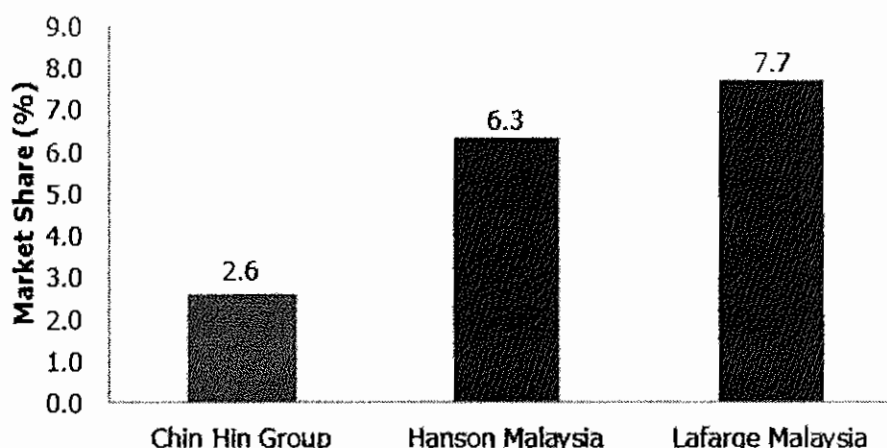
For comparison purposes, figure below depicts the market share of each selected market players in respective building materials segment for the year 2012.

Figure 9: Market Share Comparison between Chin Hin Group and Selected Market Players in Respective Segment, 2012

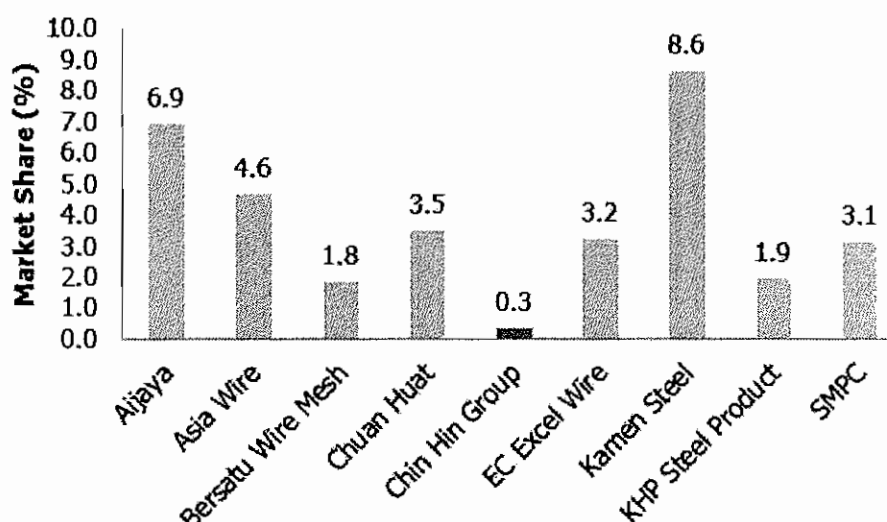


7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Manufacturing of Articles of Concrete, Cement and Plaster, 2012



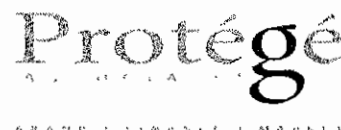
Manufacture of Structural Metal Products, 2012



Note: Market share of each player is computed based on segmental revenue attributed to respective segment in 2012

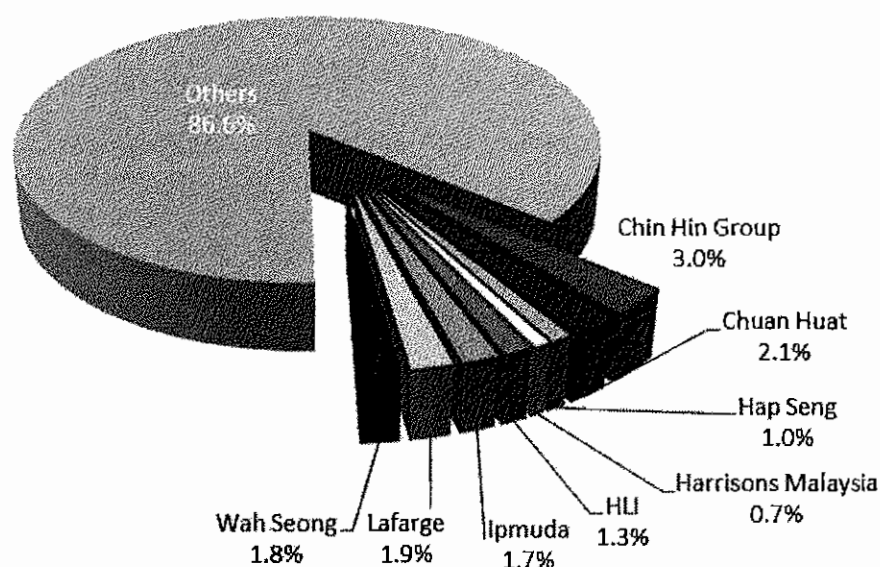
Source: IMR Report

The value of distribution of building materials segment was estimated at RM30.1 billion in 2012. For its FYE 31 December 2012, Chin Hin Group recorded RM872.2 million of revenue from its building materials distribution activities, equivalent to an estimate of 2.9 percent of the distribution of building materials segment in 2012. For its FYE 31 December 2013, Chin Hin Group's revenue from its building materials distribution activities increased to RM922.2 million, mainly contributed by the sale of other building materials such as plywood, concrete

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

products, roofing, tiles, pipes, sanitary wares, ironmongery, wire mesh and bricks as the Group continued to focus on higher margin products. This is equivalent to 3.0 percent of the distribution of building materials segment in 2013 as depicted in figure below. In 2013, the value of the distribution of building materials segment is estimated at RM30.7 billion.

Figure 10: Market Share of Selected Market Players within the Distribution of Building Materials Segment, 2013



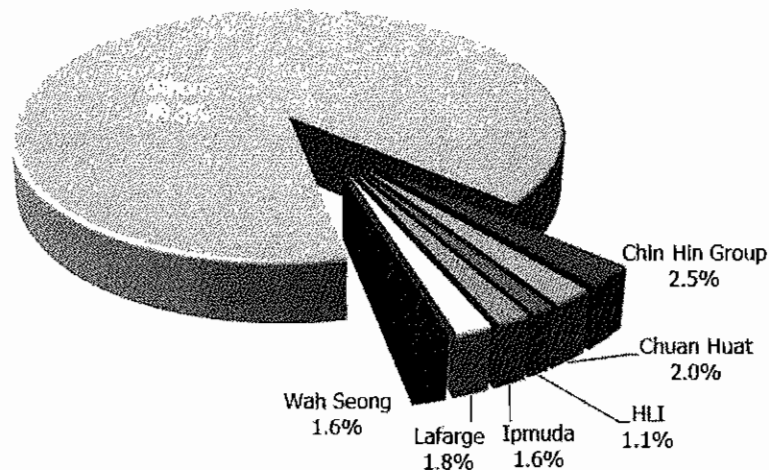
Note: Market share of each market player is computed based on segmental revenue attributed to the distribution of building materials segment in 2013;

Source: IMR Report

For its FYE 31 December 2014, Chin Hin Group recorded revenue of RM811.9 million from its building materials distribution activities. This is equivalent to 2.5 percent of the distribution of building materials segment in 2014. In 2014, the value of the distribution of building materials segment is estimated at RM32.3 billion.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 11: Market Share of Selected Market Players within the Distribution of Building Materials Segment, 2014



Notes:

1. Market share of each market player is computed based on segmental revenue attributed to the distribution of building materials segment in 2014;
2. Market share in 2014 provided only for Chin Hin Group, Chuan Huat, HLI, Ipmuda, Lafarge and Wah Seong, as not all selected market players have reported their financial results for 2014, at the time of publication.

Source: IMR Report

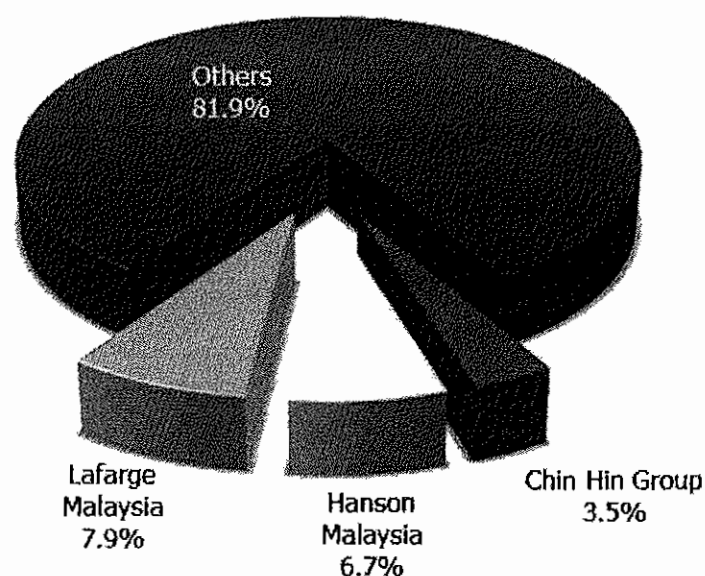
The value of the manufacturing of articles of concrete, cement and plaster segment is estimated at RM4.7 billion in 2012. For its FYE 31 December 2012, Chin Hin Group generated revenues of RM123.6 million from the manufacture of ready-mixed concrete and precast concrete products, including 5-month revenue of the manufacture of AAC and precast concrete products since August 2012. This is equivalent to an estimate of 2.6 percent of the said segment in 2012.

In 2013, Chin Hin Group further strengthened its presence in the manufacturing of articles of concrete, cement and plaster segment in line with an increase of its market share in the segment. For its FYE 31 December 2013, Chin Hin Group's revenue from the manufacture of ready-mixed concrete and precast concrete products increased to RM190.2 million, after securing few new customers for the ready-mixed concrete segment that were involved in the construction of high rise buildings such as De Centrum City located in Bangi and mixed development located in Bandar Saujana Putra. These new customers collectively contributed approximately 11.0 percent to the Group's revenue from the ready-mixed concrete segment in FYE 31 December 2013. The increase in revenue from the manufacture of ready-mixed concrete and precast concrete products was also attributed to a higher contribution from the

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

12-month revenue from the manufacture of AAC and precast concrete products as compared to 5-month revenue for its FYE 31 December 2012. This is equivalent to an estimate of 3.5 percent of the said segment in 2013 as depicted in figure below. In 2013, the value of the manufacture of articles of concrete, cement and plaster segment is estimated at RM5.4 billion.

Figure 12: Market Share of Selected Market Players within the Manufacture of Articles of Concrete, Cement and Plaster Segment, 2013



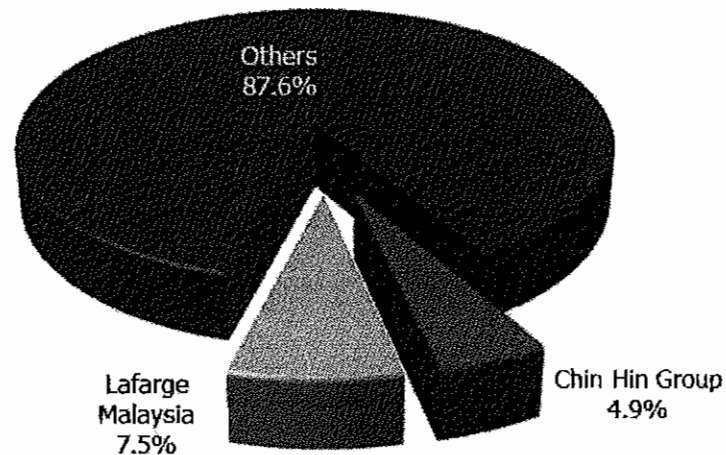
Note: Market share of Chin Hin Group and Lafarge Malaysia are computed based on segmental revenue attributed to the manufacture of articles of concrete, cement and plaster segment in 2013

Source: IMR Report

For its FYE 31 December 2014, Chin Hin Group recorded revenue of approximately RM253.1 million from its manufacture of ready-mixed concrete and precast concrete products activities. This is equivalent to 4.9 percent of the manufacture of articles of concrete, cement and plaster segment in 2014. In 2014, the value of the manufacture of articles of concrete, cement and plaster segment is estimated at RM5.2 billion.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 13: Market Share of Selected Market Players within the Manufacture of Articles of Concrete, Cement and Plaster Segment, 2014



Notes:

1. Market share of Chin Hin Group and Lafarge Malaysia are computed based on segmental revenue attributed to the manufacture of articles of concrete, cement and plaster segment in 2014;
2. Market share in 2014 provided only for Chin Hin Group and Lafarge Malaysia, as not all selected market players have reported their financial results for 2014, at the time of publication.

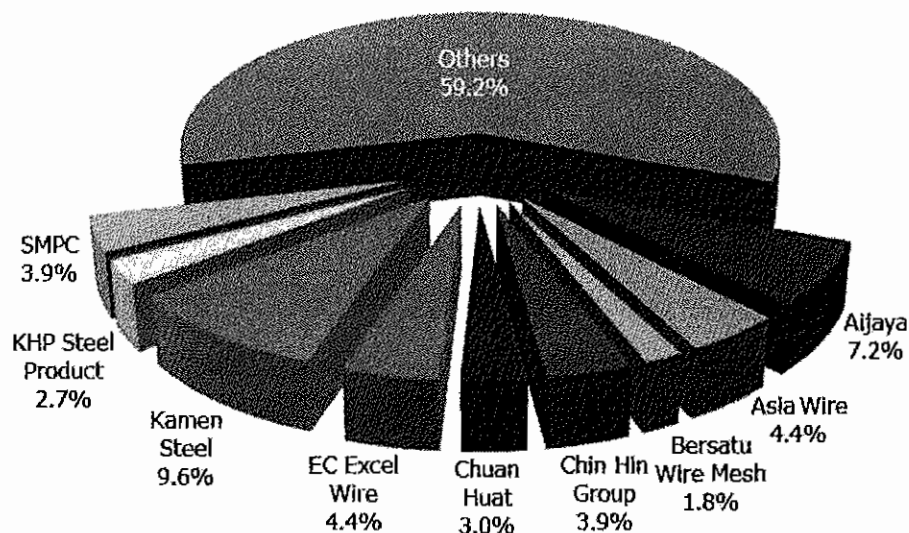
Source: IMR Report

Chin Hin Group ventured into the manufacture of wire mesh and metal roofing systems in 2011 through Metex Steel. The manufacture of structural metal products segment is estimated to value at RM2.0 billion in 2012. For FYE 31 December 2012, Chin Hin Group garnered 3-month revenue of RM6.7 million from the manufacture of wire mesh and metal roofing systems since October 2012. This is equivalent to 0.3 percent share of the manufacture of structural metal products segment. Following the acquisition of a factory in Prai, Penang in 2012 for the manufacturing of hard drawn wire and metal roofing systems, and the commencement of its operation in 2013, Chin Hin Group's 12-month revenue from the manufacture of wire mesh and metal roofing systems stood at RM78.0 million for its FYE 31 December 2013. This translates to a market share of 3.9 percent of total industry revenue of RM2.0 billion in 2013 as depicted in the following figure.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

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Figure 14: Market Share of Selected Market Players within the Manufacture of Structural Metal Products Segment, 2013



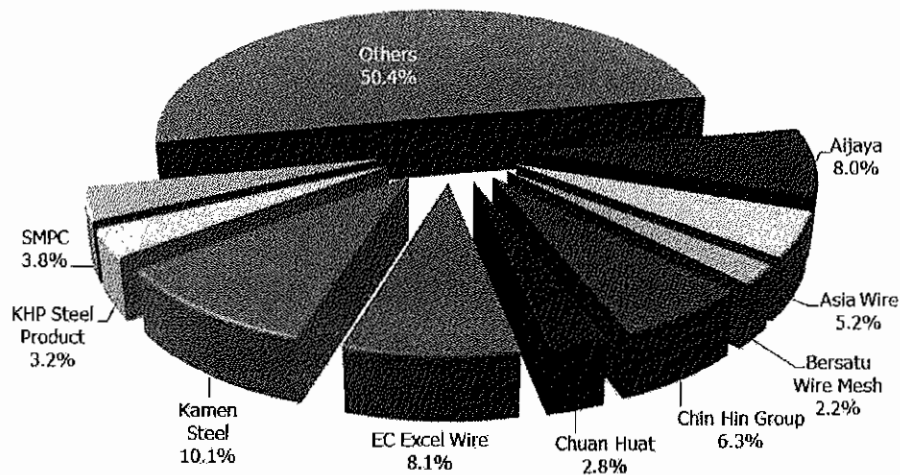
Note: Market share of Aijaya, Chin Hin Group, Chuan Huat and SMPC are computed based on segmental revenue attributed to the manufacture of structural metal products segment in 2013

Source: IMR Report

For its FYE 31 December 2014, Chin Hin Group recorded revenue of approximately RM119.4 million from its manufacture of wire mesh and metal roofing systems activities. This is equivalent to 6.3 percent of the manufacture of structural metal products segment in 2014. In 2014, the value of the manufacture of structural metal products segment is estimated at RM1.9 billion.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

Figure 15: Market Share of Selected Market Players within the Manufacture of Structural Metal Products Segment, 2014



Note: Market share of Aijaya, Chin Hin Group, Chuan Huat and SMPC are computed based on segmental revenue attributed to the manufacture of structural metal products segment in 2014.

Source: IMR Report

3.6 DEMAND AND SUPPLY CONDITIONS

3.6.1 Demand Conditions

Government-Led Initiatives and Spending

The building materials industry is expected to benefit from the healthy growth forecasted for the construction industry on the back of government led initiatives and spending. The construction industry registered double-digit growth in 2013 on the back of increased residential and non-residential activities following the implementation of infrastructure projects under the 10MP.

Moving forward, the construction industry is expected to benefit from government led initiatives and spending. A development allocation of RM260.0 billion has been earmarked under the 11MP.

On top of the 11MP, the construction industry is also set to benefit directly from the rollout of the ETP. Under the ETP, a number of major property development projects planned within the Greater KL along with infrastructure projects would support the growth of the construction industry.

7. EXECUTIVE SUMMARY OF THE IMR REPORT *(Cont'd)*



Meanwhile, the Greater KL initiative targets to increase the number of people living in the city from 6.0 million in 2010 to 10.0 million by 2020. It is estimated that an additional 1.0 million homes would have to be constructed to meet the requirements of an enlarged population base.

Moreover, the Malaysian Government has reiterated its support towards the construction of various infrastructure projects in the recent Budget 2016, such as construction of the SUKE and DASH, on top of the construction of the 325-km Central Spine Road. As for the East Malaysia, the Malaysian government continues to support the construction of Pan-Borneo Highway alongside the construction of Mukah Airport in Sarawak and a 706-km highway from Sindium to Tawau. Allocation is also made for the expansion of MRT Line 2 and LRT Line 3 at an estimated cost of RM28 billion and RM10 billion respectively.

Affordable housing continued to be highlighted by the Malaysian Government. Measures related to affordable housing announced in Budget 2016 included the construction of 175,000 units of affordable houses by PR1MA, 10,000 units of 'Rumah Mesra Rakyat' by Syarikat Perumahan Negara Berhad, 100,000 houses by Perumahan Penjawat Awam 1 Malaysia, 22,300 units of apartment and 9,800 units of terrace houses by PPR,

In another development, a total of RM900 million has been allocated for the Jalan Tun Razak Traffic Dispersal Project, which is expected to ease traffic flow in the area and in turn increase demand for properties within the vicinity. Other projects such as the Malaysian Vision Valley, the Cyber City Centre in Cyberjaya, the KLIA Aeropolis, the Rubber City in Kedah, the Samalaju Industrial Park in Sarawak and the Palm Oil Jetty in Sabah is expected to provide growth in the construction and property industry in Malaysia.

Growing Economy to Sustain Spending and Investment in Properties

Malaysia's real GDP is expected to grow between 4.5 and 5.5 percent in 2015 and between 4.0 to 5.0 percent in 2016. During good economic periods, the general population can expect better access to more job opportunities and salary growth, and this accordingly is expected to provide them with greater propensity to purchase, upgrade or invest in properties. Hence, the construction industry (including the property market) stands to benefit from the increase in uptake of properties and accordingly, improve the demand for building materials.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Increasing Green Building Practices**

In Malaysia, Greenbuildingindex Sdn Bhd was incorporated in 2009 to promote the adoption of green building practices domestically by administrating the local green building rating tool, namely the Green Building Index ("GBI") accreditation. Subsequently, green building practices also received attention from the Malaysian government. In the 2010 National Budget, the government introduced incentives for buildings awarded with the Green Building Index ("GBI") certificates for the period from 24 October 2009 until 31 December 2014. The introduction of the incentive has successfully promoted the adoption of green building practices locally, with a total of 265 projects being GBI-certified as of 15 December 2014.

Following the awareness promoted after the initiatives by Greenbuildingindex Sdn Bhd and incentives for GBI certified projects for the 2009 to 2014 period, the construction industry may anticipate greater adoption of green building practices moving forward. The proliferation in green building design and construction along with the expected rise in usage of green building materials are expected to drive the building materials industry.

Steady Population Growth

The Malaysian population is expected to continue growing at a steady pace. According to the Population and Housing Census, Malaysia 2010, the total population of Malaysia was 28.6 million. The Malaysian population has been growing from 2011 to 2014, and stood at 30.1 million in 2014. This figure is projected to grow steadily to reach 38.6 million in 2040.

Uptakes in property are correlated to population growth. Hence, the steady population growth is expected to spur the continued demand for properties in particular residential properties moving forward.

Property Overhang

Property overhang is defined as completed units that have obtained the certificate of fitness for occupation or temporary certificate of fitness for occupation but remained unsold for more than 9 months (on a cumulative basis). In Q3 2015, there was an overhang of 8,804 residential units, 4,839 commercial units of shop and 222 industrial units worth approximately RM6.7 billion.

The property overhang situation for the property is considered to be still manageable. The expanding Malaysian economy along with the various policy and incentives to promote house ownership are expected to continue supporting demand for properties.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Rising Cost of Borrowing within the Construction Industry**

On 10 July 2014, BNM raised the Overnight Policy Rate ("OPR") by 25 basis points to 3.25 percent to curb rising household debt and to mitigate the risk of broader economic and financial imbalances that can undermine the growth prospect of the local economy. This has resulted in the increase in the cost of borrowing. There is on-going upward pressure on OPR as BNM continues to monitor and assess the economic growth rate, inflation rate and risk of financial imbalances. The possible continuing hike in the OPR does not augur well for the construction industry as it can further lead to the increase in the cost of existing and future borrowings. The lack of accommodative financing would impact on the construction projects implementation, and any growth contraction within the construction industry would adversely affect the demand for building materials.

3.6.2 Supply Conditions**Established Local Building Materials Manufacturing/Production Segment in the Building Material Industry**

Malaysia has a huge and well established building materials manufacturing and production segment, producing anything from basic metal (raw material of structural metal products) to wood and wood products, and multiple other materials such as fabricated metal products, glass and glass products, non-metallic mineral products (such as cement and lime that are used to manufacture articles of concrete, cement and plaster), etc. These industries cater to both the domestic as well as export markets.

For the period 2010 to 2013, manufacturing and production within construction-related cluster, which include iron and steel, non-metallic mineral products and fabricated metal, expanded by CAGR of 9.5 percent. In 2014, the construction-related cluster further benefitted from continued construction activity in the economy to register a 4.2 percent increase in production.

Moving forward, the construction-related cluster is anticipated to remain supported by the continued implementation of various construction projects and hence the stronger demand for building materials such as steel and cement.

The outlook for local building materials manufacturing/production industries remained positive throughout the forecast period on the back of strong government support and

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

technology advancement spurring innovation in building materials supply. Market participants within the manufacture of articles of concrete, cement and plaster, and manufacture of structural metal products segments are also set to benefit from a stable supply of raw materials, including the basic metal, cement and lime.

- **Strong government support**

The manufacturing and production within the construction-related cluster continued to receive support from the Malaysian government judging, from the inclusion of metal industry under the Third Industrial Master Plan 3 ("IMP3"). With this inclusion, the iron and steel sector can look forward to more concerted and organised efforts in pushing its growth to the higher level. This is expected to benefit the local manufacture of upstream products (including rolled products, coils, plates etc) and downstream products (including wire mesh, hard drawn wires, pipes etc) within the iron and steel sub-sector. Industry related infrastructure and support facilities along with institutional support are also expected to be strengthened under IMP3.

- **Technology Advancement spurring innovation in building materials supply**

In addition, the local building materials manufacturing/ production segment is also set to benefit from the advancement in technology to roll-out new or enhanced building materials in order to meet the changing demand from the end-users. For example, the introduction of green building materials has provided an ideal material option to the industrial end-users to meet the demand from environment supporters. Further advancement in technology particularly on building material is anticipated to provide a more variety of building materials choices to the industrial end-users and accordingly increases the supply of local building materials.

3.7 MARKET CHALLENGES

Fluctuation in Construction Material Price

The construction industry is subjected to constant price fluctuations on construction material prices such as metal, steel bar and cement. Prices fluctuation of metal and cement also impact the manufacturing segment that uses the said materials for production. A combination of external factors such as the construction boom in China, West Asia and India, and the increase in global price of crude oil resulted in a huge increase in average price of major construction materials in the past few years. This directly impacts the viability of many

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

construction projects due to margin erosion with some contractors unwilling to complete their projects at the original tender price. From the supply perspective, manufacturers within the building materials industry are affected with an increase in raw materials prices.

Although prices of construction material has stabilised since then, this remains as a market challenge for most construction market players and manufacturers of building materials. More recently, the Real Estate and Housing Developers' Association ("REHDA") noted that building material cost has increased by between 5.0 to 10.0 percent annually. Moreover, the implementation of Goods and Services Tax ("GST") in April 2015 further pushed the price of building materials as current non-service taxable items such as cement, concrete, steel, bricks and sand are subjected to a 6.0 percent GST. Any recurrence of a huge price increase could potentially interrupt the ability of construction industry participants from implementing projects on schedule.

Regulatory Changes

The government is constantly reviewing and liberalising regulations pertaining to the sales and import of building materials. Cement and steel bars had ceased being controlled price items under the Price Control Act since 2008. The government had further scrapped the licensing system for steel bars and cement effective 15 July 2011.

However, the Master Builders Association Malaysia ("MBAM") has urged the government to further liberalise the imports of all building materials and equipment. According to the MBAM, the Malaysian import duties on building materials were regarded as one of the highest in the Association of Southeast Asian Nations ("ASEAN") and that the high import duties had contributed to the increase in construction costs. MBAM considers the current import duties imposed on marble tiles, sanitary ware and sinks, window and door ironmongeries and aluminium formwork as very high. Building materials industry players need to be mindful of the continued changes and market liberalisation taking place, and plan accordingly.

3.8 OVERVIEW OF THE PROPERTY MARKET

In tandem with various cooling measures introduced to curb speculation and excessive price growth within the property market, the Malaysian property market registered a decline in total transaction volume to 381,130 in 2013 from 427,520 in the preceding year. Nonetheless, despite a negative growth of 10.9 percent in volume of transactions, the value of transactions continues to expand upwards, registering a year-on-year growth of 6.7

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

percent to RM152.4 billion. In 2013, residential properties continued to dominate market activity, accounting for 64.6 percent of total transactions, followed by agricultural (18.6 percent), commercial (9.0 percent), development land (5.6 percent) and industrial (2.2 percent).

The Malaysian property market registered a growth in total transaction volume to 384,060 in 2014 from 381,130 in the preceding year. The value of transactions continued to expand upwards, registering a year-on-year growth of 7.0 percent to RM162.97 billion. In 2014, residential properties continued to dominate market activity, accounting for 64.4 percent of total transactions, followed by agricultural (18.8 percent), commercial (9.3 percent), development land (5.5 percent) and industrial (2.1 percent).

For the first half of 2015 ("H1 2015"), the overall performance of the property market has been subdued. Should the property market continue its performance as experienced in the first half of the year, both the volume and value of property transactions for 2015 is expected to underperform that of the preceding year.

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7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

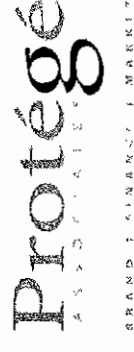


Figure 16: Volume and Value of Property Transaction by Sub-Sector, 2012-H1 2015

Sub-Sector	2012		2013		2014		H1 2015 ^p	
	Volume	Value (RM million)	Volume	Value (RM million)	Volume	Value (RM million)	Volume	Value (RM million)
Residential	272,669	67,762.2	246,225	72,060.4	247,251	82,059.6	119,599	37,977.8
Commercial	41,082	27,792.2	34,298	35,561.9	35,528	31,835.1	17,895	16,810.2
Industrial	9,984	12,005.9	8,418	12,328.6	8,100	14,509.4	4,156	7,718.4
Agricultural	80,679	14,278.9	70,698	13,283.4	72,104	12,723.4	34,225	6,612.2
Development Land	23,029	20,955.3	21,455	19,121.5	21,040	21,702.0	10,712	7,900.8
Others	77	50.5	36	16.2	37	144.9	31	56.9
Total	427,520	142,844.9	381,130	152,372.1	384,060	162,974.4	186,618	77,076.1

Note: p denotes preliminary

Source: IMR Report

Residential Property

Residential property is the leading sub-sector in the local property market in terms of transactions volume and value. This sub-sector accounted for 64.4 percent of the total property transactions volume and 50.4 percent of the total property transactions value in 2014. There were approximately 4.8 million residential units in Malaysia as at the end of 2014 with 759,220 residential units expected to be added to the existing stock and another further 646,049 residential units being planned. Meanwhile, Selangor led all the other states and federal territories in terms of existing stock and incoming supply of residential units as at end of 2013 and 2014. In Q3 2015, existing stock and incoming supply of residential property rose further to reach more than 4.9 million units and more than 870,000 units respectively but planned supply dropped to 635,710 units.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**Shop**

Shop is one of the major sub-sectors in the local property market in terms of transactions volume and value. There were 405,105 shop units in Malaysia as at the end of 2014 with 78,763 shop units expected to be added to the existing stock and another further 68,649 shop units being planned. As with residential properties, Selangor has the highest number of existing stock and incoming supply for shop units as at the end of 2013 and 2014. In Q3 2015, existing stock, incoming supply and planned supply of shop units rose further to reach more than 410,000 units, more than 94,000 units and 72,000 units respectively.

Shopping Complex

Malaysia's existing stock of shopping complex space in 2014 increased to approximately 13.0 million s.m. from 12.4 million s.m. in 2013. During the same year, incoming and planned supply stood at 1.3 million s.m and 0.9 million s.m. respectively. In Q3 2015, existing stock and incoming supply for shopping complex increased to more than 13.0 million s.m. and 1.8 million s.m. respectively while only planned supply decreased to almost 880,000 s.m..

Purpose-built Office

Malaysia's existing stock of purpose-built office space increased to 19.6 million s.m. in 2014 as compared to 19.0 million s.m. in 2013. During the same year, incoming and planned supply of purpose-built office space stood at 1.7 million s.m. and 0.5 million s.m. respectively. The occupancy rate for purpose-built office in Malaysia improved from 82.7 percent in 2013 to 84.9 percent in 2014. In Q3 2015, existing stock and planned supply for purpose-built office rose further to more than 20.0 million s.m. and more than 650,000 s.m. respectively but incoming supply dropped to around 1.5 million s.m..

Industrial Property

The industrial property sub-sector is the smallest contributor to the local property market in terms of transactions volume and value. There was an existing stock of 97,123 industrial units in Malaysia as at end 2014, with 10,645 incoming units and 17,944 planned units. Selangor topped the rest in terms of existing stock and incoming supply as at end of 2013 and 2014. As at the end of Q3 2015, existing stock and incoming supply for industrial units rose further to more than 100,000 units and more than 11,000 units respectively while planned supply saw a decrease to around 12,400 units.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

4 KEY ISSUES AND TRENDS

4.1 BARRIERS TO ENTRY

High Capital Investment – A huge capital layout is required to enter the building materials industry largely due to the need to invest in production building, machineries, storage facilities and labour for the manufacturing segment. In addition, any future upgrading of machinery is likely to incur a relatively higher initial cost due to technological advancement.

In the building material distribution segment, the similar entry barrier is also applicable as upfront capital is required for the provision of customer financing through standard business credit terms. Higher upfront capital is needed for inventory procurement in order to deploy inventory model.

Established Incumbent Market Players – New entrants in all segments of the Malaysian building materials industry are likely to encounter difficulties competing with incumbent market players. The dominance and reputation of large-scale, multi-plant firms may inhibit small market players from gaining a foothold in the narrower local building materials industry. In addition, incumbent market players have established strong relationships with upstream raw material suppliers as well as the end-users from the construction industry. New market players may encounter difficulty in securing raw material at affordable prices and attracting customers from the construction industry.

4.2 SUBSTITUTE PRODUCTS OR SERVICES

There are no direct substitutes to building materials as the term refers to any material used for construction purposes. There is, however, a considerable degree of substitutability in terms of the differing business models and strategies which market participants can select as their own. Market participants depending on their business models and strategies, generally differentiate and compete on various key attributes including product range, delivery time and price, customer service, track record and relationship, etc.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)**4.3 VULNERABILITY AND RELIANCE ON IMPORTS**

The manufacturing/ production segment of the Malaysian building materials industry is generally not reliant on imports of raw materials as Malaysia has rich natural resources of raw materials including metallic and non-metallic minerals.

On the other hand, the distribution segment of the Malaysian building materials industry revolves around supply and distribution locally manufactured and imported building materials. Due to its business nature, the distribution segment of Malaysian building materials industry possesses certain degree of reliance on imported building materials.

4.4 GOVERNMENT REGULATORY AGENCY

Building materials industry activities come under the purview of the Construction Industry Development Board ("CIDB") which is a statutory body under the Minister of Works, Malaysia.

4.5 GOVERNMENT REGULATIONS**Importing Building Materials**

CIDB is the agency responsible for enforcing the Customs Act (Prohibition of Import) 1988 Amendment 2004/2004 for assuring the quality of imported construction products. Construction materials listed in the Custom Act must have 'Certificate of Approval' from CIDB before the materials can be imported into Malaysia.

Malaysia Standards

As of 31 July 2012, the Department of Standards Malaysia, under the purview of the Ministry of Science, Technology and Innovation, had issued 48 mandatory standards for the Building, Construction and Civil Engineering category under "ISC D". For the category Mechanical Engineering specified under "ISC F", there are 8 mandatory standards, while Fire Safety and Prevention under "ISC M" features 38 mandatory standards. These standards fall under the purview of various legal articles, for example Street Drainage Act 1976 - Uniform Building By-Laws, the Fire Services Act 1988, the Customs Act 1967 and the Timber Industry Board Act 1965. While ISC D mainly covers code of practices and specifications for raw materials used

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

in construction, ISC F includes safety rules for construction and installation. Some safety rules also extend to the installation of electrical equipment and wiring systems under "ISC E". The Malaysia Standards ("MS") is published by SIRIM Berhad.

4.6 GOVERNMENT POLICIES

Construction Industry Transformation Programme (2016-2020)

The Construction Industry Transformation Programme ("CITP") is developed by the CIDB to empower and strengthen the construction industry as espoused in the thrusts of the 11MP. The CITP, which sets important strategic goals and milestones to bring Malaysia's construction industry to the next level, aims to transform the construction industry encompassing 4 strategic thrusts as listed below:

- Raising the overall productivity level of the industry;
- Environmental sustainability being incorporated in the design, construction and subsequent maintenance of building and infrastructure;
- Focusing on improving competitiveness in the capability and capacity of our industry players to foray internationally; and
- Improving the overall quality, safety and professionalism of the industry.

Third Industrial Master Plan ("IMP3") 2006 – 2020

The IMP3 is a blueprint for greater industrial development, i.e. for the manufacturing and services sectors for the period 2006 to 2020.

National Housing Policy ("NHP")

Launched in 2011, the NHP was designed to provide adequate, comfortable, quality and affordable housing to enhance the sustainability of the quality of life of the people.

International Services Commitments

In context of a borderless world, Malaysia had undertaken part in several cross-border commitments in line with its efforts to implement open economic policies. Through various government agencies such as the Ministry of International Trade and Industry Malaysia

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)

("MITI") and Malaysian Investment Development Authority ("MIDA"), the Malaysian Government had pledged progressive liberalisation of the domestic construction industry as per several international service agreements.

5 MARKET PROSPECTS AND OUTLOOK

The outlook for building materials industry in tandem with the construction industry remains positive for the immediate term, and steady growth is projected throughout the period of 2014 to 2019. The construction industry in Malaysia was valued at RM38.7 billion in 2013. In 2014, the construction industry grew by 11.8 percent to RM43.2 billion. And in 2015, the Malaysian construction industry is expected to expand by 8.8 percent attributed by the on-going mega construction projects.

Moving forward, the construction industry is expected to continue growing and is estimated to reach RM64.9 billion in 2019 – representing a CAGR of 8.5 percent for the period of 2014 to 2019. The forecasted expansion in the construction industry will underpin growth in demand for building materials and this augurs well for the overall development of the building materials industry. Factors priming growth in the building materials industry in tandem with the expansion in the construction industry are likely to come from the government-led initiatives and spending, a growing economy to sustain spending and investment in properties, and steady population growth.

Following the awareness promoted after the initiatives by Greenbuildingindex Sdn Bhd and incentives for GBI certified projects for the 2009 to 2014 period, the construction industry may anticipate greater adoption of green building practices moving forward. The proliferation in green building design and construction along with the expected rise in usage of green building materials are expected to drive the building materials industry.

7. EXECUTIVE SUMMARY OF THE IMR REPORT (Cont'd)



Protégé Associates has prepared this report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this report presents a true and fair view of the industry within the boundaries and limitations of secondary statistics, primary research and continued industry movements. Our research has been conducted to present a view of the overall industry and may not necessarily reflect the performance of individual companies in this industry. We are not responsible for the decisions and/ or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies.

Thank you.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Seow Cheow Seng", with a stylized flourish at the end.

SEOW CHEOW SENG

Managing Director

Protégé Associates Sdn Bhd

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL**8.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS**

The profiles of our Promoters and substantial shareholders and their respective shareholdings in our Company before and after our IPO are set out below.

8.1.1 Shareholdings

Name	Nationality/ Place of incorporation	Before IPO ⁽ⁱ⁾		After IPO ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	
		Direct No. of Shares	Indirect No. of Shares	Direct No. of Shares	Indirect No. of Shares
Datuk Chiau Beng Teik	Malaysian	244,034,320	-	74,157,200	(iv)303,532,800
Chiau Haw Choon	Malaysian	142,895,750	-	-	(iv)303,532,800
Datin Wong Mee Leng	Malaysian	55,759,930	-	-	(iv)303,532,800
Divine Inventions	Malaysia	-	-	303,532,800	-
PP Chin Hin Realty	Malaysia	-	-	-	(v)303,532,800
					60.0
					60.0
					60.0
					-
					60.0

Notes:-

- (i) Based on our issued and paid-up share capital of 442,690,000 Shares after the Acquisitions but prior to our IPO.
- (ii) Based on our enlarged issued and paid-up share capital of 505,888,000 Shares after our IPO.
- (iii) Assuming all Offer Shares are fully subscribed and after taking into account the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (iv) Deemed interested in by virtue of his/ her substantial shareholdings in PP Chin Hin Realty pursuant to Section 6A of the Act, after taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (v) Deemed interested in by virtue of its substantial shareholdings in Divine Inventions pursuant to Section 6A of the Act, after taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

8.1.2 Profiles of Promoters and Substantial Shareholders

The profiles of Datuk Chiau Beng Teik and Chiau Haw Choon are disclosed in Section 8.2.2 of this Prospectus. The profile of Datin Wong Mee Leng, Divine Inventions and PP Chin Hin Realty are as follows:-

(a) Datin Wong Mee Leng

Datin Wong Mee Leng, a Malaysian female, aged 53 is a promoter and substantial shareholder of our Group. She is the spouse of Datuk Chiau Beng Teik and mother of Chiau Haw Choon. She is also Director of PP Chin Hin (SG), C&H Transport, Chin Hin Concrete, Starken AAC and Ace Logistic. She completed her primary school education at Sekolah Rendah Jenis Kebangsaan (Cina) Khoon Aik in year 1969. Since her marriage to Datuk Chiau Beng Teik, Datin Wong Mee Leng has played an instrumental role in assisting and supporting Datuk Chiau Beng Teik in the administrative aspects whilst expanding our business from a single office in Alor Setar, Kedah to a group of companies with an expansive network of branch offices and warehouses throughout Peninsular Malaysia. She retired from active involvement in the business in 2008 when our Group Managing Director, Chiau Haw Choon graduated from his studies and returned to assist Datuk Chiau Beng Teik in the business.

(b) Divine Inventions

Divine Inventions was incorporated in Malaysia under the Act on 26 November 2014 as a private limited company and is principally involved in investment holdings. The Directors of Divine Inventions are Datuk Chiau Beng Teik and Chiau Haw Choon.

As at the LPD, the authorised share capital of Divine Inventions is RM400,000 comprising 400,000 ordinary shares of RM1.00 each of which two (2) ordinary shares are issued and fully paid-up. Divine Inventions is a wholly-owned subsidiary of PP Chin Hin Realty.

(c) PP Chin Hin Realty

PP Chin Hin Realty was incorporated in Malaysia under the Act on 6 November 2011 as a private limited company and is principally involved in investment holding. The Directors of PP Chin Hin Realty are Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon.

As at the LPD, the authorised share capital of PP Chin Hin Realty are RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each of which are issued and fully paid-up.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

The shareholders of PP Chin Hin Realty and their respective shareholdings are set out below:-

Shareholders	No. of ordinary shares held	%
Datuk Chiau Beng Teik	27,499,999	55.0
Chiau Haw Choon	15,000,000	30.0
Datin Wong Mee Leng	7,500,000	15.0
Low Kum Moon	1	*
TOTAL	50,000,000	100.0

Note:-

* Less than 0.01%

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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**8.1.3 Changes in the Promoters and substantial shareholders' shareholdings in our Company since our incorporation**

The changes in our Promoters and substantial shareholders' respective shareholdings since our incorporation up to the LPD as well as after our IPO are as follows:-

Promoters/ Substantial shareholders	As at incorporation			As at LPD ⁽ⁱ⁾			After IPO ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	%		No. of Shares	%		No. of Shares	%	
Datuk Chiau Beng Teik	-	-	-	244,034,320	55.1	-	74,157,200	14.6	^(iv) 303,532,800
Chiau Haw Choon	-	-	-	142,895,750	32.3	-	-	-	^(v) 303,532,800
Datin Wong Mee Leng	-	-	-	55,759,930	12.6	-	-	-	^(iv) 303,532,800
Divine Inventions	-	-	-	-	-	-	303,532,800	60.0	-
PP Chin Hin Realty	-	-	-	-	-	-	-	-	^(v) 303,532,800

Notes:-

- (i) Based on our issued and paid-up share capital of 442,690,000 Shares after the Acquisitions but prior to our IPO.
- (ii) Based on our enlarged issued and paid-up share capital of 505,888,000 Shares after our IPO.
- (iii) Assuming all Offer Shares are fully subscribed and after taking into account the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (iv) Deemed interested in by virtue of his/her substantial shareholdings in PP Chin Hin Realty pursuant to Section 6A of the Act, after taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (v) Deemed interested in by virtue of its substantial shareholdings in Divine Inventions pursuant to Section 6A of the Act, after taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.

8.1.4 Persons exercising control over the corporation

Save for our Promoters, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**8.2 DIRECTORS**

The profiles of our Directors and their respective shareholdings in our Company before and after our IPO are set out below:-

8.2.1 Shareholdings

Name	Designation/ Nationality	Before IPO ⁽ⁱ⁾			After IPO ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾		
		Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Independent Non-Executive Chairman/Malaysian	-	-	-	^(v) 200,000	0.04	-
Datuk Chiau Beng Teik	Deputy Group Executive Chairman/Malaysian	244,034,320	55.1	-	74,157,200	14.6	^(iv) 303,532,800
Chiau Haw Choon	Group Managing Director/Malaysian	142,895,750	32.3	-	-	-	^(iv) 303,532,800
Lee Hai Peng	Executive Director cum Chief Financial Officer/Malaysian	-	-	-	^(v) 250,000	0.05	-
Datuk Cheng Lai Hock	Independent Non-Executive Director/Malaysian	-	-	-	^(v) 100,000	0.02	-
Yeoh Chin Hoe	Independent Non-Executive Director/Malaysian	-	-	-	^(v) 100,000	0.02	-

Notes:-

- (i) Based on our issued and paid-up share capital of 442,690,000 Shares after the Acquisitions but prior to our IPO.
- (ii) Based on our enlarged issued and paid-up share capital of 505,888,000 Shares after our IPO.
- (iii) Assuming all Offer Shares are fully subscribed and after taking into account the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (iv) Deemed interested in by virtue of his/ her substantial shareholdings in PP Chin Hin Realty pursuant to Section 6A of the Act, after taking into consideration the Vendor's Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus.
- (v) Assuming full subscription of their Pink Form Allocations.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

8.2.2 Profiles

The profiles of our Directors are as follows:-

(a) **Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani**

Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani, a Malaysian male, aged 56, is our Independent Non-Executive Chairman. He was appointed to our Board on 23 January 2015 and is responsible for leading our Board in the oversight of management, representing our Board to our shareholders and to chair and to ensure the efficient organisation and conduct of Board and meeting of shareholders, ensuring that our Board's functions are effectively, cohesively and independently of our management, ensuring the integrity of the governance processes, maintaining regular dialogues with our Group Managing Director on the overall operational matters and consulting with the remainder of our Board promptly over any matters of concern, as well as ensuring effective communication between our Group with our shareholders and stakeholders. As the Chairman of our Board, in the case of an equality of votes at the general meeting or Board meetings, the Chairman is entitled to a further or casting vote.

Datuk Dr Nik holds a Ph.D in Law from the School of Oriental and African Studies (SOAS), University of London, United Kingdom and a Masters in Law from Queen Mary College, University of London, United Kingdom. He read law at the University of Buckingham, United Kingdom. He also holds a post-graduate Diploma in Syariah Law and Practice (with Distinction) from the International Islamic University Malaysia. He is a Barrister of Lincoln's Inn and an Advocate and Solicitor of the High Court of Malaya. He was called to the Bar of England and Wales in 1985 and to the Malaysian Bar in 1986. He was a Visiting Fulbright Scholar, Harvard Law School from 1996 to 1997, and was formerly the Acting Dean/Deputy Dean of the Faculty of Laws, International Islamic University Malaysia. He is also a Fellow of the Financial Services Institute of Australasia (FINSIA) since 2006.

Currently, he is the Chairman and Senior Partner of Zaid Ibrahim & Co. (a member of ZICOLaw). Prior to joining Zaid Ibrahim & Co., Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani was with Baker & McKenzie (International Lawyers), Singapore.

Datuk Dr Nik Norzrul Thani began his career as an audit assistant at Azman Wong & Salleh in 1980, where he was involved in various audit assignments in the firm and obtained his diploma in accountancy from Universiti Teknologi MARA in 1981. Thereafter, he joined Malayan Banking Berhad in 1981 as an executive. Subsequently, he joined Messrs Shearn Delamore & Co. in 1985 as an advocate and solicitor and subsequently joined Messrs Shahrizat Rashid & Lee as an advocate and solicitor. In 1987, he was appointed as the Deputy Dean, Kulliyyah of Laws at the International University of Malaysia. In 1993, he was appointed as the dean of the student affairs and development division of International University of Malaysia. In 1997, he joined Baker & McKenzie (International Law Firm), Singapore as its international lawyer. He then joined Zaid Ibrahim & Co in 1998 as its chairman. Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani advises clients on a wide range of legal matters incorporating Islamic finance, banking, offshore finance, debt restructuring, international, corporate and commercial law. He has also advised clients on debt and corporate restructuring transactions, and on the issuance of private debt securities including Islamic financial instruments (domestic and international).

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(Cont'd)*

He sits on the Board of Directors of Al Rajhi Banking & Investment Corporation (Malaysia) Berhad, Fraser & Neave Holdings Berhad, UMW Holdings Berhad, Tanjung Offshore Berhad and Manulife Insurance Berhad.

(b) **Datuk Chiau Beng Teik**

Datuk Chiau Beng Teik, a Malaysian male, aged 55, is our founder and Deputy Group Executive Chairman. He was appointed to our Board on 23 January 2015. He is responsible for the overall strategy and business direction of our Group where he reviews all major investments and major capital expenditure as well as financing proposals of the Group and recommends it to the Board. He is not actively involved in the daily operational matters of our Group. He finished his primary education at SJK(C) Pei Min, Padang Setar in Alor Setar, Kedah in December 1974. As our founder, he has forty (40) years of working and managing experiences in Chin Hin.

Datuk Chiau Beng Teik started working at his father's hardware shop at the young age of 13 in January 1975. After many years of experience gained from working with his father, he took over the business and ventured into the business of trading building materials and cement transportation under the name of Chop Chin Hin in March 1994. In February 1995, he started a cement distributor trading company named SPPCH which is now known as PP Chin Hin. Over the years, he has played an instrumental role in the growth of our Group, expanding our business 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. He currently serves as Director for a number of subsidiaries within our Group and also has directorships in various other businesses.

(c) **Chiau Haw Choon**

Chiau Haw Choon, a Malaysian male, aged 32, is our Group Managing Director. He was appointed to our Board on 23 January 2015. He reports to our Deputy Group Executive Chairman as well as the Board. As our Group Managing Director, his responsibilities are ensuring Board decisions and directions are implemented, providing strong leadership, communicating the vision, management, philosophy and business strategies to our employees, keeping our Board fully informed of all important aspects of our Group's operations and ensuring sufficient information is disseminated to our Board, as well as ensuring the day-to-day business of our Group are effectively managed. He is in charge of the day-to-day operational matters and decisions of the Group. Working closely with all the Business Unit Heads, he oversees our Group's overall execution and implementation of the strategies and corporate policies of our businesses and operations, and is also responsible for the execution and implementation of short term and long term business plans, strategic planning and continuing growth of our Group. He is also responsible for our Group's corporate social responsibility activities. He graduated from Deakin University, Australia with a Bachelor's Degree in Finance and Marketing in April 2009.

Upon graduation in 2009, he joined our Group as Group Managing Director to assist Datuk Chiau Beng Teik in transforming our Group from a family owned business to a professionally-run corporation.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

His vision is to grow our Group into a major player in the building materials industry and under his leadership together with the help of a team of professionals recruited by him, he diversified our Group's building materials distribution business by moving upstream into manufacturing of building materials products. He was instrumental in our successful transformation from merely distribution of building materials into an integrated building materials provider. He contributed to the rapid growth of our Group's annual revenue, which in 2011 exceeded a billion RM, making us one of the major building materials traders in Malaysia. Whilst expanding the business, he also played an instrumental role in the establishment of proper procedures, systems and controls for all the business units to ensure proper corporate governance as the business grows.

Chiau Haw Choon is the son of our founder, Datuk Chiau Beng Teik.

(d) **Lee Hai Peng**

Lee Hai Peng, a Malaysian male, aged 50, is our Executive Director cum Chief Financial Officer. He was appointed to our Board on 23 January 2015. He is responsible for our Group's overall financial and accounting functions, which include treasury, financial review, credit risk, cash flow management and financial planning functions. He obtained his professional qualification from Chartered Institute of Management Accountants (UK) in August 1994. He is a registered Chartered Accountant with the Malaysian Institute of Accountants and has over twenty-one (21) years of working experiences in the field of audit, marketing, finance and accounting.

In June 1991, he began his career at BDO Binder as an Audit Assistant where he was involved in various audit assignments for public listed companies in Malaysia. He left in November 1992 to join Gee & Co as its Branch Manager, responsible for its audit, secretarial and tax matters. In December 1994, he joined Trontex (M) Sdn Bhd as an Executive Director, where he was responsible for the overall finance and accounting functions, marketing and business operations of the company. Subsequently, he joined our Group in September 2008 as our Group Accountant and he was subsequently promoted to our Group Financial Controller in April 2009.

(e) **Datuk Cheng Lai Hock**

Datuk Cheng Lai Hock, a Malaysian male, aged 57, is our Independent Non-Executive Director. He was appointed to our Board on 23 January 2015.

Datuk Cheng Lai Hock 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 and Deputy President of the Federation of Chinese Associations Malaysia. He has over thirty (30) years of experience as company secretary and more than sixteen (16) years of experience as a tax consultant.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

Datuk Cheng Lai Hock began his career as an Administrative Executive in P. Hand Chemical Sdn Bhd in November 1992. Thereafter he started his own secretarial firm in October 1994. In November 2000, he was granted a tax agent license by the Ministry of Finance, Malaysia and he commenced the provision of tax advisory services since then. He is an active individual in the social work circles whereby he is currently serving as the Visiting Justice of Kedah Prisons since January 2000 until December 2014. In accordance with Section 65 of the Prison Act 1995, the duties of the Visiting Justice includes, amongst others, inspect the wards, cells, yards and other apartments and divisions of the prison, inspect and test the quality and quantity of the prisoners' food, hear the complaints of the prisoners and question any prisoner or prison officer. A Visiting Justice may call the attention of the officer in charge of the prison to any irregularity that may be observed in the working of the prison or treatment of any prisoner confined in the prison. He is also a committee member of the Kedah State Government's Chinese Affairs Committee since September 2008.

(f) **Yeoh Chin Hoe**

Yeoh Chin Hoe, a Malaysian male, aged 65, was appointed as an Independent Non-Executive Director of our Board on 23 January 2015. He is also the Chairman of our Audit Committee. He graduated with a Diploma in Business Management from Aberdeen College of Commerce (Scotland) in June 1973. Thereafter, he began his career in the accounting field with Spicer & Pegler Chartered Accountants in London, United Kingdom from July 1974 to December 1978. He is a Fellow of the Association of Chartered Certified Accountant since December 1984, a member of Malaysian Institute of Accountants since September 1989, a member of the Malaysian Institute of Certified Public Accountants since June 1999 and a Fellow of The Institute of Chartered Secretaries and Administrators since September 1999. He later obtained a Master's Degree in Business Administration (General Management) from University Putra Malaysia in July 1997. He is also a Chartered Audit Committee Director of the Malaysian Institute of Internal Auditors since August 2010.

Yeoh Chin Hoe started as an Audit Senior with Spicer & Pegler's, a firm of Chartered Accountants in London in July 1974. He then returned to Malaysia in December 1979 and joined Coopers & Lybrand as a Secretarial and Audit Assistant in April 1979. He joined Harrisons & Crosfield (Malaysia) Sdn Bhd (now known as Harrisons Trading (Peninsular) Sdn Bhd, a wholly-owned subsidiary of Harrisons Holdings Bhd listed on Bursa Securities) in January 1981 as an Internal Auditor before being promoted to Chief Accountant in January 1986, and later appointed as Director of Finance in June 1990. He was subsequently appointed the Managing Director of the company in July 1997 where he was responsible for the overall business operations and management of the company. After his retirement in January 2006, he established BPI Corptall Consulting Sdn Bhd, specialising in business process improvements and human resource management in June 2006. He was the Executive Director of PP Chin Hin from October 2009 to June 2012, responsible for the strategic planning and corporate services of our Company. During his tenure at PP Chin Hin, despite still being a director of BPI Corptall Consulting Sdn Bhd, he was not actively involved in the company. Since his retirement from PP Chin Hin, he continued with his work at BPI Corptall Consulting Sdn Bhd. In view of his extensive experiences, we have invited him to participate as our independent non-executive director for our Listing.

Currently, he is the Independent Non-Executive Director of Weida (M) Berhad and Voir Holdings Berhad, both listed on Bursa Securities. He is also the Chairman of the Audit Committee of both listed companies.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.2.3 Directors' remuneration and benefits

The aggregate remuneration and benefits paid and proposed to be paid for services rendered by our Directors to our Group for the FPE 2015 and FYE 2016 are as follows:-

Directors	Actual FPE 2015 RM	Proposed FYE 2016 RM
Datuk Chiau Beng Teik	100,000-150,000	150,000-200,000
Chiau Haw Choon	750,000-800,000	1,150,000-1,200,000
Lee Hai Peng	300,000-350,000	500,000-550,000
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Nil	100,000-150,000
Yeoh Chin Hoe	Nil	0-50,000
Datuk Cheng Lai Hock	Nil	0-50,000

The remuneration which includes our Directors' salaries, bonus, fees and allowances as well as other benefits of our Directors, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board. Our Directors' fees must be further approved by our shareholders at a general meeting.

8.2.4 Board practices/Directors' terms of office

In order to maintain an effective board, we have equal balance of executive and independent non-executive directors as our Board consists of three (3) Executive Directors and three (3) Independent Non-Executive Directors. Our Board members are from diversified backgrounds in terms of age, expertise and professional experiences ranging from the building materials industry, legal practice, company secretarial, tax consulting and accounting practice.

Our Board is of the opinion that at present there is adequate diversity in the composition of our Board. Notwithstanding this, our Board is committed to continuously enhance and strengthen this diversity in the future as the Group expands. We will do this through regular reviews and if necessary bring on board additional Directors who can add to the diversity and enhance the effectiveness of the board.

According to our Articles of Association, all the Directors shall retire from office at the first Annual General Meeting and at each subsequent Annual General Meeting, at least one third (1/3) of the Directors for the time being shall retire from office and be eligible for re-election. Accordingly, all our Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. A re-election of Directors shall take place each year.

Any person appointed as Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next Annual General Meeting, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

All our Directors were only appointed to our Board on 23 January 2015 and have served for less than one (1) year as at the date of this Prospectus.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.3 RELEVANT COMMITTEES

8.3.1 Audit committee

The main functions of the audit committee include the following:-

- (a) to review with the internal and external auditors the nature and scope of the audit plans, their audit reports, major findings and their evaluations of our accounting system and internal controls;
- (b) to review our quarterly and annual financial statements before submission to our Board, focusing in particular on any change in or implementation of major accounting policies and practices, significant and unusual events, significant adjustments arising from the audit, the going concern assumption and compliance with accounting standards and other regulatory or legal requirements;
- (c) to consider the appointment and reappointment of the internal and external auditors and matters relating to their resignation;
- (d) to review any related party transactions entered into by our Group and any conflict of interest situations that may arise within our Group;
- (e) to review the assistance given by us or our employees to the auditors; and
- (f) to perform such other functions as may be requested by our Board.

The members of the audit committee are as follows:-

Name	Designation	Directorship
Yeoh Chin Hoe	Chairman	Independent Non-Executive Director
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Member	Independent Non-Executive Chairman
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director

8.3.2 Remuneration committee

The main functions of the remuneration committee include the following:-

- (a) to review and recommend to our Board the appropriate remuneration packages for Directors and certain senior management personnel; and
- (b) ensuring that the remuneration packages are sufficient and appropriate to attract and retain the Directors to run our Company successfully.

The members of the remuneration committee are as follows:-

Name	Designation	Directorship
Chiau Haw Choon	Chairman	Group Managing Director
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director
Yeoh Chin Hoe	Member	Independent Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.3.3 Nomination committee

The main functions of the nomination committee include the following:-

- (a) to consider and recommend to our Board, suitable candidates for directorships of our Company as members of our Board committees;
- (b) to appraise each individual Director in terms of his experience, knowledge, credibility and credentials, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of our Company; and
- (c) to evaluate the effectiveness of our Board as a whole and our Board committees.

The members of the nomination committee are as follows:-

Name	Designation	Directorship
Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani	Chairman	Independent Non-Executive Chairman
Datuk Cheng Lai Hock	Member	Independent Non-Executive Director
Yeoh Chin Hoe	Member	Independent Non-Executive Director

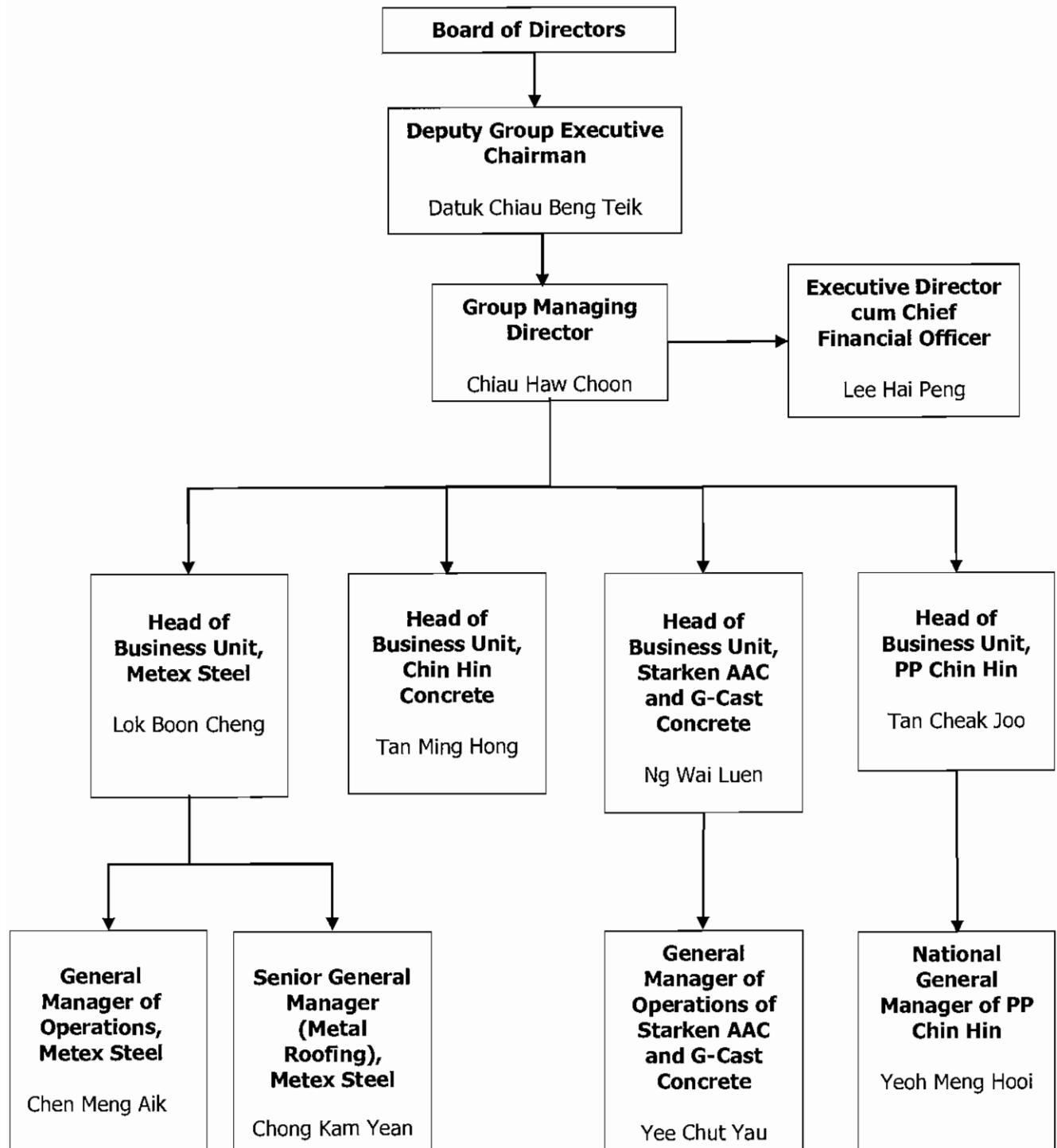
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8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.4 KEY MANAGEMENT PERSONNEL

8.4.1 Management Structure

Our management structure is as follows:-



8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**8.4.2 Shareholdings**

Save for the shareholdings of our Directors, which are set out in Section 8.2.1 of this Prospectus, the shareholdings of our other key management personnel in our Company before and after our IPO are as follows:-

Name	Designation/Nationality	Before IPO			After IPO ⁽ⁱ⁾		
		Direct	Indirect		Direct	Indirect	
		No. of Shares	No. of Shares	%	No. of Shares	No. of Shares	%
Tan Cheak Joo	Head of Business Unit, PP Chin Hin/ Malaysian	-	-	-	(i)250,000	-	0.05
Yeoh Meng Hooi	National General Manager, PP Chin Hin/ Malaysian	-	-	-	(i)128,000	-	0.03
Lok Boon Cheng	Head of Business Unit, Metex Steel/ Malaysian	-	-	-	(i)210,000	-	0.04
Chen Meng Aik	General Manager of Operations, Metex Steel/ Malaysian	-	-	-	(i)80,000	-	0.02
Chong Kam Yean	Senior General Manager (Metal Roofing), Metex Steel/Malaysian	-	-	-	(i)108,000	-	0.02
Ng Wai Luen	Head of Business Unit, Starken AAC and G- Cast Concrete/Malaysian	-	-	-	(i)210,000	-	0.04
Yee Chut Yau	General Manager of Operations, Starken AAC and G-Cast Concrete/Malaysian	-	-	-	(i)80,000	-	0.02
Tan Ming Hong	Head of Business Unit, Chin Hin Concrete/ Malaysian	-	-	-	(i)167,200	-	0.03

Notes:-

- (i) Assuming full subscription of their Pink Form Allocations.
(ii) Based on our enlarged issued and paid-up share capital of 505,888,000 Shares after our IPO.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

8.4.3 Profiles

Save for the profiles of our Directors, which are disclosed in Section 8.2.2 of this Prospectus, the profiles of the other key management personnel of our Group are as follows:-

(a) Tan Cheak Joo – Head of Business Unit, PP Chin Hin

Tan Cheak Joo, a Malaysian, aged 45, is the Head of the Business Unit, PP Chin Hin. He completed his secondary school at Sekolah Menengah Jenis Kebangsaan Seg Hwa, Johor in December 1988 and has since then acquired over seventeen (17) years of working experience in the trading and manufacturing of building materials.

In April 1991, he started working as the Personal Assistant of the Managing Director at a textile manufacturer, Li Ann Textile in Batu Pahat, Johor. He then left to join Gainvest Builders (M) Sdn Bhd, a building contractor company that was involved in the construction of high rise buildings and infrastructure projects in May 1995 as a Site Supervisor.

In June 1996, he joined United Straits Amalgamated Sdn Bhd as a Sales Executive selling building materials. In June 1997, he joined NCK Wire Manufacturer Sdn Bhd as a Sales Executive selling British Reinforcement Concrete wire mesh and other steel wire products. In April 2000, he joined F.S. Steel Sdn Bhd, a company involved in the manufacturing of steel products and trading and distribution of building materials as its Sales Director. He then joined PP Chin Hin in August 2004 where he was involved in growing and expanding our business operations, which included the setting up of our branches in Kuala Lumpur, Mentakab, Kuala Terengganu, Melaka, Johor and Ipoh.

He has been one of the Executive Committee Member of the Building Materials Distributors Association of Malaysia since December 2013.

(b) Yeoh Meng Hooi – National General Manager, PP Chin Hin

Yeoh Meng Hooi, a Malaysian, aged 52, is the National General Manager of PP Chin Hin. She assists the Head of Business Unit, PP Chin Hin in the overall planning as well as formulates sales and marketing strategies, business plan and budgeting of the trading sales and operation division of PP Chin Hin. She graduated from Universiti Kebangsaan Malaysia with a Bachelor's Degree (Honours) in Social Science majoring in Sociology and Mass Communication in April 1987. She has more than twenty (20) years of working experience in the building materials trading business.

Upon her graduation, she started her career as a secondary school teacher at Methodist College, Pulau Pinang in June 1987. In May 1991, she joined CMCM Perniagaan Sdn Bhd, a wholly owned subsidiary of Lafarge Malaysia Berhad involved in the building materials trading business as a Sales Executive. She was soon promoted to its Butterworth Branch Manager in January 1995 and then promoted to the position of Senior Marketing Manager in January 1998. She was in charge of the Northern branches in Butterworth, Ipoh and Alor Setar, where she was responsible for the company's overall performance as well as the marketing strategies of the three (3) northern branches.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (*Cont'd*)

In September 2002, she joined Syn Tai Hung Trading Sdn Bhd as a Marketing Manager and was later promoted as its Head of Central Region covering Selangor and Kuala Lumpur regions, where she was responsible for the overall performance of this region and was also involved in product development for the company. She left and joined PP Chin Hin in September 2012 as our National General Manager.

(c) Lok Boon Cheng – Head of Business Unit, Metex Steel

Lok Boon Cheng, a Malaysian, aged 51, is the Head of Business Unit of Metex Steel. He manages the manufacturing and sales of the wire mesh and metal roofing systems for our Group. He graduated from University of Malaya with a Bachelor's Degree in Civil Engineering in April 1988. He is a registered Professional Engineer from Board of Engineers Malaysia. He has more than twenty-four (24) years of working experience in the business of manufacturing steel products for the construction industry.

Upon graduation, he was employed by Engineering & Environmental Consultants as a graduate engineer. He then left and joined Hume Industries Bhd in October 1988 as Product/Marketing Engineer until April 1991 before moving to join Southern Steel Berhad in May 1991 as a Technical Engineer. Over the years with Southern Steel Berhad, he was promoted a number of times to different positions, such as Technical Service Manager (April 1993); Operations Manager (April 1995); Senior Manager (April 1999); General Manager (January 2003) and finally as Senior General Manager in June 2008. During his tenure as Senior General Manager, he was responsible for managing the overall businesses for the company, which includes the manufacturing of mesh reinforcement, cut and bend reinforcement bars and also the sales and marketing of steel billets and steel bars. He was also a director and board member of Steel Industries Sabah Sdn Bhd. He left Southern Steel Berhad in June 2012 and subsequently joined our Group to spearhead the setting up of Metex Steel.

(d) Chen Meng Aik – General Manager of Operations, Metex Steel

Chen Meng Aik, a Malaysian, aged 46, is the General Manager of Operations of Metex Steel, where he is in-charge of the wire mesh manufacturing operations as well as assisting the Head of Business Unit of Metex Steel. He obtained a Diploma in Mechanical and Manufacturing Engineering from Tunku Abdul Rahman College in July 1993 and subsequently obtained a Master of Science in Manufacturing Systems Engineering from Queen's University Belfast, Northern Ireland in September 1994. He has twenty (20) years of working experience in the manufacturing of steel products for the construction industry.

He started his career as a Production Engineer in October 1994 with Southern Steel Berhad and was promoted to Assistant Production Manager in April 1998 where he was responsible for the bar rolling mill production. He was then promoted as Plant Manager for the Cut and Bend production in October 2003. From April 2008 until April 2012, he was appointed as the General Manager overseeing its wire mesh and cut and bend production at the same company until he left to join Metex Steel as the General Manager of Operations.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

(e) Chong Kam Yean – Senior General Manager (Metal Roofing), Metex Steel

Chong Kam Yean, a Malaysian, aged 38, is the Senior General Manager (Metal Roofing), Metex Steel which is involved in the manufacturing of metal roofing systems. He is in charge of the sales and manufacturing operations of the company. He graduated from Universiti Kebangsaan Malaysia with a Bachelor's Degree in Economics in March 2001. He has thirteen (13) years of working experience in the metal roofing industry.

He started his career as the Senior Unit Manager at Asia Roofing Industries Sdn Bhd in October 2001 where he was responsible for the overall sales processes of the company's products through distribution channels. In March 2007, he joined Duro Metal Industrial (M) Sdn Bhd as the Deputy General Manager. As the Deputy General Manager in Duro Metal Industrial (M) Sdn Bhd, he led the sales of coated steel and building products to small and medium sized industries. Subsequently he left to join Chin Hin in March 2014 as the Senior General Manager (Metal Roofing), Metex Steel.

(f) Ng Wai Luen – Head of Business Unit, Starken AAC and G-Cast Concrete

Ng Wai Luen, a Malaysian, aged 46, is the Head of the Business Unit of Starken AAC and G-Cast Concrete. He manages the manufacturing and sales activities of lightweight concrete products and precast concrete products of our Group. He obtained a Bachelor of Business Degree in Accounting from Royal Melbourne Institute of Technology University, Australia in November 1992. He also obtained his Certified Public Accountants ("CPA") of Australia with distinctions and Malaysian CPA in December 1994 and June 1995, respectively. He has since then become a member of CPA of Australia and CPA of Malaysia as well as a Chartered Accountant of Malaysia Institute of Accountants. He has over twenty (20) years of working experiences in the field of auditing, finance and general management.

Upon his graduation, he joined KPMG Malaysia as a Junior Auditor in December 1992. He was subsequently promoted as its Audit Senior in June 1994 and Audit Supervisor in January 1995. During his tenure at KPMG Malaysia, he was responsible for the audit of public listed companies and due diligence reviews for various corporate exercises.

In March 1996, he left KPMG Malaysia and joined OKA Corporation Berhad as its Finance Manager. In December 2002, he was promoted as its General Manager and Chief Financial Officer, responsible for its restructuring and development prior to its listing on the Kuala Lumpur Stock Exchange (now known as Bursa Securities) in June 2003. During his stint at OKA Corporation Berhad, he oversaw the overall sales, marketing and day-to-day management of the company and factory operations. He was also involved in the setting up of new factories. He subsequently joined our Group as the Head of Starken AAC in December 2010.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

(g) Yee Chut Yau – General Manager of Operations, Starken AAC and G-Cast Concrete

Yee Chut Yau, a Malaysian, aged 53, is the General Manager of Operations of Starken AAC and G-Cast Concrete, where he oversees their plant operations. He was also the project manager during the construction of both companies' factories from December 2010 to December 2012. He obtained a Technician Diploma from Singapore Polytechnic in May 1984. He also holds a Bachelor of Engineering in Civil Engineering from Queen's University, Belfast, United Kingdom (July 1989). He has more than twenty-five (25) years of working experiences in the construction industry.

He began his career as a Technical Assistant at Steady Piling Engineering Pte Ltd, Singapore where he was responsible for the company's overall design of reinforced concrete piles foundation. He joined Peter Fraenkel & Partners Ltd as a Design Engineer in March 1990, where he was responsible for the construction of various highway projects in Oxfordshire and Surrey, England. In June 1995, he left to join Multi-Usage Cement Products Sdn Bhd as an Operations Manager, where he was involved in the planning and management of its daily plant operations. He then left in June 2000 and joined OKA Concrete Industries Sdn Bhd as a Quality Control and Technical Manager.

He joined Starken AAC and G-Cast Concrete in December 2010 as General Manager of Operations and was a key member of the team that set up and started the operations of Starken AAC and G-Cast Concrete.

(h) Tan Ming Hong – Head of Business Unit, Chin Hin Concrete

Tan Ming Hong, a Malaysian, aged 56, is the Head of Business Unit, Chin Hin Concrete. He obtained a Bachelor of Applied Science majoring in Mechanical Engineering in October 1983 from University Of Ottawa, Canada. He has more than thirty (30) years of experience in the ready-mixed concrete and quarries operation.

He began his career in 1984 at a local ready-mixed concrete company, Pertama Ready Mix Concrete (M) Sdn Bhd as a factory manager. In 1992, he joined Pioneer Concrete (M) Sdn Bhd as its General Manager where he was responsible for the daily operations of the company. In 2001, he joined Hanson Building Materials Malaysia Sdn Bhd, a British based building materials company as Regional Manager where he was responsible for the sales and marketing of building materials in the southern region of Malaysia. In 2007, he left and joined Cemex Concrete (Malaysia) Sdn Bhd, a global building materials company headquartered in Mexico as Operation & Technical Director where he oversees the nationwide operation for quarry, asphalts and ready-mixed concrete business. Thereafter in 2011, he took up the role of Chief Operating Officer at Tasek Concrete Sdn Bhd (a subsidiary of Tasek Corporation Berhad).

Subsequently he left and joined the Chin Hin Group as Chief Operating Officer of Chin Hin Concrete in 2012. However, he later joined the ready-mixed concrete /cement division of Holcim Malaysia Sdn Bhd as Vice President in 2013 where he was in-charged of aggregates, cement and ready-mixed concrete division. Subsequently in July 2015, in view of his extensive experience in the building materials industry, we have approached him to rejoin us to lead the ready-mixed concrete business unit.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.5 PRINCIPAL ACTIVITIES PERFORMED OUTSIDE OUR GROUP

Save as disclosed below, none of our Directors has any directorship and/or business activities performed outside our Group at present and in the past five (5) years up to the LPD:-

(a) Datuk Dr Nik Norzrul Thani bin Nik Hassan Thani

Company	Principal activities	Status of directorship
Zicolaw Partners Sdn Bhd	Legal services and advisory	Executive Director
Tanjung Offshore Berhad	Investment holding in the provision of engineering equipment packages, equipment maintenance services and spares to the oil and gas and related industries in Malaysia and the region	Non-Executive Director
Pelaburan Mara Berhad	Investment and asset management	Non-Executive Director
Tanjung HMS Petroleum Sdn Bhd	Oilfield development and services to the oil and gas industry	Non-Executive Director
Manulife Holdings Berhad	Investment holding in insurance services and businesses	Non-Executive Director
BNM Kijang Berhad	Issuances of Islamic Securities	Non-Executive Director
PNB Investment Institute Sdn Bhd	Financial and investment management	Non-Executive Director
UMW Holdings Berhad	Investment holding in automotive, equipment, manufacturing and engineering, and oil and gas industries	Non-Executive Director
UMW M&E Sdn Bhd	Automotive components and services	Non-Executive Director
Greenpower Quest Sdn Bhd	Investment holding and general trading	Non-Executive Director
IDR Waterfront Sdn Bhd	Properties development	Non-Executive Director
Yayasan Insan dan Ilmu	Education	Non-Executive Director
ZICO Shariah Advisory Services Sdn Bhd	Legal services and advisory	Executive Director
Al Rajhi Banking & Investment Corporation (Malaysia) Bhd	Banking and finance	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Pengangkutan Hartasuci Sdn Bhd	Dormant	Non-Executive Director
Asian Institute of Finance Berhad	Human capital development in financial services	Non-Executive Director
MSIG Insurance (Malaysia) Bhd	Investment holding in insurance services and businesses	Non-Executive Director
Manulife Insurance Berhad	Investment holding in insurance services and businesses	Non-Executive Director
Fraser & Neave Holdings Bhd	Soft drinks and dairy products manufacturing and distribution	Non-Executive Director
SJER Corporation Berhad	Investment holding involved in land, building, immovable property investment and general trading	Non-Executive Director
KIG Glass Industrial Berhad	Glasswares and carton boxes manufacturing and sale	Non-Executive Director
Melor's Apparel Sdn Bhd	General traders training and seminars	Non-Executive Director
Zi Labuan Trust Company Sdn Bhd	Professional and secretarial services	Non-Executive Director
Rentas Mesra Sdn Bhd	Management services	Non-Executive Director
Oligen Power Sdn Bhd	Oil and gas supply	Non- Executive Director
Anjuran Positif Sdn Bhd	Undertake and perform sub contractor; establish, maintain and operate hostels; carry on all or any of the business of transportation	Non- Executive Director
Perodua Manufacturing Sdn Bhd	Manufacturing vehicles	Non- Executive Director
UMW Aerospace Sdn Bhd	Manufacturing aerospace engine component products	Non- Executive Director
East West One Group Sdn Bhd	Oil palm plantation	Non- Executive Director
Abyssina Resources (M) Sdn Bhd	Abrasive blasting and painting works	Non- Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Blue Ocean Legacy Sdn Bhd	Property investment holding	Non-Executive Director (Resigned on 18 June 2012)
Zico Competelaw Sdn Bhd	Dormant	Non-Executive Director (Resigned on 28 September 2012)
Lubetech Sdn Bhd	Lubricant manufacturing and distribution	Non-Executive Director (Resigned on 1 March 2013)
UMW Advantech Sdn Bhd	Auto parts manufacturing and distribution	Non-Executive Director (Resigned on 1 March 2013)
UMW Lubricant International Sdn Bhd	Lubricant distribution	Non-Executive Director (Resigned on 1 March 2013)
UMW Pennzoil Distribution Sdn Bhd	Lubricant marketing and sales	Non-Executive Director (Resigned on 1 March 2013)
Millenium Bio Technology Sdn Bhd	Dormant	Non-Executive Director (Resigned on 3 January 2014)
Konsortium Logistik Berhad	Logistic services and inventory solutions	Non-Executive Director (Resigned on 1 July 2014)
Zico Corporate Services Sdn Bhd	Incorporation and secretarial services	Non-Executive Director (Resigned on 22 July 2014)
Otomobil Sejahtera Sdn Bhd	Passenger and commercial vehicles importing and retailing	Non-Executive Director (Resigned on 26 November 2014)
Maakl Mutual Bhd	Unit trust funds management	Non-Executive Director (Resigned on 15 December 2014)
HMS Oil & Gas Sdn Bhd	Oilfield development and services to the oil and gas industry	Non-Executive Director (Resigned on 22 May 2015)

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
HMS Legend Sdn Bhd	Oilfield development and services to the oil and gas industry	Non-Executive Director (Resigned on 22 June 2015)
HMS Energy Sdn Bhd	Dormant	Non-Executive Director (Resigned on 26 June 2015)
Solaris Stream Sdn Bhd	Wholesaling	Non-Executive Director (Resigned on 1 September 2015)
HMS Well Experts Sdn Bhd	Oilfield development and services to the oil and gas industry	Non-Executive Director (Resigned on 10 October 2015)

(b) Datuk Chiau Beng Teik

Company	Principal activities	Status of directorship
Platinum Eminent Sdn Bhd	Export and import of a variety of goods	Non-Executive Director
Fortune Merger Sdn Bhd	Export and import of a variety of goods	Non-Executive Director
Coromax Sdn Bhd	General trading, properties investment and money lending activities	Non-Executive Director
Landmark Grace Development Sdn Bhd	Investment holding, currently dormant	Non-Executive Director
CH Teguh Development Sdn Bhd	Property developer	Non-Executive Director
Asthetik KL South Sdn Bhd	Property development	Non-Executive Director
Chin Hin Land Sdn Bhd	Property development	Non-Executive Director
Chin Hin Hotel Sdn Bhd	Hotel business	Non-Executive Director
Chin Hin Concrete Mix Sdn Bhd	Dormant	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
PPCH Land Sdn Bhd	Property developer and investment holding in property development	Non-Executive Director
Asthetik Property Group Sdn Bhd	Property development, property investment and property managements	Non-Executive Director
Perimore Sdn Bhd	Hotel business	Non-Executive Director
Bangsar South Development Sdn Bhd	Property development and investment holding in property development	Non-Executive Director
LV Sand Sdn Bhd	Dormant	Non-Executive Director
Chin Hin Building Material Supply (JB) Sdn Bhd	Dormant	Non-Executive Director
Eupe Bangsar South Development (JV) Sdn Bhd	Property development	Non-Executive Director
PP Chin Hin Realty	Property management and investment holding in investment properties, property development and hotels business	Non-Executive Director
Kelang Lama Land Sdn Bhd	Property development	Non-Executive Director
Pintar Muda Development Sdn Bhd	Property development	Non-Executive Director
GA Hotel Management Sdn Bhd	Provision of hotel and lodging facilities	Non-Executive Director
Laksana Saujana Sdn Bhd	Investment holding in investment properties	Non-Executive Director
Chin Hin Plywood Sdn Bhd	Dormant	Non-Executive Director
Chin Hin Gypsum Sdn Bhd	Trading of gypsum and coal business	Non-Executive Director
Divine Inventions	Investment holding in Chin Hin Group	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
PP Chin Hin Group Sdn Bhd	General trading, have not commence business	Non-Executive Director
Chip Hin Transport Sdn Bhd	Transportation support services	Non-Executive Director (Resigned on 18 February 2013)
PSJ Transport Sdn Bhd	Transportation support services	Non-Executive Director (Resigned on 28 April 2011)
Perniagaan Perabut Chin Hin (PS) Sdn Bhd	Furniture business	Non-Executive Director (Resigned on 4 May 2010)
Sentosa Masa Sdn Bhd	Investment holding, currently dormant	Non-Executive Director (Resigned on 15 May 2015)
Grooveland Sdn Bhd	Dormant	Non-Executive Director (Resigned on 15 May 2015)
CHL Logistic Sdn Bhd	Logistics and transportation services	Non-Executive Director (Resigned on 11 June 2013)
Sens Hotel Sdn Bhd	Hotel operation and other related services	Non-Executive Director (Resigned on 16 July 2010)
Orion Deluxe Sdn Bhd	General trading	Non-Executive Director (Resigned on 19 July 2013)

(c) Chiau Haw Choon

Company	Principal activities	Status of directorship
Coromax Sdn Bhd	General trading, properties investment and money lending activities	Non-Executive Director
Fortune Merger Sdn Bhd	Export and import of a variety of goods	Non-Executive Director
Pintar Muda Development Sdn Bhd	Property development	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Platinum Eminent Sdn Bhd	Export and import of a variety of goods	Non-Executive Director
Laksana Saujana Sdn Bhd	Investment holding in investment properties	Non-Executive Director
Landmark Grace Development Sdn Bhd	Investment holding, currently dormant	Non-Executive Director
Asthetik KL South Sdn Bhd	Property development	Non-Executive Director
Chin Hin Land Sdn Bhd	Property development	Non-Executive Director
Chin Hin Hotel Sdn Bhd	Hotel business	Non-Executive Director
Chin Hin Concrete Mix Sdn Bhd	Dormant	Non-Executive Director
Perimore Sdn Bhd	Hotel business	Non-Executive Director
Asthetik Property Group Sdn Bhd	Property development, property investment and property management	Non-Executive Director
PP Chin Hin Group Sdn Bhd	General trading, have not commence business	Non-Executive Director
Leverage Hospitality Sdn Bhd	Boutique business hotel management	Non-Executive Director
CH Teguh Development Sdn Bhd	Property development	Non-Executive Director
LV Sand Sdn Bhd	Dormant	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Chin Hin Building Material Supply (JB) Sdn Bhd	Dormant	Non-Executive Director
PP Chin Hin Realty	Property management and investment holding in investment properties, property development and hotels business	Non-Executive Director
Bangsar South Development Sdn Bhd	Property development and investment holding in property development	Non-Executive Director
Eupe Bangsar South Development (JV) Sdn Bhd	Property development	Non-Executive Director
Kelang Lama Land Sdn Bhd	Property development	Non-Executive Director
Divine Inventions	Investment holding in Chin Hin Group	Non-Executive Director
GA Hotel Management Sdn Bhd	Provision of hotel and lodging facilities	Non-Executive Director
Perniagaan Perabut Chin Hin (PS) Sdn Bhd	Furniture business	Non-Executive Director (Resigned on 4 May 2010)
PSJ Transport Sdn Bhd	Transportation support services	Non-Executive Director (Resigned on 28 April 2011)
Chip Hin Transport Sdn Bhd	Transportation support services	Non-Executive Director (Resigned on 18 February 2013)
CHL Logistic Sdn Bhd	Logistics and transportation services	Non-Executive Director (Resigned on 11 June 2013)
Sentosa Masa Sdn Bhd	Investment holding, currently dormant	Non-Executive Director (Resigned on 15 May 2015)

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Grooveland Sdn Bhd	Dormant	Non-Executive Director (Resigned on 15 May 2015)
Orion Deluxe Sdn Bhd	General trading	Non-Executive Director (Resigned on 19 July 2013)

(d) Datuk Cheng Lai Hock

Company	Principal activities	Status of directorship
Sekolah Persendirian Sin Min Alor Setar Bhd	Dormant	Executive Director
Gromex Media Graphic Sdn Bhd	Billboards and banners manufacturer, printer, designer, contractor and agent	Non-Executive Director
SKW Development Sdn Bhd	Dormant	Non-Executive Director
SKW Yew Chai Sdn Bhd	Saw milling and manufacturing of prefabricated timber roof trusses and timber trading	Non-Executive Director
SKW Trading Sdn Bhd	Trading	Non-Executive Director
SKW Property Sdn Bhd	Dormant	Non-Executive Director
Xcellearn Resources Berhad	Investment holding in industrial training and consultancy, manufacturing and distribution of tin cans business	Non-Executive Director
LH Cheng and Associates Sdn Bhd	Tax and secretarial services	Managing Director
Syarikat Kayu Wangi Berhad	Sawmill and related operations, timber merchant and construction activities	Non-Executive Director
Skw Subari Sdn Bhd	Sawmill operation and timber trading	Non-Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

Company	Principal activities	Status of directorship
Skw Yew Chai Sdn Bhd	Sawmill, manufacturing of prefabricated timber roof trusses and timber trading	Non-Executive Director
Wangi KMB Berhad	Property development	Non-Executive Director

(e) Yeoh Chin Hoe

Company	Principal activities	Status of directorship
Voir Holdings Berhad	Investment holding and distribution of fashion apparels	Non-Executive Director
Weida (M) Berhad	Investment holding in property development, manufacturing of high density polyethylene products, works in installation of water treatment and sewage treatment plants, sewage treatment services and cultivation of oil palms	Non-Executive Director
Harrisons Development Sdn Bhd	Dormant	Non-Executive Director
Harrisons Herbals Sdn Bhd	Dormant	Non-Executive Director
Kumpulan Jaya Pemasaran Sdn Bhd	Ceased operation	Non-Executive Director
Exim Freight Services (Penang) Sdn Bhd	Dormant	Non-Executive Director
Task Developers Services Corporation Sdn Bhd	Dormant	Non-Executive Director
Penyedian Kimia Sdn Bhd	Dormant	Non-Executive Director
BPI Corptall Consulting Sdn Bhd	Business management consultation	Executive Director

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**(f) Ng Wai Luen**

Company	Principal activities	Status of directorship
Perak Transit Berhad	Investment holding	Non-Executive Director

Other than the involvements, shareholdings and directorship of our Directors as disclosed above, none of our Directors has any other interest in the abovesaid companies. Our Directors' involvements in other business activities outside our Group do not give rise to any conflict of interest situation with our business. In order to mitigate any possible conflict of interest, our Directors will declare to our Nomination Committee and our Board on their interests in other companies on the onset and as and when there are changes in their respective interests in these companies. Our Nomination Committee will then evaluate if such Director's involvement give rise to a potential conflict of interest with our Group's business activities. It is our Director's fiduciary duty to avoid conflict. Our Directors are required to attend courses which provide guidelines to our Directors on their fiduciary duties.

In the event of any possible direct conflict of interests between our Group and any company in which our Directors have an interest, the relevant affected Director will (to the extent that he, having made all reasonable enquiries, is aware of such potential conflict) disclose the conflict or potential conflict to the Board and he will refrain from all deliberations and voting at the board meeting and, if applicable, both himself and persons connected to him will refrain from voting at the shareholders' meeting convened to consider and approve any conflicting transaction.

Our audit committee will supervise any conflict of interest or potential conflict of interest situations and our Directors will disclose such conflict of interest situations, if any, for resolution as and when they arise. Their involvement in other business activities is not expected to affect their contributions and responsibilities to our Group.

8.6 INVOLVEMENT OF EXECUTIVE DIRECTORS AND KEY MANAGEMENT PERSONNEL

Save as disclosed in Section 8.5 above, as at the LPD, none of our Executive Directors and key management personnel are involved in any other principal business activities.

The involvement of our Executive Directors in other businesses set out in Section 8.5 above does not preclude them from allocating most of their time to our Group as they are non-executive directors in those businesses. As such, the daily operations in those businesses are managed by the respective companies' chief executive officers and key management personnel. They do not attend the monthly management meetings of those businesses and only attend meetings of other boards on which they serve and accordingly discharge their principal areas of responsibility as directors of those companies. They have been and have ensured that they would be able to fulfil and discharge their duties and responsibilities effectively as our Directors. Most of their time is spent in the operations and affairs of our Group. As such, our Executive Directors' involvements in other businesses and operations outside of our Group are not expected to have any material effect on their contribution to our Group.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.7 RELATIONSHIPS OR ASSOCIATIONS

Save as disclosed below, there is no family relationship or association between our Promoters, substantial shareholders, Directors and key management personnel:-

- (a) Datuk Chiau Beng Teik, our Deputy Group Executive Chairman, Promoter, substantial shareholder is father to Chiau Haw Choon, our Group Managing Director, Promoter and substantial shareholder.
- (b) Datin Wong Mee Leng, our Promoter and substantial shareholder, is the spouse of Datuk Chiau Beng Teik and mother to Chiau Haw Choon, our Group Managing Director, Promoter and substantial shareholder.

8.8 SERVICE AGREEMENTS

There are no existing or proposed service agreements between the companies within our Group and our Directors or key management personnel.

8.9 DECLARATIONS FROM OUR PROMOTERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

As at the LPD, none of our Promoters, Directors or key management personnel is or has been involved in any of the following events (whether in or outside Malaysia):-

- (a) a petition under any bankruptcy or insolvency law filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or key personnel;
- (b) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) any judgment that was entered against such person involving a breach of any law or regulatory requirement that relates to the securities or futures industry; or
- (e) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity.

8.10 BENEFITS PAID OR INTENDED TO BE PAID

Save for the salaries, bonuses, allowances and dividend, there have been no amounts and benefits that have been or are intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)**8.11 EMPLOYEES**

As at the LPD, our Group has a total of 632 employees. The following depicts the breakdown of our employees in our Group:-

Category of employees	Number of employees				LPD
	31 December 2012	31 December 2013	31 December 2014	31 August 2015	
Board and senior management	10	8	11	11	11
Sales and administrative staff	93	137	134	135	135
Technical staff	65	109	110	111	113
Support staff	96	137	145	151	160
General workers	174	207	242	215	213
TOTAL	438	598	642	623	632

As at the LPD, the permanent employees and foreign workers structure of our Group and the length of our employees' services are as follows:-

Category of employees	Length of service			Number of employees		
	More than			Total number of employees	Percentage of total employees	Number of foreign employees
	Less than one (1) year	one (1) year but less than five (5) years	five (5) years			
Board and senior management	1	6	4	11	1.7%	-
Sales and administrative staff	26	92	17	135	21.4%	-
Technical staff	31	79	3	113	17.9%	-
Support staff	49	80	31	160	25.3%	1
General workers	70	127	16	213	33.7%	49
TOTAL	177	384	71	632	100.0%	50

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

None of our employees belong to any labour union. As at the LPD, there has been no major industrial dispute pertaining to our employees.

Our total number of employees has increased from 438 in FYE 2012 to 632 as at LPD as a result of our Group's expansion over the financial years/periods under review. Metex Steel and G-Cast Concrete commenced production operations in 2012 while Starken AAC's production operations began in January 2014, resulting in the increase in our total number of employees.

The table below show the breakdown of our employees as at LPD according to geographical location:-

Category of employees	Number of employees				Total
	Central region ⁽ⁱ⁾	Northern region ⁽ⁱⁱ⁾	East Coast region ⁽ⁱⁱⁱ⁾	Southern region ^(iv)	
Board and senior management	11	-	-	-	11
Sales and administrative staff	75	36	11	13	135
Technical staff	96	17	-	-	113
Support staff	122	26	9	3	160
General workers	146	48	19	-	213
TOTAL	450	127	39	16	632

Notes:-

- (i) Consists of Kuala Lumpur, Selangor and Negeri Sembilan.
(ii) Consists of Pulau Pinang, Perak and Kedah.
(iii) Consists of Pahang, Terengganu Iman and Kelantan.
(iv) Consists of Johor and Melaka.

The table below show the breakdown of our employees as at LPD according to geographical location:-

Category of employees	Number of employees				Total
	Building materials & logistics	Ready-mixed concrete	AAC and precast products	Wire mesh & metal roofing systems	
Board and senior management	4	2	2	3	11
Sales and administrative staff	67	23	26	19	135
Technical staff	-	11	40	62	113
Support staff	88	24	17	31	160
General workers	29	100	15	69	213
TOTAL	188	160	100	184	632

8. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (Cont'd)

8.12 TRAINING AND DEVELOPMENT

We view our employees as one of our key assets that play an instrumental role in our Group's continuous growth. We place great emphasis on providing a pleasant working environment for our employees; ensuring skills development across our Group and identifying employee performance improvement opportunities for career advancement.

It is our policy to develop and train employees to improve their skills set and professionalism, in order to enhance productivity and operational efficiencies. As training and development is a continuing process, we encourage our employees to continually increase their skills and knowledge through hands-on training.

Our management team has, from time to time, arranged internal and courses to train our employees. The on-going training and development programmes cover technical and functional course for our employees. We also observe the safety and precaution practices.

Our technical team is also required to undergo product training conducted by our suppliers and manufacturers which are normally held at their facilities. General technicians are then trained through our in-house programmes organised by the respective business units.

8.13 MANAGEMENT SUCCESSION PLAN

We recognise the importance of succession planning for business continuity, and maintaining the level of our competencies and competitiveness in the industry. In view thereof, our Group has taken the appropriate steps to ensure the implementation of succession planning in every department. We encourage senior management to groom the lower and middle management staff, who will be groomed to gradually assume higher responsibilities. In addition, the middle management actively participates in various operations of our Group.

As part of our management succession plan, we have identified suitable personnel across our Group to match for management positions in line with our business goals, strategies and culture.

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9. APPROVALS AND CONDITIONS**9.1 APPROVALS AND CONDITIONS**

The SC had on 24 April 2015 approved our application for relief from complying with the following requirements from the Prospectus Guidelines:-

Reference	Details of relief sought	Details of conditions imposed	Status of compliance
Part I: Contents of Prospectus, Division 1: Equity, Paragraphs 12.02, 12.15 and 12.16	Relief from complying with the requirements to prepare pro forma consolidated income statements and pro forma cash flow statements of Chin Hin and to substitute it with the combined income statements and combined cash flow statements of Chin Hin, and consequently to allow the management discussion and analysis of financial condition, results of operations and prospectus to be prepared based on the combined financial statements.		- Not applicable

The SC had granted approval for our Listing under Section 212(5) of the CMSA, vide its letter dated 20 October 2015 subject to the terms and conditions stated therein ("SC Approval Letter").

The terms and conditions as stipulated in the SC Approval Letter are set out as follows:-

No.	Details of terms and conditions imposed	Status of compliance																					
1.1	Terms																						
(i)	Public issue of 63,197,900 Issue Shares, to be allocated in the following manner:- <table border="1"> <thead> <tr> <th>Category</th><th>No. of Issue Shares</th><th>% of enlarged share capital</th></tr> </thead> <tbody> <tr> <td>Malaysian public via balloting</td><td></td><td></td></tr> <tr> <td>– Bumiputera</td><td>12,647,200</td><td>2.5</td></tr> <tr> <td>– Non-Bumiputera</td><td>12,647,200</td><td>2.5</td></tr> <tr> <td>Eligible directors and employees</td><td>6,400,000</td><td>1.3</td></tr> <tr> <td>Private placement to identified investors</td><td>31,503,500</td><td>6.2</td></tr> <tr> <td>Total</td><td>63,197,900</td><td>12.5</td></tr> </tbody> </table>	Category	No. of Issue Shares	% of enlarged share capital	Malaysian public via balloting			– Bumiputera	12,647,200	2.5	– Non-Bumiputera	12,647,200	2.5	Eligible directors and employees	6,400,000	1.3	Private placement to identified investors	31,503,500	6.2	Total	63,197,900	12.5	To be complied
Category	No. of Issue Shares	% of enlarged share capital																					
Malaysian public via balloting																							
– Bumiputera	12,647,200	2.5																					
– Non-Bumiputera	12,647,200	2.5																					
Eligible directors and employees	6,400,000	1.3																					
Private placement to identified investors	31,503,500	6.2																					
Total	63,197,900	12.5																					

9. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of terms and conditions imposed	Status of compliance																														
(ii)	<p data-bbox="368 344 1185 443">Offer for sale of 65,000,000 Offer Shares, representing 12.8% of Chin Hin's enlarged issued and paid-up share capital by the Offerors, as follows:-</p> <table data-bbox="368 472 1185 801"> <tr> <th data-bbox="368 472 794 504"></th><th colspan="2" data-bbox="794 472 991 504">Offer Shares offered</th></tr> <tr> <th data-bbox="368 504 794 607">Offerors</th><th data-bbox="794 504 991 607">No. of Issue Shares</th><th data-bbox="991 504 1185 607">% of enlarged share capital</th></tr> <tr> <td data-bbox="368 607 794 674">Datuk Chiau Beng Teik</td><td data-bbox="794 607 991 674">35,832,000</td><td data-bbox="991 607 1185 674">7.1</td></tr> <tr> <td data-bbox="368 674 794 705">Chiau Haw Choon</td><td data-bbox="794 674 991 705">20,981,000</td><td data-bbox="991 674 1185 705">4.1</td></tr> <tr> <td data-bbox="368 705 794 739">Datin Wong Mee Leng</td><td data-bbox="794 705 991 739">8,187,000</td><td data-bbox="991 705 1185 739">1.6</td></tr> <tr> <td data-bbox="368 739 794 801">Total</td><td data-bbox="794 739 991 801">65,000,000</td><td data-bbox="991 739 1185 801">12.8</td></tr> </table> <p data-bbox="368 831 847 862">to be allocated in the following manner:</p> <table data-bbox="368 891 1185 1256"> <tr> <th data-bbox="368 891 794 994">Category</th><th data-bbox="794 891 991 994">No. of Offer Shares</th><th data-bbox="991 891 1185 994">% of enlarged share capital</th></tr> <tr> <td data-bbox="368 994 794 1093">Private placement to identified investors</td><td data-bbox="794 994 991 1093">14,411,200</td><td data-bbox="991 994 1185 1093">2.8</td></tr> <tr> <td data-bbox="368 1093 794 1191">Private placement to Bumiputera public investors approved by MITI</td><td data-bbox="794 1093 991 1191">50,588,800</td><td data-bbox="991 1093 1185 1191">10.0</td></tr> <tr> <td data-bbox="368 1191 794 1256">Total</td><td data-bbox="794 1191 991 1256">65,000,000</td><td data-bbox="991 1191 1185 1256">12.8</td></tr> </table>		Offer Shares offered		Offerors	No. of Issue Shares	% of enlarged share capital	Datuk Chiau Beng Teik	35,832,000	7.1	Chiau Haw Choon	20,981,000	4.1	Datin Wong Mee Leng	8,187,000	1.6	Total	65,000,000	12.8	Category	No. of Offer Shares	% of enlarged share capital	Private placement to identified investors	14,411,200	2.8	Private placement to Bumiputera public investors approved by MITI	50,588,800	10.0	Total	65,000,000	12.8	To be complied
	Offer Shares offered																															
Offerors	No. of Issue Shares	% of enlarged share capital																														
Datuk Chiau Beng Teik	35,832,000	7.1																														
Chiau Haw Choon	20,981,000	4.1																														
Datin Wong Mee Leng	8,187,000	1.6																														
Total	65,000,000	12.8																														
Category	No. of Offer Shares	% of enlarged share capital																														
Private placement to identified investors	14,411,200	2.8																														
Private placement to Bumiputera public investors approved by MITI	50,588,800	10.0																														
Total	65,000,000	12.8																														
(iii)	<p data-bbox="368 1285 1185 1352">Vendors' Shareholdings Reorganisation to be undertaken for a purchase consideration of RM151,766,400, as follows:-</p> <table data-bbox="368 1382 1185 1742"> <tr> <th data-bbox="368 1382 794 1547">Vendors</th><th data-bbox="794 1382 991 1547">No. of Shares to be transferred to Divine Inventions</th><th data-bbox="991 1382 1185 1547">Purchase consideration (RM)</th></tr> <tr> <td data-bbox="368 1547 794 1610">Datuk Chiau Beng Teik</td><td data-bbox="794 1547 991 1610">134,045,120</td><td data-bbox="991 1547 1185 1610">66,635,560</td></tr> <tr> <td data-bbox="368 1610 794 1641">Datin Wong Mee Leng</td><td data-bbox="794 1610 991 1641">47,572,930</td><td data-bbox="991 1610 1185 1641">23,894,965</td></tr> <tr> <td data-bbox="368 1641 794 1675">Chiau Haw Choon</td><td data-bbox="794 1641 991 1675">121,914,750</td><td data-bbox="991 1641 1185 1675">61,235,875</td></tr> <tr> <td data-bbox="368 1675 794 1742">Total</td><td data-bbox="794 1675 991 1742">303,532,800</td><td data-bbox="991 1675 1185 1742">151,766,400</td></tr> </table> <p data-bbox="368 1771 1185 1839">The purchase consideration to be satisfied via cash and to be reflected as amount owing by Divine Inventions to the Vendors.</p>	Vendors	No. of Shares to be transferred to Divine Inventions	Purchase consideration (RM)	Datuk Chiau Beng Teik	134,045,120	66,635,560	Datin Wong Mee Leng	47,572,930	23,894,965	Chiau Haw Choon	121,914,750	61,235,875	Total	303,532,800	151,766,400	Complied															
Vendors	No. of Shares to be transferred to Divine Inventions	Purchase consideration (RM)																														
Datuk Chiau Beng Teik	134,045,120	66,635,560																														
Datin Wong Mee Leng	47,572,930	23,894,965																														
Chiau Haw Choon	121,914,750	61,235,875																														
Total	303,532,800	151,766,400																														

9. APPROVALS AND CONDITIONS (Cont'd)

No.	Details of terms and conditions imposed	Status of compliance
(iv)	Listing of and quotation for the entire enlarged issued and paid-up share capital of Chin Hin of RM252,944,000 comprising of 505,888,000 Shares on the Main Market of Bursa Securities.	To be complied
1.2	Conditions	
	M&A Securities/Chin Hin must fully comply with the requirements of the SC's Equity Guidelines pertaining to the implementation of the Listing.	To be complied

Bursa Securities had vide its letter dated 18 December 2015, approved our admission to the Official List and listing of and quotation for the entire issued and paid-up share capital of our Company of RM252,944,000 comprising 505,888,000 Shares on the "Trading/Services" sector of the Main Market of Bursa Securities.

The approval from Bursa Securities was subjected to the following conditions:-

No.	Details of conditions imposed	Status of compliance
1.	M&A Securities/Chin Hin are required to make the relevant announcement pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, Chin Hin is advised to include the Stock Code, Stock Short Name and ISIN Code upon making the announcement on the timetable for the IPO	To be complied
2.	M&A Securities/Chin Hin are required to furnish Bursa Securities a copy of the schedule of distribution showing compliance to the share spread requirements based on the entire enlarged issued and paid-up share capital of Chin Hin on the first day of listing; and	To be complied
3.	M&A Securities/Chin Hin are required to furnish a cheque drawn to the order of Bursa Securities for the initial and annual listing fees to be calculated based on the final issue price of the Shares, together with a copy of the details of computation of the amount of listing fees payable.	Complied

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9. APPROVALS AND CONDITIONS (Cont'd)**9.2 MORATORIUM ON SALE OF SHARES****9.2.1 Vendors' Shareholdings Reorganisation**

During the subscription period (i.e. the span of time where the investors can subscribe for the IPO Shares), the Vendors will undertake a reorganisation exercise involving the transfer of 303,532,800 Shares which they received from the Acquisitions to Divine Inventions, an investment holding company substantially owned by the Vendors. In this regard, the Vendors have on 6 January 2016, entered into a conditional share sale agreement with Divine Inventions in respect of the Vendors' Shareholdings Reorganisation for a purchase consideration of RM151,766,400. The purchase consideration will be satisfied via cash and will be reflected as amount owing by Divine Inventions to the Vendors. The Vendors' Shareholdings Reorganisation is undertaken to streamline the shareholdings of the Vendors in our Group so that it is held under an investment holding company instead of by the Vendors individually.

Please refer to Section 8.1.2 of this Prospectus for further details on Divine Inventions. Details of the Vendors' Shareholdings Reorganisation are as follows:-

	No. of Shares to be transferred under the Vendors' Shareholdings Reorganisation	⁽ⁱ⁾Cash RM
Datuk Chiau Beng Teik	134,045,120	66,635,560
Datin Wong Mee Leng	47,572,930	23,894,965
Chiau Haw Choon	121,914,750	61,235,875
Total	303,532,800	151,766,400

Note:-

(i) Reflected as amount owing by Divine Inventions to the respective vendors.

9.2.2 Moratorium on sale of shares

In accordance with the SC's Equity Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for six (6) months from the date of admission of our entire enlarged issued and paid-up share capital to the Official List of Bursa Securities ("Moratorium Period").

Upon completion of our IPO, the amount of Shares to be placed under moratorium is as follows:-

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Datuk Chiau Beng Teik	74,157,200	14.6	⁽ⁱ⁾ 303,532,800	60.0
Chiau Haw Choon	-	-	⁽ⁱ⁾ 303,532,800	60.0
Datin Wong Mee Leng	-	-	⁽ⁱ⁾ 303,532,800	60.0
Divine Inventions	303,532,800	60.0	-	-
PP Chin Hin Realty	-	-	⁽ⁱⁱ⁾ 303,532,800	60.0

9. APPROVALS AND CONDITIONS (Cont'd)

Notes:-

- (i) *After taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus and deemed interested via his/her substantial shareholdings in PP Chin Hin Realty.*
- (ii) *After taking into consideration the Vendors' Shareholdings Reorganisation as disclosed in Section 9.2.1 of this Prospectus and deemed interested via his/her substantial shareholdings in Divine Inventions.*

Our Promoters have provided undertaking letters to the SC that they will not sell, transfer or assign their shareholdings under moratorium for the Moratorium Period.

The Share Registrar and Bursa Depository have been informed in relation to the moratorium restriction on our Promoters to ensure that they do not register any transfer of Shares contravening the above moratorium restriction.

The ultimate shareholders of Divine Inventions and PP Chin Hin Realty, namely Datuk Chiau Beng Teik, Chiau Haw Choon and Datin Wong Mee Leng, have undertaken not to sell, transfer or assign their respective shareholdings in PP Chin Hin Realty and Divine Inventions during the Moratorium Period.

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10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST**10.1 RELATED PARTY TRANSACTIONS**

Save as disclosed below, there are no transactions, existing or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected with them which are significant in relation to the business of our Company and our subsidiary companies for FYE 2011 to FYE 2014 as well as FPE 2015.

10.1.1 Non-recurrent related party transactions

Save as disclosed below, we have not entered into any non-recurrent related party transactions with our Directors, substantial shareholders, key management personnel and/or persons connected with them for FYE 2011 to FYE 2014 as well as FPE 2015. The non-recurrent related party transactions set out below were carried out on an arm's length basis and on commercial terms not more favourable to the related parties than those generally available to third parties.

PP Chin Hin

Transacting parties	Interested Promoters/Directors/Substantial shareholders/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
Fortune Merger Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Fortune Merger Sdn Bhd	Sale of vacant land by PP Chin Hin to Fortune Merger Sdn Bhd	-	-	-	2,355	-
Kelang Lama Land Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Kelang Lama Land Sdn Bhd	Advances for land purchase and working capital requirements by PP Chin Hin to Kelang Lama Land Sdn Bhd	35,392	-	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholders/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Pintar Muda Development Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors Pintar Muda Development Sdn Bhd, which in turn is a subsidiary of PP Chin Hin Realty	Advances for land purchase and the working capital	5,163	-	4,691	-	-	-
GA Hotel Management Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of GA Hotel Management Sdn Bhd, which in turn is a subsidiary of PP Chin Hin Realty	Advances for working capital requirements by PP Chin Hin to GA Hotel Management Sdn Bhd	-	28	31	14	-	-
CHL Logistic Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Advances for working capital requirements by PP Chin Hin to CHL Logistic Sdn Bhd	-	-	1,148	-	-	-
Laksana Saujana Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Laksana Saujana Sdn Bhd	Advances for land purchase and the working capital by PP Chin Hin to Laksana Saujana Sdn Bhd	2,189	-	80	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholders/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Landmark Grace Development Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Landmark Grace Development Sdn Bhd	Advances for land purchase and the working capital requirements by PP Chin Hin to Landmark Grace Development Sdn Bhd	2,641	-	-	-	-	-
Sentosa Masa Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Sentosa Masa Sdn Bhd	Advances for land purchase and the working capital requirements by PP Chin Hin to Sentosa Masa Sdn Bhd	4,439	-	-	-	-	-
PP Chin Hin Realty	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon are the Directors and substantial shareholders of PP Chin Hin Realty	Purchases of two (2) units of semi-detached factories by PP Chin Hin from PP Chin Hin Realty	-	-	9,139	-	-	-
			Advances for land purchase and working capital by PP Chin Hin to PP Chin Hin Realty	16,584	-	14,401	-	-	-
			Corporate guarantee given by PP Chin Hin to PP Chin Hin Realty	-	-	-	89,200	(1)89,200	-
			Corporate guarantee given by PP Chin Hin to PP Chin Hin Realty	-	-	-	(1)37,000	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholders/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					
				FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FYE 2015 RM'000	FPE 2015 RM'000
Chin Hin Land Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Land Sdn Bhd	Corporate guarantee given by PP Chin Hin to PP Chin Hin Realty	-	-	-	42,000	(iii) 42,000	-
			Corporate guarantee given by PP Chin Hin to PP Chin Hin Realty	-	13,020	13,020	(iv) 13,020	-	-
			Advances for land purchase given by PP Chin Hin to Chin Hin Land Sdn Bhd	5,136	-	-	-	-	-
Asthetik KL South Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Asthetik KL South Sdn Bhd, which in turn is a wholly-owned subsidiary of Asthetik Property Group Sdn Bhd	Advances for land purchase provided by PP Chin Hin to Asthetik KL South Sdn Bhd	-	-	4,752	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/ Substantial shareholders/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bangsar South Development Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Bangsar South Development Sdn Bhd, which in turn is a wholly-owned subsidiary of Asthetik Property Group Sdn Bhd	Advances for land purchase given by PP Chin Hin to Bangsar South Development Sdn Bhd	-	5,100	2,567	-	-	-
Perimore Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Perimore Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Advances for working capital given by PP Chin Hin to Perimore Sdn Bhd	-	-	-	1,000	-	-
Chin Hin Hotel Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Choon is the Director of Chin Hin Hotel Sdn Bhd, which in turn is a subsidiary of PP Chin Hin Realty	Advances for working capital by PP Chin Hin to Chin Hin Hotel Sdn Bhd	7	17	8	-	-	-
			Corporate guarantee given by PP Chin Hin to Chin Hin Hotel Sdn Bhd	2,370	2,370	2,370	2,370	2,370	(v)2,370

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Notes:-**

- (i) *The corporate guarantee was discharged via letter dated 1 December 2015 by Maybank Islamic Berhad.*
- (ii) *The corporate guarantees were discharged via letter dated 25 August 2014 by OCBC Bank (Malaysia) Berhad.*
- (iii) *The corporate guarantees were discharged via letter dated 1 December 2015 by CIMB Islamic Bank Berhad.*
- (iv) *The corporate guarantee was discharged via letter dated 21 January 2015 from United Overseas Bank (Malaysia) Berhad.*
- (v) *The corporate guarantee was discharged via letter dated 23 November 2015 by Maybank Islamic Berhad.*

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10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Chin Hin Concrete**

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
Chin Hin Concrete Mix Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Corporate guarantee given by Chin Hin Concrete to Chin Hin Concrete Mix Sdn Bhd	-	-	05,000	-	-
			Corporate guarantee given by Chin Hin Concrete to Chin Hin Concrete Mix Sdn Bhd	-	-	1,648	(ii) 1,648	-
			Corporate guarantee given by Chin Hin Concrete to Chin Hin Concrete Mix Sdn Bhd	2,811	2,811	2,811	(iii) 2,811	-
			Corporate guarantee given by Chin Hin Concrete to Chin Hin Concrete Mix Sdn Bhd	-	-	2,000	(iv) 2,000	-
Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng and Chiau Haw Choon are Directors and substantial shareholders of Chin Hin Concrete	Chin Hin Concrete acquired shares in Chin Hin Concrete (KL) from Datuk Chiau Beng Teik and Chiau Haw Choon	-	4,800	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng and Chiau Haw Choon are Directors and substantial shareholders of Chin Hin Concrete	Chin Hin Concrete acquired shares in Chin Hin Concrete (North) from Datuk Chiau Beng Teik and Chiau Haw Choon	2,800	-	-	-	-

Notes:-

- (i) The corporate guarantee was discharged via letter dated 26 April 2013 from AmBank (M) Berhad.
(ii) The corporate guarantee was discharged via letter dated 7 January 2015 from AmBank (M) Berhad.
(iii) The corporate guarantee was discharged via letter dated 23 January 2015 from AmBank (M) Berhad.
(iv) The corporate guarantee was discharged via letter dated 7 January 2015 from AmBank (M) Berhad.

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10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Chin Hin Concrete (KL)**

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
Perimore Sdn Bhd	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Perimore Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Disposal of motor vehicle by Chin Hin Concrete (KL) to Perimore Sdn Bhd	-	-	-	200	-

Starken AAC

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
Chin Hin Concrete Mix Sdn Bhd	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Purchase of motor vehicle by Starken AAC from Chin Hin Concrete Mix Sdn Bhd	-	-	-	200	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**10.1.2 Recurrent related party transactions**

Save as disclosed below, we have not entered into any recurrent related party transaction of a revenue or trading in nature which are necessary for our day-to-day operations and in our ordinary course of business with certain related parties which involves the interests, direct or indirect, of our Directors, substantial shareholders, key management personnel and/or persons connected with them ("Recurrent Transactions") for FYE 2011 to FYE 2014 as well as FPE 2015. The past Recurrent Transactions were carried out on arm's length basis and on commercial terms not more favourable to the related parties than those generally available to third parties and which were not detrimental to our minority shareholders.

We will make disclosures in our annual report of the aggregate value of transactions conducted based on the nature of the Recurrent Transactions made, the names of the related parties involved and their relationship with our Company during the financial year and in the annual reports for subsequent financial years.

PP Chin Hin

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
AS Chin Hin Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Beng Soo and Ng Peng Peng, the brother and sister-in-law of Datuk Chiau Beng Teik, are the Directors and substantial shareholders of AS Chin Hin Sdn Bhd	Sales of building materials	4,366	1,668	3,950	2,743	1,922
			Purchases of building materials	421	334	591	725	437
Italia Ceramics Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Yeoh Hock Seng, the brother-in-law of Datuk Chiau Beng Teik, is a Director and substantial shareholder of Italia Ceramics Sdn Bhd	Purchases of building materials	1,472	2,800	1,309	548	-
			Rental income received by pp Chin Hin from Italia Ceramics Sdn Bhd	54	72	66	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Minda Jayamas Sdn Bhd ⁽ⁱⁱⁱ⁾	Datuk Chiau Beng Teik	Yeoh Hock Seng, the brother-in-law of Datuk Chiau Beng Teik is the Director and substantial shareholder of Minda Jayamas Sdn Bhd	Sale of cement by PP Chin Hin to Minda Jayamas Sdn Bhd Purchase of building materials from Minda Jayamas Sdn Bhd	-	56,640	75,778	25,471	-	-
Kelang Lama Land Sdn Bhd ⁽ⁱⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Kelang Lama Land Sdn Bhd	Sale of building materials Rental income received for renting of office spaces belonging to PP Chin Hin	9,884	2,085	41	-	-	-
Aesthetik Property Group Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Aesthetik Property Group Sdn Bhd	Rental income received for renting of office spaces belonging to PP Chin Hin	-	-	95	189	47	-
Pintar Muda Development Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Pintar Muda Development Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Sale of building materials	243	727	1,367	*	11	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	
GA Hotel Management Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of GA Hotel Management Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Sales of building materials	13,326	2,012	469	529		3
Chip Hin Trading ⁽ⁱ⁾	Datuk Chiau Beng Teik	Chiau Beng Sun, the brother of Datuk Chiau Beng Teik, is the Director and substantial shareholder of Chip Hin Trading	Transportation services provided by Chip Hin Trading to PP Chin Hin	1,210	2,510	8	2,211		674
CHL Logistic Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Transportation services provided by CHL Logistic Sdn Bhd to PP Chin Hin	-	-	8	-	-	-
			Sales of building materials	-	-	11	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Sens Hotel Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of Sens Hotel Sdn Bhd	Sale of vehicle insurance premium and road tax to CHL Logistic Sdn Bhd (as agent of the insurance company) by PP Chin Hin	-	-	-	567	317	
			Rental of lorries by PP Chin Hin to CHL Logistic Sdn Bhd	-	-	-	-	847	
Laksana Saujana Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Laksana Saujana Sdn Bhd	Rental income received from Sens Hotel Sdn Bhd for the renting of shop houses belonging to PP Chin Hin	122	164	172	174	116	
			Sales of building materials	33	737	12	-	-	
			Rental expenses paid to Laksana Saujana Sdn Bhd for renting of warehouse-cum office	-	5	75	120	80	

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/ Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014		
				RM'000	RM'000	RM'000	RM'000	RM'000	
Chin Hin Hotel Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Choon is the Director of Chin Hin Hotel Sdn Bhd, which is turn is renting of shop houses substantially owned by PP belonging to PP Chin Hin Chin Hin Realty	Rental income received from Chin Hin Hotel Sdn Bhd for renting of shop houses belonging to PP Chin Hin	60	479	599	630	440	
			Sales of building materials	-	37	6	-	-	
Chip Hin Transport Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chip Hin Transport Sdn Bhd	Sale of cement	104	*	-	-	-	
Chin Hin Concrete Mix Sdn Bhd ⁽ⁱⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Sale of cement and building materials	19,555	3,674	655	71	-	
			Rental income received from Chin Hin Concrete Mix Sdn Bhd for renting of office space	-	-	11	-	-	
Teras Maju Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik	Yeoh Hock Seng, the brother-in-law of Datuk Chiau Beng Teik is the Director and substantial shareholder of Teras Maju Sdn Bhd	Sale of cement	-	-	659	-	-	

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transactions	Value of transactions				
				FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Chin Hin Plywood Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Datin Wong Mee Leng	Datuk Chiau Beng Teik and Datin Wong Mee Leng are the Directors and substantial shareholders of Chin Hin Plywood Sdn Bhd	Sale of insurance premium by PP Chin Hin to Chin Hin Plywood Sdn Bhd	-	-	3	-	-
PP Chin Hin Realty ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon are the Directors and substantial shareholders of PP Chin Hin Realty	Sale of building materials Rental income received from PP Chin Hin Realty for renting of office space	-	-	-	-	610 79

Notes:-

* Negligible, less than RM1,000

- (i) These recurrent related party transactions are expected to reoccur after Listing and it will be transacted at the same basis. A shareholders' mandate will be sought for these recurrent related party transactions after Listing. Our Group is not dependent on these recurrent related party transactions.
- (ii) These recurrent related party transactions are not expected to reoccur after Listing as the transacting parties have ceased operations / is currently dormant.
- (iii) This recurrent related party transaction is not expected to reoccur after Listing as Minda Jayamas Sdn Bhd will purchase the building materials directly from the suppliers.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Chin Hin Concrete (KL)**

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions				
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
				RM'000	RM'000	RM'000	RM'000	RM'000
CHL Logistic Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Purchases of sand and aggregates Rental income received by Chin Hin Concrete (KL) for tanker trucks and office space rented to CHL Logistic Sdn Bhd	-	-	1,288	4,201	6,875
				-	-	328	575	654
Minda Jayamas Sdn Bhd ⁽ⁱⁱⁱ⁾	Datuk Chiau Beng Teik	Yeoh Hock Seng, the brother-in-law of Datuk Chiau Beng Teik is the Director and substantial shareholder of Minda Jayamas Sdn Bhd	Purchases of cement	-	26,299	43,718	20,609	-
Pintar Muda Development Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of Pintar Muda Development Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Sales of concrete	99	-	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FYE 2015 RM'000	
Chin Hin Concrete Mix Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Sales of concrete	-	1,686	-	-	-	-
			Purchases of concrete	46	1,447	3,667	-	-	-
PP Chin Hin Realty ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon are the Directors and substantial shareholders of PP Chin Hin Realty	Rental paid to PP Chin Hin Realty for rental of office space	-	-	-	19	13	13

Notes:-

- (i) These recurrent related party transactions are expected to reoccur after Listing and it will be transacted at the same basis. A shareholders' mandate will be sought for these recurrent related party transactions after Listing. Our Group is not dependent on these recurrent related party transactions.
- (ii) These recurrent related party transactions are not expected to reoccur after Listing as the transacting parties have ceased operations / is currently dormant.
- (iii) This recurrent related party transaction is not expected to reoccur after Listing as Chin Hin Concrete (KL) will purchase cement directly from the supplier.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Chin Hin Concrete (North)**

Transacting parties	Interested Promoters/Directors/Substantial Shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Chin Hin Concrete Mix Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Purchases of concrete Sales of concrete	273	1,351	441	-	-	-
Minda Jayamas Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik	Yeoh Hock Seng, the brother-in-law of Datuk Chiau Beng Teik is the Director and substantial shareholder of Minda Jayamas Sdn Bhd	Purchases of cement	-	15,433	28,273	9,134	-	-
GA Hotel Management Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Chiau Haw Choon and Datin Wong Mee Leng	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors of GA Hotel Management Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty	Sales of concrete	-	600	713	5	-	-
LV Sand Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of LV Sand Sdn Bhd	Purchases of sand	-	166	-	-	-	-

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Notes:**

- (i) These recurrent related party transactions are not expected to reoccur after Listing as the transacting parties have ceased operations / is currently dormant.
- (ii) This recurrent related party transaction is not expected to reoccur after Listing as Chin Hin Concrete (North) will purchase the cement directly from the supplier.

Chin Hin Concrete

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Chin Hin Concrete Mix Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik and Chiau Haw Choon	Datuk Chiau Beng Teik and Chiau Haw Choon are the Directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd	Management fees paid to Chin Hin Concrete Mix Sdn Bhd for management services rendered	-	320	-	-	-	-

Note:-

- (i) This recurrent related party transaction is not expected to reoccur after Listing as the transacting party have ceased operations / is currently dormant.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**C&H Transport**

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	
CH Hardware & Transport Sdn Bhd ⁽¹⁾	Datuk Chiau Beng Teik	Chiau Thean Bee, the brother of Datuk Chiau Beng Teik, is the Director and substantial shareholder of CH Hardware & Transport Sdn Bhd	Transportation services paid to CH Hardware & Transport Sdn Bhd for transportation of building materials services provided	5,394	5,565	6,245	8,616	6,015	
Chip Hin Trading ⁽¹⁾	Datuk Chiau Beng Teik	Chiau Beng Sun, the brother of Datuk Chiau Beng Teik, is the Director and substantial shareholder of Chip Hin Trading	Transportation services paid to Chip Hin Trading for transportation of building materials	1,607	1,642	1,735	2,681	297	
AS Chin Hin Sdn Bhd ⁽¹⁾	Datuk Chiau Beng Teik	Chiau Beng Soo and Ng Peng Peng, the brother and sister-in-law of Datuk Chiau Beng Teik, are the substantial shareholders of AS Chin Hin Sdn Bhd	Transportation services paid to AS Chin Hin Sdn Bhd for transportation of building materials	28	45	39	6	25	
CHL Logistic Sdn Bhd ⁽¹⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Transportation services paid to CHL Logistic Sdn Bhd for transportation of building materials	-	-	415	2,085	2,588	

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Note:-**

- (i) These recurrent related party transactions are expected to reoccur after Listing and it will be transacted at the same basis. A shareholders' mandate will be sought for these recurrent related party transactions after Listing. Our Group is not dependent on these recurrent related party transactions.

Starken AAC

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE 2015
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CHL Logistic Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Transportation services provided by CHL Logistic to AAC for transportation of building materials	-	-	-	-	368	158
Chin Hin Gypsum Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik	Datuk Chiau Beng Teik is the Director and substantial shareholder in Chin Hin Gypsum Sdn Bhd	Purchase of raw materials by Starken AAC from Chin Hin Gypsum Sdn Bhd	-	-	-	1,040	1,001	
AS Chin Hin Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Beng Soo and Ng Peng Peng, the brother and sister-in-law of Datuk Chiau Beng Teik, are the Directors and substantial shareholders of AS Chin Hin Sdn Bhd	Sales of AAC blocks by Starken AAC to AS Chin Hin Sdn Bhd	-	-	-	371	246	

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**Note:-**

- (i) This recurrent related party transaction is expected to reoccur after Listing and it will be transacted at the same basis. A shareholders' mandate will be sought for this recurrent related party transaction after Listing. Our Group is not dependent on this recurrent related party transaction.

G-Cast Concrete

Transacting parties	Interested Promoters/Directors/Substantial shareholder/Key management personnel	Nature of relationship	Nature of transaction	Value of transactions					FPE
				FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CHL Logistic Sdn Bhd ⁽ⁱ⁾	Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon	Chiau Haw Loon, the son of Datuk Chiau Beng Teik and Datin Wong Mee Leng, is the Director and substantial shareholder of CHL Logistic Sdn Bhd	Transportation services provided by CHL Logistic Sdn Bhd to G-Cast Concrete for transportation of building materials	-	-	-	22	63	

Note:-

- (i) This recurrent related party transaction is expected to reoccur after Listing and it will be transacted at the same basis. A shareholders' mandate will be sought for this recurrent related party transaction after Listing. Our Group is not dependent on this recurrent related party transaction.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)

Our Directors are of the view that all the above related party transactions were conducted on an arm's length basis and were carried out in the ordinary course of business and on competitive commercial terms not more favourable to the related parties than those generally available to the third parties and were not to the detriment of our minority shareholders.

The Recurrent Transactions are transactions of revenue or trading in nature in our ordinary course of business and/or which are necessary for our day-to-day operations. Moving forward, our Board shall seek the approval from our non-interested shareholders for a mandate to enter into such Recurrent Transactions (if any) at the general meeting(s) of our Company in order to mitigate any potential conflict of interest arising from such Recurrent Transactions. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions in our ordinary course of business without the need to convene numerous general meetings to approve such recurrent transactions as and when they are entered into. The shareholders' mandate is subject to annual renewal.

Our Group shall also endeavour to maintain the annual Recurrent Transactions to not more than 10% of our Group's annual total revenue and/or costs of sales.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, monitor potential Recurrent Transactions (if any) and the terms thereof and report to our Board for further action. Where necessary, our Board would make appropriate disclosures in our annual reports with regard to any Recurrent Transactions.

Any proposed related party transactions which involves the interest, direct and indirect of our Directors, the interested Director(s) shall disclose his interest to our Board, of the nature and extent of his interest including all matters in relation to the proposed related party transactions that he is aware or should reasonably be aware of, which is not in our best interest. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transactions.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, the Directors, major shareholders and/or persons connected with a Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transactions will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Director and/or major shareholder will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10. RELATED PARTY TRANSACTIONS / CONFLICTS OF INTEREST (Cont'd)**10.2 INTEREST IN SIMILAR BUSINESS**

None of our Directors or substantial shareholders have any interest, direct or indirect, in other businesses or corporations carrying on a similar or related trade as our Group, or are the customers and/or suppliers of our Group other than as disclosed in Section 10.1.2.

10.3 OTHER TRANSACTIONS

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party in respect of the past four (4) FYE 2011 to FYE 2014 as well as FPE 2015.

Save as disclosed in Section 10.1.1 of this Prospectus, there were no outstanding loans (including guarantees of any kind) made to/by us to or for the benefit of a related party in respect of the past four (4) FYE 2011 to FYE 2014 as well as FPE 2015.

Save as disclosed in Section 10.1.1 of this Prospectus, none of our Directors or substantial shareholders had any interest, direct or indirect, in the promotion of or in any material assets which had been, within the past four (4) FYE 2011 to FYE 2014 as well as FPE 2015, acquired or proposed to be acquired or disposed of or proposed to be disposed of by or leased or proposed to be leased to us.

Save as disclosed below, our Group has not entered into any transactions with M&A Securities, the Adviser, Underwriter and Placement Agent for our Listing:

- (a) Agreement dated 19 March 2014 between PP Chin Hin and M&A Securities for the appointment of M&A Securities as the Adviser and Placement Agent for our Listing; and
- (b) Underwriting agreement dated 26 January 2016 between our Company and M&A Securities for the underwriting of 31,694,400 Issue Shares to be issued pursuant to our Public Issue.

10.4 DECLARATIONS BY THE ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Adviser, Underwriter and Placement Agent for our Listing.
- (b) Messrs Teh & Lee has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for our Listing.
- (c) UHY has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing.
- (d) Protégé Associates Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants for our Listing.

11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION



Date: 03 FEB 2016

The Board of Directors
Chin Hin Group Berhad
(Company No. 1097507-W)
Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sirs,

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF CHIN HIN GROUP BERHAD ("CHIN HIN" OR "THE COMPANY") AND ITS SUBSIDIARIES (COLLECTIVELY KNOWN AS "CHIN HIN GROUP" OR "THE GROUP") AS AT 31 AUGUST 2015 ("PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION")

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position prepared by the Directors of the Company ("Directors").

The pro forma consolidated statements of financial position and the notes set out in Appendix A to this letter are compiled by the Directors for illustrative purposes only and for inclusion into the Prospectus of Chin Hin Group in connection with the proposed listing of and quotation for the entire enlarged issued and paid-up share capital of Chin Hin Group on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The pro forma consolidated statements of financial position have been compiled by the Directors to illustrate the impact of the Restructuring and Listing Scheme set out in Notes 1 to 4 below.

As part of this process, information about the financial position has been extracted by the Directors from the relevant financial statements as at 31 August 2015, on which an audited Financial Statements has been prepared.

Directors' Responsibility for the pro forma consolidated statements of financial position

The Directors are responsible for compiling the pro forma consolidated statements of financial position on the basis on the applicable criteria as specified in the Prospectus Guidelines and the basis described in the Notes of Appendix A to the pro forma consolidated statement of financial position.

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11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)



The pro forma consolidated statements of financial position has incorporated the following listing scheme: -

1. Public Issue

Pursuant to the Public Issue, the Company shall issue 63,197,900 new ordinary shares of RM0.50 each in Chin Hin ("Issue Shares") at an issue price of RM0.65 per Share ("IPO Price") to be allocated in the following manner:-

- (a) 25,294,400 Issue Shares made available for application by the Malaysian Public, to be allocated via balloting;
- (b) 6,400,000 Issue Shares made available to the eligible Directors and employees who have contributed to the success of the Group; and
- (c) 31,503,500 Issue Shares by way of private placement to selected investors.

2. Offer for Sale

Concurrent with the Listing, the offerors namely Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon, collectively ("Offerors") will undertake an offer for sale of 65,000,000 Shares at the IPO Price, representing approximately 12.8% of the enlarged issued and paid-up share capital to selected investors.

(Collectively known as "IPO")

3. Vendor's Shareholdings Re-Organisation

The reorganisation of the vendors namely Datuk Chiau Beng Teik, Chiau Haw Choon and Datin Wong Mee Leng ("Vendors") shareholdings in Chin Hin during the prescribed period involving the transfer of 303,532,800 Shares which they collectively received from the Acquisitions to Divine Inventions Sdn Bhd, a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd, which in turn is collectively owned by the Vendors.

4. Listing

Upon completion of the IPO, the Company's entire enlarged issued and paid-up share capital of RM252,944,000 comprising 505,888,000 Shares shall be listed on the Main Market of Bursa Securities.

11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)



Reporting Accountants' Responsibilities

Our responsibility is to express an opinion as required by the Prospectus Guidelines, about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Directors on the basis on the applicable criteria.

We conducted our engagement in accordance with the Malaysian Approved Standard on Assurance Engagements, ISAE 3420 *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standard Board. This standard requires us to comply with the ethical requirements and plan and perform procedures to obtain reasonable assurance on whether the Directors have compiled, in all material respects, the pro forma consolidated statements of financial position on the basis of the applicable criteria.

The purpose of the pro forma consolidated statements of financial position included in the prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence on whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)



Our Opinion

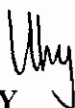
In our opinion:

- (i) the pro forma consolidated statements of financial position, which have been prepared by the Directors, have been properly prepared on the basis stated in the accompanying Note 1 in Appendix A to the pro forma consolidated statements of financial position using financial statements prepared in accordance with Malaysian Financial Reporting Standards and in a manner consistent with both the format to the financial statements and the accounting policies adopted by the Company; and
- (ii) each material adjustments made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purpose of preparing the pro forma consolidated statements of financial position.

Other Matters

This letter has been prepared for the purpose of inclusion in the Prospectus of Chin Hin Group. Our work had been carried out in accordance with Malaysian Approved Standards on Assurance Engagements and accordingly should not be relied upon as if it had been carried out in accordance with standards and practices in other jurisdictions. Therefore, this letter is not appropriate in other jurisdictions and should not be used or relied upon for any purpose other than the IPO described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance upon, this letter in connection with any type of transaction, including the sale of securities other than the IPO.

Yours faithfully,


UHY

Firm Number: AF 1411

Chartered Accountants

Kuala Lumpur, Malaysia



CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.1 Pro forma adjustments to the pro forma consolidated statements of financial position
Pro forma I

Pro forma I incorporates the effects of the public issue of 63,197,900 new Shares at an issue price of RM0.65 per Share.

Upon completion of the Public Issue, the issued and paid-up share capital will increase from RM221,345,050 comprising 442,690,100 Shares to RM252,944,000 comprising 505,888,000 Shares.

The Offer for Sale outlined in Section 2.2 does not have any financial impact to the Pro forma Consolidated Statement of Financial Position.

Pro forma II

Pro forma II incorporates the effects of Pro forma I and the utilisation of proceeds.

The proceeds will be utilised in the following manner:

Proposed Utilisation	RM'000	%	Estimated timeframe for use (from the listing date)
Purchase of new plant, equipment and machineries as well as expansion of manufacturing facility	15,000	36.5	Within twenty four (24) months
Repayment of bank borrowings	15,000	36.5	Within six (6) months
Working capital requirements	7,079	17.2	Within twenty four (24) months
Estimated listing expenses	4,000	9.8	Immediately
Total	41,079	100.0	

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11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.2 Notes to the pro forma consolidated statements of financial position as at 31 August 2015
3.2.1 Property, Plant and Equipment

	RM'000
As at 31 August 2015	195,485
Public Issue	-
As per Pro forma I	195,485
Utilisation of Proceeds	15,000
As per Pro forma II	210,485

3.2.2 Investment Properties

	RM'000
As at 31 August 2015	103,235
As per Pro forma I and II	103,235

3.2.3 Inventories

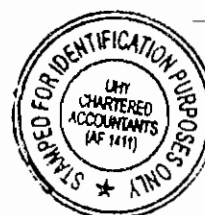
	RM'000
As at 31 August 2015	46,153
As per Pro forma I and II	46,153

3.2.4 Trade Receivables

	RM'000
As at 31 August 2015	308,460
As per Pro forma I and II	308,460

3.2.5 Other Receivables

	RM'000
As at 31 August 2015	22,149
As per Pro forma I and II	22,149



11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.2 Notes to the pro forma consolidated statements of financial position as at 31 August 2015 (Cont'd)
3.2.6 Hire Purchase Receivables

	RM'000
As at 31 August 2015	819
As per Pro forma I and II	819

3.2.7 Tax Recoverable

	RM'000
As at 31 August 2015	85
As per Pro forma I and II	85

3.2.8 Derivative Financial Assets

	RM'000
As at 31 August 2015	585
As per Pro forma I and II	585

3.2.9 Fixed Deposits with Licensed Banks

	RM'000
As at 31 August 2015	14,589
As per Pro forma I and II	14,589

3.2.10 Cash and Bank Balances

	RM'000
As at 31 August 2015	149,875
Public Issue	41,079
As per Pro forma I	190,954
Utilisation of Proceeds	(34,000)
As per Pro forma II	156,954



11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.2 Notes to the pro forma consolidated statements of financial position as at 31 August 2015 (Cont'd)
3.2.11 Assets held for sale

	RM'000
As at 31 August 2015	3,663
As per Pro forma I and II	3,663

3.2.12 Share Capital

	RM'000
As at 31 August 2015	221,345
Public Issue	31,599
As per Pro forma I and II	252,944

3.2.13 Share Premium

	RM'000
As at 31 August 2015	-
Public Issue	9,480
As per Pro forma I and II	9,480

3.2.14 Foreign Exchange Reserve

	RM'000
As at 31 August 2015	427
As per Pro forma I and II	427

3.2.15 Revaluation Reserve

	RM'000
As at 31 August 2015	8,769
As per Pro forma I and II	8,769



11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL
POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.2 Notes to the pro forma consolidated statements of financial position as at 31 August 2015 (Cont'd)
3.2.16 Merger Deficit

	RM'000
As at 31 August 2015	(153,192)
As per Pro forma I and II	(153,192)

3.2.17 Retained profits

	RM'000
As at 31 August 2015	173,657
Public Issue	-
As per Pro forma I	173,657
Utilisation of Proceeds	(4,000)
As per Pro forma II	169,657

3.2.18 Finance Lease Payables

	RM'000
Non-Current Liabilities	
As at 31 August 2015	12,989
As per Pro forma I and II	12,989
Current Liabilities	
As at 31 August 2015	10,496
As per Pro forma I and II	10,496

3.2.19 Bank Borrowings

	RM'000
Non-Current Liabilities	
As at 31 August 2015	81,834
As per Pro forma I and II	81,834
Current Liabilities	
As at 31 August 2015	309,182
Public Issue	-
As per Pro forma I	309,182
Utilisation of Proceeds	(15,000)
As per Pro forma II	294,182



11. REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Cont'd)
Appendix A
**CHIN HIN GROUP BERHAD AND ITS SUBSIDIARIES ("CHIN HIN GROUP")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2015 (CONT'D)**
3.2 Notes to the pro forma consolidated statements of financial position as at 31 August 2015 (Cont'd)
3.2.20 Deferred Tax Liabilities

	RM'000
As at 31 August 2015	5,218
As per Pro forma I and II	<u>5,218</u>

3.2.21 Trade Payables

	RM'000
As at 31 August 2015	140,091
As per Pro forma I and II	<u>140,091</u>

3.2.22 Other Payables

	RM'000
As at 31 August 2015	20,129
As per Pro forma I and II	<u>20,129</u>

3.2.23 Amount Owing to Directors

	RM'000
As at 31 August 2015	11,382
As per Pro forma I and II	<u>11,382</u>

3.2.24 Tax Payable

	RM'000
As at 31 August 2015	2,771
As per Pro forma I and II	<u>2,771</u>



12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FOLLOWING MANAGEMENT DISCUSSION AND SEGMENTAL ANALYSIS OF THE AUDITED RESULTS FOR OUR GROUP FROM FYE 2011 TO FYE 2014 TOGETHER WITH RESULTS FOR THE FPE 2015 SHOULD BE READ IN CONJUNCTION WITH OUR COMBINED FINANCIAL INFORMATION AND THE NOTES RELATED THEREON FOR THE FYE 2011 TO FYE 2014 AND FOR THE FPE 2015 INCLUDED IN SECTION 13 OF THIS PROSPECTUS.

THIS DISCUSSION AND ANALYSIS CONTAINS DATA DERIVED FROM THE AUDITED FINANCIAL STATEMENTS OF OUR GROUP AS WELL AS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCES AS SET OUT IN SECTION 4 OF THIS PROSPECTUS.

12.1 FINANCIAL RESULTS AND POSITION

Our combined financial information has been compiled according to the basis and accounting policies consistent with those currently adopted by our Group, which are set out in the notes included in the Accountants' Report as set out in Section 13 of this Prospectus. The financial statements used in the preparation of our combined financial information were prepared in accordance with the approved accounting standards issued by the Malaysian Accounting Standards Board. Any adjustments which were dealt with when preparing our combined financial information have been highlighted and disclosed in Section 13 of this Prospectus.

Combined Statements of Comprehensive Income

The following table sets out the combined statements of comprehensive income for the FYE 2011 to FYE 2014, FPE 2014 and FPE 2015 which have been prepared for illustrative purposes only.

You should read this combined statement of comprehensive income in conjunction with the accompanying notes included in the Accountants' Report as set out in Section 13 of this Prospectus.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

	Combined Group					
	Audited					
	FYE				FPE	
	2011	2012	2013	2014	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,014,597	1,046,108	1,220,416	1,219,418	833,667	816,980
Less: Cost of sales	(953,805)	(989,339)	(1,149,925)	(1,130,887)	(777,578)	(750,722)
GP	60,792	56,769	70,491	88,531	56,089	66,258
Other operating income	3,068	24,600	17,800	16,306	4,366	5,505
Administrative expenses	(28,155)	(28,659)	(36,512)	(42,920)	(22,879)	(32,120)
Profit from operations	35,705	52,710	51,779	61,917	37,576	39,643
Finance costs	(8,628)	(11,513)	(14,457)	(18,702)	(12,798)	(13,455)
PBT	27,077	41,197	37,322	43,215	24,778	26,188
Taxation	(7,956)	(6,603)	(7,870)	(13,029)	(8,454)	(6,183)
PAT	19,121	34,594	29,452	30,186	16,324	20,005
No. of Shares assumed to be in issue ('000) ⁽ⁱ⁾	442,690	442,690	442,690	442,690	442,690	442,690
EBIT ⁽ⁱⁱ⁾	35,705	52,710	51,779	61,917	37,576	39,643
EBITDA ⁽ⁱⁱ⁾	43,867	58,388	61,241	75,020	46,353	49,238
GP margin (%)	6.0	5.4	5.8	7.3	6.7	8.1
PBT margin (%)	2.7	3.9	3.1	3.5	3.0	3.2
PAT margin (%)	1.9	3.3	2.4	2.5	2.0	2.4
Effective tax rate (%)	29.4	16.0	21.1	30.1	34.1	23.6
Net EPS (sen) ⁽ⁱⁱⁱ⁾	4.32	7.81	6.65	6.82	3.69	4.52
No. of Shares assumed to be in issue ('000) ^(iv)	505,888	505,888	505,888	505,888	505,888	505,888
Diluted net EPS (sen) ^(v)	3.78	6.84	5.82	5.97	3.23	3.95

Notes:-

(i) Based on the number of Shares in issue before our IPO.

(ii) Calculated based on the following:-

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM'000	RM'000	RM'000	RM'000	RM'000
PAT	19,121	34,594	29,452	30,186	20,005
Add: Finance costs	8,628	11,513	14,457	18,702	13,455
Tax expense	7,956	6,603	7,870	13,029	6,183
EBIT	35,705	52,710	51,779	61,917	39,643
Add: Depreciation	7,726	5,583	9,335	13,103	9,595
Amortisation	436	95	127	-	-
EBITDA	43,867	58,388	61,241	75,020	49,238

(iii) Calculated based on PAT divided by our existing issued and paid-up share capital of 442,690,100 Shares.

(iv) Based the enlarged number of Shares after our IPO.

(v) The diluted net EPS is computed by dividing PAT over the enlarged number of Shares after our IPO.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Pro forma Consolidated Statement of Financial Position

The pro forma consolidated statement of financial position as at 31 August 2015 as set out below are provided for illustrative purposes only and are based on the assumption that the IPO had been completed on that date. It should be read in conjunction with the Reporting Accountants' Report together with the notes and assumptions accompanying the pro forma consolidated statements of financial position as set out in Section 11 of this Prospectus.

	As at 31 August 2015 RM'000	(I) After Public Issue RM'000	(II) After Pro forma (I) and utilisation of proceeds RM'000
<u>Non-Current Assets</u>			
Property, plant and equipment	195,485	195,485	210,485
Investment properties	103,235	103,235	103,235
Total Non-Current Assets	298,720	298,720	313,720
<u>Current Assets</u>			
Inventories	46,153	46,153	46,153
Trade receivables	308,460	308,460	308,460
Other receivables	22,149	22,149	22,149
Hire purchase receivables	819	819	819
Tax recoverable	85	85	85
Derivative financial assets	585	585	585
Fixed deposits with licensed banks	14,589	14,589	14,589
Cash and bank balances	149,875	190,954	156,954
	542,715	583,794	549,794
Asset held for sale	3,663	3,663	3,663
Total Current Assets	546,378	587,457	553,457
Total Assets	845,098	886,177	867,177
<u>Equity</u>			
Share capital	221,345	252,944	252,944
Share premium	-	9,480	9,480
Foreign exchange reserve	427	427	427
Revaluation reserve	8,769	8,769	8,769
Merger deficit	(153,192)	(153,192)	(153,192)
Retained profits	173,657	173,657	169,657
Total equity attributable to equity holders of the Company	251,006	292,085	288,085

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

		(I)	(II)
	As at 31 August 2015 RM'000	After Public Issue RM'000	After Pro forma (I) and utilisation of proceeds RM'000
<u>Non-Current Liabilities</u>			
Finance lease payables	12,989	12,989	12,989
Bank borrowings	81,834	81,834	81,834
Deferred tax liabilities	5,218	5,218	5,218
Total Non-Current Liabilities	100,041	100,041	100,041
<u>Current Liabilities</u>			
Trade payables	140,091	140,091	140,091
Other payables	20,129	20,129	20,129
Amount owing to Directors	11,382	11,382	11,382
Finance lease payables	10,496	10,496	10,496
Bank borrowings	309,182	309,182	294,182
Tax payable	2,771	2,771	2,771
Total Current Liabilities	494,051	494,051	479,051
Total Liabilities	594,092	594,092	579,092
Total Equity and Liabilities	845,098	886,177	867,177
Par value per Share (RM)	0.50	0.50	0.50
Number of Shares ('000)	442,690	505,888	505,888
NA (RM'000)	251,006	292,085	288,085
NA per share (RM)	0.57	0.58	0.57
Borrowings (All interest bearing debts) (RM'000)	414,501	414,501	399,501
Gearing (times) ⁽ⁱ⁾	1.65	1.42	1.39

Note:-

- (i) Calculated based on the total borrowings (i.e. finance lease payables and bank borrowings) of our Group divided by the total equity of our Group.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Combined Statements of Cash Flow

The following table sets out a summary of the combined statement of cash flows of our Group based on our audited financial statements for the FYE 2011 to FYE 2014 and FPE 2015.

	Combined Group				
	Audited				
	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Cash Flows From Operating Activities					
Profit before taxation	27,077	41,197	37,322	43,215	26,188
Adjustment for:					
Allowance for doubtful debts	2,529	343	2,828	1,185	2,844
Amortisation of investment property	436	95	127	-	-
Bad debts written off	398	2,760	289	2,735	-
Bad debts recovered	-	-	-	-	(1)
Depreciation of property, plant and equipment	7,726	5,582	9,335	13,103	9,595
Deposits written off	-	-	158	-	-
Dividend income	-	-	-	-	-
Fair value adjustment on investment properties	-	(19,071)	(8,698)	(5,878)	-
Gain on disposal of property, plant and equipment	(1,374)	(2,413)	(559)	(324)	(15)
Gain on disposal of investment properties	-	-	(2,512)	(3,712)	-
Gain on disposal of asset held for sale	-	-	-	(1,221)	(365)
Loss on disposal of investment in subsidiary companies	-	-	-	550	-
Interest expenses	8,628	11,017	13,367	19,016	13,601
Interest income	(1,103)	(3,979)	(3,501)	(2,134)	(851)
Impairment on investment	-	-	100	-	-
(Gain)/Loss on derivative financial liabilities	-	-	50	(55)	(581)
Other investment written off	-	-	3	-	-
Property, plant and equipment written off	-	-	10	26	-
Inventory written off	-	-	-	70	19
Unrealised gain on foreign exchange	-	-	-	-	(139)
Allowance for doubtful debt written back	(77)	(235)	(225)	(1,097)	(957)
Waiver of debts from other payable	-	-	-	(116)	-
Operating profit before working capital changes	44,240	35,296	48,094	65,363	49,338

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

	Combined Group				
	Audited				
	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Changes in working capital					
Inventories	397	(13,851)	(21,183)	(5,561)	(2,018)
Property development cost	(11,060)	11,061	-	-	-
Trade receivables	(21,548)	(29,919)	(54,287)	41,810	(18,994)
Other receivables	2,714	(22,385)	33,478	23,470	(3,203)
Hire purchase receivables	494	137	1,387	925	311
Trade payables	6,720	26,848	29,788	(29,342)	1,318
Other payables	1,402	11,066	5,248	(16,367)	(418)
Amount owing to/by associate	(5,976)	335	1,462	-	-
Amount owing to/by shareholders	-	25	-	-	-
Amount owing to/by directors	(32,595)	8,020	(19,997)	41,060	525
	(59,452)	(8,663)	(24,104)	55,995	(22,479)
Cash generated from operations	(15,212)	26,633	23,990	121,358	26,859
Interest received	1,104	3,979	3,500	2,134	851
Interest paid	(8,628)	(11,017)	(13,367)	(19,016)	(13,601)
Tax refund	-	2,544	295	-	157
Tax paid	(8,798)	(8,876)	(6,713)	(9,378)	(7,389)
Exchange fluctuation adjustments	18	29	83	43	380
	(16,304)	(13,341)	(16,202)	(26,217)	(19,602)
Net cash (used in)/from operating activities	(31,516)	13,292	7,788	95,141	7,257
Cash Flows From Investing Activities					
Deposit paid for purchase of property, plant and equipment	-	(176)	-	-	-
Dividend received	-	-	-	-	-
Purchase of property, plant and equipment	(14,200)	(57,807)	(62,391)	(12,356)	(9,364)
Purchase of investment properties	(9,404)	(18,785)	(1,112)	(22)	(63)
Purchase of assets held for sales	-	-	-	(719)	-
Proceeds from disposal of associates	200	7,937	-	-	-
Proceeds from disposal of investment properties	200	4,512	6,405	7,414	-
Proceeds from disposal of property, plant and equipment	4,191	-	1,585	9,918	365
Proceeds from disposal of assets held for sales	-	-	-	3,244	5,000
Purchase of additional shares in subsidiary companies	(100)	(39,499)	-	-	-
Net cash outflow on disposal of subsidiary companies	-	-	-	1,000	-
Acquisition of subsidiary companies	(2,250)	-	(100)	-	-
Net cash (used in)/from investing activities	(21,363)	(103,818)	(55,613)	8,479	(4,062)

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

	Combined Group				
	Audited				
	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Cash Flows From Financing Activities					
Drawdown of bank borrowings	14,212	46,699	36,507	15,347	61,057
Dividend paid	-	-	-	-	-
Repayment of bank borrowings	(227)	(33,613)	(9,832)	(7,365)	(13,491)
Net changes in bankers acceptance, revolving credits and trade financing	63,613	62,682	49,668	(36,044)	(25,496)
Repayment of finance lease payables	(4,742)	(5,660)	(8,933)	(8,969)	(6,958)
Proceeds from issuance of shares	2,000	10,100	5,000	-	-
Repayment of hire purchase liabilities	(784)	(958)	-	-	-
(Increase)/ Release of fixed deposits pledged	(6,554)	(10,350)	(9,887)	24,359	15,388
Net cash from financing activities	67,518	68,900	62,523	(12,672)	30,500
Net increase/(decrease) in cash and cash equivalents	14,639	(21,626)	14,698	90,948	33,695
Exchange translation differences	-	-	-	-	64
Cash and cash equivalents at beginning of the financial year/period	13,400	28,040	6,414	21,112	112,060
Cash and cash equivalents at end of the financial year/period	28,039	6,414	21,112	112,060	145,819
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances	35,756	18,830	36,326	118,030	149,875
Fixed deposits with licensed banks	39,099	44,204	54,336	29,977	14,589
Bank overdraft	(12,962)	(12,416)	(15,215)	(5,970)	(4,056)
	61,893	50,618	75,447	142,037	160,408
Less: Fixed deposits pledged to licensed banks	(33,854)	(44,204)	(54,335)	(29,977)	(14,589)
	28,039	6,414	21,112	112,060	145,819

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.2 OVERVIEW OF OPERATION

(A) REVENUE

For the financial years/periods under review, our Group's revenue is mainly derived from the distribution of building materials and provision of logistics, the supply of ready-mixed concrete, manufacturing of AAC and precast concrete products, wire mesh and metal roofing systems. Please refer to Section 6 of this Prospectus for our Group's detailed business overview.

Our Group's revenue is mainly derived from local customers with only approximately 1.4% to 2.7% being derived from our overseas customers during the financial years/periods under review.

Approximately 64.2% to 83.3% of our Group's total revenues was contributed by the distribution of buildings materials while ready mixed concrete contributed to approximately 11.8% to 17.2% to our Group's total revenue over the financial years/periods under review. Since its commencement in FYE 2012, revenue from our manufacturing of wire mesh and metal roofing systems have grown steadily; the revenue contribution from the said division represented 0.6% to 11.8% of our total revenues over the financial years/periods under review.

As PP Chin Hin is mainly involved in the distribution of building materials, approximately 68.4% to 89.1% of our Group's total revenues over the financial years /periods under review was contributed by PP Chin Hin while Chin Hin Concrete (KL) contributed to approximately 7.5% to 12.0% of our Group's total revenue over the financial years/periods under review.

In recent years, Metex Steel has emerged as the second largest revenue contributor which contributed to approximately 2.8% to 14.9% of our Group's total revenue over the financial years/ periods under review.

During FYE 2012 and 2014, both G-Cast Concrete and Starken AAC were in their preliminary stage of commercialisation, having commenced operations only in August 2012 and January 2014 respectively. As such, lower percentage of revenue contributed by them during FYE 2012 to 2014 may not necessarily be reflected in the longer term. The operations of both G-Cast Concrete and Starken AAC have since stabilised towards the end of 2014 and G-Cast Concrete and Starken AAC contributed to approximately 2.3% and 5.0% of our Group's total revenue respectively during FPE 2015.

Kindly refer to section 12.3 for further analysis on our Group's revenue for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The following is the revenue analysis of activities and subsidiaries for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

(i) Analysis of revenue by activities

The breakdown of our revenue by activities is as follows:-

Activities	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2014	2015	2015	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	%	%	%	%	%	%	%	%	%	%
Distribution of building materials & provision of logistics	839,413	82.7	872,230	83.3	922,241	75.6	811,914	66.5	565,098	67.8
-Distribution of building materials	23,406	2.3	20,632	2.0	24,840	2.0	30,454	2.5	20,277	2.4
-Logistics	862,819	85.0	892,862	85.3	947,081	77.6	842,368	69.0	585,375	70.2
Ready-mixed concrete	148,019	14.6	123,218	11.8	181,909	14.9	207,180	17.0	143,604	17.2
Manufacturing of AAC and precast concrete products	-	-	-	-	-	-	28,030	2.3	13,996	1.7
-AAC	-	-	419	0.1	8,318	0.7	17,855	1.5	10,971	1.3
-Precast concrete	-	-	419	0.1	8,318	0.7	45,885	3.8	24,967	3.0
Manufacturing of wire mesh and metal roofing systems	-	-	6,166	0.5	61,273	5.0	92,743	7.6	60,697	7.3
-Wire mesh	-	-	560	0.1	16,754	1.4	26,657	2.2	16,213	1.9
-Metal roofing systems	-	-	6,726	0.6	78,027	6.4	119,400	9.8	76,910	9.2
Other activities ⁽ⁱ⁾	3,759	0.4	⁽ⁱⁱ⁾ 22,883	2.2	5,081	0.4	4,585	0.4	2,811	0.4
Total	1,014,597	100.0	1,046,108	100.0	1,220,416	100.0	1,219,418	100.0	833,667	100.0
									816,980	100.0

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**Notes:-**

(i) The breakdown of revenue in other activities are as follows:-

	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Properties rental income	2,944	78.3	3,529	15.4	4,632	91.2	4,328	94.4	2,631	93.6
Car park rental income	215	5.7	204	0.9	-	-	-	-	-	-
Interest income from the provision of hire purchase financing to the Group's logistics providers	600	16.0	570	2.5	449	8.8	257	5.6	180	6.4
Property development	-	-	18,580	81.2	-	-	-	-	-	-
	3,759	100.0	22,883	100.0	5,081	100.0	4,585	100.0	2,811	100.0
									3,020	100.0

Other activities mainly consist of rental income from properties and interest income from the provision of hire purchase financing to our Group's logistics providers. Our Group obtained the money lending license in 2006 and it is only used to provide hire purchase loan to our Group's third party transporters to finance their purchase of vehicles so that they can provide transportation services to our Group. This is not our core business and moving forward, our Group will not emphasise on this business segment. Our money lending license will be expiring on 23 November 2016.

(ii) In FYE 2012, our Group had undertaken the development of twenty (20) units three-storey shop offices located at Kota Bharu, Kelantan and eight (8) units of semi-detached factories located in Alor Setar, Kedah. Both projects were completed and fully sold in FYE 2012 except for three (3) semi-detached factories retained by PP Chin Hin for its own use. Subsequently, we decided to focus and concentrate on our core business in building materials and PP Chin Hin's property development activities were discontinued.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(ii) Analysis of revenue by subsidiaries and geographical locations of the subsidiaries**

The breakdown of the revenue by subsidiaries and geographical locations are as follows:-

Companies	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local										
Chin Hin	-	-	-	-	-	-	-	-	3,350	0.4
PP Chin Hin	903,484	89.1	910,047	87.0	1,000,800	82.0	879,519	72.2	608,232	73.0
C&H Transport	23,406	2.3	20,632	2.0	24,840	2.0	30,528	2.5	20,277	2.4
Chin Hin Concrete	-	-	920	0.1	960	0.1	1,300	0.1	800	0.1
Chin Hin Concrete (KL)	81,823	8.1	78,264	7.5	117,208	9.6	145,714	11.9	99,793	12.0
Chin Hin Concrete (North)	66,196	6.5	44,954	4.3	64,701	5.3	61,466	5.0	43,811	5.3
Starken AAC	-	-	-	-	-	-	28,030	2.3	13,996	1.7
G-Cast Concrete	-	-	419	0.1	8,318	0.7	17,855	1.5	10,971	1.3
Green Cement*	-	-	-	-	-	-	-	-	-	-
Pintar Sinar	-	-	90	0.0	180	0.0	180	0.0	120	0.0
Metex Steel	-	-	29,111	2.8	181,822	14.9	119,989	9.8	77,499	9.3
Metal Sphere	-	-	-	-	-	-	-	-	-	-
Comet Steel*	-	-	-	-	-	-	-	-	-	-
Ace Logistic	-	-	180	0.0	120	0.0	180	0.0	120	0.0
	1,074,909	106.0	1,084,617	103.8	1,398,949	114.6	1,284,761	105.3	875,619	105.1
Overseas										
PP Chin Hin (SG)	14,588	1.4	17,328	1.7	20,136	1.6	15,481	1.3	11,068	1.3
	1,089,497	107.4	1,101,945	105.5	1,419,085	116.2	1,300,242	106.6	886,687	106.4
Consolidation adjustment [^]	(74,900)	(7.4)	(55,837)	(5.5)	(198,669)	(16.2)	(80,824)	(6.6)	(53,020)	(6.4)
Total	1,014,597	100.0	1,046,108	100.0	1,220,416	100.0	1,219,418	100.0	833,667	100.0
									816,980	100.0

Notes:-

[^] The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

* Currently dormant, the intended principal activity is:-

(i) Green Cement – investments into concrete products

(ii) Comet Steel – sales and trading of steel wire mesh, wire rods and other steel products

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(B) COST OF SALES**

Our cost of sales had moved in tandem with our revenue for the financial years/ periods under review. Approximately 65.7% to 83.9% of our cost of sales consists of the distribution of building materials while approximately 11.7% to 16.8% is derived from ready-mixed concrete.

Kindly refer to section 12.3 for further analysis on our Group's cost of sales for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

The following are the cost of sales analysis of our Group by activities and subsidiaries.

(i) Analysis of cost of sales by activities

The breakdown of our cost of sales by activities is as follows:-

Activities	Combined Group									
	FYE				2014				FPE	
	2011	2012	2013	2014	2014	2014	2014	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution of building materials & provision of logistics	792,235	83.1	831,006	83.9	876,337	76.2	764,388	67.6	535,897	68.9
- Distribution of building materials ^(a)	21,943	2.3	19,487	2.0	23,287	2.0	28,717	2.5	19,075	2.5
- Logistics	814,178	85.4	850,493	85.9	899,624	78.2	793,105	70.1	554,972	71.4
									511,233	68.2
Ready-mixed concrete ^(b)	139,627	14.6	115,472	11.7	168,605	14.7	188,649	16.7	130,357	16.8
									102,467	13.6
Manufacturing of AAC and precast concrete products ^(c)	-	-	-	-	2,281	0.2	28,402	2.5	15,371	1.9
- AAC	-	-	678	0.1	7,343	0.6	12,475	1.1	7,559	1.0
- Precast concrete	-	-	678	0.1	9,624	0.8	40,877	3.6	22,930	2.9
									48,937	6.5

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Activities	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	%	%	%	%	%
Manufacturing of wire mesh and metal roofing systems ^(d)	-	8,214	56,368	83,566	72,745	0.8	4.9	7.4	7.0	9.7
- Wire mesh	-	596	15,704	24,690	14,520	0.1	1.4	2.2	1.9	2.0
- Metal roofing systems	-	8,810	72,072	108,256	69,319	0.9	6.3	9.6	8.9	11.7
Other activities ^(e)	-	13,886	-	-	-	1.4	-	-	-	-
Total	953,805	989,339	1,149,925	1,130,887	777,578	100.0	100.0	100.0	100.0	100.0

Notes:-**(a) Distribution of building materials**

Cost of sales of the distribution of building materials mainly consist of purchases of basic building materials such as steel reinforcement bars, cement and finishing products such as tiles, sanitary wares and paints.

(b) Ready-mixed concrete

Costs of sales from our ready-mixed concrete mainly consist of raw materials, direct labour cost and factory overhead. In FYE 2014, our Group has outsourced the production of our ready-mixed concrete to CPM. While the production of ready-mixed concrete has been outsourced, our Group retains control of the raw material to better manage the quality of the ready-mixed concrete. Our cost of sales after the outsourcing arrangement mainly consists of raw material cost as well as batching cost charged by CPM.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(c) Manufacturing of AAC and precast concrete products**

The breakdown of our cost of sales for the manufacturing of AAC and precast concrete products consist of raw materials, direct labour cost and factory overhead as follows:-

	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2014	2015	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of AAC products										
-Raw materials	-	-	-	-	20,456	50.1	11,281	49.2	16,518	33.8
-Direct labour cost	-	-	82	0.9	672	1.6	255	1.1	887	1.7
-Factory overhead	-	-	2,199	22.8	7,274	17.8	3,835	16.7	19,360	39.6
	-	-	2,281	23.7	28,402	69.5	15,371	67.0	36,765	75.1
Manufacturing of precast concrete										
-Raw materials	-	-	358	52.8	5,227	54.3	6,904	16.9	3,805	16.6
-Direct labour cost	-	-	82	12.1	312	3.2	1,809	4.4	1,206	5.3
-Factory overhead	-	-	238	35.1	1,804	18.8	3,762	9.2	2,548	11.1
	-	-	678	100.0	7,343	76.3	12,475	30.5	7,559	33.0
Total	-	-	678	100.0	9,624	100.0	40,877	100.0	22,930	100.0
									48,937	100.0

The raw materials used for our manufacturing of AAC mainly consist of sand, cement, gypsum, lime and aluminium powder while those used for the manufacturing of precast concrete consist mainly of cement, sand, coarse aggregates and steel bar. Our Group sourced these raw materials from a number of local and overseas suppliers.

Also, forming part of the cost of sales are direct labour costs such as salaries, bonuses, social insurance and other benefits provided to our staff, which are directly involved in our manufacturing activities. Factory overheads such as depreciation of plant and equipment, utilities, maintenance of plant and equipment and other general overhead expenses are also included.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(d) Manufacturing of wire mesh and metal roofing systems**

The breakdown of our cost of sales for the manufacturing of wire mesh and metal roofing systems consist of raw materials, direct labour cost and factory overhead is as follows:-

	Combined Group									
	FYE				FPE					
	2011	2012	2013	2014	2014	2014	2014	2015	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of wire mesh										
-Raw materials	-	-	6,086	69.1	49,908	69.2	73,935	68.3	48,969	70.6
-Direct labour cost	-	-	60	0.7	2,993	4.2	3,208	3.0	2,291	3.3
-Factory overhead	-	-	2,068	23.5	3,467	4.8	6,423	5.9	3,539	5.1
	-	-	8,214	93.3	56,368	78.2	83,566	77.2	54,799	79.0
									72,745	82.6
Manufacturing of metal roofing systems										
-Raw materials	-	-	545	6.2	13,763	19.1	21,969	20.3	13,080	18.9
-Direct labour cost	-	-	5	0.1	820	1.1	905	0.8	612	0.9
-Factory overhead	-	-	46	0.4	1,121	1.6	1,816	1.7	828	1.2
	-	-	596	6.7	15,704	21.8	24,690	22.8	14,520	21.0
	-	-	8,810	100.0	72,072	100.0	108,256	100.0	69,319	100.0
Total	-	-	8,810	100.0	72,072	100.0	108,256	100.0	69,319	100.0
									88,085	100.0

The raw materials used for our manufacturing of wire mesh consist of wire rods while raw materials used for our manufacturing of metal roofing systems consist of metal coils. Our Group sourced these raw materials from various local and overseas suppliers.

Direct labour costs consist of salaries, bonuses, social insurance and other benefits provided to our staff, which are directly involved in our manufacturing activities. Factory overhead comprises depreciation of plant and equipment, utilities, maintenance of plant and equipment and other general overhead expenses.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(e) Other Activities**

The breakdown of cost of sales for other activities is as follows:-

	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2014	2015	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Properties rental income	-	-	-	-	-	-	-	-	-	-
Car park rental income	-	-	-	-	-	-	-	-	-	-
Interest income from the provision of hire purchase financing to the Group's logistics providers	-	-	-	-	-	-	-	-	-	-
Property development	-	-	13,886	100.0	-	-	-	-	-	-
	-	-	13,886	100.0	-	-	-	-	-	-

Our Group's cost of sales in FYE 2012 consist of development cost for the twenty (20) units of three-storey shop offices and five (5) units of semi-detached factories while there are no direct cost incurred to generate rental and interest income from the provision of hire purchase financing to the Group's logistics providers for the financial years/ periods under review.

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The breakdown of the cost of sales of our Group by subsidiaries and geographical locations are as follows:-

Notes:-

^ The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

* *Currently dormant, the intended principal activity is:-*

(i) *Green Cement – investments into concrete products*

(ii) *Comet Steel – sales and trading of steel wire mesh, wire rods and other steel products*

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(C) GP AND GP MARGIN**

Approximately 49.2% to 77.6% of our Group's GP is contributed from the distribution of building materials while approximately 13.6% to 23.6% is contributed from ready-mixed concrete. Our overall GP margin for the financial years/ period under review ranges from 5.4% to 8.1%.

Kindly refer to section 12.3 for further analysis on our Group's GP and GP margin for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

The following is the GP and GP margin of our Group by activities and subsidiaries for the financial years /periods under review:-

(i) Analysis of GP and GP margin by activities

The breakdown of the GP by activities is as follows:-

Activities	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2015	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Distribution of building materials and provision of logistics										
- Distribution of building materials	47,178	77.6	41,224	72.6	45,904	65.1	47,526	53.6	29,201	52.1
- Logistics	1,463	2.4	1,145	2.0	1,553	2.2	1,737	2.0	1,202	2.1
	48,641	80.0	42,369	74.6	47,457	67.3	49,263	55.6	30,403	54.2
									33,693	50.8
Ready-mixed concrete	8,392	13.8	7,746	13.6	13,304	18.9	18,531	20.9	13,247	23.6
									10,372	15.7
Manufacturing of AAC and precast concrete products										
- AAC product	-	-	-	-	(2,281)	(3.2)	(372)	(0.4)	(1,375)	(2.5)
- Precast concrete	-	-	(259)	(0.5)	975	1.4	5,380	6.1	3,412	6.1
	-	-	(259)	(0.5)	(1,306)	(1.8)	5,008	5.7	2,037	3.6
									10,497	15.9

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Activities	Combined Group												
	FYE						FPE						
	2011		2012		2013		2014		2014		2015		
RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Manufacturing of wire mesh and metal roofing systems													
-Wire mesh	-	-	(2,048)	(3.6)	4,905	7.0	9,177	10.4	5,898	10.5	7,530	11.3	
-Metal roofing systems	-	-	(36)	(0.1)	1,050	1.5	1,967	2.2	1,693	3.0	1,146	1.7	
	-	-	(2,084)	(3.7)	5,955	8.5	11,144	12.6	7,591	13.5	8,676	13.0	
Other activities (a)													
	3,759	6.2	(b) 8,997	16.0	5,081	7.1	4,585	5.2	2,811	5.1	3,020	4.6	
Total	60,792	100.0	56,769	100.0	70,491	100.0	88,531	100.0	56,089	100.0	66,258	100.0	

Notes:-

(a) *The breakdown of GP for other activities is as follows:-*

	Combined Group									
	FYE				FPE					
	2011		2012		2013		2014		2015	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Properties rental income	2,944	78.3	3,529	39.2	4,632	91.2	4,328	94.4	2,631	93.6
Car park rental income	215	5.7	204	2.3	-	-	-	-	-	-
Interest income from the provision of hire purchase financing to the Group's logistics providers	600	16.0	570	6.3	449	8.8	257	5.6	180	6.4
Property development	-	-	4,694	52.2	-	-	-	-	-	-
	3,759	100.0	8,997	100.0	5,081	100.0	4,585	100.0	2,811	100.0

(b) In FYE 2012, approximately RM4.69 million is derived from the development of the three-storey shop offices and semi-detached factories.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The breakdown of the GP margin by activities is as follows:-

	Combined Group					
	FYE			FPE		
	2011	2012	2013	2014	2014	2015
	%	%	%	%	%	%
Distribution of building materials & provision of logistics						
- Distribution of building materials	5.6	4.7	5.0	5.9	5.2	6.2
- Logistics	6.3	5.5	6.3	5.7	5.9	5.4
Ready-mixed concrete	5.7	6.3	7.3	8.9	9.2	9.2
Manufacturing of AAC and precast concrete products						
- AAC products	-	-	-	(1.3)	(9.8)	9.3
- Precast concrete	-	(61.8)	11.7	30.1	31.1	35.6
Manufacturing of wire mesh and metal roofing systems						
- Wire mesh	-	(33.2)	8.0	9.9	9.7	9.4
- Metal roofing systems	-	(6.4)	6.3	7.4	10.4	7.0
Other activities ^(a)	100.0	39.3	100.0	100.0	100.0	100.0

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**Note:-**

- (a) The breakdown of GP margin for other activities are as follows:-

	Combined Group					
	FYE			FPE		
	2011	2012	2013	2014	2014	2015
	%	%	%	%	%	%
Properties rental income	100.0	100.0	100.0	100.0	100.0	100.0
Car park rental income	100.0	100.0	-	-	-	-
Interest income from the provision of hire purchase financing to the Group's logistics providers	100.0	100.0	100.0	100.0	100.0	100.0
Property development	-	25.3	-	-	-	-

The GP margin for properties rental income, car park rental income and interest income from the provision of hire purchase financing to the Group's logistics providers were 100.0% because the costs related to the abovementioned activities are captured in other operating expenses and not recorded in the costs of sales.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(ii) Analysis of GP and GP margin by subsidiaries and geographical locations of the subsidiaries**

The breakdown of the GP of our Group by subsidiaries and geographical locations are as follows:-

Companies	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	RM'000	%	RM'000	%	RM'000
Local										
Chin Hin	-	-	-	-	-	-	-	-	-	3,350
PP Chin Hin	50,165	82.5	49,536	87.3	50,516	71.7	51,616	58.3	32,110	33,707
C&H Transport	1,463	2.4	1,145	2.0	1,553	2.2	1,738	2.0	1,202	1,076
Chin Hin Concrete	-	-	920	1.6	960	1.4	1,300	1.5	800	1,200
Chin Hin Concrete (KL)	6,122	10.1	6,329	11.1	9,655	13.7	14,718	16.6	9,861	7,655
Chin Hin Concrete (North)	2,270	3.7	1,417	2.5	3,649	5.2	3,813	4.3	2,601	2,717
Starken AAC	-	-	-	-	(2,281)	(3.2)	(492)	(0.6)	(1,495)	4,243
G-Cast Concrete	-	-	(349)	(0.6)	855	1.2	5,321	6.0	3,292	6,695
Green Cement*	-	-	-	-	-	-	-	-	-	-
Pintar Sinar	-	-	90	0.2	180	0.3	180	0.2	120	120
Metex Steel	-	-	(2,264)	(4.0)	5,777	8.2	10,964	12.4	7,202	7,410
Metal Sphere	-	-	-	-	-	-	-	-	-	1,146
Comet Steel *	-	-	-	-	-	-	-	-	-	-
Ace Logistic	-	-	180	0.3	120	0.2	180	0.2	120	120
	60,020	98.7	57,004	100.4	70,984	100.9	89,338	100.9	55,813	69,439
Overseas										
PP Chin Hin (SG)	772	1.3	365	0.6	307	0.4	493	0.6	290	1,129
	60,792	100.0	57,369	101.0	71,291	101.3	89,831	101.5	56,103	70,568
Consolidation adjustment^	-	-	(600)	(1.0)	(800)	(1.3)	(1,300)	(1.5)	(14)	(4,310)
Total	60,792	100.0	56,769	100.0	70,491	100.0	88,531	100.0	56,089	66,258
										100.0

Notes:-

^ The consolidation adjustments are in relation to the elimination of inter-company transactions within our Group.

* Currently dormant, the intended principal activity is:-

(i) Green Cement – investments into concrete products

(ii) Comet Steel – sales and trading of steel wire mesh, wire rods and other steel products

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The breakdown of the GP margin by subsidiaries and geographical areas are as follows:-

	Combined Group					
	FYE			FPE		
	2011	2012	2013	2014	2014	2015
	%	%	%	%	%	%
Local						
Chin Hin	-	-	-	-	-	100.0
PP Chin Hin	5.6	5.4	5.0	5.9	5.3	6.0
C&H Transport	6.3	5.5	6.3	5.7	5.9	5.4
Chin Hin Concrete	-	100.0	100.0	100.0	100.0	100.0
Chin Hin Concrete (KL)	7.5	8.1	8.2	10.1	9.9	9.8
Chin Hin Concrete (North)	3.4	3.2	5.6	6.2	5.9	7.9
Starken AAC	-	-	-	(1.8)	(10.7)	10.5
G-Cast Concrete	-	(83.5)	10.3	29.8	30.0	35.4
Green Cement *	-	-	-	-	-	-
Pintar Sinar	-	100.0	100.0	100.0	100.0	17.6
Metex Steel	-	(7.8)	3.2	9.1	9.3	9.2
Metal Sphere	-	-	-	-	-	7.0
Comet Steel *	-	-	-	-	-	-
Ace Logistic	-	100.0	100.0	100.0	100.0	100.0
Overseas						
PP Chin Hin (SG)	5.3	2.1	1.5	3.2	2.6	7.0
GP margin prior to elimination of inter-company transaction	5.6	5.2	5.0	6.9	7.3	8.1
GP margin after elimination of inter-company transaction	6.0	5.4	5.8	7.3	6.7	8.1

Notes:-

- * Currently dormant, the intended principal activity is as follows:-
- (i) Green Cement – investments into concrete products
 - (ii) Comet Steel – sales and trading of steel wire mesh, wire rods and other steel products

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(D) OTHER OPERATING INCOME**

The breakdown of our other operating income for the FYE 2011 to FPE 2014 and FPE 2015 is as follows:-

	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bad debts recovered	3	0.1	53	0.2	607	3.4	6	0.0	1	0.0
Bank interest/ Fixed deposit interest received	875	28.5	1,700	6.9	1,275	7.2	1,122	6.9	620	14.2
Gain on derivative financial assets	-	-	-	-	-	-	55	0.3	-	-
Gain on disposal of investment properties/ property, plant and equipment	1,374	44.8	2,413	9.8	3,108	17.5	4,036	24.8	2,407	55.1
Gain on disposal of assets held for sales	-	-	-	-	-	-	1,221	7.5	-	-
Gain on fair value adjustment	-	-	19,072	77.5	8,698	48.9	5,878	36.0	-	-
Gain on foreign exchange	-	-	-	-	-	-	-	-	-	-
- Realised	-	-	-	-	-	-	1	0.0	-	-
- Unrealised	-	-	-	-	471	2.6	-	-	130	3.0
Interest income	-	-	570	2.3	1,024	5.7	1,012	6.3	-	-
Allowance for doubtful debts written back	77	2.4	235	1.0	225	1.3	1,098	6.7	30	0.7
Rental received	422	13.7	247	1.0	568	3.2	896	5.5	490	11.2
Reversal of over-accrued expenses	-	-	-	-	868	4.9	-	-	-	-
Scrap sales	-	-	19	0.1	285	1.6	458	2.8	284	6.5
Others ⁽ⁱ⁾	317	10.5	291	1.2	671	3.7	523	3.2	404	9.3
Total	3,068	100.0	24,600	100.0	17,800	100.0	16,306	100.0	4,366	100.0
									5,505	100.0

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Note:-

- (i) *Others mainly consist of overdue charges on certain customers due to long outstanding debts and other sundry income. Income from overdue charges is only recognised upon collections.*

Other operating income mainly consists of interest earned from fixed deposit, gain on disposal of our Group's investment properties and property, plant and equipment, gain on the fair value adjustments made on our Group's properties and investment properties arising from our adoption of the fair value model in accordance with the Malaysian Financial Reporting Standards. Interest income refers to interest earned from advances to related parties.

Kindly refer to section 12.3 for further analysis on our Group's other operating income for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**(E) OPERATING EXPENSES AND FINANCE COSTS**

Our Group's other operating expenses mainly consist of staff costs, depreciation, office expenses and travelling and accommodation. Our Group's finance costs mainly consist of interest expenses incurred for banker acceptance, bank overdraft, term loans, and hire purchase in respect of hire purchase facilities for the purchase of motor vehicles, plant and machinery.

Kindly refer to section 12.3 for further analysis on our Group's operating expenses and finance cost for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

The breakdown of our other operating expenses and finance costs are as follows:-

	Combined Group									
	FYE					FPE				
	2011	2012	2013	2014	2015	2014	2015	2014	2015	2015
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Auditors remuneration	88	0.2	149	0.4	235	0.5	307	0.5	192	0.5
Advertisement and promotion	94	0.3	81	0.2	363	0.7	372	0.6	252	0.7
Bank charges	335	0.9	369	0.9	537	1.1	2,548	4.1	349	1.0
Depreciation	3,440	9.4	2,821	7.0	3,275	6.4	3,130	5.1	2,078	5.8
Director remuneration	1,327	3.6	975	2.4	258	0.5	760	1.2	425	1.2
Finance costs	8,628	23.5	11,513	28.7	14,457	28.4	18,702	30.3	12,798	35.9
Office expenses	2,694	7.3	1,974	4.9	2,332	4.6	2,234	3.6	1,487	4.2
Professional fees	1,289	3.5	1,040	2.6	1,675	3.3	972	1.6	541	1.5
Allowance doubtful debt/Bad debt written off	2,927	7.9	3,103	7.7	3,117	6.1	3,539	5.7	831	2.3
Rental	242	0.7	570	1.4	825	1.6	704	1.1	616	1.7
Repair and maintenance	921	2.5	925	2.3	1,121	2.2	923	1.5	659	1.8
Staff costs	12,196	33.2	13,719	34.2	19,047	37.4	23,149	37.6	13,442	37.7
Travelling and accommodation	1,349	3.7	1,445	3.6	1,967	3.8	2,276	3.7	1,130	3.2
Loss on disposal of investment in subsidiary	-	-	-	-	-	-	550	1.0	-	-
Other miscellaneous expenses	1,253	3.3	1,488	3.7	1,760	3.4	1,456	2.4	877	2.5
Total	36,783	100.0	40,172	100.0	50,969	100.0	61,622	100.0	35,677	100.0
									45,575	100.0

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(F) PBT AND PBT MARGIN

The following table sets out our PBT and PBT margin for the financial years/ periods under review:-

	Combined Group					
	FYE				FPE	
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2014 RM'000	2015 RM'000
PBT	27,077	41,197	37,322	43,215	24,778	26,188
PBT Margin (%)	2.7	3.9	3.1	3.5	3.0	3.2

Kindly refer to section 12.3 for further analysis on our Group's PBT and PBT margin for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

(G) TAXATION

The following table sets out the comparison between the statutory tax rates and our effective tax rate for the financial years/ periods under review:-

	Combined Group					
	FYE				FPE	
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000	2014 RM'000	2015 RM'000
Taxation	7,956	6,603	7,870	13,029	8,454	6,183
Statutory tax rate (%)	25.0	25.0	25.0	25.0	25.0	25.0
Effective tax rate (%)	29.4	16.0	21.1	30.1	34.1	23.6

For those companies within our Group with paid-up share capital of RM2.50 million or below at the beginning of the basis period for a year of assessment, the income tax is calculated at the statutory rate of 20% on the first RM500,000 and 25% on the balance of chargeable income based on the estimated assessable profit for the financial years/ periods under review.

For those companies within our Group with paid-up share capital of more than RM2.50 million at the beginning of the basis period for a year of assessment, the income tax is calculated at the statutory rate of 25% on the chargeable income based on the estimated assessable profit for the financial years/ periods under review.

The income tax of PP Chin Hin (SG) is calculated at the statutory rate of 17% on the chargeable income based on the estimated assessable profit for the financial years/ periods under review.

Kindly refer to section 12.3 for further analysis on our Group's taxation for the FYE 2011 to FYE 2014 together with FPE 2014 and FPE 2015.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.3 COMMENTARIES ON PAST PERFORMANCES AND FINANCIAL RESULTS OF OUR GROUP

12.3.1 Comparison between FYE 2010 and FYE 2011

(i) Revenue

Our Group's overall revenue increased by approximately RM131.50 million or 14.9% from RM883.10 million in FYE 2010 to RM1,014.60 million in FYE 2011. The increase was mainly contributed by the increase in distribution of building materials and ready-mixed concrete.

Distribution of building materials and provision of logistics

During FYE 2011, our revenue from the distribution of building materials increased by approximately RM104.13 million or 14.2% from RM735.28 million in FYE 2010 to RM839.41 million in FYE 2011. This is mainly due to higher sales from steel bar and OBM which increased by RM96.55 million and RM44.59 million respectively.

The increase in revenue from steel bars by approximately RM96.55 million or 71.9% in FYE 2011 was mainly driven by the increase in housing construction activities arising from the economic stimulus generated by infrastructure projects such as the Mass Rapid Transit and Low-Cost Carrier Terminal and the second (2nd) Penang Bridge Project. Our Group had sold approximately 88,729 mt steel bar in FYE 2011 as compared to approximately 59,348 mt steel bar in FYE 2010.

The increase in OBM revenue by approximately RM44.59 million or 44.1% in FYE 2011 was driven by our management's decision to focus on the sales of OBM as they generally yield higher margins as compared to steel bars and cement.

Our revenue generated from the provision of logistics increased by RM1.97 million or 9.2% due to increased orders from the cement manufacturers.

Ready-mixed concrete

Revenue from the distribution of ready-mixed concrete had increased by approximately RM25.84 million or 21.1% following the acquisition of Chin Hin Concrete (North) in the year 2010. During FYE 2011, Chin Hin Concrete (North) had contributed revenue of RM66.19 million to our Group, representing 44.7% of the total revenue from the ready-mixed concrete business segment.

Other activities

The decrease in revenue generated from other activities by approximately RM0.44 million or 10.5% was mainly due to a reduction in interest income arising from our provision of hire purchase financing to the Group's logistics providers, which is in line with our Group's strategy to focus and concentrate on our core business in building materials.

(ii) Cost of sales

Our Group's cost of sales increased by approximately RM122.60 million or 14.7% from RM831.21 million in FYE 2010 to RM953.81 million in FYE 2011 in tandem with the increase in revenue of approximately 14.9%.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(iii) GP and GP margin

Our Group's overall GP increased by approximately RM8.90 million or 17.2% from RM51.89 million in FYE 2010 to RM60.79 million in FYE 2011. The increase in our Group's GP was driven by the increase in our revenue whilst our overall GP margin had only increased marginally from 5.9% in FYE 2010 to 6.0% in FYE 2011. This increase was mainly contributed by higher sales of steel bars and OBM which increased by 71.9% and 44.1% respectively.

The marginal improvement in our overall GP margin by 0.1% in FYE 2011 was mainly due to the increase in profitability from the sales of OBM and cement. Our GP margin from OBM had increased from 6.7% in FYE 2010 to 7.3% while our GP margin for cement has increased from 5.3% to 6.3%. During FYE 2011, average selling price of cement improved by approximately 3.0% while our cost increased at a lower rate of approximately 1.9% resulting in the improvement in our GP margin for cement.

Our Group recorded a 100.0% GP margin for other activities in FYE 2011 from revenue generated from the rental of properties and the provision of hire purchase financing to the Group's logistics providers. Revenue captured from the rental of properties is netted off against relevant quit rent and assessment related to those properties. The cost for the abovementioned two (2) activities are captured in other operating expenses and not recorded in the costs of sales. As such, these two (2) activities yield a high GP margin.

(iv) Other operating income

Our Group's other operating income decreased by approximately RM0.62 million or 16.8% from RM3.69 million in FYE 2010 to RM3.07 million in FYE 2011. The higher other operating income in FYE 2010 was due to the write back of allowance for doubtful debts amounting to RM1.16 million.

Excluding the write back for allowance for doubtful debts, our Group's other operating income in FYE 2011 was higher than that of FYE 2010 because of higher fixed deposit interest earned amounting to RM0.88 million as well as the increase in rental income from additional four (4) shop houses acquired during FYE 2011.

In addition, our Group had also recorded a gain from the disposal of plant and machinery of RM1.37 million in FYE 2011.

(v) Operating expenses and finance costs

During FYE 2011, our Group's overall operating expenses and finance costs increased by approximately RM7.20 million or 24.3% from RM29.58 million in FYE 2010 to RM36.78 million in FYE 2011 mainly due to the increases in financing and staff costs and property, plant and equipment depreciation.

Our staff costs increased by approximately RM2.50 million or 25.8% from RM9.70 million in FYE 2010 to RM12.20 million in FYE 2011 arising from the acquisition of Chin Hin Concrete (North) as well as additional sales and marketing staffs being hired to strengthen our presence at our branches. Depreciation has increased by approximately RM0.77 million or 28.8% from RM2.67 million in FYE 2010 to RM3.44 million in FYE 2011. The increase was mainly due to the acquisition of additional property, plant and equipment.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our financing costs had also increased by approximately RM3.06 million or 54.9% from RM5.57 million in FYE 2010 to RM8.63 million in FYE 2011 due to the increase in our Group's overall bank borrowings from RM157.09 million in FYE 2010 to RM258.28 million in FYE 2011. The overall increase in bank borrowings was mainly due to the increase in our Group's revenue from the distribution of building materials and provision of logistics business segment. Our Group leverages on the early payment discounts from our suppliers to enjoy cost savings by utilising trade line facilities to repay our suppliers earlier than the due date. As such, when our revenue increases, we will utilise more tradeline facilities to finance our purchases.

(vi) PBT and PBT margin

Our overall Group's PBT increased by approximately RM1.08 million from RM26.00 million in FYE 2010 to RM27.08 million in FYE 2011 contributed by the higher GP of RM18.47 million achieved by our OBM and cement sales collectively.

However, the increase in profitability was offset by the increase in staff and financing cost by RM2.50 million and RM3.06 million, respectively.

(vii) Taxation

The effective tax rate for FYE 2011 of 29.4% was higher than the statutory tax rate due principally to certain expenses not deductible for tax purposes which includes amongst others, depreciation, entertainment and non-deductible professional fees.

12.3.2 Comparison between FYE 2011 and FYE 2012

(i) Revenue

Our Group's overall revenue increased by approximately RM31.51 million or 3.1% from RM1,014.60 million in FYE 2011 to RM1,046.11 million in FYE 2012. The increase was mainly contributed by the higher revenue from our distribution of building materials and also from other activities.

Distribution of building materials and provision of logistics

During FYE 2012, our revenue from the distribution of building materials increased by approximately RM32.82 million or by 3.9% from RM839.41 million in FYE 2011 to RM872.23 million in FYE 2012. This is mainly due to higher sales from OBM and cement which increased by RM17.56 million and RM10.43 million respectively.

The increase in our OBM revenue by approximately 11.7% from RM150.47 million in FYE 2011 to RM168.03 million in FYE 2012 is a result of the efforts of our sales team to promote the OBM products to our customers.

Our revenues from the sale of cement and steel bar increased by RM10.43 million and RM4.83 million respectively as a result from the continuing active residential and housing construction activities in FYE 2012.

Our revenue from the provision of logistics decreased by RM2.78 million or 11.9% from RM23.41 million in FYE 2011 to RM20.63 million in FYE 2012 due to lower orders from the cement manufacturers as a result of stiffer market competition (lower prices offered by our competitors).

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

Ready-mixed concrete

Revenue from the distribution of ready-mixed concrete decreased by approximately RM24.80 million or 16.8% from RM148.02 million in FYE 2011 to RM123.22 million in FYE 2012 mainly due to lower selling prices as a result of market competition.

Manufacturing of AAC and precast concrete products

Our manufacturing of precast concrete has commenced operation in August 2012 and generated maiden revenue of RM0.42 million in FYE 2012.

Manufacturing of wire mesh and metal roofing systems

We had also commenced manufacturing of wire mesh and metal roofing systems in October 2012 at our factory located in Nilai. For FYE 2012, our Nilai factory was operating at approximately 20% of its production capacity and has generated total revenue of RM6.73 million within its first three (3) months of operations.

Other activities

During FYE 2012, revenue from other activities increased by approximately RM19.12 million or 508.8% as compared to FYE 2011. The increase was due to the development of twenty (20) units of three-storey shop offices located at Kota Bharu with gross development value ("GDV") of RM18.58 million and eight (8) units of semi-detached factories located in Alor Setar with GDV of RM13.50 million.

The construction for both development projects commenced in early 2011 and was completed and fully sold by the end of 2012. Even though the construction of both projects began in FYE 2011, sales of the units only started in FYE 2012 after the certificates of fitness were obtained. By the end of FYE 2012, both projects were completed and fully sold except for three (3) semi-detached factories retained by PP Chin Hin for its own use. Collectively, both of these development projects contributed total revenue of RM18.58 million in FYE 2012.

(ii) Cost of sales

Our Group's cost of sales increased by approximately RM35.53 million or 3.7% from RM953.81 million in FYE 2011 to RM989.34 million in FYE 2012 in tandem with the increase in revenue of approximately 3.1%. Our cost of sales increased at a higher rate as compared to our revenue mainly due to the increase in average cost of cement by approximately 3.9% as well as pre-operating expenses of approximately RM2.0 million being charged out in relation to both the manufacturing of precast concrete, wire mesh and metal roofing systems products.

The cost of sales from the distribution of building materials represents approximately 84.0% of our Group's total cost of sales. The increase of RM38.77 million in FYE 2012 is in tandem with the increase in its revenue.

Our Group had commenced the manufacturing of precast concrete products in August 2012. The cost of sales to manufacture precast concrete products amounted to RM0.68 million in FYE 2012. The major cost components in the manufacturing of precast concrete products are raw materials and factory overhead, representing approximately 52.8% and 35.1% of the total manufacturing cost in FYE 2012.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

In addition, our Group had commenced the manufacturing of wire mesh and metal roofing systems products in October 2012. The cost of sales incurred to manufacture wire mesh and metal roofing systems products amounted to RM8.81 million in FYE 2012. The major cost components in the manufacturing of wire mesh and metal roofing systems are raw materials and factory overhead, representing approximately 75.3% and 24.0%, respectively.

During FYE 2012, our Group had also recognised cost of sales from other activities amounted to RM13.89 million arising from the development of twenty (20) units of three-storey shop offices and five (5) units of semi-detached factories which were completed and fully sold in FYE 2012.

(iii) GP and GP margin

Our Group's overall GP decreased by approximately RM4.02 million or 6.6% from RM60.79 million in FYE 2011 to RM56.77 million in FYE 2012. The decrease in our overall GP was mainly due to lower GP from distribution of building materials amounted to RM5.95 million and operating loss from our manufacturing activities amounted to RM2.34 million despite achieving a higher GP from other activities amounted to RM5.24 million.

The decrease in our Group's GP from distribution of building materials is mainly due to the decline in profitability from the sales of cement. In order to remain competitive, our Group was unable to fully transfer the approximately 3.9% increase in average cost of cement to our customers as our average selling price only increased by approximately 2.4% in FYE 2012. As a result, our GP from cement had decreased by approximately RM4.53 million or 15.8%.

Our Group also recorded a gross loss of RM2.08 million from both the manufacturing of precast concrete, wire mesh and metal roofing systems products. The gross loss from manufacturing activities was mainly due to the pre-operating expenses amounting to approximately RM2.00 million being charged out in FYE 2012. The pre-operating expenses mainly consist of factory overhead, staff salaries and administrative expenses incurred prior to the commencement of the manufacturing operations. The manufacturing of precast concrete commenced on August 2012, whereas the manufacturing of wire mesh and metal roofing systems products commenced on October 2012.

Notwithstanding the above losses, our Group's overall profitability was cushioned by the recognition of GP amounting to approximately RM4.69 million from our other activities due to the development of the three-storey shop offices and semi-detached factories.

Despite the increase in GP for our other activities from RM3.76 million in FYE 2011 to RM8.99 million in FYE 2012, our GP margin for other activities has decreased from 100.0% in FYE 2011 to 39.3% in FYE 2012. This is due to the recognition of GP from our property development of the three-storey shop offices and semi-detached factories with a GP margin of approximately 25.3% as opposed to FYE 2011 where the GP was derived from rental of properties and provision of hire purchase financing to the Group's logistics providers. The revenue captured from rental of properties is netted off against relevant quit rent and assessment related to those properties. The cost for the abovementioned two (2) activities are captured in other operating expenses and not recorded in the costs of sales. As such, these two (2) activities yielded a high GP margin in FYE 2011.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

(iv) Other operating income

Our Group's other operating income increased by approximately RM21.53 million or 701.3% from RM3.07 million in FYE 2011 to RM24.60 million in FYE 2012. The increase was mainly arising from the fair valuation adjustment of investment properties, fixed deposit interest earned and gain from disposal of property, plant and equipment.

Our Group had adopted fair value model in accordance to Malaysian Financial Reporting Standard ("MFRS") 140 for our Group's investment properties. In this regard, a valuation exercise was conducted for all investment properties which resulted in a fair valuation gain of approximately RM19.07 million in FYE 2012.

The fixed deposits interest earned had increased by approximately RM0.82 million or 94.3% in FYE 2012 due to additional fixed deposits placed with licensed bank. Fixed deposit interest rates range from approximately 3.1% to 3.3% during FYE 2012.

Our Group had also recognised gain from the disposal of property, plant and equipment mainly from the disposal of two (2) warehouses located at Bandar Mergong, Alor Setar and Tandup, Alor Setar during FYE 2012. Collectively, these warehouses were disposed for RM2.75 million, resulting a total gain of RM1.63 million.

(v) Operating expenses and finance costs

Our Group's overall operating expenses and finance costs increased by approximately RM3.39 million or 9.2% from RM36.78 million in FYE 2011 to RM40.17 million in FYE 2012 mainly due to the increase in financing and staff costs.

Our finance costs increased by approximately RM2.88 million or 33.4% from RM8.63 million in FYE 2011 to RM11.51 million in FYE 2012 due to the increase in our Group's overall bank borrowings by RM90.31 million from RM258.28 million in FYE 2011 to RM348.59 million in FYE 2012 in order to finance the capital expenditures to construct our new factories as well as working capital requirements to commence manufacturing of precast concrete products, wire mesh and metal roofing system. Our Group also required additional working capital to facilitate our distribution of building materials due to higher demand.

Our Group's staff costs increased by approximately RM1.52 million or 12.5% from RM12.20 million in FYE 2011 to RM13.72 million in FYE 2012 due to yearly revision of staff salary and additional staff employed as part of our business expansion to venture into the manufacturing of precast concrete products and wire mesh and metal roofing systems.

(vi) PBT and PBT margin

The increase in our Group's overall PBT by RM14.12 million from RM27.08 million in FYE 2011 to RM41.20 million in FYE 2012 was mainly due to the increase in other operating income arising from fair valuation gain on investment properties amounting to RM19.07 million.

Excluding fair value gain adjustments, our PBT had decreased by approximately RM4.95 million or 18.3% despite an increase in revenue contributed from our distribution of building materials business segment.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The decrease in PBT was also due to pre-operating expenses of approximately RM2.00 million incurred prior to the commencement of our manufacturing of wire mesh and metal roofing systems products activities, which pre-operating expenses were subsequently charged out during FYE 2012, as well as the overall increase in our operating and finance costs.

(vii) Taxation

The effective tax rate for the FYE 2012 of 16.0% was lower than the statutory tax rate due principally to the gain on fair value adjustments on investment properties amounting to RM19.07 million in FYE 2012 which was not subject to tax.

12.3.3 Comparison between FYE 2012 and FYE 2013

(i) Revenue

Our Group's overall revenue increased by approximately RM174.31 million or 16.7% from RM1,046.11 million in FYE 2012 to RM1,220.42 million in FYE 2013. The increase was mainly contributed by the higher revenues from distribution of building materials, ready-mixed concrete and manufacturing of wire mesh.

Distribution of building materials and provision of logistics

During FYE 2013, revenue from distribution of building materials increased by approximately RM50.01 million or 5.7% from RM872.23 million in FYE 2012 to RM922.24 million in FYE 2013 mainly contributed by the sale of OBM as our Group continued to focus on higher margin products. Overall, our revenue from OBM increased by approximately RM52.87 million or 31.5% as compared to FYE 2012.

Our revenue from steel bars has also increased by approximately RM11.07 million or 4.7% from RM235.51 million in FYE 2012 to RM246.58 million in FYE 2013.

Our revenue from provision of logistics has also increased by approximately RM4.21 million or 20.4% due to higher orders from the cement manufacturers.

Ready-mixed concrete

Revenue from the distribution of ready-mixed concrete had increased by approximately RM58.69 million or 47.6% in FYE 2013 mainly due to greater demand arising from the active property development market during FYE 2013 which enabled our Group to secure a few new major customers involved in the construction of high rise buildings such as De Centrum City located in Bangi and mixed development located in Bandar Saujana Putra which required better grade ready-mixed concrete which improved our revenue. Our new customers collectively contributed to approximately 11.0% of our total revenue from the distribution of ready-mixed concrete in FYE 2013.

Manufacturing of AAC and precast concrete products

Revenue generated from manufacturing of precast concrete products increased by approximately RM7.90 million due to twelve (12) months revenue recognised in FYE 2013 as compared to only five (5) months revenue recognised in FYE 2012. During FYE 2013, our factory was operating at approximately 67% of its production capacity.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

Manufacturing of wire mesh and metal roofing systems

Revenue generated from manufacturing of wire mesh and metal roofing systems products increased significantly by approximately RM71.30 million due to twelve (12) months revenue recognised in FYE 2013 as compared to only three (3) months revenue recognised in FYE 2012.

Other activities

Revenue from other activities decreased significantly by RM17.80 million due to the completion of our property development projects in FYE 2012 which had contributed revenue of approximately RM18.58 million. Since then, we did not embark on any other property development projects as we made a strategic decision to focus and concentrate on our core business in building materials.

(ii) Cost of sales

Our Group's cost of sales increased by RM160.59 million or 16.2% from RM989.34 million in FYE 2012 to RM1,149.93 million in FYE 2013.

Approximately 76.2% of our total cost of sales was attributed from our distribution of building materials. Overall, the increase in our cost of sales from the distribution of building materials by approximately RM45.33 million or 5.5% from RM831.01 million in FYE 2012 to RM876.34 million in FYE 2013 was in tandem with its overall percentage of increase in revenue by approximately 5.7%.

The increase in our cost of sales for ready-mixed concrete by approximately RM53.14 million or 46.0% from RM115.47 million in FYE 2012 to RM168.61 million in FYE 2013 is also in tandem with its percentage of increase in revenue of 47.6%.

During FYE 2013, the cost of sales of our manufacturing of precast concrete products increased by approximately RM6.67 million mainly due to a full year operation as compared to the five (5) months operation in FYE 2012. In addition, our Group has also charged out pre-operating expenses amounting to approximately RM2.28 million incurred to set up the factory for manufacturing of AAC products. The pre-operating expenses mainly consists of factory overhead, staff salaries and administrative expenses incurred prior to the commencement of the manufacturing operations.

Similarly, our cost of sales for wire mesh and metal roofing systems products also increased by approximately RM48.15 million and RM15.11 million respectively as a result of a full year operation in FYE 2013 compared to only three (3) months operation in FYE 2012.

(iii) GP and GP margin

Our Group's overall GP increased by approximately RM13.73 million or 24.2% from RM56.77 million in FYE 2012 to RM70.49 million in FYE 2013. The increase in our overall GP was mainly contributed from the distribution of building materials, ready-mixed concrete and manufacturing of wire mesh and metal roofing systems products.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our GP from distribution of building materials increased by approximately RM4.68 million or 11.4% in FYE 2013 mainly due to higher proportion of better margin products such as British reinforcement concrete wire mesh, roofing tiles, steel metal products and plywood products in the composition of our revenue. In addition, we also managed to negotiate for better pricing from our suppliers thereby reducing our costs of sales. As a result, our GP margin from distribution of building materials has also increased from 4.7% in FYE 2012 to 5.0% in FYE 2013.

Our GP from ready-mixed concrete also increased by approximately RM5.56 million or 71.8% during FYE 2013 and it was mainly due to the higher grade of ready-mixed concrete with better margins supplied to our new customers for the construction of high rise buildings such as De Centrum City located in Bangi and mixed development located in Bandar Saujana Putra. As a result, our GP margin from ready-mixed concrete also increased from 6.3% in FYE 2012 to 7.3% in FYE 2013.

Despite the GP generated by our manufacturing of precast concrete products of RM0.98 million, the aggregate of manufacturing of AAC and precast concrete products recorded an overall gross loss of RM1.31 million due to the charge out of pre-operating expenses of approximately RM2.28 million incurred to set up our new manufacturing facilities for AAC products.

Our manufacturing of wire mesh and metal roofing systems products had turned profitable in FYE 2013 mainly due to the significant improvement in its revenue. Overall, the said business segment recorded GP of RM4.91 million and RM1.05 million with a GP margin of 8.0% and 6.3% respectively.

Our GP margin for other activities has increased from 39.3% in FYE 2012 to 100.0% in FYE 2013 due to the completion of our property development of three-storey shop offices and semi-detached factories. Our GP in FYE 2013 was derived from rental of properties and the provision of hire purchase financing to the Group's logistics providers where the revenue captured from rental of properties is netted off against relevant quit rent and assessment related to those properties. The costs for the abovementioned two (2) activities are captured in other operating expenses and not in the costs of sales. As such, these two (2) activities yield a high GP margin.

(iv) Other operating income

During FYE 2013, our Group's other operating income decreased by approximately RM6.80 million or 27.6% from RM24.60 million in FYE 2012 to RM17.80 million in FYE 2013. The higher other operating income in FYE 2012 was due to the recognition of fair value gain on investment properties amounted to RM19.07 million.

Our Group had also conducted a valuation for investment properties which resulted in a fair value gain of RM8.70 million in FYE 2013.

Gain on disposal of property, plant and equipment were due to the disposal of two (2) warehouses located at Mergong, Alor Setar and one (1) warehouse located at Tandup, Alor Setar. Collectively, these properties were disposed at RM4.70 million resulting in a total gain of RM2.73 million.

Our Group's interest income increased by approximately RM0.45 million or 78.9% from RM0.57 million in FYE 2012 to RM1.02 million in FYE 2013 mainly due to interest charged on new advances granted to a related party since FYE 2012.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

In addition, our Group had also recovered a bad debt of approximately RM0.61 million during FYE 2013, which was written-off in the prior year according to our trade receivable collection policy. Our Group had also reversed an amount of approximately RM0.87 million being legal expenses accrued previously for banking facility purposes which were no longer required.

(v) Operating expenses and finance costs

During FYE 2013, the increase in our Group's overall operating expenses and finance costs increased by approximately RM10.80 million or 26.9% from RM40.17 million in FYE 2012 to RM50.97 million in FYE 2013 mainly due to the increase in staff and financing costs.

The increase in our staff costs by approximately RM5.33 million or 38.84% from RM13.72 million in FYE 2012 to RM19.05 million in FYE 2013 was mainly due to additional staff hired for our new manufacturing divisions, ie wire mesh, metal roofing systems products, AAC and precast concretes products.

Our finance cost increased by approximately RM2.95 million or 25.6% from RM11.51 million in FYE 2012 to RM14.46 million in FYE 2013 mainly due to the increase in our Group's overall bank borrowings by RM85.60 million from RM348.59 million in FYE 2012 to RM434.19 million in FYE 2013 in order to finance the capital expenditures and working capital requirements of our Group.

Our directors' remuneration decreased by approximately RM0.72 million or 73.5% from RM0.98 million in FYE 2012 to RM0.26 million in FYE 2013 due to the Group's decision to allocate certain directors' remuneration to PP Chin Hin Realty, which was intended to be the future investment holding company of Chin Hin Group.

Professional fees mainly consist of stamp duty, consultancy, legal, secretarial and filling fees. The increase in professional fees by approximately RM0.64 million or 61.5% from RM1.04 million in FYE 2012 to RM1.68 million in FYE 2013 was mainly due to stamp duty incurred in relation to the new banking facilities obtained in FYE 2013.

(vi) PBT and PBT margin

Despite the increase in GP of RM13.73 million, our Group's PBT decreased by approximately RM3.88 million from RM41.20 million in FYE 2012 to RM37.32 million in FYE 2013. The decrease in PBT was mainly due to the one-off fair value gain amounting to RM19.07 million recognised in FYE 2012.

Excluding the fair value adjustments of RM19.07 million in FYE 2012 and RM8.69 million in FYE 2013, our Group PBT would have increased by approximately RM6.50 million or 29.4% as compared to FYE 2012. The increase in our PBT and PBT margin was mainly due to the improvement of GP from our distribution of building materials as well as the supply of ready-mixed concrete. In addition, our manufacturing of wire mesh, metal roofing and precast concrete products had also turned profitable during FYE 2013.

Nevertheless, the increase in our profitability was set off by the pre-operating expenses amounted to RM4.95 million in relation to our new manufacturing of AAC products as well as the increase in our operating and finance costs by RM8.02 million and RM2.95 million respectively. The manufacturing of AAC products commenced in January 2014.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(vii) Taxation

The effective tax rate for FYE 2013 of 21.1% was lower than the statutory tax rate mainly due to no tax on the gain arising from fair value adjustment on investment properties amounting to RM8.69 million in FYE 2013.

12.3.4 Comparison between FYE 2013 and FYE 2014

(i) Revenue

Our Group's overall revenue maintained at approximately RM1.22 billion in both FYE 2013 and FYE 2014. The lower revenue contribution from our distribution of building materials in FYE 2014 was set off by the increase in revenue from ready-mixed concrete, manufacturing of AAC, precast concrete, wire mesh products and metal roofing systems.

Distribution of building materials and provision of logistics

Revenue from the distribution of building materials decreased by RM110.33 million or 12.0% from RM922.24 million in FYE 2013 to RM811.91 million in FYE 2014 mainly due to the softening of housing construction activities towards the middle of 2014.

Our revenue from provision of logistics increased by approximately RM5.61 million from RM24.84 million in FYE 2013 to RM30.45 million in FYE 2014 due to higher orders from the cement manufacturers.

Ready mixed concrete

Our revenue from ready-mixed concrete increased by approximately RM25.27 million or 13.9% in FYE 2014 due to contributions from our new customers involved in the construction of high rise buildings secured during FYE 2013 as well as new customers secured during FYE 2014 which are involved in the development of Impiana apartment located in Nusajaya, Lido Residence in Cheras, Arte @ Kuchai Lama and upgrading of taxi way in Kuala Lumpur International Airport.

Manufacturing of AAC and precast concrete products

Revenue from manufacturing of AAC and precast concrete products increased significantly by RM28.03 million and RM9.54 million respectively in FYE 2014.

Our Group had commenced manufacturing of AAC in January 2014 and managed to generate revenue amounted to RM28.03 million in FYE 2014. Our factory's utilisation rate has improved progressively throughout the financial year due to higher sales orders received for our AAC products. In addition, we also experienced lower downtime for our manufacturing activities as our operational efficiency improved. We achieved utilisation rate of 60% by the end of 2014.

Our revenue from manufacturing of precast concrete products increased by approximately RM9.54 million or 114.7% in FYE 2014 mainly due to demand arising from upgrading of public infrastructures, i.e. drainage and sewerage works in Selangor.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Manufacturing of wire mesh and metal roofing systems

Revenue from the manufacturing of wire mesh and metal roofing systems products increased by approximately RM31.47 million and RM9.90 million or 51.4% and 59.1%, respectively. During FYE 2014, our factory was operating at 70% of its production capacity for wire mesh and 47% of its production capacity for metal roofing systems.

Other activities

The decrease in revenue generated from other activities by approximately RM0.49 million or 9.8% was mainly due to lower interest income derived from our provision of hire purchase financing to the Group's logistics providers as our Group intends to focus on its core activities. In addition, the decrease in revenue from other activities was also due to lower rental income resulting from lower occupancy rate.

(ii) Cost of sales

Our Group's overall cost of sales decreased by RM19.04 million or 1.7% from RM1,149.93 million in FYE 2013 to RM1,130.89 million in FYE 2014.

During FYE 2014, approximately 67.6% of our total cost of sales is contributed by the distribution of building materials business segment. The overall decrease in our cost of sale for distribution of building materials business segment is in tandem with the decrease in revenue contribution from the distribution of building materials business segment.

Our cost of sales from ready-mixed concrete has increased by 11.9% in tandem with the increase in its revenue of 13.9%.

Cost of sales from the manufacturing of wire mesh and metal roofing systems products has also increased by 48.3% and 57.2% respectively in tandem with the increase in their respective revenue of 51.4% and 59.1%.

Our Group had commenced the manufacturing of AAC products in FYE 2014 and had recorded a total cost of sales amounted to RM28.40 million as compared to only set up cost of RM2.28 million in FYE 2013.

(iii) GP and GP margin

Our Group's overall GP increased by approximately RM18.04 million or 25.6% from RM70.49 million in FYE 2013 to RM88.53 million in FYE 2014 with corresponding increase in our GP margin from 5.8% in FYE 2013 to 7.3% in FYE 2014. The overall increase in our GP and GP margin was mainly contributed by distribution of ready-mixed concrete, distribution of building materials, manufacturing of precast concrete, wire mesh products and AAC products.

Our overall GP from the distribution of building materials increased by approximately RM1.62 million or 3.5% in FYE 2014. The relevant GP margin has increased from 5.0% in FYE 2013 to 5.9% in FYE 2014 mainly due to better pricing from our suppliers.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Our overall GP and GP margin from ready-mixed concrete continue to improve in FYE 2014 as our Group supplied higher grade of ready-mixed concrete for projects such as Impiana apartment located in Nusajaya, Lido Residence in Cheras, Arte @ Kuchai Lama and upgrading of taxi way at the Kuala Lumpur International Airport. GP from ready-mixed concrete increased by RM5.23 million in FYE 2014 while its GP margin improved from 7.3% in FYE 2013 to 8.9% in FYE 2014.

The GP from manufacturing of precast concrete products increased by approximately RM4.40 million from RM0.98 million in FYE 2013 to RM5.38 million in FYE 2014 due to the significant increase in our sales volume. The improvement in GP margin was attributable to the decrease in the overall production cost per metric tonne by approximately 24.6%, as we improve our manufacturing and operating efficiency and achieved greater economies of scale. As a result, our Group has achieved an improved GP margin of 30.1% in FYE 2014.

Our GP from wire mesh had also increased by approximately RM4.27 million from RM4.91 million in FYE 2013 to RM9.18 million in FYE 2014 with GP margin of 9.9% during FYE 2014. The increase was mainly due to the increase in our sales volume as well as cost saving from the purchase of raw materials from an alternative source with better pricing.

Our GP margin for other activities remained at 100.0% in both FYE 2013 and FYE 2014 from the revenue generated from rental of properties and the provision of hire purchase financing to the Group's logistics providers. Revenue captured from rental of properties is netted off against relevant quit rent and assessment related to those properties. The cost for the abovementioned two (2) activities are captured in other operating expenses and not in the costs of sales. As such, these two (2) activities yield a high GP margin.

(iv) Other operating income

For FYE 2014, our Group's other operating income decreased by approximately RM1.49 million or 8.4% from RM17.80 million in FYE 2013 to RM16.31 million in FYE 2014.

Gain on disposal was mainly due to the disposal of two (2) warehouses located at Mergong, Alor Setar, Kedah, a freehold condominium located at Subang Jaya, Selangor and a freehold land located at Senai, Johor. Collectively, these investment properties were disposed to third party buyers at an aggregate price of RM7.41 million resulting in a net gain on disposal of RM3.71 million.

Our Group had also conducted a valuation for the factories located at Nilai and Bandar Serendah which resulted in a fair value gain of RM5.88 million in FYE 2014.

Gain on disposal of assets held for sales was due to the disposal of one (1) warehouse located at Megong, Alor Setar, two (2) pieces of land located at Alor Bekong and Pengkalan Kundor, Alor Setar, one (1) shop houses located at Mergong, Alor Setar, one (1) 2-½ storey house located at Kitar Setar and one (1) double-storey terrace house located at Wellesley, Penang at aggregate price of RM3.51 million resulting in a net gain on disposal of RM1.22 million in FYE 2014.

Rental received increased by approximately RM0.33 million or 57.7% from RM0.57 million in FYE 2013 to RM0.90 million in FYE 2014 mainly due to the full twelve (12) months rental income for six (6) cement tankers recognised in FYE 2014 as compared to eight (8) months rental income recognised in FYE 2013.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

In addition, our Group had also recovered a doubtful debts of approximately RM1.10 million from twenty four (24) customers attributable from the distribution of building materials segment during FYE 2014, which was provided as doubtful debts in the prior year according to our trade receivable collection policy.

(v) Operating expenses and finance costs

During FYE 2014, our Group's overall operating expenses and finance costs increased by RM10.65 million or 20.9% from RM50.97 million in FYE 2013 to RM61.62 million in FYE 2014 mainly due to the increase in finance costs and staff costs.

The increase in finance cost by approximately RM4.24 million or 29.4% from RM14.46 million in FYE 2013 to RM18.70 million in FYE 2014 was mainly due to the increase in the usage of short term trade facilities especially bankers' acceptance to finance the working capital for our manufacturing operations.

Our bank charges increased by approximately RM2.01 million or 374.5% in FYE 2014 was mainly due to the increase in bankers' acceptance charges.

The increase in our staff costs by approximately RM4.10 million or 21.5% from RM19.05 million in FYE 2013 to RM23.15 million in FYE 2014 was mainly due to additional staff hired for our new AAC products manufacturing divisions in January 2014.

Director remuneration increased by approximately RM0.50 million or 194.6% from RM0.26 million in FYE 2013 to RM0.76 million in FYE 2014 mainly due to the inclusion of director remuneration for Datuk Chiau Beng Teik and Chiau Haw Choon which was previously charged to PP Chin Hin Realty in FYE 2013. The listing group structure was finalised in FYE 2014 and thus the relevant director remuneration is allocated within the Group.

During FYE 2014, our Group has disposed of the investment in a subsidiary, namely Landmark Grace Development Sdn Bhd with disposal proceeds of RM2, resulting to net loss of RM0.55 million.

(vi) PBT and PBT margin

Our Group's overall PBT increased by approximately RM5.89 million or 15.8% from RM37.32 million in FYE 2013 to RM43.21 million in FYE 2014 mainly due to higher GP achieved by our distribution of building materials, ready-mixed concrete, precast concrete, wire mesh and metal roofing systems business segments which collectively increased our overall GP by RM16.44 million.

Despite the increase in our GP, our Group profitability was lowered by the net loss of RM5.62 million from the manufacturing of AAC products. In addition, the increase in our GP was also offset by the increase in finance cost and staff cost by RM4.24 million and RM4.10 million respectively.

(vii) Taxation

The effective tax rate for the FYE 2014 of 30.1% was higher than the statutory tax rate due to balancing charge arising from the disposal of qualified asset within two (2) years as well as other expenses not deductible for tax purposes which includes amongst others, depreciation, entertainment and non-deductible professional fees.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

12.3.5 Comparison between FPE 2014 and FPE 2015

(i) Revenue

Our Group's overall revenue decreased by approximately RM16.69 million or 2.0% from RM833.67 million in FPE 2014 to RM816.98 million in FPE 2015. The decrease is mainly due to lower revenue contribution from our distribution of building materials and ready-mixed concrete which was set off by the increase in revenue from manufacturing of AAC, precast concrete products and wire mesh products.

Distribution of building materials and provision of logistics

Revenue from distribution of building materials decreased by RM40.25 million or 7.1% from RM565.10 million in FPE 2014 to RM524.85 million in FPE 2015 mainly due to the decrease in sales volume from cement by approximately 17.1% as a result of softening housing construction activities in 2015. In addition, the decrease in revenue from distribution of building materials is also contributed by the decrease in selling price of steel bar which reduced by approximately 22% in line with the decline in global steel price composite index.

Our revenue from provision of logistics remained consistent at around RM20.0 million for both FPE 2014 and FPE 2015.

Ready-mixed concrete

Our revenue from ready-mixed concrete decreased by approximately RM30.76 million or 21.4% in FPE 2015 due to lower sales volume as most of our Group's high rise projects which commenced in FYE 2013 and FYE 2014 have reached its completion stage. In addition, the decrease in revenue from ready-mixed concrete is also due to stiff competition from competitors which lowered their selling price.

Manufacturing of AAC and precast concrete products

Revenue from manufacturing of AAC and precast concrete products increased by RM26.53 million and RM7.94 million respectively in FPE 2015.

Revenue from manufacturing of AAC products increased to RM40.53 million in FPE 2015 mainly due to new orders secured amounting to approximately RM10.00 million from developers for the construction of hotels within Kuala Lumpur, high end condominium in Kota Kinabalu and mixed development in Cyberjaya. In addition, approximately 14.3% of the increase in our revenue is contributed from overseas sales to countries such as Singapore, Taiwan, Australia and Philippines as a result of our management's aggressive sales and marketing efforts during the FPE 2015. Our factory was operating at approximately 80% of its production capacity during FPE 2015.

Our revenue from precast concrete increased by approximately RM7.94 million or 72.3% in FPE 2015 mainly due to the national drainage and sewerage upgrading works projects which enable our Group to secure additional orders from Jabatan Perkhidmatan Pembetungan ("JPP") to supply our precast concrete at areas such as Jinjang, Kepong, Ampang, Setapak and Kajang.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

Manufacturing of wire mesh and metal roofing systems

Revenue from manufacturing of wire mesh and metal roofing systems products increased by approximately RM19.58 million and RM0.27 million or 32.3% and 1.7%, respectively.

The increase in revenue from manufacturing of wire mesh is mainly due to our Group securing more orders for "cut to size" wire mesh during FPE 2015 for various high rise and affordable housing projects located within Klang Valley, Putrajaya and Johor.

Revenue from our manufacturing of metal roofing systems products remained consistent with minor increase of RM0.27 million from RM16.21 million in FPE 2014 to RM16.49 million in FPE 2015.

During FPE 2015, our factory was operating at approximately 75% of its production capacity for wire mesh and 49% of its production capacity for metal roofing.

Other activities

The increase in revenue generated from other activities by approximately RM0.21 million or 7.4% was mainly due to higher rental income derived from properties as a result of revision upwards on rental charges upon renewal of tenancy agreements during FPE 2015.

(ii) Cost of sales

Our Group's overall cost of sales decreased by RM26.86 million or 3.5% from RM777.58 million in FPE 2014 to RM750.72 million in FPE 2015.

During FPE 2015, approximately 65.7% of our total cost of sales is contributed by the distribution of building materials. The decrease in our cost of sale for distribution of building materials by approximately RM43.66 million or by 8.1% is in line with the overall percentage of decrease in revenue from distribution of building materials at 7.1%.

Our cost of sales from ready-mixed concrete has decreased by 21.4% in tandem with the decrease in its revenue of 21.4%.

Cost of sales from the manufacturing of wire mesh products increased by approximately RM17.95 million or 32.7% in line with the increase in sales by 32.3%. In addition, the cost of its major raw material, wire rod has increased as a result of weakening of RM against USD and the imposition of 5% import duty effective June 2015.

Cost of sales from the manufacturing of AAC products increased by approximately RM21.39 million or 139.2% in line with the increase in sales by 189.6%.

(iii) GP and GP margin

Our Group's overall GP increased by approximately RM10.17 million or 18.1% from RM56.09 million in FPE 2014 to RM66.26 million in FPE 2015 with corresponding increase in our GP margin from 6.7% in FPE 2014 to 8.1% in FPE 2015. The overall increase in our GP and GP margin was mainly contributed by distribution of building materials, manufacturing of AAC, precast concrete and wire mesh products.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

Despite the decrease in revenue from distribution of building materials, our GP has increased by approximately RM3.42 million from RM29.20 million in FPE 2014 to RM32.62 million in FPE 2015 and GP margin increased from 5.2% in FPE 2014 to 6.2% in FPE 2015. This is mainly due to our Group being able to negotiate for better pricing from our suppliers thereby reducing our cost of sales. The increase in GP and GP margin was also due to higher proportion of better margin OBM products in the composition of our revenue.

The GP from manufacturing of AAC products had increased significantly from a gross loss of RM1.38 million in FPE 2014 to a gross profit of RM3.76 million in FPE 2015 due to the increase in our sales volume. Our Group has achieved a higher GP margin of 9.3% in FPE 2015 resulted from greater economies of scale in production and better cost optimisation as our production stabilised after the first year of operation.

The GP from manufacturing of precast concrete products continued to improve in FPE 2015 mainly due to various sewerage upgrading works projects secured from JPP. The GP margin also continued to improve in FPE 2015 due to the increase in sales from higher margin products. GP from manufacturing of precast concrete products increased by RM3.32 million in FPE 2015 while its GP margin improved from 31.1% in FPE 2014 to 35.6% in FPE 2015.

Our GP from manufacturing of wire mesh products has increased by approximately RM1.63 million from RM5.89 million in FPE 2014 to RM7.53 million in FPE 2015 in line with the increase in sales volume. However, the GP margin has decreased from 9.7% in FPE 2014 to 9.4% in FPE 2015 due to the increase in imported wire rod cost as a result of weakening of RM against USD and the imposition of 5% import duty effective June 2015.

Our GP from manufacturing of metal roofing systems products decreased by approximately RM0.55 million and GP margin decreased from 10.4% in FPE 2014 to 7% in FPE 2015 as a result of stiff competition.

The GP from ready-mixed concrete has also decreased by RM2.87 million or 21.7% in FPE 2015 mainly due to lower sales volume as a result of stiff competition in which competitors lowered their selling price for ready-mixed concrete. Despite the decrease in the overall GP, our Group is able to maintain the GP margin at 9.2% in FPE 2015 as our Group continue to focus on supplying higher grade of ready-mixed concrete to customers.

Our GP margin for other activities remained at 100.0% in both FPE 2014 and FPE 2015 from the revenue generated from rental of properties and the provision of hire purchase financing to the Group's logistics providers. Revenue captured from rental of properties is netted off against relevant quit rent and assessment related to those properties. The cost for the abovementioned two (2) activities are captured in other operating expenses and not in the costs of sales. As such, these two (2) activities yield a high GP margin.

(iv) Other operating income

For FPE 2015, our Group's other operating income has increased by approximately RM1.14 million or 26.1% from RM4.37 million in FPE 2014 to RM5.51 million in FPE 2015.

During FPE 2015, our Group managed to derive gain of RM0.58 million from derivative financial asset denominated in USD resulting from the import of wire rod. USD has strengthened by 9.9% within a month from the date of hedging.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

Gain on disposal of assets held for sales was due to the disposal of a freehold three (3) storey semi-detached industrial factory building located at Bukit Jelutong with selling price of RM5 million resulting in a net gain on disposal of RM0.37 million in FPE 2015.

Rental received increased by approximately RM1.35 million or 274.5% from RM0.49 million in FPE 2014 to RM1.84 million in FPE 2015 mainly due the increase in rental income from tanker trucks and lorry as our Group has purchased additional tanker trucks and lorry which mainly rented to our related parties.

In addition, our Group had also recovered a doubtful debt of approximately RM0.96 million during FYE 2014, which was provided as doubtful debts in the prior year according to our trade receivable collection policy.

(v) Operating expenses and finance costs

During FPE 2015, our Group's overall operating expenses and finance costs increased by RM9.89 million or 27.7% from RM35.68 million in FPE 2014 to RM45.57 million in FPE 2015 mainly due to the increase in staff costs and allowance for doubtful debts.

The increase in our staff costs by approximately RM4.00 million or 29.8% from RM13.44 million in FPE 2014 to RM17.44 million in FPE 2015 was mainly due to additional staff hired for our sales and marketing department in manufacturing divisions for expansion of sales to overseas market such as Singapore, Taiwan, Australia and Philippines. Meanwhile, the increase in staff cost was also due to new incentive and commission package introduced in FPE 2015 for our sales and marketing staff. Separately, additional headcounts in the finance and administration department of our Group had also contributed to the increase in staff cost.

Allowance for doubtful debts increased by approximately RM2.01 million or 242.2% from RM0.83 million in FPE 2014 to RM2.84 million in FPE 2015 mainly due to higher allowance for doubtful debts provided in accordance with our trade receivable collection policy for classification of doubtful debts. This represents four (4) customers from our distribution of building materials business segment amounting to RM1.24 million as well as nine (9) customers from the distribution of ready-mixed products business segment amounting to RM0.77 million.

Directors' remuneration increased by approximately RM0.74 million or 174.6% from RM0.43 million in FPE 2014 to RM1.17 million in FPE 2015 mainly due the annual increment of director remuneration as well as the appointment of a new director for the Group effective January 2015.

Depreciation increased by approximately RM0.73 million or 35.1% from RM2.08 million in FPE 2014 to RM2.81 million in FPE 2015 mainly due to additional tanker trucks and lorry purchased during FPE 2015.

Finance cost increased by approximately RM0.66 million or 5.1% from RM12.79 million in FPE 2014 to RM13.45 million in FPE 2015 mainly due to additional term loan interest resulting from the drawdown of new term loan facilities as well as marginal increase in the bankers' acceptance interest rate.

Bank charges increased by approximately RM0.45 million due to charges of RM0.30 million for drawdown of term loan facilities amounting to RM58.00 million and bank guarantee fee of RM0.15 million incurred to secure credit terms with various suppliers during FPE 2015.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

(vi) PBT and PBT margin

Our Group's overall PBT increased by approximately RM1.41 million or 5.7% from RM24.78 million in FPE 2014 to RM26.19 million in FPE 2015 mainly due to higher GP achieved by our distribution of building materials, manufacturing of AAC, precast concrete and wire mesh products which collectively increased our overall GP by RM13.51 million. However, the higher GP from distribution of buildings materials, manufacturing of AAC, precast concrete and wire mesh products was offset by the decrease in GP generated from ready-mixed concrete and manufacturing of metal roofing system products by RM2.88 million and RM0.55 million respectively.

Despite the increase in our overall GP, our Group profitability was offset by the increase in staff cost and allowance for doubtful debts by RM4.00 million and RM2.01 million respectively.

(vii) Taxation

The effective tax rate for the FPE 2015 of 23.6% was lower than the statutory tax rate due principally to the increase in allowable expenses derived from specific provision for impairment on trade receivables.

12.4 SIGNIFICANT FACTORS AND TRENDS AFFECTING OUR FINANCIAL POSITION AND RESULTS OF OPERATIONS

The profitability of our business is primarily dependent on the product mix of our distribution and manufacturing businesses, their selling prices, volume and costs.

Other factors that can affect our financial results include:-

- (a) Market conditions of the construction and property development industries;
- (b) Our ability to achieve production and cost efficiency;
- (c) Our ability to stay competitive and maintain our market share;
- (d) The ability to develop and implement marketing strategies and/or products to suit customers' needs and overseas markets;
- (e) Developments in the political and economic conditions in Malaysia which may materially and adversely affect the business, operations and financial performance of our Group;
- (f) Dependability on the abilities and continued performance of our Directors, managers and key employees. Any loss of these key personnel could materially affect our Group;
- (g) Our Group's ability to keep abreast with the latest developments in the building materials industry as well as construction and property development industries;
- (h) Availability and fluctuations in prices of raw materials affecting our manufacturing business segment; and
- (i) The potential effects of adverse or favourable interest rate fluctuations which may affect our Group's profitability given that all of our Group's borrowings are interest-bearing.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

12.4.1 Impact from foreign exchange, interest rates, commodity prices and inflation

Impact from foreign currency exchange rates

As at 31 August 2015, our Group has a gain on derivative financial assets of RM0.58 million. Forward currency contracts are used to hedge the Group's purchases denominated in USD.

As at the LPD, forward currency contracts are still in use by our Group for hedging purposes.

Impact from interest rates

Our Group's gearing stands at 1.65 times* as at 31 August 2015 based on the combined financial information and all of our borrowings which are interest bearing. Any interest rate hike will affect our financial result and hence, our Group will monitor and plan for any alternative financing options should the need arise. During the financial years/period under review, our financial results were not adversely affected by interest rate fluctuations.

Note:-

* *The Group's gearing based on the pro forma consolidated statements of financial position after Public Issue and utilisation proceeds stands at 1.39 times. Please refer to Section 11 of the Prospectus for further details.*

Impact from commodity prices

During the financial years/ period under review, there was no material impact from the commodity price fluctuations that had significantly affected our Group.

Impact of inflation

Our Group's financial performance during the financial years/ period under review was not significantly affected by the impact of inflation. Notwithstanding that, our Group is confident of passing on the effect of higher product costs due to inflation to our customers. However, there is no assurance that our business will not be adversely affected by the impact of inflation in the future.

12.4.2 Impact from Government, economic, fiscal or monetary policies

Our financial and business prospects, and the prospects of the building materials industry in which we operate, will depend to some degree on the developments on the political, economic and regulatory front in the countries in which we operate. Amongst the political, economic and regulatory factors are changes in inflation rates, interest rates and foreign exchange rates, war, terrorism activities, riots, expropriations, changes in political leadership and unfavourable changes in government policies and regulations. During the financial years/ period under review, there was no change in government regulations which had specifically affected our Group.

12.4.3 Exceptional and extraordinary items

There were no exceptional and extraordinary items for financial years/ period under review.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.4.4 Product warranties

Todate, we have not provided for warranty and sales return claims in our financial statements. We will only make provision for warranty claims and sales return when it is probable that we will be required to settle the warranty claims or sales return and when a reliable estimate can be made of the amount of the warranty claims or sales return.

For our manufacturing segment, we have not experienced any claim against our products warranties and for our distribution of building materials and ready-mixed concrete segment, the sales return experienced is minimal as shown above. Nevertheless, there can be no assurance that there will not be any substantial claims relating to our products in the future which could have a material adverse impact on our financial performance.

12.5 LIQUIDITY AND CAPITAL RESOURCES

12.5.1 Working Capital

Our business growth over the financial years/ period under review has been financed through a combination of internally generated funds, credit granted by suppliers and bank borrowings/trade financing from financial institutions.

As at 31 August 2015, our Group has cash and cash equivalents of approximately RM164.46 million including fixed deposits of RM14.59 million, which have been pledged for bank facilities granted to our Group. The balance of RM149.87 million represents free cash flow to our Group.

As at the LPD, we have unutilised banking facilities totalling RM106.78 million.

Based on the pro forma consolidated statements of financial position of our Group as at 31 August 2015, our Group's NA position stood at RM251.01 million and our gearing level is 1.65 times. Our gearing level after the Public Issue and utilisation of proceeds is 1.39 times.

Our Directors are confident that after taking into consideration the gearing level and cash flow position as well as the banking facilities currently available to our Group, our Group has sufficient working capital for our existing and foreseeable requirements over the period of twelve (12) months from the date of this Prospectus.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.5.2 Cash flow summary

The following table sets out the summary of the combined statement of cash flows for the financial years/ period under review, which have been prepared for illustrative purposes only based on the assumption that our Group's structure had been in existence throughout the financial years/period under review, but prior to the Public Issue and the utilisation of proceeds.

	Combined Group				
	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Net cash (used in)/ from operating activities	(31,516)	13,292	7,788	95,141	7,257
Net cash (used in)/ from investing activities	(21,363)	(103,818)	(55,613)	8,479	(4,062)
Net cash from financing activities	67,518	68,900	62,523	(12,672)	30,500
Net increase in cash and cash equivalents	14,639	(21,626)	14,698	90,948	33,695
Exchange translation differences	-	-	-	-	64
Cash and cash equivalents at beginning of the financial period	13,400	28,040	6,414	21,112	112,060
Cash and cash equivalents at end of the financial period	28,039	6,414	21,112	112,060	145,819
Cash and cash equivalents at end of the financial period comprise:-					
Cash and bank balances	35,756	18,830	36,326	118,030	149,875
Fixed deposit with a licensed bank	39,009	44,204	54,336	29,977	14,589
Bank overdraft	(12,962)	(12,416)	(15,215)	(5,970)	(4,056)
	61,893	50,618	75,447	142,037	160,408
Less: Fixed deposit pledged with a licensed bank	(33,854)	(44,204)	(54,335)	(29,977)	(14,589)
	28,039	6,414	21,112	112,060	145,819

Cash flow (used in)/from operating activities

FYE 2011

Net cash used in our operating activities amounted to approximately RM31.52 million in FYE 2011 are derived from operating profit before working capital changes of RM44.24 million adjusted for net working capital outflow of RM75.76 million. The negative cash generated from operating activities was mainly due to higher working capital required to finance the development of the twenty (20) units of three-storey shop offices and eight (8) units of semi-detached factories amounting to RM11.06 million which was subsequently completed and fully sold in FYE 2012. The development of properties was part of the Group's operation in FYE 2011 and hence, the property development cost is classified as part of the Group's net cash movement in operating activities.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

FYE 2012

Net cash from our operating activities amounted to approximately RM13.29 million in FYE 2012 are derived from operating profit before working capital changes of RM35.29 million adjusted for net working capital outflow of RM22.00 million.

Our Group has commenced the manufacturing of our precast concrete, wire mesh and metal roofing system in FYE 2012 and incurred approximately RM13.89 million to stock up raw materials required for our new manufacturing operations.

Nevertheless, the overall positive cash generated from operating activities was partially financed by our trade payables as our Group reduced the amount of early settlement to our trade payables during FYE 2012. As a result, our Group managed to free up approximately RM26.84 million in our working capital cycle. Our overall trade payables turnover period has increased from 37 days in FYE 2011 to 46 days in FYE 2012.

Comparing the cash generated from operations between FYE 2012 and FYE 2011, although the improvement in trade payables turnover days had improved the cash flow by RM26.84 million, the improvement in the overall cash flow from operating activities in FYE 2012 was also mainly due to the movement in the amount owing to / by Directors. In FYE 2011, there was cash outflow being repayment to Directors of RM32.6 million, which did not recur in FYE 2012.

In addition, the collections from the sales of our twenty (20) units of three-storey shop offices and five (5) units of semi-detached factories development amounting to RM11.06 million has further increased our overall net cash from operating activities.

FYE 2013

Net cash generated from our operating activities amounted to approximately RM7.79 million in FYE 2013 are derived from operating profit before working capital changes of RM48.09 million adjusted for net working capital outflow of RM40.30 million. Despite recording a higher operating profit before working capital changes of approximately RM12.80 million, our net cash from operating activities reduced from RM13.29 million in FYE 2012 to RM7.79 million in FYE 2013.

The decrease in our overall net cash from operating activities was mainly due to slower collection from our trade receivables. Our overall trade receivable turnover period has increased from 95 days in FYE 2012 to 97 days in FYE 2013 which resulted in a working capital outflow of approximately RM54.29 million. However, this was partially offset by the increase in trade payables turnover days from 46 days in FYE 2012 to 49 days in FYE 2013 which had improved the working capital inflow by RM29.79 million.

In line with the growth in our manufacturing of precast concrete, wire mesh and metal roofing system, our Group has committed an additional RM21.18 million to purchase inventories mainly for our manufacturing operations. In addition, our Group has also provided advances to our Directors amounting to approximately RM20.00 million during FYE 2013. Such advances were subsequently repaid in FPE 2014.

FYE 2014

Net cash generated from our operating activities amounted to approximately RM95.14 million in FYE 2014 are derived from operating profit before working capital changes of RM65.36 million adjusted for net working capital inflow of RM29.78 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

The improvement in our overall net cash from operating activities was mainly due to the settlement of the entire amount owing from Directors which improved our working capital by approximately RM41.06 million. The more stringent monitoring of our trade collections had also resulted in our overall trade receivables turnover period to improve from 97 days in FYE 2013 to 87 days in FYE 2014. The overall improvement in our collections had improved our working capital cycle by approximately RM41.81 million.

FPE 2015

Net cash generated from our operating activities amounted to approximately RM7.26 million in FPE 2015 are derived from operating profit before working capital changes of RM49.34 million adjusted for net working capital outflow of RM42.08 million.

The decrease in our overall net cash from operating activities was mainly due to settlement of amount owing from Directors in FPE 2015 is only RM0.53 million as compared to the settlement of amount owing from Directors amounting to RM41.06 million in FYE 2014.

In addition, the decrease in net cash from operating activities was also due to slower collection from our trade receivables. Our overall trade receivable turnover period has increased from 87 days in FYE 2014 to 92 days in FPE 2015 which resulted in a working capital out flow of approximately RM18.99 million.

Cash flow (used in)/ from investing activities

FYE 2011

The net cash used in investing activities of approximately RM21.36 million in FYE 2011 was mainly due to purchase of property, plant and equipment of approximately RM14.20 million and purchase of investment properties of approximately RM9.40 million. The purchase of property, plant and equipment mainly consists of capital expenditure spent on factory construction costs for Starken AAC factory's and Metex Steel's factory and purchase of plant and machineries for the ready-mixed concrete business segments as well as on renovation and office equipment of PP Chin Hin.

FYE 2012

The net cash used in investing activities of approximately RM103.81 million in FYE 2012 was mainly due to the purchase of property, plant and equipment of approximately RM57.81 million mainly for our expansion into the manufacturing business via Metex Steel, Starken AAC and G-Cast Concrete. It is also contributed by the purchase of investment properties of approximately RM18.78 million as well as the investment in subsidiaries amounting to RM39.50 million.

FYE 2013

The net cash used in investing activities of approximately RM55.61 million in FYE 2013 was mainly due to purchase of property, plant and equipment of approximately RM62.39 million mainly for our expansion into the manufacturing of AAC products via Starken AAC.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

FYE 2014

The net cash from investing activities of approximately RM8.48 million in FYE 2014 was mainly due to the disposal of property, plant and equipment of RM9.92 million, disposal of investment properties of RM7.41 million and disposal of assets held for sales of RM3.24 million. The net cash from investing activities is set off by the purchase of property, plant and equipment amounting to RM12.36 million mainly for addition of plant and machinery as well as equipment for the usage of our manufacturing of AAC products, wire mesh and metal roofing products.

FPE 2015

The net cash used in investing activities of approximately RM4.06 million in FPE 2015 was mainly due to the purchase of property, plant and equipment amounting to RM9.36 million mainly for the purchase of solar system to be installed at our Group's existing factories so as to derive other passive income from electricity generated from solar panels while promoting green technology. The net cash used in investing activities was set off by the proceeds from disposal of assets held for sales amounting to RM5.00 million.

Cash flow from/ (used in) financing activities

FYE 2011

The net cash from financing activities of approximately RM67.52 million in FYE 2011 was mainly due to increase in banking facilities net of repayments amounting to approximately RM77.60 million. Our Group had also pledged an additional RM6.55 million as fixed deposits for our banking facilities.

FYE 2012

The net cash from financing activities of approximately RM68.90 million in FYE 2012 was mainly due to increase in banking facilities of approximately RM109.38 million to mainly support our business expansions into the manufacturing segments. The net cash from financing activities was set off by the repayment of term loan as per the schedule of principal repayment and increase in fixed deposits amounting to approximately RM33.61 million and RM10.35 million respectively.

FYE 2013

The net cash from financing activities of approximately RM62.52 million in FYE 2013 was mainly due to increase in banking facilities of approximately RM86.17 million to mainly finance our business expansions. The net cash from financing activities was set off by the repayment of term loan as per the schedule of principal repayment and increase in fixed deposits amounting to approximately RM9.83 million and RM9.89 million respectively.

FYE 2014

The net cash used in financing activities of approximately RM12.67 million in FYE 2014 was mainly due to the repayment for banking facilities and hire purchase liabilities amounting to RM43.41 million and RM8.97 million respectively. The net cash used in financing activities was set off against the release in fixed deposits pledged of RM24.36 million and drawdown of term loans of RM15.35 million.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

FPE 2015

The net cash from financing activities of approximately RM30.50 million in FPE 2015 was mainly due to drawdown of term loans amounting to RM61.06 million and release in our fixed deposit pledged by RM15.39 million to secure our banking facilities. The net cash from financing activities was set off by the repayment of bank borrowings and hire purchase liabilities amounting to RM38.99 million and RM6.96 million respectively.

There is no legal, financial or economic restriction on the ability of our subsidiaries to transfer funds to our Company in the form of cash dividends. Thus, we are confident that we can meet our cash obligations as and when the need arises.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)**12.5.3 Borrowings**

As at 31 August 2015, we had a total outstanding borrowing amounted to RM414.50 million, details of which are set out below:-

Purpose		Securities	Combined Group FPE 2015 RM'000
Interest-bearing short-term borrowings:-			
Bank overdraft	Working capital	Multi credit facilities secured by properties, fixed deposits, and personal guarantee by directors	4,056
Bankers' acceptance	Working capital		270,894
Revolving credit	Working capital		6,000
Finance lease payable	Finance of plant and machineries and motor vehicles		10,496
Term loans	- Finance of plant, machineries and equipment		28,232
	- Refinance existing short term working capital		319,678
Interest-bearing long-term borrowings:-			
Term loans	- Finance of plant, machineries and equipment		81,834
Finance lease payable	- Refinance existing short term working capital		12,989
	Finance of plant and machineries and motor vehicles		
Total borrowings			414,501
Gearing (times) before Public Issue and proposed utilisation of proceeds ⁽ⁱ⁾			1.65
Gearing (times) after Public Issue and proposed utilisation of proceeds ⁽ⁱⁱ⁾			1.39

Notes:-

- (i) Computed based on the total borrowings of RM414.50 million divided by total shareholders fund amounting to RM251.01 million in the pro forma consolidated statements of financial position before the Public Issue.
- (ii) Computed based on the total borrowings of RM399.50 million (after the utilisation of proceeds where we repay RM15.00 million of bank borrowings as set out in Section 3.10 of this Prospectus) divided by total shareholders fund amounting to RM288.08 million in the pro forma consolidated statements of financial position after the Public Issue and utilisation of proceeds.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

The details of the types of credit facilities that we use and its balances as at the LPD are as follows:-

Type of financial instruments	Tenure	Interest rates %	Balance as at LPD RM'000
Bankers' acceptance	30 to 120 days	4.15 to 5.56	263,411
Revolving credit	90 days	4.77 to 5.27	6,000
Term loan	5 to 10 years	5.00 to 6.23	101,954
Finance lease payable	3 to 5 years	2.60 to 3.79	20,997
Bank overdraft	-	6.80 to 8.35	3,502
		Total	395,864

As at 31 August 2015, our Group does not have any borrowings in any foreign currency. Our Group has not defaulted in any payments of principal sums and/or interests in respect of any borrowings throughout the financial years/ period under review, and the subsequent financial years/ period up to the LPD.

As at the LPD, neither our Group nor any of our subsidiaries is in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our financial position and results or business operations or the investments by holders of our securities.

Our Group leverages on the early payment discounts from our suppliers to enjoy cost savings by utilising trade line facilities to repay our suppliers earlier than the due date. However, our management will assess the significance of the cost savings arising from such arrangement vis-à-vis the gearing position of our Group and the interest costs prior to utilising the trade line facilities. Our management will continuously monitor to ensure that our Group's gearing maintains at an acceptable level.

12.5.4 Material capital commitments

As at the LPD, save as disclosed in Section 5.6.5 of this Prospectus, there are no other material commitments for capital expenditure contracted or known to be contracted by our Group which may have a material impact on our Group's financial position or business.

12.5.5 Material litigation

As at the LPD, our Group is not engaged in any material litigation, claim or arbitration, either as a plaintiff or defendant, and there is no proceeding pending or threatened or of any fact that is likely to give rise to any proceeding which might materially or adversely affect our financial position or business.

12.5.6 Contingent liabilities

As at the LPD, there is no contingent liabilities which, upon becoming enforceable, may have a material impact on the financial position of our Group.

In the ordinary course of business, PP Chin Hin has granted corporate guarantees to its related companies namely Metex Steel and Starken AAC, and Chin Hin Concrete has granted corporate guarantees to its subsidiaries namely Chin Hin Concrete (North) and Chin Hin Concrete (KL) for working capital purposes. The total amount of corporate guarantees granted by PP Chin Hin and Chin Hin Concrete to its respective subsidiaries/related companies as at the LPD amounts to RM150.96 million and RM25.90 million, respectively.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Save as disclosed under Section 10.1.2 of this Prospectus, as at the LPD, there were no corporate guarantees given to third parties for credit facilities.

12.5.7 Key financial ratios

The key financial ratios of our Group for the financial years/ periods under review are as follows:-

	Combined Group				
	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
Trade receivables turnover period (days) ⁽ⁱ⁾	88	95	97	87	92
Trade payables turnover period (days) ⁽ⁱⁱ⁾	37	46	49	45	45
Inventory turnover period (days) ⁽ⁱⁱⁱ⁾	1	6	12	14	15
Current ratio (times) ^(iv)	1.05	0.88	0.86	1.02	1.11
Gearing ratio (times) ^(v)	2.24	2.20	2.25	1.70	1.65

Notes:-

- (i) Computed based on trade receivables as at year/ period end over revenue for the year/ period multiplied by 365 days for FYE 2011 to FYE 2014 and 243 days for FPE 2015.
- (ii) Computed based on trade payables as at year/ period end over cost of sales for the year/ period multiplied by 365 days for FYE 2011 to FYE 2014 and 243 days for FPE 2015.
- (iii) Computed based on inventory as at year/ period end over cost of sales for the year/ period multiplied by 365 days for FYE 2011 to FYE 2014 and 243 days for FPE 2015.
- (iv) Computed based on current assets over current liabilities as at year/ period end.
- (v) Computed based on the bank borrowings as at year/ period end over the total shareholders' funds of our Combined Group as set out in Section 13 (4.2) of this Prospectus.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(i) Trade receivables

Our trade receivables turnover have remained consistent throughout the financial years/ period under review ranging from 87 days to 97 days. As at 31 August 2015, the trade receivables after allowance for doubtful debts of our Group amounted to approximately RM308.46 million which can be analysed as follows:-

	Combined Group				
	Within credit term	Exceeding credit period			Total
	Neither past due nor impaired	1 to 30 days past due but not impaired	31 to 60 days past due but not impaired	More than 60 days past due but not impaired	
Group					
Trade receivables (RM'000)	256,987	26,995	7,171	17,307	308,460
% of total trade receivables (%)	83.3	8.8	2.3	5.6	100.0
Subsequent collections up to the LPD (RM'000)	253,152	26,527	6,256	3,590	289,525
Trade receivables net of subsequent collections (RM'000)	3,835	468	915	13,717	18,935
% of trade receivables net of subsequent collections to total trade receivables (%)	1.2	0.2	0.3	4.4	6.1
Turnover Period (Days)	92				
Analysed by:-					
Distribution of building materials & provision of logistics					
Trade receivables (RM'000)	189,160	18,892	4,523	9,826	222,401
% of total trade receivables (%)	85.1	8.5	2.0	4.4	100.0
Subsequent collections up to the LPD (RM'000)	187,720	18,892	4,523	1,170	212,305
Trade receivables net of subsequent collections (RM'000)	1,440	-	-	8,656	10,096
% of trade receivables net of subsequent collections to total trade receivables (%)	0.6	-	-	3.9	4.5
Turnover Period (Days)	99				

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

	Combined Group				
	Within credit term	Exceeding credit period			
	Neither past due nor impaired	1 to 30 days past due but not impaired	31 to 60 days past due but not impaired	More than 60 days past due but not impaired	Total
Ready-mixed concrete					
Trade receivables (RM'000)	32,994	3,421	1,899	6,704	45,018
% of total trade receivables (%)	73.3	7.6	4.2	14.9	100.0
Subsequent collections up to the LPD (RM'000)	31,653	3,197	1,053	1,864	37,767
Trade receivables net of subsequent collections (RM'000)	1,341	224	846	4,840	7,251
% of trade receivables net of subsequent collections to total trade receivables (%)	3.0	0.5	1.9	10.7	16.1
Turnover Period (Days)					97
Manufacturing of AAC and precast concrete products					
Trade receivables (RM'000)	17,458	2,033	320	777	20,588
% of total trade receivables (%)	84.8	9.9	1.6	3.7	100.0
Subsequent collections up to the LPD (RM'000)	16,954	1,959	251	556	19,720
Trade receivables net of subsequent collections (RM'000)	504	74	69	221	868
% of trade receivables net of subsequent collections to total trade receivables (%)	2.4	0.4	0.3	1.1	4.2
Turnover Period (Days)					84
Manufacturing of wire mesh and metal roofing system					
Trade receivables (RM'000)	17,375	2,649	429	-	20,453
% of total trade receivables (%)	84.9	13.0	2.1	-	100.0
Subsequent collections up to the LPD (RM'000)	16,825	2,479	429	-	19,733
Trade receivables net of subsequent collections (RM'000)	550	170	-	-	720
% of trade receivables net of subsequent collections to total trade receivables (%)	2.7	0.8	-	-	3.5
Turnover Period (Days)					51

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Trade receivables are recognised in their invoice amount which represents their fair value on initial recognition.

Our Group's normal trade credit term ranges from 60 to 90 days for the financial years/period under review. However, longer credit terms of up to 120 days are granted to selected customers based on historical trade records and business relationships.

Our Group's policy in assessing our customer's credibility and credit period is made on an individual basis, recommended by our sales team and evaluated by our credit control department. Approvals are sought from designated authorised management personnel and/or Credit Control Committee depending on the credit limit. To mitigate our exposure to the credit risks of our customers, we carry out detailed evaluation of all prospective customers before trading with them. For existing customers, we also review their current credit standing with us before accepting any new purchase orders, paying particular attention to the project that they are undertaking to gauge if they will face any problems completing them. In addition, we constantly review our trade receivables ageing and monitor our debt collection process to ensure that we minimise any long outstanding debts.

All of our outstanding debts are closely monitored by our management personnel located at each branch offices and business units and reported back to our key management team in headquarters and Credit Control Committee on a periodic basis.

As at LPD, approximately RM289.53 million or 93.86% of our Group's total trade receivables as at 31 August 2015 has been collected.

The trade receivables exceeding the credit period of more than 60 days, but not impaired of approximately RM17.31 million are mainly trade receivables from distribution of building materials and ready-mixed concrete. Our Group has specific settlement arrangements with the respective debtors, mostly on instalment basis whereby such debts will be collected on a progressive basis. The invoices for this category of debtors date back from November 2011 to May 2015.

Our Group's trade receivables' provisioning policy is in line with the Financial Reporting Standards 137 – Provisions, Contingent Liabilities and Contingent Assets, where the collectability of amount due from our customers is reviewed on an individual and collective basis to ensure better provisions estimates.

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12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

Over the financial years/ period under review, the provision for doubtful debts and bad debts written off by our Group is illustrated as follows:-

	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Amount expensed to Statement of Comprehensive Income during the years/period:					
Provision for doubtful debts / impairment on trade receivables	2,529	343	2,828	1,185	2,844
Bad debts written off	398	2,760	289	2,735	-
Total	2,927	3,103	3,117	3,920	2,844
% of revenue	0.28	0.30	0.25	0.32	0.35
Balance as at 31 December / 31 August					
Provision for doubtful debts / accumulated impairment on trade receivables	7,560	7,499	8,610	8,697	10,585
% of total trade receivables (%)	3.0	2.7	2.7	3.0	3.4

Our Group has adopted a consistent policy when reviewing for provision for doubtful debts and bad debts written off since our credit control department was set-up in FYE 2011.

Since its inception in FYE 2011, our credit control department has progressively assessed all debtors brought forward before FYE 2011 (taking into consideration our customer base of 4,000 customers) in addition to credit assessment on our on-going day-to-day transactions.

This has resulted in our Group recording a total provision for doubtful debts and bad debts written off amounting to RM2.93 million, RM3.10 million, RM3.12 million and RM3.92 million from FYE 2011 to FYE 2014 respectively.

The fluctuations in provision for doubtful debts or bad debts written-off is a result of recommendations by our credit control department to our management having conducted their assessment based on the guidelines set out below. Nevertheless, the total amount expensed out for provision for doubtful debts and bad debts written-off only represent approximately 0.3% of our total revenue for each of the respective financial years.

Having completed the assessment for debtors brought forward prior to FYE 2011 as well as the overall improvement in our credit control, our total provision for doubtful debts and bad debts written off has reduced to RM2.84 million in FPE 2015, representing approximately 0.35% of our total revenue.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

The balance of provision for doubtful debts as at the end of each financial years/ period had increased from RM7.56 million as at 31 December 2011 to RM10.58 million as at 31 August 2015, due to the additional provisions made during the financial years/ period. Notwithstanding this, the balance for provision for doubtful debts represents not more than 3.5% of the total trade receivables for the respective financial years/ period and had remained consistent between 2.7% to 3.4% of the total trade receivables for the respective financial years/ period.

We have put in place an internal control process to monitor the recoverability of our debts. Our management conducts a bi-weekly collection meeting with our sales team to monitor collections and a monthly credit control meeting to assess collections and recoverability of debts from our customers.

While the recoverability of debts is reviewed on an individual basis, we adopt the following guidelines in determining the need to provide or write-offs any bad debts:-

Guidelines for provision on trade receivables:-

- Debts over six (6) months remains unpaid; and
- Commenced legal actions (with writ of summon) on the customer.

Guidelines for bad debts written-off

- Dispute with no clear-cut solutions;
- Debtors are in grave financial conditions or has absconded;
- Owners/ Directors of the company has been adjudicated bankrupt;
- Company which has wound-up; and
- Debtors/ guarantors had deceased.

The above guidelines are for our credit control department to highlight such cases to the management for their review and the provision for doubtful debts is determined on a case by case basis. We do not make general provisions on trade receivables.

While our collection meeting and credit control meeting takes place on a bi-weekly/ monthly basis, the assessment to provide for provision for doubtful debts and/or bad debts to be written-off are made during the year end in conjunction with our financial year end closing.

Our Board is of the opinion that the outstanding balances that exceed the credit term are recoverable and accordingly, no allowance for doubtful debts has been made.

Our Group has not encountered any disputes with our debtors except that we have initiated legal actions against certain debtors (which doubtful debts have been provided) for recovery of trade debts under the ordinary course of business.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

(ii) Trade Payables

Our trade payables turnover ranges from 37 days to 49 days throughout the financial years/period under review. Our Group recorded a lower trade payable turnover days of 37 days in FYE 2011 as we are able to leverage on early payment rebates granted by our building material suppliers.

Our management managed to negotiate better credit terms from certain suppliers from our distribution segments due to our long term relationship established with our suppliers. Despite the overall increase, our overall trade payables turnover days throughout the financial years/ period under review is within the market norm of 60 days.

Our trade payables turnover days remains consistent from FYE 2012 onwards, ranging from 46 days to 49 days. As at 31 August 2015, the trade payables of our Group amounted to approximately RM140.09 million which can be analysed as follows:-

	Combined Group				Total
	Within credit term	1 to 30 days past due	31 to 60 days past due	More than 60 days past due	
Group					
Trade payables (RM'000)	132,246	4,534	2,019	1,292	140,091
% of total trade payables	94.4	3.3	1.4	0.9	100.0
Subsequent payments up to the LPD (RM'000)	131,163	4,531	2,019	797	138,510
Trade payables net of subsequent payments (RM'000)	1,083	3	-	495	1,581
% of trade payables net of subsequent payments to total trade payables	0.8	0.0	-	0.3	1.1
Turnover Period (Days)					45
Analysed by:-					
Distribution of building materials & provision of logistics					
Trade payables (RM'000)	101,321	1,396	111	98	102,926
% of total trade payables	98.4	1.4	0.1	0.1	100.0
Subsequent payments up to the LPD (RM'000)	100,564	1,396	111	57	102,128
Trade payables net of subsequent payments (RM'000)	757	-	-	41	798
% of trade payables net of subsequent payments to total trade payables	0.7	-	-	0.0	0.7
Turnover Period (Days)					49

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

	Combined Group				Total
	Within credit term	Exceeding credit period			
		1 to 30 days past due	31 to 60 days past due	More than 60 days past due	
Ready-mixed concrete					
Trade payables (RM'000)	18,223	392	4	544	19,163
% of total trade payables	95.1	2.1	0.0	2.8	100.0
Subsequent payments up to the LPD (RM'000)	18,149	392	4	204	18,749
Trade payables net of subsequent payments (RM'000)	74	-	-	340	414
% of trade payables net of subsequent payments to total trade payables	0.4	-	-	1.8	2.2
Turnover Period (Days)					45
Manufacturing of AAC and precast concrete products					
Trade payables (RM'000)	6,659	497	161	538	7,855
% of total trade payables	84.8	6.3	2.1	6.8	100.0
Subsequent payments up to the LPD (RM'000)	6,658	497	161	467	7,783
Trade payables net of subsequent payments (RM'000)	1	-	-	71	72
% of trade payables net of subsequent payments to total trade payables	0.0	-	-	0.9	0.9
Turnover Period (Days)					39
Manufacturing of wire mesh and metal roofing system					
Trade payables (RM'000)	6,043	2,249	1,743	112	10,147
% of total trade payables	59.5	22.2	17.2	1.1	100.0
Subsequent payments up to the LPD (RM'000)	5,792	2,246	1,743	69	9,850
Trade payables net of subsequent payments (RM'000)	251	3	-	43	297
% of trade payables net of subsequent payments to total trade payables	2.5	0.0	-	0.4	2.9
Turnover Period (Days)					28

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

The normal trade credit term granted to our Group ranges from 14 to 90 days for the financial years/ period under review. Our trade payables turnover period was within the normal credit terms granted to us. As at LPD, there is no dispute with respect to the trade payables and no legal action has been initiated by our suppliers to demand for payment against our Group.

Our Group leverages on the early payment discounts from our suppliers to enjoy cost savings by utilising trade line facilities to repay our suppliers earlier than the due date.

Our Group has yet to make payment for trade payables exceeding credit period mainly due to incomplete supporting documentation from suppliers.

As at the LPD, we have made subsequent payment of RM138.51 million.

(iii) Inventories

As at 31 August 2015, the inventories of our Group can be analysed as follows: -

	Combined Group				
	30 days RM'000	60 days RM'000	90 days RM'000	120 days RM'000	Total RM'000
Distribution of building materials & provision of logistics	2,134	1,205	646	1,989	5,974
Ready-mixed concrete	2,383	-	-	-	2,383
Manufacturing of AAC and precast concrete products	8,763	3,252	963	593	13,571
Manufacturing of wire mesh and metal roofing system	8,828	8,507	4,075	2,815	24,225
	<u>22,108</u>	<u>12,964</u>	<u>5,684</u>	<u>5,397</u>	<u>46,153</u>

Our Group's inventories mainly consist of cements, steel bars, OBM, precast concrete, wire mesh and metal roofing systems. We stocked mainly fast moving items.

Our Group conducts a monthly management meeting to review the stockholding level and inventory ageing analysis. Approval is required from authorised personnel at headquarter level for replenishment of stocks and impairment on slow moving stocks.

Our Group's inventory turnover period increased from one (1) day in FYE 2011 to six (6) days in FYE 2012 as we stocked more raw materials for our manufacturing activities.

Our Group's inventory turnover period further increased to twelve (12) days in FYE 2013, fourteen (14) days in FYE 2014 and fifteen (15) days in FPE 2015 in line with the growth of our manufacturing business.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(Cont'd)*

(iv) Gearing ratio

Our Group's gearing ratio computed based on the combined financial information ranges from 1.65 to 2.25 times over the financial years/ periods under review.

Our Group's total debts had increased by approximately RM90.31 million in FYE 2012 mainly due to the capital expenditure and working capital requirements of our new manufacturing of wire mesh and metal roofing systems business activity as well as the overall increase in trade facilities to support the growth in our distribution of building materials and provision of logistics. Despite the increase in our Group's overall total debts, our Group's gearing decreased from 2.24 times in FYE 2011 to 2.20 times in FYE 2012 due to the overall increase in our shareholders' fund as a result of increase in share capital amounting to approximately RM5.10 million, revaluation of properties which resulted in a revaluation reserve of RM8.79 million as well as additional profits of RM34.59 million recognised during FYE 2012. The increase in share capital was mainly due to the increase in share capital of Metex Steel via debt capitalisation of shareholders' advances which was provided earlier to support Metex Steel's capital expenditure over the years.

Our Group's gearing ratio increased from 2.20 times in FYE 2012 to 2.25 times in FYE 2013 mainly due to increase in total borrowings from RM348.59 million in FYE 2012 to RM434.19 million in FYE 2013. Such additional financing was to finance the working capital requirement of our manufacturing of wire mesh and metal roofing systems products, distribution of building materials and provision of logistics as well as capital expenditure incurred for our new manufacturing of AAC products. The increase in the working capital had also contributed to the increase in the overall revenue to our Group, however the increase in earnings were not as significant because our manufacturing of wire mesh and metal roofing system only commenced in October 2012 and is still in its first year of operations.

Our Group's gearing ratio decreased from 2.25 times in FYE 2013 to 1.70 times in FYE 2014 mainly due to decrease in total borrowings from RM434.19 million in FYE 2013 to RM392.31 million in FYE 2014 as well as higher shareholders' fund as a result of increase in share capital of PP Chin Hin, Chin Hin Concrete and Ace Logistic amounting to approximately RM42.50 million as well as profit after taxation generated during FYE 2014 of RM30.19 million. Please refer to Sections 5.4.1(b), 5.4.4(b) and 5.4.14(b) of this Prospectus for further details on the share capital movement of PP Chin Hin, Chin Hin Concrete and Ace Logistic respectively.

- (i) Our Group's total borrowings had increased by approximately RM22.19 million to RM414.50 million during FPE 2015 mainly due to the capital expenditure incurred to acquire additional motor vehicles used for the operations of our Group and additional working capital requirement of the entire Group, especially for our manufacturing business segments. During FYE 2014 and FPE 2015, we had purchased new motor vehicles for the following purposes:-
 - (a) Additional lorries were purchased to increase our fleet of lorries as well as to replace several units of old lorries for use by our distribution of building materials business segment. With the new lorries, we can improve the efficiency of the transportation of building materials to our customers and provide more support for our warehouses located nationwide;
 - (b) Additional mixer trucks were purchased to add and replace several old fleets of mixer trucks used for the distribution of ready-mixed concrete business segment. With the new mixer trucks, we can improve efficiency in the delivery of ready-

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

mixed concrete from the batching plants to our customer's construction locations; and

- (c) In line with the increase in order books received by both Starken AAC and G-Cast Concrete, more units of trailer cranes were purchased in order to support the business growth of the manufacturing of AAC and precast concrete products business segment. This would improve our efficiency in delivery of AAC and precast concrete products to our customers.

However, our Group's gearing ratio decreased slightly from 1.70 times in FYE 2014 to 1.65 times in FPE 2015 mainly due to higher shareholders' fund as a result of profit after taxation generated during FPE 2015 of RM20.01 million.

The total borrowings of our Group are as follows:-

	Combined Group				
	FYE 2011 RM'000	FYE 2012 RM'000	FYE 2013 RM'000	FYE 2014 RM'000	FPE 2015 RM'000
Current Liabilities					
Finance lease payable	4,031	5,850	7,868	9,379	10,496
Bank borrowings	235,778	307,160	367,819	324,149	309,182
	239,809	313,010	375,687	333,528	319,678
Non-Current Liabilities					
Finance lease payable	5,243	13,715	18,152	12,069	12,989
Bank borrowings	13,232	21,865	40,348	46,712	81,834
	18,475	35,580	58,500	58,781	94,823
Total borrowings⁽ⁱ⁾	258,284	348,590	434,187	392,309	414,501

Note:-

- (i) The borrowings are mainly for working capital and to finance the purchase of plant, machineries, equipment and motor vehicles.

(v) Current ratio

Our current ratio ranges from 0.86 to 1.11 times over the financial years/ period under review. Our current ratio fell below 1.0 times in FYE 2012 and FYE 2013 as our Group has mismatch in funding requirements where we have utilised certain short terms borrowings to partly finance the purchase of property, plant and equipment to set up three (3) new factories for our manufacturing of AAC, precast concrete, wire mesh and metal roofing systems. Concurrently, our Group had also utilised certain short term borrowings to partly finance the purchase of various investment properties.

As at 31 August 2015, our Group has fully drawdown the bank borrowings of RM58.00 million to refinance certain short term facilities which is repayable over 36 monthly instalments.

With the refinancing arrangement above together with improvement in our overall business performance which resulted in higher cash and bank balances, our Group's current ratio as at 31 August 2015 has improved to 1.11 times. Our Group's current ratio after the Public Issue and utilisation of proceeds will be 1.19 times, we believe our Group is capable of meeting any outstanding current trade financing facilities and trade payables.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.6 DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:-

- (a) Our Group's revenue will remain sustainable with an upward growth trend, in line with the growth outlook of the building materials industry in Malaysia as well as the strong construction industry as set out in the IMR Report;
- (b) Our liquidity will improve further subsequent to our Public Issue given the additional funds to be raised for our Group to carry out our future plans as stated in Section 6.15 of this Prospectus; and
- (c) Our capital resources will strengthen, taking into account an amount of approximately RM7.08 million from the IPO proceeds to be utilised for general working capital requirements, as well as our internally generated fund from improved financial performance for FPE 2015. We may consider debt funding for our capital expansion should the need arises.

In addition to the above, our Board is not aware of any circumstances which would result in a significant decline in our revenue and gross profit margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profit/loss position.

As at the LPD, our Group's financial condition and operations have not been and are not expected to be affected by any of the following:-

- (a) known trends, demands, commitment, events or uncertainties that may have a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those disclosed in Sections 4, 6, 11 and 12 of this Prospectus;
- (b) material commitment for capital expenditure save as disclosed in Section 5.6.5 of this Prospectus;
- (c) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this Sections 4, 5 and 12 of this Prospectus;
- (d) known trends, demands, commitments, events or uncertainties that may have a material impact on our Group's liquidity and capital resources, other than those disclosed in Sections 12.4 and 12.5 of this Prospectus; and
- (e) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Sections 4, 5 and 6 of this Prospectus.

Information on our Group's business and financial prospects, the significant trend in sales, cost and selling prices is set out in Sections 6 and 12 of this Prospectus. Discussion on the overview of the building materials industry in Malaysia, its prospects and outlook are further elaborated in Section 7 of this Prospectus.

Based on the outlook of the building materials industry in Malaysia as set out in Section 7 of this Prospectus, our Group's competitive strengths as set out in Section 6.14 of this Prospectus and our future plans as set out in Section 6.15 of this Prospectus, our Board is optimistic about the future prospects of our Group.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Cont'd)

12.7 ORDER BOOK

(a) Distribution of buildings materials and provision of logistics, ready-mixed concrete, manufacturing of wire mesh and metal roofing systems

The nature of our Group's business is such that the majority of our sales are based on the purchase orders received from our customers with specifications and quantity required. We do not enter into any long term contract with our customers. As such, we do not have any long-term contracts with our customers.

There is no order book for our distribution of building materials and provision of logistics, ready-mixed concrete and manufacturing of wire mesh (standard size).

(b) Manufacturing of AAC products

Starken AAC currently has a secured order book with purchase orders amounting to approximately RM37.00 million to be fulfilled within 2016. The order book comprises mainly purchases of AAC products used in the construction of condominiums, low rise residential homes, high-rise commercial buildings as well as shopping complexes.

(c) Manufacturing of precast concrete products

G-Cast Concrete has also secured purchase orders for various precast concrete pipe products amounting to approximately RM100.73 million, to be fulfilled within three (3) years, from 2016 to 2018.

(d) Manufacturing of wire mesh products

Metex Steel has also secured purchase orders for "cut to size" wire mesh products amounting to approximately RM36.00 million, to be fulfilled within 2016.

(e) Manufacturing of metal roofing system products

Metal Sphere has also secured purchase orders for metal roofing system products amounting to approximately RM3.90 million, to be fulfilled within 2016.

12.8 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. Any declaration of interim dividends and recommendation of final dividends are subject to the discretion of our Board and any final dividend proposed is subject to our shareholders' approval.

Upon Listing, our Board intends to adopt a stable and sustainable dividend policy to allow our shareholders to participate in the profits of our Group while maintaining an optimal capital structure and ensuring sufficient funds are available for our future growth.

Investors should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends, which are subject to our Board's absolute discretion.

Our ability to pay future dividends to our shareholders is subject to various factors including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditure plans.

12. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (*Cont'd*)

As our Company is an investment holding company, our income and therefore, our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend on their operational results, financial condition, capital expenditure plans, business expansion plans and other factors that their respective Board deem relevant.

12.9 CAPITALISATION AND INDEBTEDNESS

The following information shall be read in conjunction with the Reporting Accountants' letter on pro forma consolidated statements of financial position set out in Sections 11.2 of this Prospectus.

The following table shows our Group's cash and bank balances, capitalisation and indebtedness based on our pro forma consolidated statements of financial position as at 31 August 2015, and as adjusted for the net proceeds from our Public Issue and utilisation of the proceeds from our Public Issue:-

	Pro forma Group	
	As at 31 August 2015 RM'000	After our Public Issue and Utilisation of Proceeds RM'000
Cash and bank balances	149,875	156,954
Fixed deposits pledged with licensed banks	14,589	14,589
Total cash and cash equivalents	164,464	171,543
Indebtedness		
Current		
Bankers' acceptance	270,894	255,894
Revolving credit	6,000	6,000
Bank overdraft	4,056	4,056
Finance lease payables	10,496	10,496
Term loans	28,232	28,232
Non-current		
Finance lease payables	12,989	12,989
Term loan	81,834	81,834
Total indebtedness	414,501	399,501
Shareholders' equity	251,006	288,085
Total capitalisation and indebtedness	665,507	687,586
Gearing Ratio (times) ⁽ⁱ⁾	1.65	1.39

Note:-

- (i) Calculated based on the total borrowings (i.e. finance lease payables and bank borrowings) of our Group divided by the total equity of our Group.

13. ACCOUNTANTS' REPORT



Date: 03 FEB 2016

The Board of Directors
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Dear Sirs,

CHIN HIN GROUP BERHAD ("CHIN HIN" OR "COMPANY") ACCOUNTANTS' REPORT

1. INTRODUCTION

This report has been prepared by UHY, an international firm of chartered accountants registered in Malaysia and an approved company auditor, for inclusion in the Prospectus of Chin Hin in connection with the listing of and quotation for the enlarged issued and paid-up share capital of Chin Hin on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"). Details of the listing scheme are disclosed in Section 2 of this report.

2. DETAILS OF RESTRUCTURING AND LISTING SCHEME

2.1 Restructuring

In preparation of the Listing, Chin Hin has undertaken a restructuring exercise in relation to the companies under the Group. The restructuring comprises the Acquisitions and Internal Reorganisation.

2.1.1 Acquisitions

Acquisition of PP Chin Hin Sdn Bhd ("PP Chin Hin")

Acquisition by Chin Hin of the entire equity interest of PP Chin Hin, comprising 50,000,000 ordinary shares of RM1.00 each in PP Chin Hin for a total purchase consideration of RM170,624,000 satisfied via the issuance of 341,248,000 new ordinary shares of RM0.50 each in Chin Hin ("Shares") at par.

Acquisition of PP Chin Hin Private Limited ("PP Chin Hin (SG)")

Acquisition by PP Chin Hin of the entire equity interest of PP Chin Hin (SG), comprising 1,000 ordinary shares in PP Chin Hin (SG) for a total purchase consideration of RM2,535,000 satisfied via the issuance of 5,070,000 new Shares at par.

13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF RESTRUCTURING, INTERNAL RE-ORGANISATION AND LISTING SCHEME (CONT'D)****2.1 Restructuring (Cont'd)****2.1.1 Acquisitions (Cont'd)*****Acquisition of Chin Hin Concrete Holding Sdn Bhd ("Chin Hin Concrete")***

Acquisition by Chin Hin of the entire equity interest of Chin Hin Concrete, comprising 12,001,000 ordinary shares of RM1.00 each in Chin Hin Concrete for a total purchase consideration of RM26,279,000 satisfied via the issuance of 52,558,000 new Shares at par.

Acquisition of Ace Logistic Sdn Bhd ("Ace Logistic")

Acquisition by Chin Hin of the entire equity interest of Ace Logistic, comprising 11,000,000 ordinary shares of RM1.00 each in Ace Logistic for a total purchase consideration of RM16,800,000 satisfied via the issuance of 33,600,000 new Shares at par.

Acquisition of C&H Transport Sdn Bhd ("C&H Transport")

Acquisition by Chin Hin of the entire equity interest of C&H Transport, comprising 1,250,000 ordinary shares of RM1.00 each in C&H Transport for a total purchase consideration of RM5,107,000 satisfied via the issuance of 10,214,000 new Shares at par.

The Acquisitions were completed on 2 December 2014. Thereafter, PP Chin Hin, PP Chin Hin (SG), Chin Hin Concrete, Ace Logistic and C&H Transport became wholly-owned subsidiaries of Chin Hin.

The new Shares issued pursuant to the Acquisitions shall rank pari passu in all respects with the existing issued Shares including the voting rights and will be entitled to all rights, dividends and other distributions, the entitlement date of which are subsequent thereof.

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13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF RESTRUCTURING, INTERNAL RE-ORGANISATION AND LISTING SCHEME (CONT'D)****2.1 Restructuring (Cont'd)****2.1.2 Internal Re-organisation**

Subsequent to the Acquisitions, Chin Hin entered into a share sale agreement dated 23 January 2015 and letter of amendment dated 1 June 2015 with PP Chin Hin in relation to the acquisition of Metex Steel Sdn Bhd ("Metex Steel") and Starken AAC Sdn Bhd ("Starken AAC") for an aggregate cash consideration of RM54,836,895. This intercompany transaction was also completed on 23 January 2015 and resulted in Metex Steel and Starken AAC being the direct wholly owned subsidiaries of Chin Hin.

Further to the above, Chin Hin had in turn entered into share sale agreements dated 1 June 2015 respectively with:

- (a) PP Chin Hin for the transfer of the entire equity interest in C&H Transport to PP Chin Hin for an aggregate cash consideration of RM4,955,414; and
- (b) Metex Steel for the transfer of the entire equity interest in Ace Logistic to Metex Steel for an aggregate consideration of RM16,800,296.

With the completion of this subsequent intercompany transaction on 10 June 2015, the Group had completed its Internal Re-organisation resulting in the group structure as illustrated in Section 3.1.

The above intercompany transactions do not have any impact on the Group's financial position and were undertaken to streamline the Group's business operations.

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13. ACCOUNTANTS' REPORT (Cont'd)**2. DETAILS OF RESTRUCTURING, INTERNAL RE-ORGANISATION AND LISTING SCHEME (CONT'D)****2.2 Listing Scheme**

In conjunction with, and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Market of Bursa Securities, the details of the Listing Scheme are as follows:-

(a) Public Issue

Pursuant to the Public Issue, the Company shall issue 63,197,900 new shares ("Issue Shares") at an issue price of RM0.65 per Share ("IPO Price") to be allocated in the following manner:-

- (i) 25,294,400 Issue Shares made available for application by the Malaysian Public, to be allocated via balloting;
- (ii) 6,400,000 Issue Shares made available to the eligible Directors and employees who have contributed to the success of the Group; and
- (iii) 31,503,500 Issue Shares by way of private placement to selected investors.

The Issue Shares shall rank pari passu in all respects with the existing issued Shares including the voting rights and will be entitled to all rights and dividends and other distributions, the entitlement date of which are subsequent thereof.

(b) Offer for Sale

Concurrent with the Listing, the offerors namely Datuk Chiau Beng Teik, Datin Wong Mee Leng and Chiau Haw Choon, collectively ("Offerors") will undertake an offer for sale of 65,000,000 Shares at the IPO Price, representing approximately 12.8% of the enlarged issued and paid-up share capital to selected investors.

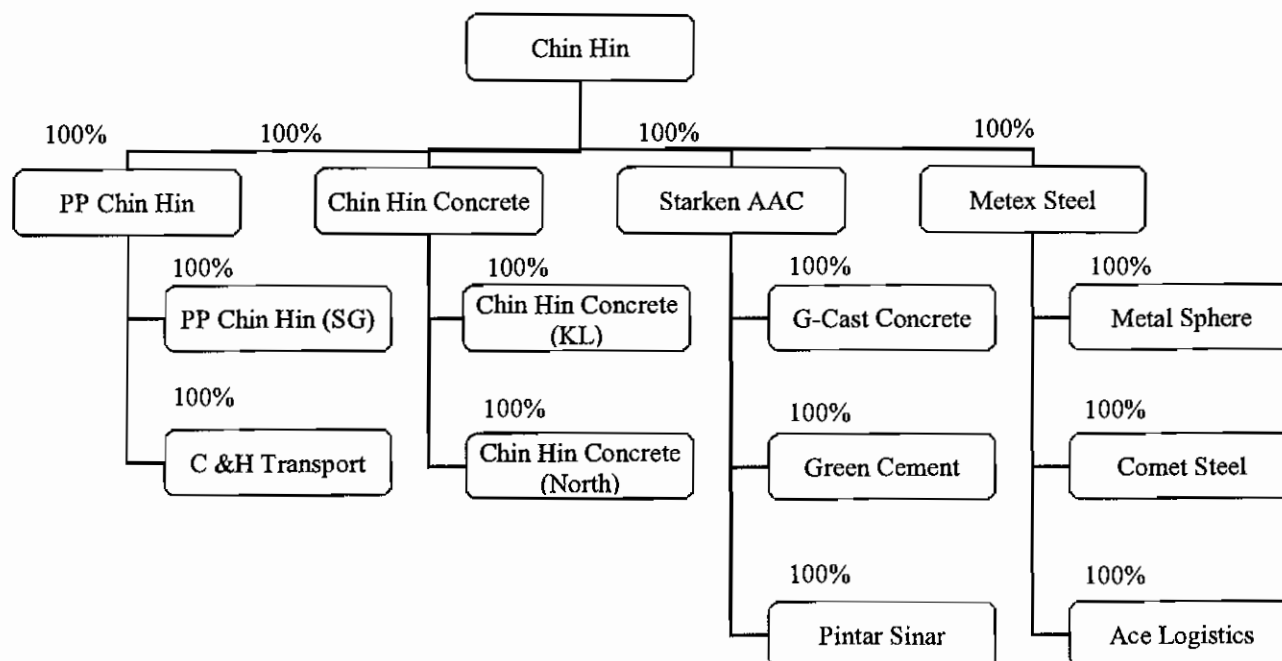
(Collectively known as "IPO")

(c) Vendors' Shareholding Re-organisation

The re-organisation of the vendors namely Datuk Chiau Beng Teik, Chiau Haw Choon and Datin Wong Mee Leng ("Vendors") shareholdings in Chin Hin during the prescribed period involving the transfer of 303,532,800 Shares which they collectively received from the Acquisitions to Divine Inventions Sdn Bhd, a wholly-owned subsidiary of PP Chin Hin Realty Sdn Bhd, which in turn is collectively owned by the Vendors.

(d) Listing

Upon completion of the IPO, the Company's entire enlarged issued and paid-up share capital of RM252,944,000 comprising 505,888,000 Shares shall be listed on the Main Market of Bursa Securities.

13. ACCOUNTANTS' REPORT (Cont'd)**3. GENERAL INFORMATION****3.1 Group Structure after Restructuring, Internal Re-organisation and Listing Scheme**

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13. ACCOUNTANTS' REPORT (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 Relevant Financial Years/Periods and Auditors**

The relevant financial years/periods of the audited financial statements presented for the purpose of this report ("Relevant Financial Years/Periods") and the auditors of the Chin Hin Group for the Relevant Financial Years/Periods are set out below:-

<u>Companies/ Relevant Financial Years/Periods</u>	<u>Auditor</u>	<u>Auditor's Report</u>
<u>Chin Hin</u>		
FPE 31 August 2015 ("FPE 2015")	UHY	Appendix I
FYE 31 December 2014 ("FYE 2014")	UHY	Appendix I
FPE 31 August 2014 ("FPE 2014")	UHY	Appendix I
<u>PP Chin Hin</u>		
FPE 2015	UHY	Appendix II
FYE 2014	UHY	Appendix II
FPE 2014	UHY	Appendix II
FYE 31 December 2013 ("FYE 2013")	UHY	Appendix II
FYE 31 December 2012 ("FYE 2012")	Chang Kong Foo & Co.	Appendix II
FYE 31 December 2011 ("FYE 2011")	Chang Kong Foo & Co.	Appendix II
<u>PP Chin Hin (SG)</u>		
FPE 2015	UHY Lee Seng Chan & Co	Appendix III
FYE 2014	UHY Lee Seng Chan & Co	Appendix III
FPE 2014	UHY Lee Seng Chan & Co	Appendix III
FPE 31 December 2013	UHY Lee Seng Chan & Co	Appendix III
FYE 30 April 2013	Zhen Public Accounting Firm	Appendix III
FYE 30 April 2012	Zhen Public Accounting Firm	Appendix III
FYE 30 April 2011	Zhen Public Accounting Firm	Appendix III
<u>C&H Transport</u>		
FPE 2015	UHY	Appendix IV
FYE 2014	UHY	Appendix IV
FPE 2014	UHY	Appendix IV
FYE 2013	UHY	Appendix IV
FYE 2012	Lai Kwang Hooi & Co.	Appendix IV
FYE 2011	Lai Kwang Hooi & Co.	Appendix IV
<u>Chin Hin Concrete</u>		
FPE 2015	UHY	Appendix V
FYE 2014	UHY	Appendix V
FPE 2014	UHY	Appendix V
FYE 2013	UHY	Appendix V
FYE 2012	Chang Kong Foo & Co.	Appendix V

13. ACCOUNTANTS' REPORT (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 Relevant Financial Years/Periods and Auditors (Cont'd)**

<u>Companies/ Relevant Financial Years/Periods</u>	<u>Auditor</u>	<u>Auditor's Report</u>
<u>Chin Hin Concrete (KL)</u>		
FPE 2015	UHY	Appendix VI
FYE 2014	UHY	Appendix VI
FPE 2014	UHY	Appendix VI
FYE 2013	UHY	Appendix VI
FYE 2012	Lai Kwang Hooi & Co.	Appendix VI
FYE 2011	Lai Kwang Hooi & Co.	Appendix VI
<u>Chin Hin Concrete (North)</u>		
FPE 2015	UHY	Appendix VII
FYE 2014	UHY	Appendix VII
FPE 2014	UHY	Appendix VII
FYE 2013	UHY	Appendix VII
FYE 2012	Chang Kong Foo & Co.	Appendix VII
FYE 2011	Chang Kong Foo & Co.	Appendix VII
<u>Starken AAC</u>		
FPE 2015	UHY	Appendix VIII
FYE 2014	UHY	Appendix VIII
FPE 2014	UHY	Appendix VIII
FYE 2013	UHY	Appendix VIII
FYE 2012	Chang Kong Foo & Co.	Appendix VIII
FYE 2011	Chang Kong Foo & Co.	Appendix VIII
<u>G-Cast Concrete</u>		
FPE 2015	UHY	Appendix IX
FYE 2014	UHY	Appendix IX
FPE 2014	UHY	Appendix IX
FYE 2013	UHY	Appendix IX
FYE 2012	Chang Kong Foo & Co.	Appendix IX
<u>Green Cement</u>		
FPE 2015	UHY	Appendix X
FYE 2014	UHY	Appendix X
FPE 2014	UHY	Appendix X
FYE 2013	UHY	Appendix X
FYE 2012	Chang Kong Foo & Co.	Appendix X
<u>Pintar Sinar</u>		
FPE 2015	UHY	Appendix XI
FYE 2014	UHY	Appendix XI
FPE 2014	UHY	Appendix XI
FYE 2013	UHY	Appendix XI
FYE 2012	BJ Chan & Co.	Appendix XI
FYE 2011	BJ Chan & Co.	Appendix XI

13. ACCOUNTANTS' REPORT (Cont'd)**3. GENERAL INFORMATION (CONT'D)****3.2 Relevant Financial Years/Periods and Auditors (Cont'd)**

<u>Companies/ Relevant Financial Years/Periods</u>	<u>Auditor</u>	<u>Auditor's Report</u>
<u>Metex Steel</u>		
FPE 2015	UHY	Appendix XII
FYE 2014	UHY	Appendix XII
FPE 2014	UHY	Appendix XII
FYE 2013	UHY	Appendix XII
FYE 2012	Chang Kong Foo & Co.	Appendix XII
FYE 2011	Chang Kong Foo & Co.	Appendix XII
<u>Comet Steel</u>		
FPE 2015	UHY	Appendix XIII
FYE 2014	UHY	Appendix XIII
FPE 2014	UHY	Appendix XIII
FYE 2013	UHY	Appendix XIII
FYE 2012	Chang Kong Foo & Co.	Appendix XIII
<u>Ace Logistic</u>		
FPE 2015	UHY	Appendix XIV
FYE 2014	UHY	Appendix XIV
FPE 2014	UHY	Appendix XIV
FYE 2013	UHY	Appendix XIV
FYE 2012	Lai Kwang Hooi & Co.	Appendix XIV
FYE 2011	Lai Kwang Hooi & Co.	Appendix XIV
<u>Metal Sphere</u>		
FPE 2015	UHY	Appendix XV
FYE 2014	UHY	Appendix XV
FPE 2014	UHY	Appendix XV

The audited financial statements of the abovementioned companies for the relevant financial years/periods were reported upon without any audit qualification.

13. ACCOUNTANTS' REPORT (Cont'd)**4. COMBINED FINANCIAL STATEMENTS AND BASIS OF PREPARATION**

This report has been prepared based on the combined financial statements of Chin Hin and its subsidiaries which were drawn up so as to give a true and fair view of the financial position of the Group which is reported by us without qualifications. The combined financial statement of Chin Hin Group has been prepared solely for the purpose of the Listing and for no other purpose.

Chin Hin Group is regarded as a continuing entity since the management of all the respective entities within the proposed listing structure were controlled by the same director and under common shareholders before and immediately after the restructuring, internal re-organisation and proposed listing scheme. Consequently, there was a continuation of the control over the entities' financial and operating policy decision, risk and benefits to the ultimate shareholders that existed prior to the restructuring, internal re-organisation and proposed listing scheme.

Hence, the listing scheme of Chin Hin Group has been accounted for as a business combination under common control in a manner similar to the pooling of interests. Accordingly, the combined financial statements of Chin Hin Group or the financial years/ period ended 31 December 2011, 31 December 2012, 31 December 2013, 31 August 2014, 31 December 2014 and 31 August 2015 has been prepared on the basis of merger accounting and comprise the financial statements of the subsidiary company which are under common control of the ultimate shareholder and directors that existed prior to the restructuring, internal re-organisation and proposed listing scheme during the relevant years or since their respective dates of incorporation.

The financial information as presented in the combined financial statements may not be the same as the consolidated financial statements of Chin Hin post IPO. Further, such information does not purport to predict Chin Hin Group's financial position, results and cash flows.

5. CONTENT OF THIS REPORT

This accountant report contains the following sections:-

Chapter	Content
I. Chin Hin Group Berhad	Background information on Chin Hin.
II. Subsidiaries	Combined financial statements of the subsidiaries based on the proposed listing group structure from FYE 31 December 2011 to FPE 31 August 2015.

13. ACCOUNTANTS' REPORT (*Cont'd*)



CHAPTER I

CHIN HIN GROUP BERHAD

13. ACCOUNTANTS' REPORT (Cont'd)**I CHIN HIN GROUP BERHAD****1. Background Information and Principal Activities**

Chin Hin Group Berhad ("Chin Hin") was incorporated in Malaysia under the Malaysian Companies Act, 1965 on 12 June 2014 as a public limited company. The Company has been set up to be the listing vehicle in connection with the listing of Chin Hin Group on the Main Market of Bursa Securities.

The principal activities of Chin Hin are to carry on the business of an investment holding company, property investment and general trading in Malaysia or worldwide.

The address of the registered office of Chin Hin is located at Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

As at the date of this Report, the authorised and issued share capital of Chin Hin is as follows:-

	RM
Authorised:	
1,000,000,000 ordinary shares of RM0.50 each	<u>500,000,000</u>
Issued and Paid-Up:	
442,690,100 ordinary shares of RM0.50 each	<u>221,345,050</u>

13. ACCOUNTANTS' REPORT (*Cont'd*)



CHAPTER II
SUBSIDIARIES

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES****1. Background Information and Principal Activities**

The principal activities of the subsidiaries are as follows:-

Company	Date of Incorporation	Authorised Share Capital (unless otherwise stated) RM	Issued and Paid-up Share Capital (unless otherwise stated) RM	Equity Interest %	Principal Activities
Direct holding:					
PP Chin Hin Sdn Bhd ("PP Chin Hin")	25.02.1995	50,000,000	50,000,000	100	Distribution of building materials, letting of properties, hire purchase financing and property development*
Chin Hin Concrete Holding Sdn Bhd ("Chin Hin Concrete")	29.11.2011	25,000,000	12,001,000	100	Investment holding
Starken AAC Sdn Bhd ("Starken AAC")	2.11.2006	50,000,000	30,000,000	100	Manufacturing and sales of Autoclaved Aerated Concrete ("AAC") products
Metex Steel Sdn Bhd ("Metex Steel")	22.08.2011	50,000,000	30,000,000	100	Manufacturing and sales of wire mesh and metal roofing systems
Indirect holding:					
Subsidiaries of PP Chin Hin					
PP Chin Hin Private Limited ("PP Chin Hin (SG)")	16.05.2009	SGD1,000	SGD1,000	100	Trading and distribution of building materials in Singapore
C&H Transport Sdn Bhd ("C&H Transport")	06.03.2008	5,000,000	1,250,000	100	Transportation of cement

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****1. Background Information and Principal Activities (Cont'd)**

Company	Date of Incorporation	Authorised Share Capital (unless otherwise stated) RM	Issued and Paid-up Share Capital (unless otherwise stated) RM	Equity Interest %	Principal Activities
Indirect holding:					
Subsidiaries of Chin Hin Concrete					
Chin Hin Concrete (KL) Sdn Bhd ("Chin Hin Concrete (KL)")	18.05.2008	5,000,000	4,000,000	100	Distribution of ready-mixed concrete
Chin Hin Concrete (North) Sdn Bhd ("Chin Hin Concrete (North)")	12.01.2008	5,000,000	2,000,000	100	Distribution of ready-mixed concrete
Subsidiaries of Starken AAC					
G-Cast Concrete Sdn Bhd ("G-Cast Concrete")	11.12.2011	5,000,000	5,000,000	100	Manufacturing and sale of precast concrete products
Green Cement Sdn Bhd ("Green Cement")	04.07.2012	100,000	2	100	Dormant
Pintar Sinar Sdn Bhd ("Pintar Sinar")	30.09.2010	100,000	2	100	Property investment holding
Subsidiaries of Metex Steel					
Metal Sphere Sdn Bhd ("Metal Sphere")	02.03.2014	25,000,000	15,000,002	100	Manufacturing of metal roofing profiles and trusses
Comet Steel Sdn Bhd ("Comet Steel")	12.07.2012	100,000	2	100	Dormant

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****1. Background Information and Principal Activities (Cont'd)**

Company	Date of Incorporation	Authorised Share Capital (unless otherwise stated) RM	Issued and Paid-up Share Capital (unless otherwise stated) RM	Equity Interest %	Principal Activities
Indirect holding:					
Subsidiaries of Metex Steel					
Ace Logistic Sdn Bhd ("Ace Logistic")	18.02.2004	25,000,000	11,000,000	100	Property investment holding

Notes: -

* PP Chin Hin has ceased its property development business in year 2012.

2. Conversion Rate

In the preparation of the report, we have converted all figures stated in overseas subsidiaries' functional currency in RM. The financial information of PP Chin Hin (SG), a company incorporated in Singapore has been converted using the applied rate of exchange or the financial years/ period under review as extracted from www.oanda.com are as below:-

Statements of Comprehensive Income based on the average rate for the relevant years/ period:-

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
SGD	2.4334	2.4713	2.5173	2.6456	2.9042

Statements of Financial Position based on the closing rate at the respective reporting dates:-

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
SGD	2.4441	2.4932	2.5963	2.6449	2.9919

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3. Basis of Preparation and Significant Accounting Policies**

The financial statements of Chin Hin and its subsidiaries are prepared on a basis consistent with the accounting policies adopted by the Group as follows: -

3.1 Basis of Preparation**3.1.1 Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards.

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Adoption of new and amended standards and interpretation

During the financial period, the Company has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendment to MFRS 119 Defined Benefits Plans: Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Company.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.1 Statement of Compliance (Cont'd)****Standards issued but not yet effective**

The Company has not applied the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Company:

		Effective date for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments (IMFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Company intends to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs is not expected to have any significant impacts on the financial statements of the Company except as mentioned below:

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.1 Statement of Compliance (Cont'd)****MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)**

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Group is in the process of assessing the impact of this Standard. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.2 Functional and Presentation Currency**

The 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.

3.1.3 Significant Accounting Estimates and Judgements

The summary of accounting policies as described in Section 3.2 are essential to understand the Group's and the Company's results of operations, financial position, cash flows and other disclosures. Certain of these accounting policies require critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Directors exercise their judgement in the process of applying the Group's accounting policies.

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Useful lives of property, plant and equipment

Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years and reviews the useful lives of depreciable assets at end of each reporting period. As at 31 December 2011, 2012, 2013, 2014 and 31 August 2015, management assesses that the useful lives represent the expected utilisation of the assets to the Group. Actual results, however, may vary due to change in the business plan and strategies, expected level of usage and technological developments, which resulting the adjustment to the Group's assets. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.3 Significant Accounting Estimates and Judgements (Cont'd)**Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2012, 31 December 2013, 31 December 2014 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in other comprehensive income. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The fair value of buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The key assumptions used to determine the fair value of the properties are provided in Notes 4.6.2.

Impairment of goodwill on consolidation

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of investment in subsidiary companies

The carrying values of investment in subsidiary companies and the related goodwill are reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.3 Significant Accounting Estimates and Judgements (Cont'd)**

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Impairment of loans and receivables

The Group assesses at end of each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.1 Basis of Preparation (Cont'd)****3.1.3 Significant Accounting Estimates and Judgements (Cont'd)**Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates or whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3.2 Significant Accounting Policies

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

3.2.1 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies, and its associate companies through equity accounting, which have been prepared in accordance with the Group's accounting policies, and are all drawn up to the same reporting period.

(i) Subsidiary Companies

Subsidiary companies 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 right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transaction costs.

Upon the disposal of investment in a subsidiary company, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.1 Basis of Consolidation (Cont'd)****(ii) Associate Companies**

Associates are entities in which the Group has significant influence, but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in associates is initially at cost, and recognising the Group's share of its associates' post-acquisition results and other changes to comprehensive income against the carrying amount of the investments. When the Group's share of losses in an associate company equals or exceeds its interest in the associate company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate company.

When the Group ceases to have significant influence over an associate company, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any retaining investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate reduces but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate company, unless the transaction provides evidence of an impairment of the asset transferred.

In the Company's separate financial statements, investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.1 Basis of Consolidation (Cont'd)****(iii) Consolidation**

The acquisition method of accounting is used to account for business combination. The consideration transferred for acquisition of a subsidiary company is the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of exchange, as well as any contingent consideration given. Acquisition related costs are expensed off in the profit or loss as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In a business combination achieved in stages, the 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. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Changes in the Company owners' ownership interest in a subsidiary company loss of control are accounted for as equity transactions. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid is recognised directly in equity.

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognized 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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.1 Basis of Consolidation (Cont'd)****(iii) Consolidation (Cont'd)**

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated, unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, the accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

(iv) Goodwill on Consolidation

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary company acquired (ie. 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.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(v) Non-controlling Interests

Non-controlling interest is the equity in a subsidiary company not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interest consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

All earnings and losses of the subsidiary company are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attribution to non-controlling interests for prior years is not restated.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.2 Foreign Currency Translation**Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the Group using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the reporting period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3.2.3 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 3.2.13.

(i) Recognition and Measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets 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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.3 Property, Plant and Equipment (Cont'd)****(i) Recognition and Measurement (Cont'd)**

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.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every 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 land 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 land 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 other comprehensive income.

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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.3 Property, Plant and Equipment (Cont'd)****(ii) Subsequent Cost**

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. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction / work-in-progress are not depreciated until the assets are ready for its intended use. Freehold land is not depreciated.

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

Freehold building	2%
Leasehold building	2%
Computer equipment and software	10% - 20%
Cabin	10%
Crane	10%
Electrical installation	10%
Fire protection and security system	10%
Freehold land and building	2%
Furniture and fittings	10%
Motor vehicles	20%
Mould	10%
Office equipment	20%
Plant and machinery	10% - 20%
Signboard	10%
Skid tank	10%
Tools and equipment	10%

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.3 Property, Plant and Equipment (Cont'd)****(iii) Depreciation (cont'd)**

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period 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.

3.2.4 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 and subsequently at fair value with any changes therein recognised in profit or loss for the period 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.

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 reporting period 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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.5 Property Development Activities**

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are not expected to commence within the period of twelve months after the end of financial year or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of financial year or where the activities are expected to be completed within the normal operating cycle.

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the statements of comprehensive income by using stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that it is probable will be recoverable, and property development costs on units sold are recognised as an expense in the year in which they are incurred.

An expected loss on a development project including costs to be incurred over the defect liability period shall be recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which measured at the lower of cost and net realisable value.

When the revenue recognised in the statements of comprehensive income exceeds billings to purchasers, the balance is shown as accrued billings under current assets. When the billings to purchasers exceed the revenue recognised in the statement of comprehensive income, the balance is shown as progress billings under current liabilities.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.6 Intangible Assets**Intangible assets acquired separately

Intangible assets acquired separately are measured on initial recognition at cost. Subsequent expenditure is capitalised when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Intangible assets which have finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives. The useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses, are not amortised but tested for impairment annually. The assessment of indefinite useful lives is reviewed annually to determine whether the indefinite useful lives continue to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from de-recognition of intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

3.2.7 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

As lesseeFinance lease

Leases in terms of which the Group and the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.7 Leases (Cont'd)**Finance lease (cont'd)

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

Operating leases

Leases, where the Group and the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. 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 period in which they are earned.

3.2.8 Financial Assets

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.8 Financial Assets (Cont'd)**

Embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group classifies its financial assets depending on the purpose of which it was acquired at initial recognition, into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading, contingent consideration in a business combination or financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company has the positive intention and ability to hold to maturity. They are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.8 Financial Assets (Cont'd)****(iii) Held-to-maturity investments (Cont'd)**

After initial recognition, financial assets categorised as held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when held-to-maturity investments are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

(v) Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period 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.

(vi) De-recognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On de-recognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.9 Financial Liabilities**

Financial liabilities are recognised on the statements of financial position when, and only when the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Changes in the carrying value of these liabilities are recognised in the profit or loss.

The Group classifies its financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, derivative (except for financial guarantee contracts or a designated and effective hedging instrument) and financial liabilities designated into this category upon initial recognition.

The Group has not designated any financial liabilities as at fair value through profit or loss.

(ii) Other liabilities measured at amortised cost

Other financial liabilities are non-derivatives financial liabilities. The Company's other financial liabilities comprise trade and other payables and borrowings. Other financial liabilities are classified as current liabilities; except for maturities more than 12 months after the end of the reporting period, in which case they are classified as non-current liabilities.

Other liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

(iii) De-recognition

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On de-recognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.10 Offsetting of Financial Instruments**

A financial asset and financial liability are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.2.11 Inventories

Raw materials, work-in-progress, finished goods and completed properties are stated at the lower of cost and net realisable value.

Cost of raw material is determined on a weighted average basis. 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).

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition.

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.

3.2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3.2.13 Impairment of Assets**(i) Non-financial assets**

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at the end of each reporting period, either individually or at the cash-generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.13 Impairment of Assets (Cont'd)****(i) Non-financial assets (Cont'd)**

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses is recognised immediately 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. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs to sell. 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.

Previously recognised impairment losses are assessed at the end of each reporting period whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's 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, 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 revalue amount, in which case the reversal is treated as a revaluation increase.

Impairment of goodwill

Goodwill is tested for impairment annually as at the end of each reporting period, and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill is not reversed.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.13 Impairment of Assets (Cont'd)****(ii) Financial assets**

All financial assets, other than those at fair value through profit or loss, investment in subsidiary company and investment in associate, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.14 Share Capital**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3.2.15 Borrowings Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group 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.

3.2.16 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, 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 the end of each 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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.16 Provisions (Cont'd)**

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 relating expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

3.2.17 Employee Benefits**(i) Short term employee benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year 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 compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

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 plan

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognized as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

3.2.18 Revenue**(i) Sales of goods**

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.18 Revenue (Cont'd)**

- (ii) Interest income/Interest from hire purchase receivables

Interest income is recognized on accruals basis using the effective interest method.

- (iii) 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.

- (iv) Property development

Revenue derived from property development activities is recognised based on the stage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total property development costs.

- (v) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of service performed and invoiced to customers during the period.

3.2.19 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.

Current tax is the expected tax payable or receivable on the taxable income or loss for the 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 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 either 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.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.19 Income Taxes (Cont'd)**

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.

Unutilised reinvestment allowance and investment tax allowances, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

3.2.20 Contingencies

When it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.2.21 Segments Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****3.2 Significant Accounting Policies (Cont'd)****3.2.22 Non-current Asset Classified as Held for Sale**

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale (or disposal group), the assets, or components of a disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

When non-current assets (or disposal group) are classified as held for sale, the comparative statements of comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES****4. COMBINED FINANCIAL INFORMATION****4.1 Combined Financial Statements of Chin Hin Group**

We set out below the Combined Financial Statements of Chin Hin Group which includes the Combined Statements of Financial Position, Combined Statements of Comprehensive Income and Combined Statements of Cash Flows from FYE 2011 to FYE 2014 and FPE 2015.

4.2 Combined Statements of Financial Position

		<-----Combined Group----->				As at 31 August
		<-----As at 31 December----->				2015
	Note	2011	2012	2013	2014	RM
		RM	RM	RM	RM	
ASSETS						
Non-Current Assets						
Property, plant and equipment ("PPE")	4.6.1	68,102,203	145,489,903	205,461,038	187,069,871	195,485,088
Investment properties	4.6.2	44,360,525	77,609,157	98,688,726	95,675,899	103,234,626
Investment in associates	4.6.3	200,000	200,000	-	-	-
Investment held for sale*		2,453,000	31,453,000	31,350,000	-	-
Deferred tax assets	4.6.4	33,949	91,936	-	-	-
		<u>115,149,677</u>	<u>254,843,996</u>	<u>335,499,764</u>	<u>282,745,770</u>	<u>298,719,714</u>
Current Assets						
Inventories	4.6.5	3,627,955	17,479,055	38,662,417	44,153,899	46,152,910
Property development expenditure	4.6.6	11,060,738	-	-	-	-
Assets held for sales	4.6.7	-	-	-	15,794,057	3,662,637
Trade receivables	4.6.8	245,660,880	272,711,812	324,107,224	291,277,573	308,460,323
Other receivables	4.6.9	41,393,155	63,777,748	30,299,936	18,945,524	22,148,693
Hire purchase receivables	4.6.10	3,579,718	3,442,259	2,055,148	1,130,158	819,433
Amount owing by associate companies	4.6.11	2,230,000	1,895,120	-	-	-
Amount owing by shareholders	4.6.12	25,000	-	-	-	-
Amount owing by Directors	4.6.13	13,082,629	6,513,177	10,984,339	-	-
Derivative financial assets	4.6.14	-	-	-	4,625	585,802
Tax recoverable		3,316,596	597,233	328,480	303,307	85,070
Fixed deposits with licensed banks	4.6.15	39,099,842	44,204,330	54,335,967	29,977,278	14,589,152
Cash and bank balances		<u>35,756,165</u>	<u>18,830,410</u>	<u>36,326,771</u>	<u>118,029,973</u>	<u>149,875,773</u>
Total Current Assets		<u>398,832,678</u>	<u>429,451,144</u>	<u>497,100,282</u>	<u>519,616,394</u>	<u>546,379,793</u>
Total Assets		<u>513,982,355</u>	<u>684,295,140</u>	<u>832,600,046</u>	<u>802,362,164</u>	<u>845,099,507</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.2 Combined Statements of Financial Position (Cont'd)**

<-----Combined Group----->					
<-----As at 31 December----->					As at 31 August
Note	2011	2012	2013	2014	2015
	RM	RM	RM	RM	RM
EQUITY					
Share capital	4.6.16	26,752,422	31,853,424	31,753,424	221,345,050
Revaluation reserve		-	8,787,074	8,772,214	8,768,544
Merger reserve		-	(5,500,000)	(500,000)	(153,191,580)
Exchange reserve		20,160	48,576	131,819	44,724
Retained earnings		88,661,104	123,255,091	152,721,734	153,651,773
		<u>115,433,686</u>	<u>158,444,165</u>	<u>192,879,191</u>	<u>230,618,511</u>
					<u>251,005,589</u>
LIABILITIES					
Non-Current Liabilities					
Bank borrowings	4.6.17	13,232,296	21,865,087	40,348,015	46,711,849
Finance lease payables	4.6.18	5,243,007	13,715,353	18,152,278	12,068,771
Deferred tax liabilities	4.6.4	1,084,579	1,744,998	2,787,186	4,122,547
		<u>19,559,882</u>	<u>37,325,438</u>	<u>61,287,479</u>	<u>62,903,167</u>
					<u>100,041,311</u>
Current Liabilities					
Trade payables	4.6.19	97,577,035	124,424,768	154,212,561	138,773,491
Other payables	4.6.20	17,290,850	28,378,003	32,859,307	20,547,704
Derivative financial liabilities	4.6.21	-	-	50,500	-
Amount owing to associate companies	4.6.11	433,083	433,083	-	-
Amount owing to Directors	4.6.13	18,493,229	19,943,783	12,781,553	10,856,847
Bank borrowings	4.6.17	235,777,888	307,159,593	367,818,828	324,149,295
Finance lease payables	4.6.18	4,031,392	5,850,234	7,868,333	9,378,926
Tax payable		5,385,310	2,336,073	2,842,294	5,134,223
		<u>378,988,787</u>	<u>488,525,537</u>	<u>578,433,376</u>	<u>508,840,486</u>
		<u>398,548,669</u>	<u>525,850,975</u>	<u>639,720,855</u>	<u>571,743,653</u>
Total Liabilities					<u>494,052,607</u>
Total Equity and Liabilities		<u>513,982,355</u>	<u>684,295,140</u>	<u>832,600,046</u>	<u>802,362,164</u>
					<u>845,099,507</u>

Note: * Investments held for sale consisted of investment in subsidiaries that are not within the proposed listing group which are disposed off subsequently.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.3 Combined Statements of Comprehensive Income**

	Note	<-----Combined Group----->				
		FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Revenue	4.6.22	1,014,596,757	1,046,108,150	1,220,415,616	1,219,418,150	816,979,970
Cost of sales		(953,805,447)	(989,338,936)	(1,149,924,805)	(1,130,886,849)	(750,722,195)
Gross profit ("GP")		60,791,310	56,769,214	70,490,811	88,531,301	66,257,775
Other income		3,068,708	24,600,261	17,799,757	16,306,074	5,505,566
Administration expenses		(15,357,072)	(13,693,234)	(19,998,976)	(24,865,701)	(18,150,033)
Distribution expenses		(4,562,203)	(5,622,242)	(6,039,651)	(7,364,312)	(7,142,754)
Other operating expenses		(8,235,590)	(9,343,747)	(10,473,404)	(10,690,267)	(6,827,320)
Profit from operation		35,705,153	52,710,252	51,778,537	61,917,095	39,643,234
Finanee costs	4.6.23	(8,628,188)	(11,512,886)	(14,456,973)	(18,701,920)	(13,455,470)
Profit before taxation ("PBT")	4.6.24	27,076,965	41,197,366	37,321,564	43,215,175	26,187,764
Taxation	4.6.25	(7,955,856)	(6,603,379)	(7,869,782)	(13,029,168)	(6,182,573)
Net profit for the financial year/period		19,121,109	34,593,987	29,451,782	30,186,007	20,005,191
Other Comprehensive Income						
Realisation of revaluation reserve		-	-	-	3,670	-
Total comprehensive income for the year/period		19,121,109	34,593,987	29,451,782	30,189,677	20,005,191

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.3 Combined Statements of Comprehensive Income (Cont'd)****Key financial ratio:**

Earnings before
interest, taxation,
depreciation and
amortisation

("EBITDA") (RM)	43,867,142	58,388,015	61,240,650	75,020,286	49,237,919
GP margin (%)	6.0	5.4	5.8	7.3	8.1
PBT margin (%)	2.7	3.9	3.1	3.5	3.2
Profit after taxation					
("PAT") margin (%)	1.9	3.3	2.4	2.5	2.4
Effective tax rate (%)	29.4	16.0	21.1	30.1	23.6
Gross earnings per share ("EPS") (RM)	1.01	1.29	1.18	0.10	0.06
Net EPS (RM)	0.71	1.09	0.93	0.07	0.05
Number of ordinary shares	26,752,422	31,853,424	31,753,424	442,690,100	442,690,100

Notes:

- (a) The GP margin is computed by dividing the GP against the revenue earned in the respective financial years/period.
- (b) The gross EPS is computed by dividing the PBT against the weighted average number of ordinary shares.
- (c) The net EPS is computed by dividing the PAT against the weighted average number of ordinary shares.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.4 Combined Statements of Changes in Equity**

	<----- Combined Group ----->					
	Share Capital RM	Merger Reserve RM	Revaluation Reserve RM	Forex Reserve RM	Retained Earnings RM	Total Equity RM
As at 1 January 2011	24,752,420	-	-	-	69,539,995	94,292,415
Total comprehensive income for the financial year	-	-	-	-	19,121,109	19,121,109
Foreign exchange reserve	-	-	-	20,160	-	20,160
Issue of ordinary shares	2,000,002	-	-	-	-	2,000,002
As at 31 December 2011	26,752,422	-	-	20,160	88,661,104	115,433,686
As at 1 January 2012	26,752,422	-	-	20,160	88,661,104	115,433,686
Total comprehensive income for the financial year	-	-	-	-	34,593,987	34,593,987
Surplus on property revaluation	-	-	8,787,074	-	-	8,787,074
Foreign exchange reserve	-	-	-	28,416	-	28,416
Share capital contribution	5,101,002	(5,500,000)	-	-	-	(398,998)
As at 31 December 2012	31,853,424	(5,500,000)	8,787,074	48,576	123,255,091	158,444,165
As at 1 January 2013	31,853,424	(5,500,000)	8,787,074	48,576	123,255,091	158,444,165
Total comprehensive income for the financial year	-	-	-	-	29,451,782	29,451,782
Realisation of revaluation reserve	-	-	(14,860)	-	14,860	-
Foreign exchange reserve	-	-	-	83,243	-	83,243
Share capital contribution	(100,000)	5,000,000	-	-	-	4,900,000
As at 31 December 2013	31,753,424	(500,000)	8,772,214	131,819	152,721,733	192,879,190
As at 1 January 2014	31,753,424	(500,000)	8,772,214	131,819	152,721,733	192,879,190
Total comprehensive income for the financial year	-	-	-	-	30,189,677	30,189,677
Realisation of revaluation reserve	-	-	(3,670)	-	-	(3,670)
Effect arising from merger method of accounting	189,591,626	(152,691,580)	-	(87,095)	540,363	37,353,314
Dividends	-	-	-	-	(29,800,000)	(29,800,000)
As at 31 December 2014	221,345,050	(153,191,580)	8,768,544	44,724	153,651,773	230,618,511

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.4 Combined Statements of Changes in Equity (Cont'd)**

	<----- Combined Group ----->					
	Share Capital RM	Merger Reserve RM	Revaluation Reserve RM	Forex Reserve RM	Retained Earnings RM	Total Equity RM
As at 1 January 2015	221,345,050	(153,191,580)	8,768,544	44,724	153,651,773	230,618,511
Total comprehensive income for the financial year	-	-	-	-	20,005,191	20,005,191
Realisation of revaluation reserve	-	-	-	-	-	-
Foreign exchange reserve	-	-	-	381,887	-	381,887
Share capital contribution	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
As at 31 August 2015	<u>221,345,050</u>	<u>(153,191,580)</u>	<u>8,768,544</u>	<u>426,611</u>	<u>173,656,964</u>	<u>251,005,589</u>

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.5 Combined Statements of Cash Flows**

	<-----Combined Group----->				
	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FYE 2015 RM
Cash Flows From Operating Activities					
Profit before taxation	27,076,965	41,197,366	37,321,564	43,215,175	26,187,764
Adjustment for:					
Allowance for doubtful debts	2,528,999	343,428	2,827,388	1,185,026	2,844,428
Amortisation of investment properties	435,513	95,400	127,200	-	-
Bad debts recovered	-	-	-	-	(1,140)
Bad debts written off	398,382	2,759,566	289,315	2,734,848	-
Depreciation of PPE	7,726,476	5,582,363	9,334,913	13,103,191	9,594,685
Deposits written off	-	-	158,400	-	-
Dividend income	-	(60)	-	-	-
Finance costs	-	-	-	-	13,601,279
Fair value adjustment on investment properties	-	(19,071,747)	(8,697,996)	(5,878,068)	-
Gain on disposal of PPE	(1,373,935)	(2,412,912)	(559,113)	(323,862)	(15,054)
Gain on disposal of investment properties	-	-	(2,511,991)	(3,711,958)	-
Gain on disposal of asset held for sale	-	-	-	(1,220,689)	(364,720)
Interest expenses	8,628,188	11,017,169	13,367,223	19,016,413	-
Interest income	(1,103,610)	(3,979,198)	(3,500,649)	(2,133,899)	(850,982)
Impairment on investment	-	-	100,000	-	-
(Gain)/Loss on derivative financial liabilities	-	-	50,500	(55,125)	(581,177)
Loss on disposal of investment in subsidiary companies	-	-	-	549,998	-
Other investment written off	-	-	3,000	-	-
PPE written off	-	-	9,637	25,602	-
Inventory written off	-	-	-	69,624	18,587
Reversal of allowance for doubtful debts	(76,602)	(235,068)	(225,000)	(1,097,541)	(956,909)
Unrealised (gain)/loss on FOREX	-	-	-	-	(138,947)
Waiver of debts from other payable	-	-	-	(116,320)	-
Operating profit before working capital changes	44,240,376	35,296,307	48,094,391	65,362,415	49,337,814

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.5 Combined Statements of Cash Flows (Cont'd)**

	<-----Combined Group----->				
	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
<i>Changes in working capital</i>					
Inventories	396,666	(13,851,100)	(21,183,362)	(5,561,106)	(2,017,598)
Property development cost	(11,060,738)	11,060,738	-	-	-
Trade receivables	(21,548,144)	(29,918,858)	(54,287,116)	41,810,108	(18,994,354)
Other receivables	2,714,112	(22,384,592)	33,477,812	23,470,525	(3,203,169)
Hire purchase receivables	494,159	137,459	1,387,111	924,990	310,725
Trade payables	6,719,781	26,847,733	29,787,793	(29,341,840)	1,318,019
Other payables	1,402,262	11,065,885	5,247,717	(16,366,824)	(418,454)
Amount owing to/by associate	(5,976,747)	334,880	1,462,037	-	-
Amount owing to/by shareholders	-	25,000	-	-	-
Amount owing to/by directors	(32,594,570)	8,020,006	(19,996,849)	41,059,633	525,417
	(59,453,219)	(8,662,849)	(24,104,857)	55,995,486	(22,479,414)
Cash generated from operations	(15,212,843)	26,633,458	23,989,534	121,357,901	26,858,400
Interest received	1,103,610	3,979,198	3,500,649	2,133,899	850,982
Interest paid	(8,628,188)	(11,017,169)	(13,367,223)	(19,016,413)	(13,601,279)
Tax refund	-	2,543,869	294,815	-	156,746
Tax paid	(8,797,593)	(8,875,955)	(6,713,289)	(9,377,684)	(7,388,515)
Exchange fluctuation adjustments	18,230	29,462	82,877	42,520	380,956
	(16,303,941)	(13,340,595)	(16,202,171)	(26,217,678)	(19,601,110)
Net cash from/(used in) operating activities	(31,516,784)	13,292,863	7,787,363	95,140,223	7,257,290

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.5 Combined Statements of Cash Flows (Cont'd)**

	<-----Combined Group----->				
	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Cash Flow From					
Investing Activities					
Deposit paid for purchase of PPE	-	(176,354)	-	-	-
Dividend received	-	60	-	-	-
Purchase of PPE	(14,199,196)	(57,807,150)	(62,390,609)	(12,356,472)	(9,364,360)
Purchase of investment properties	(9,404,113)	(18,784,905)	(1,112,636)	(21,932)	(62,587)
Purchase of assets held for sales	-	-	-	(719,121)	-
Proceeds from disposal of associates	200,000	7,936,573	-	-	-
Proceeds from disposal of investment properties	200,000	4,512,620	6,404,789	7,414,317	-
Proceeds from disposal of assets held for sales	-	-	-	3,243,958	5,000,000
Proceeds from disposal of PPE	4,191,082	-	1,585,153	9,917,701	365,186
Proceeds from disposal of investment in subsidiary companies	-	-	-	1,000,002	-
Purchase of additional shares in subsidiary companies	(100,000)	(39,498,994)	-	-	-
Acquisition of subsidiary companies	(2,250,002)	(2)	(100,000)	-	-
Net cash from/(used in) investing activities	(21,362,229)	(103,818,152)	(55,613,303)	8,478,453	(4,061,761)

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.5 Combined Statements of Cash Flows (Cont'd)**

	-----Combined Group-----				
	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FYE 2015 RM
Cash Flows From					
Financing Activities					
Drawdown of bank borrowings	14,212,000	46,698,647	36,507,029	15,347,026	61,056,812
Dividend paid	-	-	-	-	-
Repayment of bank borrowings	(226,764)	(33,613,565)	(9,831,732)	(7,363,941)	(13,490,954)
Net changes in bankers' acceptance, revolving credits and trade financing	63,613,602	62,682,401	49,667,930	(36,043,660)	(25,495,956)
Repayment of finance lease payables	(4,741,979)	(5,659,782)	(8,932,776)	(8,968,514)	(6,957,829)
Proceeds from issuance of shares	2,000,000	10,099,998	5,000,000	-	-
Repayment of hire purchase liabilities	(784,641)	(957,990)	-	-	-
(Increase)/Release of fixed deposits pledged	(6,553,723)	(10,350,074)	(9,887,083)	24,358,689	15,388,126
Net cash from/(used in) financing activities	67,518,495	68,899,635	62,523,368	(12,670,400)	30,500,199
Net increase/(decrease) in cash and cash equivalents	14,639,482	(21,625,654)	14,697,428	90,948,276	33,695,728
Effect of exchange differences	-	-	-	-	64,172
Cash and cash equivalents at beginning of the financial year/period	13,400,237	28,039,719	6,414,065	21,111,540	112,059,816
Cash and cash equivalents at end of the financial year/period	28,039,719	6,414,065	21,111,493	112,059,816	145,819,716
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances	35,756,165	18,830,410	36,326,771	118,029,973	149,875,773
Fixed deposits with licensed banks	39,099,842	44,204,330	54,335,967	29,977,278	14,589,152
Bank overdraft	(12,962,032)	(12,416,345)	(15,215,278)	(5,970,157)	(4,056,057)
	61,893,975	50,618,395	75,447,460	142,037,094	160,408,868
Less: Fixed deposits pledged to licensed banks	(33,854,256)	(44,204,330)	(54,335,967)	(29,977,278)	(14,589,152)
	28,039,719	6,414,065	21,111,493	112,059,816	145,819,716

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group****4.6.1 Property, Plant and Equipment**

Cost	As at 1.1.2011 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Addition RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2011 RM
At Valuation									
Freehold building	3,087,639	-	(3,087,639)	-	-	-	-	-	-
Leasehold building	600,000	-	-	-	-	-	-	-	600,000
At Cost									
Computer equipment & software	4,228	-	-	-	9,800	-	-	-	14,028
Cabin	34,640	-	-	-	-	-	-	-	34,640
Crane	-	-	-	-	133,000	-	-	-	133,000
Electrical installation	-	-	-	-	-	-	-	-	-
Fire protection and security system	3,180	-	-	-	26,700	-	-	-	29,880
Freehold land and building	69,077,219	-	(33,414,071)	-	7,100,258	-	-	-	42,763,406
Leasehold land	-	-	-	-	2,179,398	-	-	-	2,179,398
Leasehold building	-	-	-	-	-	-	-	-	-
Furniture and fittings	2,731,641	-	-	-	608,428	-	-	-	3,340,069
Motor vehicles	25,697,236	-	-	-	6,136,077	(3,444,090)	-	-	28,389,223
Mould	-	-	-	-	-	-	-	-	-
Office equipment	2,304,287	-	-	-	479,539	(97,871)	-	366	2,686,321
Plant and equipment	4,977,615	-	-	-	3,244,312	(1,356,354)	-	-	6,865,573
Signboard	15,630	-	-	-	-	-	-	-	15,630
Skid Tank	9,600	-	-	-	-	-	-	-	9,600
Tool and equipment	-	-	-	-	-	-	-	-	-
	108,542,915	-	(36,501,710)	-	19,917,512	(4,898,315)	-	366	87,060,768

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 1.1.2011 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Charge for the financial year RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2011 RM
Accumulated depreciation									
At Valuation									
Freehold building	145,009	-	(145,009)	-	-	-	-	-	-
Leasehold building	17,225	-	-	-	12,000	-	-	-	29,225
At Cost									
Computer equipment & software	2,819	-	-	-	586	-	-	-	3,405
Cabin	20,295	-	-	-	3,101	-	-	-	23,396
Crane	-	-	-	-	13,300	-	-	-	13,300
Electrical installation	-	-	-	-	-	-	-	-	-
Fire protection and security system	239	-	-	-	2,988	-	-	-	3,227
Freehold land and building	2,050,830	-	(964,776)	-	771,005	-	-	-	1,857,059
Leasehold land	-	-	-	-	-	-	-	-	-
Leasehold building	-	-	-	-	-	-	-	-	-
Furniture and fittings	1,201,281	-	-	-	298,064	-	-	-	1,499,345
Motor vehicles	9,230,182	-	-	-	5,619,534	(1,782,031)	-	-	13,067,685
Mould	-	-	-	-	-	-	-	-	-
Office equipment	916,044	-	-	-	297,791	(19,552)	-	64	1,194,347
Plant and equipment	828,493	-	-	-	705,765	(279,585)	-	-	1,254,673
Signboard	1,755	-	-	-	1,549	-	-	-	3,304
Skid Tank	8,800	-	-	-	799	-	-	-	9,599
Tool and equipment	-	-	-	-	-	-	-	-	-
	14,422,972	-	(1,109,785)	-	7,726,482	(2,081,168)	-	64	18,958,565

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 31.12.2011 RM
Carrying amount	
At Valuation	
Freehold building	-
Leasehold building	570,775
At Cost	
Computer equipment & software	10,623
Cabin	11,244
Crane	119,700
Electrical installation	-
Fire protection and security system	26,653
Freehold land and building	40,906,347
Leasehold land	2,179,398
Leasehold building	-
Furniture and fittings	1,840,724
Motor vehicles	15,321,538
Mould	-
Office equipment	1,491,974
Plant and equipment	5,610,900
Signboard	12,326
Skid Tank	1
Tool and equipment	-
	<u>68,102,203</u>

13. ACCOUNTANTS' REPORT (Cont'd)

II SUBSIDIARIES (CONT'D)

4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)

4.6.1 Property, Plant and Equipment (Cont'd)

Cost	As at 1.1.2012 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Addition RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2012 RM
At Valuation									
Freehold building	-	25,655,000	7,215,000	-	2,200,000	-	-	-	35,070,000
Leasehold building	600,000	1,657,926	1,742,074	-	-	-	-	-	4,000,000
At Cost									
Computer equipment & software	14,028	-	-	-	658,495	-	-	-	672,523
Cabin	34,640	-	-	-	8,300	-	-	-	42,940
Crane	133,000	-	-	-	327,000	-	-	-	460,000
Electrical installation	-	-	-	-	34,877	-	-	-	34,877
Fire protection and security system	29,880	-	-	-	132,048	-	-	-	161,928
Freehold land and building	42,763,406	(27,312,926)	-	-	21,151,270	(774,428)	-	-	35,827,322
Leasehold land	2,179,398	-	-	-	-	(2,179,398)	-	-	-
Leasehold building	-	-	-	-	1,630,620	-	-	-	1,630,620
Furniture and fittings	3,340,069	-	-	-	2,029,615	(3,763)	-	-	5,365,921
Motor vehicles	28,389,223	-	-	-	6,786,381	(7,091,418)	-	-	28,084,186
Mould	-	-	-	-	486,505	-	-	-	486,505
Office equipment	2,686,321	-	-	-	963,864	(19,128)	-	317	3,631,374
Plant and equipment	6,865,573	-	-	-	44,168,678	(1,379,733)	-	-	49,654,518
Signboard	15,630	-	-	-	69,100	(3,350)	-	-	81,380
Skid Tank	9,600	-	-	-	-	-	-	-	9,600
Tool and equipment	-	-	-	-	1,069,077	-	-	-	1,069,077
	87,060,768	-	8,957,074	-	81,715,830	(11,451,218)	-	317	166,282,771

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 1.1.2012 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Charge for the financial year RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2012 RM
Accumulated depreciation									
At Valuation									
Freehold building	-	1,497,444	-	-	256,550	-	-	-	1,753,994
Leasehold building	29,225	254,215	-	-	64,738	-	-	-	348,178
At Cost									
Computer equipment & software	3,405	-	-	-	31,535	-	-	-	34,940
Cabin	23,396	-	-	-	3,309	-	-	-	26,705
Crane	13,300	-	-	-	46,000	-	-	-	59,300
Electrical installation	-	-	-	-	2,325	-	-	-	2,325
Fire protection and security system	3,227	-	-	-	16,157	-	-	-	19,384
Freehold land and building	1,857,059	(1,751,659)	-	-	115,556	-	-	-	220,956
Leasehold land	-	-	-	-	-	-	-	-	-
Leasehold building	-	-	-	-	4,476	-	-	-	4,476
Furniture and fittings	1,499,345	-	-	-	425,609	316	-	-	1,925,270
Motor vehicles	13,067,685	-	-	-	3,143,817	(3,463,955)	-	-	12,747,547
Mould	-	-	-	-	3,266	-	-	-	3,266
Office equipment	1,194,347	-	-	-	383,410	(1,976)	-	99	1,575,880
Plant and equipment	1,254,673	-	-	-	1,055,347	(281,803)	-	-	2,028,217
Signboard	3,304	-	-	-	3,541	(741)	-	-	6,104
Skid Tank	9,599	-	-	-	-	-	-	-	9,599
Tool and equipment	-	-	-	-	26,727	-	-	-	26,727
	18,958,565	-	-	-	5,582,363	(3,748,159)	-	99	20,792,868

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 31.12.2012 RM
Carrying amount At Valuation	
Freehold building	33,316,006
Leasehold building	3,651,822
At Cost	
Computer equipment & software	637,583
Cabin	16,235
Crane	400,700
Electrical installation	32,552
Fire protection and security system	142,544
Freehold land and building	35,606,366
Leasehold land	-
Leasehold building	1,626,144
Furniture and fittings	3,440,651
Motor vehicles	15,336,639
Mould	483,239
Office equipment	2,055,494
Plant and equipment	47,626,301
Signboard	75,276
Skid Tank	1
Tool and equipment	1,042,350
	145,489,903

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

Cost	As at 1.1.2013 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Addition RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2013 RM
At Valuation									
Freehold building	35,070,000	-	-	-	-	-	-	-	35,070,000
Leasehold building	4,000,000	-	-	-	-	-	-	-	4,000,000
At Cost									
Computer equipment & software	672,523	-	-	-	391,345	(9,800)	-	-	1,054,068
Cabin	42,940	-	-	-	11,850	-	-	-	54,790
Crane	460,000	-	-	-	-	-	-	-	460,000
Electrical installation	34,877	-	-	-	2,474,745	-	-	-	2,509,622
Fire protection and security system	161,928	-	-	-	-	-	-	-	161,928
Freehold land and building	35,827,322	-	(15,032,059)	-	19,471,496	(469,250)	-	-	39,797,509
Leasehold building	1,630,620	-	-	-	210,001	-	-	-	1,840,621
Furniture and fittings	5,365,921	-	-	-	842,267	(40,960)	-	-	6,167,228
Motor vehicles	28,084,186	-	-	-	13,601,981	(1,292,117)	-	-	40,394,050
Mould	486,505	-	-	-	1,636,461	-	-	-	2,122,966
Office equipment	3,631,374	-	-	-	571,019	(4,898)	-	665	4,198,160
Plant and equipment	49,654,518	-	-	-	46,195,675	(840,204)	-	-	95,009,989
Signboard	81,380	-	-	-	12,740	-	-	-	94,120
Skid Tank	9,600	-	-	-	-	-	-	-	9,600
Tool and equipment	1,069,077	-	-	-	339,375	(106,500)	-	-	1,301,952
	166,282,771	-	(15,032,059)	-	85,758,955	(2,763,729)	-	665	234,246,603

13. ACCOUNTANTS' REPORT (Cont'd)

II SUBSIDIARIES (CONT'D)

4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)

4.6.1 Property, Plant and Equipment (Cont'd)

	As at 1.1.2013 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Charge for the financial year RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2013 RM
Accumulated depreciation									
At Valuation									
Freehold building	1,753,994	-	-	-	350,700	-	-	-	2,104,694
Leasehold building	348,178	-	-	-	46,000	-	-	-	394,178
At Cost									
Computer equipment & software	34,940	-	-	-	120,230	(163)	-	-	155,007
Cabin	26,705	-	-	-	4,778	-	-	-	31,483
Crane	59,300	-	-	-	46,000	-	-	-	105,300
Electrical installation	2,325	-	-	-	6,759	-	-	-	9,084
Fire protection and security system	19,384	-	-	-	16,194	-	-	-	35,578
Freehold land and building	220,956	-	(200,914)	-	332,813	(34,086)	-	-	318,769
Leasehold building	4,476	-	-	-	36,053	-	-	-	40,529
Furniture and fittings	1,925,270	-	-	-	585,324	(3,413)	-	-	2,507,181
Motor vehicles	12,747,547	-	-	-	3,804,242	(1,003,719)	-	-	15,548,070
Mould	3,266	-	-	-	124,760	-	-	-	128,026
Office equipment	1,575,880	-	-	-	531,540	(2,376)	-	295	2,105,339
Plant and equipment	2,028,217	-	-	-	3,197,592	(88,465)	-	-	5,137,344
Signboard	6,104	-	-	-	7,773	-	-	-	13,877
Skid Tank	9,599	-	-	-	-	-	-	-	9,599
Tool and equipment	26,727	-	-	-	124,155	(9,375)	-	-	141,507
	20,792,868	-	(200,914)	-	9,334,913	(1,141,597)	-	295	28,785,565

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 31.12.2013 RM
Carrying amount At Valuation	
Freehold building	32,965,306
Leasehold building	3,605,822
At Cost	
Computer equipment & software	899,061
Cabin	23,307
Crane	354,700
Electrical installation	2,500,538
Fire protection and security system	126,350
Freehold land and building	39,478,740
Leasehold building	1,800,092
Furniture and fittings	3,660,047
Motor vehicles	24,845,980
Mould	1,994,940
Office equipment	2,092,821
Plant and equipment	89,872,645
Signboard	80,243
Skid Tank	1
Tool and equipment	1,160,445
	205,461,038

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

Cost	As at 1.1.2014 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Addition RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2014 RM
At Valuation									
Freehold building	35,070,000	-	-	-	-	-	-	-	35,070,000
Leasehold building	4,000,000	-	-	-	-	-	-	-	4,000,000
At Cost									
Computer equipment & software	1,054,067	-	-	-	309,242	-	-	-	1,363,309
Cabin	54,790	-	-	-	-	-	-	-	54,790
Crane	460,000	-	-	-	-	-	-	-	460,000
Electrical installation	2,509,622	-	-	-	1,192,245	-	-	-	3,701,867
Fire protection and security system	161,928	-	-	-	-	-	-	-	161,928
Freehold land and building	39,797,509	-	-	(11,887,737)	1,827,954	-	-	-	29,737,726
Leasehold building	1,840,621	-	-	-	896,267	-	-	-	2,736,888
Furniture and fittings	6,167,228	-	-	-	1,119,783	(1,689)	-	-	7,285,322
Motor vehicles	40,394,050	-	-	-	5,500,736	(4,750,598)	(96,500)	-	41,047,688
Mould	2,122,966	-	-	-	1,014,615	-	-	-	3,137,581
Office equipment	4,198,161	-	-	-	371,072	(1,069,006)	-	313	3,500,540
Plant and equipment	95,009,989	-	-	-	4,463,384	(10,851,079)	(25,601)	-	88,596,693
Signboard	94,120	-	-	-	-	-	-	-	94,120
Skid Tank	9,600	-	-	-	-	-	-	-	9,600
Tool and equipment	1,301,952	-	-	-	56,774	-	-	-	1,358,726
	234,246,603	-	-	(11,887,737)	16,752,072	(16,672,372)	(122,101)	313	222,316,778

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 1.1.2014 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Charge for the financial year RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.12.2014 RM
Accumulated depreciation									
At Valuation									
Freehold building	2,104,694	-	-	-	350,647	-	-	-	2,455,341
Leasehold building	394,178	-	-	-	45,988	-	-	-	440,166
At Cost									
Computer equipment & software	155,007	-	-	-	197,451	-	-	-	352,458
Cabin	31,483	-	-	-	4,049	-	-	-	35,532
Crane	105,300	-	-	-	46,000	-	-	-	151,300
Electrical installation	9,084	-	-	-	356,721	-	-	-	365,805
Fire protection and security system	35,578	-	-	-	15,945	-	-	-	51,523
Freehold land and building	318,769	-	-	-	436,888	-	-	-	755,657
Leasehold building	40,529	-	-	-	41,858	-	-	-	82,387
Furniture and fittings	2,507,181	-	-	-	671,292	(278)	-	-	3,178,195
Motor vehicles	15,548,070	-	-	-	4,316,129	(3,276,171)	(96,499)	-	16,491,529
Mould	128,026	-	-	-	260,193	-	-	-	388,219
Office equipment	2,105,339	-	-	-	498,596	(512,933)	-	143	2,091,145
Plant and equipment	5,137,344	-	-	-	5,720,763	(2,756,111)	-	-	8,101,996
Signboard	13,877	-	-	-	8,122	-	-	-	21,999
Skid Tank	9,599	-	-	-	-	-	-	-	9,599
Tool and equipment	141,507	-	-	-	132,549	-	-	-	274,056
	28,785,565	-	-	-	13,103,191	(6,545,493)	(96,499)	143	35,246,907

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 31.12.2014 RM
Carrying amount At Valuation	
Freehold building	32,614,659
Leasehold building	3,559,834
At Cost	
Computer equipment & software	1,010,851
Cabin	19,258
Crane	308,700
Electrical installation	3,336,062
Fire protection and security system	110,405
Freehold land and building	28,982,069
Leasehold building	2,654,501
Furniture and fittings	4,107,127
Motor vehicles	24,556,159
Mould	2,749,362
Office equipment	1,409,395
Plant and equipment	80,494,697
Signboard	72,121
Skid Tank	1
Tool and equipment	1,084,670
	187,069,871

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

Cost	As at 1.1.2015 RM	Prior Year Adjustment RM	Transfer to investment property RM	Transfer to Assets Held for Sale RM	Addition RM	Disposal RM	Written Off RM	Exchange Rate Differences RM	As at 31.8.2015 RM
At Valuation									
Freehold building	35,070,000	-	-	-	-	-	-	-	35,070,000
Leasehold building	4,000,000	-	-	-	-	-	-	-	4,000,000
At Cost									
Computer equipment & software	1,363,309	-	-	-	137,300	-	-	-	1,500,609
Cabin	54,790	-	-	-	-	-	-	-	54,790
Crane	460,000	-	-	-	-	-	-	-	460,000
Electrical installation	3,701,867	-	-	-	89,378	-	-	-	3,791,245
Fire protection and security system	161,928	-	-	-	-	-	-	-	161,928
Freehold land and building	29,737,726	-	-	-	141,396	-	-	-	29,879,122
Leasehold building	2,736,888	-	-	-	813,050	-	-	-	3,549,938
Furniture and fittings	7,285,322	-	-	-	295,589	-	-	-	7,580,911
Motor vehicles	41,047,688	-	-	-	9,309,262	(622,825)	-	-	49,734,125
Mould	3,137,581	-	-	-	603,315	-	-	-	3,740,896
Office equipment	3,500,540	-	-	-	160,113	(12,431)	-	2,238	3,650,460
Plant and equipment	88,596,693	-	-	-	2,485,574	-	-	-	91,082,267
Signboard	94,120	-	-	-	35,200	-	-	-	129,320
Skid Tank	9,600	-	-	-	-	-	-	-	9,600
Tool and equipment	1,358,726	-	-	-	4,288,926	-	-	-	5,647,652
	222,316,778	-	-	-	18,359,103	(635,256)	-	2,238	240,042,863

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

Accumulated depreciation	As at	Prior Year	Transfer to	Transfer to	Charge for	Disposal	Written Off	Exchange Rate	As at
At Valuation	1.1.2015	Adjustment	investment	Assets Held	the financial	RM	RM	Differences	31.8.2015
	RM	RM	property	for Sale	year			RM	RM
Freehold building	2,455,341	-	-	-	233,765	-	-	-	2,689,106
Leasehold building	440,166	-	-	-	30,658	-	-	-	470,824
At Cost	352,458	-	-	-	173,978	-	-	-	526,436
Computer equipment & software									
Cabin	35,532	-	-	-	2,344	-	-	-	37,876
Crane	151,300	-	-	-	30,667	-	-	-	181,967
Electrical installation	365,805	-	-	-	250,215	-	-	-	616,020
Fire protection and security system	51,523	-	-	-	10,795	-	-	-	62,318
Freehold land and building	755,657	-	-	-	301,045	-	-	-	1,056,702
Leasehold building	82,387	-	-	-	42,081	-	-	-	124,468
Furniture and fittings	3,178,195	-	-	-	500,500	-	-	-	3,678,695
Motor vehicles	16,491,529	-	-	-	3,605,418	(277,346)	-	-	19,819,601
Mould	388,219	-	-	-	226,006	-	-	-	614,225
Office equipment	2,091,145	-	-	-	289,296	(7,778)	-	1,307	2,373,970
Plant and equipment	8,101,996	-	-	-	3,797,818	-	-	-	11,899,814
Signboard	21,999	-	-	-	6,517	-	-	-	28,516
Skid Tank	9,599	-	-	-	-	-	-	-	9,599
Tool and equipment	274,056	-	-	-	93,582	-	-	-	367,638
	35,246,907	-	-	-	9,594,685	(285,124)	-	1,307	44,557,775

13. ACCOUNTANTS' REPORT (Cont'd)**4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

	As at 31.8.2015 RM
Carrying amount	
At Valuation	
Freehold building	32,380,894
Leasehold building	3,529,176
At Cost	
Computer equipment & software	974,173
Cabin	16,914
Crane	278,033
Electrical installation	3,175,225
Fire protection and security system	99,610
Freehold land and building	28,822,420
Leasehold building	3,425,470
Furniture and fittings	3,902,216
Motor vehicles	29,914,524
Mould	3,126,671
Office equipment	1,276,490
Plant and equipment	79,182,453
Signboard	100,804
Skid Tank	1
Tool and equipment	5,280,014
	195,485,088

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

- (a) The aggregate additional cost for the PPE of the Group during the financial years and period under finance lease arrangement, hire purchase financing, term loan financing and cash payment are as follows:-

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Aggregate costs	14,110,299	76,098,738	84,041,245	16,752,072	18,359,103
Less: Deposit paid	-	(520,000)	-	-	-
Less: Term loan financing	-	(9,775,301)	-	-	-
Less: Finance lease financing	(4,514,100)	(13,613,479)	(15,387,800)	(4,395,600)	(8,994,743)
Less: Set off against amount owing by related party	-	-	(8,225,100)	-	-
Cash payment	9,596,199	52,189,958	60,428,345	12,356,472	9,364,360

- (b) The carrying amount of PPE of the Group which have been pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 4.6.17 to the financial statements are as follows:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Freehold land and buildings	24,818,080	50,469,033	59,599,387	55,172,063	54,812,167
Leasehold buildings	3,154,882	6,166,278	6,067,812	3,559,834	6,764,176
	27,972,962	56,635,311	65,667,199	58,731,897	61,576,343

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.1 Property, Plant and Equipment (Cont'd)**

- (c) The carrying amount of the PPE of the Group acquired under finance lease financing and term loan financing is as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Freehold land and building	-	8,920,822	8,920,822	5,258,185	5,258,185
Motor vehicles	9,053,297	6,977,234	11,195,033	16,179,174	19,821,380
Plant and machinery	-	24,264,452	39,284,709	61,288,706	58,123,664
Factory equipment	-	312,808	547,346	777,437	640,831
	<u>9,053,297</u>	<u>40,475,316</u>	<u>59,947,910</u>	<u>83,503,502</u>	<u>83,844,060</u>

- (d) The carrying amount of the PPE which were acquired under Director's name and held in trust for the Group are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Motor vehicles	<u>3,158,016</u>	<u>1,769,892</u>	<u>922,876</u>	<u>428,677</u>	<u>463,444</u>

- (e) The carrying amount of the property, plant and machinery of the Group pending strata title are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Freehold building	<u>22,897,773</u>	<u>27,014,825</u>	<u>31,048,623</u>	<u>32,357,434</u>	<u>32,135,329</u>

- (f) Revaluation of land and buildings

Land and buildings of PP Chin Hin were re-valued on March 2013, by Messrs. CH Williams Talhar & Wong, an independent professional valuer. The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolesces. There has been no change to the valuation technique during the financial periods.

Had the land and buildings of PP Chin Hin been carried at historical cost less accumulated depreciation and impairment loss, their carrying amounts would have been RM28,336,838 (FYE 2014: RM28,721,473, FYE 2013: RM29,106,108, FYE 2012: RM29,490,808 and FYE 2011: RM27,580,517)

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.2 Investment Properties**

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
At Cost / Fair value					
At 1 January	-	44,360,525	77,704,557	98,688,726	95,675,899
Fair value adjustments	-	19,071,747	9,155,786	5,878,068	-
Transfer from property, plant and equipment	36,501,710	-	15,032,059	-	-
Transfer from/(to) asset held for sales	-	-	-	(5,210,469)	7,496,140
Additions	9,404,113	18,784,905	1,097,165	21,932	62,587
Disposals	-	(4,512,620)	(3,877,327)	(3,702,358)	-
Elimination on accumulated amortisation on revaluation	-	-	(423,514)	-	-
At 31 December / 31 August	<u>45,905,823</u>	<u>77,704,557</u>	<u>98,688,726</u>	<u>95,675,899</u>	<u>103,234,626</u>
Accumulated amortisation					
At 1 January	-	-	95,400	-	-
Transfer from property, plant and equipment	1,109,785	-	200,914	-	-
Charge for the financial years/period	435,513	95,400	127,200	-	-
Elimination on accumulated amortisation on revaluation	-	-	(423,514)	-	-
At 31 December / 31 August	<u>1,545,298</u>	<u>95,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount					
At 31 December / 31 August	<u>44,360,525</u>	<u>77,609,157</u>	<u>98,688,726</u>	<u>95,675,899</u>	<u>103,234,626</u>
Included in the above are:					
At Fair value					
Freehold land	-	2,354,536	7,109,594	-	-
Freehold land and building	-	54,837,810	51,379,586	70,902,753	73,927,540
Freehold condominium	-	2,850,004	3,837,200	-	-
Leasehold land	-	12,240,269	14,300,000	-	-
Leasehold land and building	-	-	-	20,000,000	20,000,000
Factory building	-	-	17,044,942	-	-
Warehouse	-	1,236,538	927,404	683,146	683,146
	<u>-</u>	<u>73,519,157</u>	<u>94,598,726</u>	<u>91,585,899</u>	<u>94,610,686</u>
At Cost					
Freehold land	2,354,536	-	-	-	-
Freehold land and building	37,566,601	4,090,000	4,090,000	4,090,000	8,623,940
Freehold condominium	2,911,753	-	-	-	-
Warehouse	1,527,635	-	-	-	-
	<u>44,360,525</u>	<u>4,090,000</u>	<u>4,090,000</u>	<u>4,090,000</u>	<u>8,623,940</u>
	<u>44,360,525</u>	<u>77,609,157</u>	<u>98,688,726</u>	<u>95,675,899</u>	<u>103,234,626</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.2 Investment Properties (Cont'd)****(a) Fair value basis of investment properties**

The investment properties are valued annually at fair value based on market values determined by two independent firms of professional valuers, VPC Alliance (KL) Sdn Bhd and Messrs. CH Williams Talhar & Wong. The fair values are within level 2 of the fair value hierarchy. The fair value have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

(b) Income recognised in profit or loss

The rental income earned by the Group from its investment properties amounted to RM2,930,437 (FYE 2014: RM4,327,835, FYE 2013: RM4,931,517, FYE 2012: RM3,823,397 and FYE 2011: RM3,159,186).

(c) Investment properties pledged as securities to financial institutions

The Group has pledged the following investment properties to licensed banks to secure banking facilities granted to the Group.

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
	RM	RM	RM	RM	RM
Investment properties	<u>35,249,944</u>	<u>68,054,652</u>	<u>97,213,727</u>	<u>53,675,899</u>	<u>61,172,039</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.3 Investment in Associates****(a) Investment in associates**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Unquoted shares, at cost:					
In Malaysia					
Investment in associates	200,000	200,000	-	-	-

(b) Details of the associates and shareholdings therein are as follows:

Name of Associates	Country of Incorporation	Principal Activity	Equity Interest (%)				
			2011	2012	2013	2014	2015
Chin Hin Concrete Sdn. Bhd.	Malaysia	Dormant	40%	40%	-	-	-
Chin Hin Building Material Supply (JB) Sdn. Bhd.	Malaysia	Dormant	20%	20%	-	-	-

(c) The summarised financial information of the associates, not adjusted for the percentage of ownership need by the Group is as follows:-

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Assets and liabilities					
Non-current assets	51,949	20,567	-	-	-
Current assets	2,068,923	2,178,391	-	-	-
Total assets	2,120,872	2,198,958	-	-	-
Current liabilities	(177,391)	(30,987)	-	-	-
Total net assets	1,943,481	2,167,971	-	-	-

Results

Net loss for the financial years/period

	(77,603)	(46,620)	-	-	-
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On 24 July 2013, PP Chin Hin has disposed of its 100,000 ordinary shares of RM1.00 each representing 40% equity interest in Chin Hin Concrete Sdn Bhd for a total cash consideration of RM100,000.

On 30 December 2013, PP Chin Hin has disposed of its 100,000 ordinary shares of RM1.00 each representing 40% equity interest in Chin Hin Building Material Supply (JB) Sdn Bhd for a total cash consideration of RM100,000.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.4 Deferred Tax Assets/Liabilities***Deferred Tax Assets*

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
At 1 January	52,610	33,949	91,936	-	-
Recognised in profit or loss	(18,661)	57,987	(91,936)	-	-
At 31 December /31 August	<u>33,949</u>	<u>91,936</u>	<u>-</u>	<u>-</u>	<u>-</u>

The net deferred tax assets shown on the statements of financial position after appropriate offsetting are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Deferred tax assets	33,949	117,565	-	-	-
Deferred tax liabilities	-	(25,629)	-	-	-
	<u>33,949</u>	<u>91,936</u>	<u>-</u>	<u>-</u>	<u>-</u>

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.4 Deferred Tax Assets/Liabilities (Cont'd)***Deferred Tax Liabilities*

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
At 1 January	1,007,919	1,084,579	1,744,998	2,787,186	4,122,547
Recognised in profit or loss	76,660	603,407	584,398	(612,098)	1,005,199
Revaluation of investment properties	-	57,012	457,790	285,000	-
Under provision in prior year	-	-	-	1,662,459	90,425
At 31 December /31 August	<u>1,084,579</u>	<u>1,744,998</u>	<u>2,787,186</u>	<u>4,122,547</u>	<u>5,218,171</u>

The net deferred tax liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Deferred tax liabilities	1,189,939	3,174,094	4,968,196	6,599,331	12,806,538
Deferred tax assets	<u>(105,360)</u>	<u>(1,429,096)</u>	<u>(2,181,010)</u>	<u>(2,476,784)</u>	<u>(7,588,367)</u>
	<u>1,084,579</u>	<u>1,744,998</u>	<u>2,787,186</u>	<u>4,122,547</u>	<u>5,218,171</u>

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.4 Deferred Tax Assets/Liabilities (Cont'd)**

The components of deferred tax liabilities are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Accelerated capital allowances	-	1,200,446	-	-	-
Revaluation of investment properties	-	-	457,790	403,250	-
Differences between carrying amount of PPE and their tax base	1,189,939	1,973,648	4,510,406	6,196,081	12,806,538
	<u>1,189,939</u>	<u>3,174,094</u>	<u>4,968,196</u>	<u>6,599,331</u>	<u>12,806,538</u>

The components of deferred tax assets are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Unutilised capital allowances	-	1,429,096	1,808,210	1,706,404	6,634,297
Unabsorbed tax losses	-	-	372,800	761,500	761,500
Other temporary differences	105,360	-	-	8,880	192,570
	<u>105,360</u>	<u>1,429,096</u>	<u>2,181,010</u>	<u>2,476,784</u>	<u>7,588,367</u>

Deferred tax assets have not been recognised in respect of the following temporary differences:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Unutilised capital allowances	712,829	1,084,805	1,613,360	4,688,532	11,444,300
Unabsorbed tax losses	211,159	3,573,472	6,548,400	1,760,800	10,694,300
	<u>923,988</u>	<u>4,658,277</u>	<u>8,161,760</u>	<u>6,449,332</u>	<u>22,138,600</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.5 Inventories**

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
At Cost					
Raw materials	1,156,147	10,187,168	23,973,482	20,702,034	25,452,889
Goods in transit	95,583	-	-	3,208,987	-
Work-in-progress	-	2,103,270	2,087,754	2,410,298	1,791,220
Finished goods	-	2,002,226	4,978,140	11,800,016	12,075,932
Spare parts and accessories	-	-	47,771	-	-
Consumables	2,376,225	3,186,391	7,546,968	5,979,264	6,768,886
	<u>3,627,955</u>	<u>17,479,055</u>	<u>38,634,115</u>	<u>44,100,599</u>	<u>46,088,927</u>
At Net Realisable Value					
Scrap	-	-	28,302	53,300	63,983
	<u>3,627,955</u>	<u>17,479,055</u>	<u>38,662,417</u>	<u>44,153,899</u>	<u>46,152,910</u>

4.6.6 Property Development Expenditure

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
At 1 January					
Land	-	8,336,000	-	-	-
Development costs	-	4,085,738	-	-	-
	-	<u>12,421,738</u>	-	-	-
Add:					
Land	8,336,000	-	-	-	-
Development costs incurred	4,085,738	6,158,262	-	-	-
				-	-
Less:					
Progress payment received	(1,361,000)	(18,580,000)	-	-	-
At 31 December / 31 August	<u>11,060,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

4.6.7 Assets Held for Sales

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
At 1 January	-	-	-	-	15,794,057
Transfer from PPE	-	-	-	11,887,737	-
Transfer from investment properties	-	-	-	5210,469	-
Addition	-	-	-	719,120	-
Disposal	-	-	-	(2,023,269)	(4,635,280)
Reversal to investment properties	-	-	-	-	(7,496,140)
At 31 December / 31 August	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,794,057</u>	<u>3,662,637</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.8 Trade Receivables**

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Trade receivables					
- Third parties	248,854,776	278,310,079	312,737,544	299,357,046	284,275,302
- Related parties	4,366,349	1,900,256	19,979,754	618,086	34,770,099
	<u>253,221,125</u>	<u>280,210,335</u>	<u>332,717,298</u>	<u>299,975,132</u>	<u>319,045,401</u>
Less: Accumulated Impairment losses	<u>(7,560,245)</u>	<u>(7,498,523)</u>	<u>(8,610,074)</u>	<u>(8,697,559)</u>	<u>(10,585,078)</u>
	<u>245,660,880</u>	<u>272,711,812</u>	<u>324,107,224</u>	<u>291,277,573</u>	<u>308,460,323</u>

The Group's normal trade credit terms are range from 60 to 90 days (FYE 2014: 60 to 90 days, FYE 2013: 60 to 90 days, FYE 2012: 60 to 90 days and FYE 2011: 60 to 90 days) term. Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Related parties refer to a company in which the Directors of the Group have substantial financial interests. The amount owing by related party represents unsecured, interest free advances and repayable on demand.

Movements in impairment on trade receivables are as follows:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
At 1 January	5,107,966	7,560,245	7,498,523	8,610,074	8,697,559
Impairment losses recognised	2,528,999	343,428	2,827,389	1,185,026	2,844,428
Reversal of impairment	(76,602)	(235,068)	(743,752)	(1,097,541)	(956,909)
Written off	(118)	(170,082)	(972,086)	-	-
At 31 December /31 August	<u>7,560,245</u>	<u>7,498,523</u>	<u>8,610,074</u>	<u>8,697,559</u>	<u>10,585,078</u>

Analysis of the trade receivables ageing as at the end of the financial years/ period is as follows:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Neither past due nor impaired	214,646,911	226,157,106	257,762,649	135,892,979	256,987,264
Past due not impaired:					
Less than 30 days	12,868,694	25,158,758	36,584,240	66,894,055	26,995,206
31 to 60 days	10,016,930	5,942,429	8,217,798	50,464,758	7,171,326
More than 60 days	8,128,345	15,453,519	21,542,538	38,025,781	17,306,527
	<u>245,660,880</u>	<u>272,711,812</u>	<u>324,107,225</u>	<u>291,277,573</u>	<u>308,460,323</u>
Impaired	<u>7,560,245</u>	<u>7,498,523</u>	<u>8,610,074</u>	<u>8,697,559</u>	<u>10,585,078</u>
	<u>253,221,125</u>	<u>280,210,335</u>	<u>332,717,299</u>	<u>299,975,132</u>	<u>319,045,401</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.8 Trade Receivables (Cont'd)**

As at 31 August 2015, trade receivables of the Group amounting to RM51,473,059 (FYE 2014: RM155,384,594, FYE 2013: RM66,344,576, FYE 2012: RM46,554,706 and FYE 2011: RM31,013,969) respectively were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM10,585,078 (FYE 2014: RM8,697,559, FYE 2013: RM8,610,074, FYE 2012: RM7,498,523 and FYE 2011: RM7,560,245) respectively, relate 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.

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial years/period.

4.6.9 Other Receivables

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FYE 2015 RM
Other receivables					
- Third parties	23,205,855	34,775,824	8,574,280	9,025,821	14,353,048
- Related parties	1,982,809	22,241,512	17,120,932	5,297,812	482,518
Deposits	12,639,417	5,267,924	2,001,534	1,240,260	1,506,990
Prepayments	3,565,074	1,492,488	2,603,190	3,381,631	5,806,137
	<u>41,393,155</u>	<u>63,777,748</u>	<u>30,299,936</u>	<u>18,945,524</u>	<u>22,148,693</u>

Related parties refer to the companies in which certain Directors of the Group and of the Group have substantial financial interests. The amount owing by related parties is non-trade in nature, unsecured, interest free and repayable on demand.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.10 Hire Purchase Receivables**

Hire purchase facilities granted to customer are based on credit procedures and policies set by the Group in accordance with Hire-Purchase Act 1967.

The hire purchase receivables of the Group are charge at interest rates ranging from 5% to 18% (FYE 2014: 5% to 18%, FYE 2013: 5% to 18%, FYE 2012: 5% to 18% and FYE 2011: 5% to 18%) per annum.

4.6.11 Amount Owning by/(to) Associate Companies

The amount is non-trade in nature, unsecured, interest-free and repayable on demand.

4.6.12 Amount Owning by/(to) Shareholders

The amount is non-trade in nature, unsecured, interest free and repayable on demand.

4.6.13 Amount Owning by/(to) Directors

The amount is non-trade in nature, unsecured, interest free and repayable on demand.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.14 Derivative Financial Assets**

	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015	
	Contract/ Notional amount	Financial Assets RM	Contract/ Notional amount	Financial Assets RM	Contract/ Notional amount	Financial Assets RM	Contract/ Notional amount	Financial Assets RM	Contract/ Notional amount	Financial Assets RM
	USD		USD		USD		USD		USD	
Non hedging derivative: Current	-	-	-	-	-	-	2,200,500	4,625	1,561,000	585,802
Foreign currency contracts										

The Group has forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

Such derivatives do not qualify for hedge accounting. Forward currency contracts are used to hedge the Group's purchases denominated in USD for which firm commitments existed at the end of the reporting period, extended to September 2015.

During the FPE 2015, the Group recognised a gain of RM581,177 (FYE 2014: RM55,125; FYE 2013: Nil; FYE 2012: Nil; FYE 2011: Nil) arising from fair value changes of derivative financial assets. The fair value changes are attributable to changes in foreign exchange spot and forward rates.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.15 Fixed Deposits with Licensed Banks**

The fixed deposit of the Group has been pledged with licensed banks as security for credit facilities granted to the Group as disclosed in Note 4.6.17.

The interest rate and maturities of deposits range from 2.7% to 4.0% (FYE 2014: 2.55% to 3.20%, FYE 2013: 2.55% to 3.30% , FYE 2012: 3.00% to 3.30% and FYE 2011: 2.75% to 3.30%) per annum and 30 to 365 days (FYE 2014: 30 to 365 days, FYE 2013: 30 to 365 days , FYE 2012: 30 to 365 days and FYE 2011: 30 to 365 days) respectively.

4.6.16 Share Capital

The share capital balances as at FYE 2011 represents the issued share capital of PP Chin Hin, PP Chin Hin (SG), C&H Transport, Chin Hin Concrete (KL), Chin Hin Concrete (North), Pintar Sinar and Ace Logistic.

The share capital balances as at FYE 2012 and FYE 2013 represents the issued share capital of PP Chin Hin, PP Chin Hin (SG), C&H Transport, Chin Hin Concrete, G-Cast Concrete, Green Cement, Comet Steel and Ace Logistic.

The share capital balances as at FYE 2014 and FPE 2015 represents the issued share capital of the entire Chin Hin Group which consisted of 442,690,100 number of shares at RM0.50 per share.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

4.6.17 Bank Borrowings

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Non-current					
Secured					
Term loan	13,232,296	21,865,087	40,348,015	46,711,849	81,834,517
Current					
Secured					
Bank overdraft	12,962,032	12,416,344	15,215,280	5,970,157	4,056,057
Banker acceptance	213,345,000	283,744,000	343,287,620	307,243,960	270,894,004
Revolving credit	1,500,000	1,500,000	2,000,000	2,000,000	6,000,000
Term loans	837,567	9,631,559	7,315,928	8,935,178	28,232,368
Trade financing	7,133,289	(132,310)	-	-	-
	<u>235,777,888</u>	<u>307,159,593</u>	<u>367,818,828</u>	<u>324,149,295</u>	<u>309,182,429</u>
	<u>249,010,184</u>	<u>329,024,680</u>	<u>408,166,843</u>	<u>370,861,144</u>	<u>391,016,946</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.17 Bank Borrowings (Cont'd)**

The bank borrowings are secured by the following:

- (a) Legal charge on the freehold land and building as disclosed in Note 4.6.1 and investment properties as disclosed in Note 4.6.2;
- (b) Pledged of fixed deposits of the Group as disclosed in Note 4.6.15;
- (c) Joint and several guarantees by the Group's Directors;
- (d) Corporate guarantee by certain subsidiaries;
- (e) Debenture incorporating fixed or floating charges over all present and future assets of the Group; and
- (f) Legal charge over shop offices of a subsidiary company and deed of assignment of rental proceeds (present and future) derived from the shop offices.

The average effective interest rates per annum are as follows:-

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	%	%	%	%	RM
Bank overdraft	4.08-8.10	3.41-8.10	3.41-8.10	3.41-8.10	6.80-8.35
Banker acceptance	3.41-7.65	4.09-5.05	4.08-5.05	3.52-5.54	4.15-5.56
Revolving credit	3.95	3.95	4.59-4.71	4.71-5.15	4.77-5.27
Term loans	4.35	4.30-8.60	4.30-8.60	4.90-6.14	5.00-6.23

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.17 Bank Borrowings (Cont'd)**

Maturity of bank borrowings is as follows:

	Within 1 year RM	1-2 years RM	2-5 years RM	After 5 years RM	Total RM
FYE 2011					
Bank overdraft	12,962,032	-	-	-	12,962,032
Banker acceptance	213,345,000	-	-	-	213,345,000
Revolving credit	1,500,000	-	-	-	1,500,000
Term loan	837,567	907,503	3,203,007	9,121,786	14,069,863
Trade financing	7,133,289	-	-	-	7,133,289
	<u>235,777,888</u>	<u>907,503</u>	<u>3,203,007</u>	<u>9,121,786</u>	<u>249,010,184</u>
FYE 2012					
Bank overdraft	12,416,344	-	-	-	12,416,344
Banker acceptance	283,744,000	-	-	-	283,744,000
Revolving credit	1,500,000	-	-	-	1,500,000
Term loan	9,631,559	4,752,036	6,473,296	10,639,755	31,496,646
Trade financing	(132,310)	-	-	-	(132,310)
	<u>307,159,593</u>	<u>4,752,036</u>	<u>6,473,296</u>	<u>10,639,755</u>	<u>329,024,680</u>
FYE 2013					
Bank overdraft	15,215,280	-	-	-	15,215,280
Banker acceptance	343,287,620	-	-	-	343,287,620
Revolving credit	2,000,000	-	-	-	2,000,000
Term loan	7,315,928	7,271,603	20,174,525	12,901,887	47,663,943
Trade financing	-	-	-	-	-
	<u>367,818,828</u>	<u>7,271,603</u>	<u>20,174,525</u>	<u>12,901,887</u>	<u>408,166,843</u>
FYE 2014					
Bank overdraft	5,970,157	-	-	-	5,970,157
Banker acceptance	307,243,960	-	-	-	307,243,960
Revolving credit	2,000,000	-	-	-	2,000,000
Term loan	8,935,178	8,914,800	26,399,720	11,397,329	55,647,027
Trade financing	-	-	-	-	-
	<u>324,149,295</u>	<u>8,914,800</u>	<u>26,399,720</u>	<u>11,397,329</u>	<u>370,861,144</u>
FPE 2015					
Bank overdraft	4,056,057	-	-	-	4,056,057
Banker acceptance	270,894,004	-	-	-	270,894,004
Revolving credit	6,000,000	-	-	-	6,000,000
Term loan	28,232,368	33,123,286	41,326,636	7,384,595	110,066,885
Trade financing	-	-	-	-	-
	<u>309,182,429</u>	<u>33,123,286</u>	<u>41,326,636</u>	<u>7,384,595</u>	<u>391,016,946</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.18 Finance Lease Payables**

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Minimum finance lease payments:					
Within one year	4,566,625	6,802,318	9,092,692	10,320,887	11,462,515
Between one and five years	5,553,811	14,862,094	19,403,168	12,721,070	13,758,683
	10,120,436	21,664,412	28,495,860	23,041,957	25,221,198
Less: Future finance charges	(846,037)	(2,098,825)	(2,475,249)	(1,594,260)	(1,736,587)
Present value of minimum finance lease payments	9,274,399	19,565,587	26,020,611	21,447,697	23,484,611
Present value of minimum finance lease payments:					
Within one year	4,031,392	5,850,234	7,868,333	9,378,926	10,495,988
Between one and five years	5,243,007	13,715,353	18,152,278	12,068,771	12,988,623
	9,274,399	19,565,587	26,020,611	21,447,697	23,484,611
Analyse as:					
Repayable within twelve months	4,031,392	5,850,234	7,868,333	9,378,926	10,495,988
Repayable after twelve months	5,243,007	13,715,353	18,152,278	12,068,771	12,988,623
	9,274,399	19,565,587	26,020,611	21,447,697	23,484,611

The finance lease liabilities of the Group are charged at interest rates ranging from 2.60% to 3.79% (FYE 2014: 2.60% to 3.82%, FYE 2013: 2.38% to 3.90%, FYE 2012: 2.70% to 7.10% and FYE 2011: 2.74% to 4.84%) per annum.

4.6.19 Trade Payables

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Trade payables					
- Third parties	96,815,109	118,075,972	153,102,776	137,062,483	136,987,118
- Related parties	761,926	6,348,796	1,109,785	1,711,008	3,104,392
	97,577,035	124,424,768	154,212,561	138,773,491	140,091,510

The normal trade credit terms granted to the Group range from 30 to 90 days (FYE 2014: 30 to 90 days, FYE 2013: 14 to 90 days, FYE 2012: 14 to 90 days and FYE 2011: 14 to 90 days) respectively. Other credit terms are assessed and approved on a case by case basis.

Related parties refer to companies in which certain Directors of the Group have substantial financial interests. The amount owing to related parties represents unsecured, interest free advances and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.20 Other Payables**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Other payables					
- Third parties	717,767	23,371,011	10,850,782	13,364,595	13,865,128
- Related parties	9,587,816	730,227	16,602,769	779,847	1,537,062
Accruals	6,044,939	3,315,796	4,325,664	5,291,859	3,486,821
Deposits received	940,328	960,969	1,080,092	1,111,403	1,240,239
	<u>17,290,850</u>	<u>28,378,003</u>	<u>32,859,307</u>	<u>20,547,704</u>	<u>20,129,250</u>

Related parties refer to companies in which certain Directors of the Group have substantial financial interests. The amount owing to related parties is non-trade in nature, unsecured, interest free and repayable on demand.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.21 Derivative Financial Liabilities**

	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015	
	Contract/ Notional amount USD	Financial Liability RM	Contract/ Notional amount USD	Financial Liability RM	Contract/ Notional amount USD	Financial Liability RM	Contract/ Notional amount USD	Financial Liability RM	Contract/ Notional amount USD	Financial Liability RM
Non hedging derivative: Current Foreign currency contract	-	-	-	-	500,000	50,500	-	-	-	-

The Group has forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure.

Such derivatives do not qualify for hedge accounting. Forward currency contracts are used to hedge the Group's purchases denominated in USD for which firm commitments existed in FYE 2013 and ended in January 2014.

During FYE 2015, there was no loss (FYE 2014: Nil, FYE 2013: RM50,500, FYE 2012: Nil; FYE 2011: Nil) arising from fair value changes of derivative liabilities. The fair value changes attributable to a previous financial year were due to change in foreign exchange spot and forward rates.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.22 Revenue**

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Sales of goods	987,431,266	1,002,273,466	1,190,334,275	1,184,305,220	793,319,044
Property development revenue	-	18,580,000	-	-	-
Management fees	-	320,000	160,000	-	-
Rental income	3,159,186	3,733,397	4,631,517	4,327,835	2,930,437
Transportation activities	23,406,449	20,631,571	24,840,244	30,527,646	20,641,197
Interest from hire purchase receivables	599,856	569,716	449,580	257,449	89,292
	1,014,596,757	1,046,108,150	1,220,415,616	1,219,418,150	816,979,970

4.6.23 Finance Costs

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Interest expense on:					
Banker acceptance	6,842,243	9,553,935	11,718,346	12,491,634	8,900,716
Finance lease	805,229	771,406	1,268,827	1,358,480	1,007,671
Bank overdraft	391,093	889,866	969,015	1,103,183	595,921
Bank guarantee interest	-	-	-	51,943	64,980
Letter of credit	-	-	-	-	7,971
Revolving credit	99,847	394,055	192,779	74,520	222,000
Trust receipt	12,163	-	-	-	20
Term loans	477,177	(168,921)	585,277	3,145,297	2,645,656
Trade financing	-	60,754	-	-	7,797
Other interests	436	146,814	26,223	49,267	1,538
Related party companies	-	-	-	742,089	147,009
	8,628,188	11,647,909	14,760,467	19,016,413	13,601,279
Cost recognised under Cost of Sales ("COS")	-	(135,023)	(303,494)	(314,493)	(145,809)
	8,628,188	11,512,886	14,456,973	18,701,920	13,455,470

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.24 Profit before Taxation**

Profit before taxation is derived at after charging /(crediting):

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Amortisation of investment properties	-	95,400	127,200	-	-
Auditor remuneration					
- Current year	82,120	149,879	241,194	244,228	182,106
- Under/(Over) provision in prior year	2,500	(500)	(6,418)	-	(17,900)
- Special engagement	3,000	-	-	98,586	-
Bad debts written off	398,382	2,759,566	289,315	2,734,848	-
Bad debts recovered	(3,500)	(53,356)	(606,629)	(6,150)	(1,140)
Depreciation of PPE	7,725,409	5,582,363	9,381,472	13,103,191	9,594,685
Deposits written off	-	-	158,400	-	-
Director remuneration	1,327,227	662,446	257,917	760,480	1,166,624
Dividend income	-	(60)	-	-	-
Fair value adjustment on investment properties	-	(19,071,747)	(8,697,996)	(5,878,068)	-
Hiring charges	4,800	-	-	-	-
Impairment on investment in subsidiary companies	-	-	100,000	-	-
Impairment on trade receivables	2,528,999	343,428	2,827,388	1,185,026	2,844,428
Incorporation fees	-	-	-	2,550	-
Interest income					
-Bank interest income	-	(23,366)	(17,146)	(36,225)	(29,528)
-Fixed deposit	(719,976)	(1,571,218)	(1,282,655)	(1,086,061)	(509,388)
-Loan	(182,202)	(34,094)	(123,384)	(80,859)	(9,465)
-Overdue account	(43,963)	(51,622)	(256,147)	(776,624)	(277,173)
-Other interest	-	(676,223)	(1,161,760)	(154,130)	(25,428)
Inventories written off	-	-	-	69,624	18,587
Gain on disposal of PPE	(1,353,606)	(2,412,912)	(559,113)	(323,862)	(15,054)
Gain on disposal of investment properties	-	-	(2,511,991)	(3,711,958)	-
Gain on disposal of assets held for sale	-	-	-	(1,220,689)	(364,720)
Loss/(Gain) on disposal of investments	165,395	-	-	-	-
Loss/(Gain) on derivative financial liability/asset	-	-	50,500	(55,125)	(581,177)
Loss on disposal of subsidiary	-	-	-	549,998	-
Other investment written off	-	-	3,000	-	-

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.24 Profit before Taxation (Cont'd)**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
PPE written off	1,067	-	9,637	25,602	-
Preliminary expenses	4,906	7,650	-	-	-
Realised (gain)/loss on foreign exchange	-	-	-	(895)	50,288
Unrealised (gain)/loss on foreign exchange	-	-	(27,352)	-	(138,947)
Rental income	(272,900)	(173,240)	(528,185)	(1,341,092)	(2,179,918)
Rental of office	30,000	75,600	108,950	-	-
Rental of land	864,992	625,018	1,033,826	266,051	159,000
Rental of plant	511,883	381,825	414,270	161,070	-
Rental of car park	18,000	18,000	26,400	29,100	23,700
Rental of motor vehicles	-	-	327,988	517,416	344,944
Rental of machinery	107,101	42,189	94,161	30,890	2,730
Rental of hostel	43,004	18,365	17,535	57,572	67,340
Rental of equipment	48,002	35,694	153,272	135,868	73,993
Rental of premises	190,600	689,702	859,925	703,509	839,950
Reversal of allowance for doubtful debts	(76,602)	(235,068)	(225,000)	(1,097,541)	(956,909)
Stock pilferage	-	333,705	-	-	-
Waiver of debts by other payables	-	-	-	(116,320)	-

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.25 Taxation**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Tax expense for the financial year:					
Current tax provision	7,958,955	7,963,174	8,036,902	11,827,132	6,384,772
Over provision in prior year	(98,420)	(1,962,227)	(843,454)	(133,325)	(1,297,823)
	<u>7,860,535</u>	<u>6,000,947</u>	<u>7,193,448</u>	<u>11,693,807</u>	<u>5,086,949</u>
Deferred tax:					
Relating to origination and reversal of timing differences	95,321	602,432	1,258,517	(327,098)	1,007,097
Crystallisation of deferred tax liability arising from revaluation of leasehold building	-	-	(4,893)	-	-
(Over)/Under provision in prior years	-	-	(577,290)	1,662,459	88,527
	<u>95,321</u>	<u>602,432</u>	<u>676,334</u>	<u>1,335,361</u>	<u>1,095,624</u>
	<u>7,955,856</u>	<u>6,603,379</u>	<u>7,869,782</u>	<u>13,029,168</u>	<u>6,182,573</u>

For those companies within the Group with paid-up share capital of RM2.50 million or below at the beginning of the basis period for a year of assessment, the income tax is calculated at the statutory rate of 20% on the first RM500,000 and 25% on the balance of chargeable income based on the estimated assessable profit for FYE 2011, FYE 2012, FYE 2013, FYE 2014 and FPE 2015 respectively.

For those companies within our Group with paid-up share capital of more than RM2.50 million at the beginning of the basis period for a year of assessment, the income tax is calculated at the statutory rate of 25% on the chargeable income based on the estimated assessable profit for FYE 2011, FYE 2012, FYE 2013, FYE 2014 and FPE 2015 respectively.

The income tax of PP Chin Hin (SG) is calculated at the statutory rate of 17% on the chargeable income based on the estimated assessable profit for FYE 2011, FYE 2012, FYE 2013, FYE 2014 and FPE 2015 respectively.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.25 Taxation (Cont'd)**

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Profit before taxation	27,076,965	41,197,366	37,321,564	43,215,175	26,187,764
Taxation at statutory tax rate of 20% or 25%	6,593,767	10,341,649	9,174,237	10,803,795	6,546,941
Taxation at statutory tax rate of 17%	119,322	41,192	106,220	-	-
Deductible temporary differences	36,410	57,012	-	-	-
Effects of partial tax exemption and tax relief	(59,977)	(42,836)	(58,107)	(42,490)	-
Expenses not deductible for tax purposes	1,219,176	2,195,739	2,497,284	5,284,426	3,335,318
Income not subject to tax	-	(4,767,936)	(2,832,670)	(2,417,102)	(338,447)
Crystallisation of deferred tax liability arising from revaluation of leasehold building	-	-	(4,893)	-	-
Under/(Over) provision of income tax expenses in prior years	-	-	(843,391)	(133,325)	(1,297,823)
Under/(Over) provision of deferred tax expenses in prior years	(98,420)	(1,962,227)	(577,290)	1,662,459	88,527
Tax incentive for SME in Malaysia of 5%	15,254	15,045	(54,790)	(50,555)	-
Corporate tax rebate	-	-	-	-	(21,012)
Deferred tax assets not recognised	130,324	80,187	891,450	(1,430,276)	(2,220)
Unutilised capital allowances	-	-	(428,268)	(647,764)	(2,128,711)
Unabsorbed tax losses	-	645,554	-	-	-
	7,955,856	6,603,379	7,869,782	13,029,168	6,182,573

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.26 Dividends**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
A first single tier interim dividend of 99.3% for the FYE 2014	-	-	-	29,800,000	-

Payment of the first interim single tier dividend of RM0.993 per ordinary share has been contra against the disposal of PP Chin Hin Realty Sdn Bhd on 1 July 2014.

4.6.27 Staff Costs

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Staff costs (excluding Directors)	15,364,923	25,434,956	31,744,123	32,228,199	22,955,339

Included in the staff costs are contributions made to the Employees Provident Fund under a defined contribution plan for the Group amounting to RM2,384,413 (FYE 2014: RM3,045,895, FYE 2013: RM2,657,919, FYE 2012: RM1,964,584 and FYE 2011: RM957,869) respectively.

4.6.28 Related Party Disclosures**(a) Identifying related parties**

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. 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 company of the Group.

The Group has related party relationship with its subsidiaries, associates, Directors' related companies and key management personnel.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.28 Related Party Disclosures (Cont'd)****(b) Significant related party transactions**

In addition to the transactions detailed elsewhere in the financial statements, the significant related party transactions of the Group are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Transaction within subsidiary companies					
- Sales of goods	74,899,737	54,966,798	197,569,091	80,824,008	52,053,785
- Purchase of goods	74,899,737	54,966,798	197,569,091	79,164,008	47,496,785
- Interest income	-	1,087,053	333,461	86,777	39,169
- Rental income	-	270,000	300,000	612,370	756,644
- Management fee	-	600,000	800,000	1,300,000	4,550,000
- Transportation fee	-	-	-	-	70,865
Transactions with companies in which Directors of the Group has interest					
- Sales of goods	54,638,266	69,882,600	83,763,510	29,190,935	2,791,419
- Purchase of goods	18,029,414	47,875,717	79,324,819	36,257,048	8,313,155
- Sales of land	-	-	-	2,354,536	-
- Management fee	-	320,000	-	-	-
- Rental income	376,350	904,300	1,365,038	1,587,674	1,335,760
- Rental expense	-	5,570,386	75,000	120,000	940,198
- Insurance and road tax payment	-	-	-	567,019	316,613
- Transportation fee	1,209,455	4,152,072	8,411,486	15,988,191	9,820,373
- Purchase of motor vehicle	-	-	-	200,000	-
- Disposal of motor vehicle	-	-	-	200,000	-

- (c) Information regarding outstanding balances arising from related party transactions as at FYE 2011, FYE 2012, FYE 2013, FYE 2014 and FPE 2015 are disclosed in Notes 4.6.1, 4.6.8, 4.6.9, 4.6.11, 4.6.12, 4.6.13, 4.6.19 and 4.6.20.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.28 Related Party Disclosures (Cont'd)**

(d) Information regarding the compensation of key management personnel is as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Salaries and other short-term employee benefits	240,000	566,626	778,275	1,012,412	3,411,819

Key management personnel include personnel having authority and responsibility for planning, directing and controlling activities of entity, including any Director of the Group.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 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 3.2 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 financial liabilities in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Available -for-sale RM	Loans and receivables RM	Other financial liabilities RM	Total RM
FYE 2011				
Financial Assets				
Trade receivables	-	246,660,880	-	246,660,880
Other receivables	-	37,828,081	-	37,828,081
Hire purchase receivables	-	3,579,718	-	3,579,718
Amount owing by associate companies	-	2,230,000	-	2,230,000
Amount owing by shareholders	-	25,000	-	25,000
Amount owing by Directors	-	13,082,629	-	13,082,629
Fixed deposits with licensed banks	-	39,099,842	-	39,099,842
Cash and bank balances	-	35,756,165	-	35,756,165
Total financial assets	-	378,262,315	-	378,262,315
Financial Liabilities				
Trade payables	-	-	97,577,035	97,577,035
Other payables	-	-	17,290,850	17,290,850
Amount owing to associate companies	-	-	433,083	433,083
Amount owing to Directors	-	-	18,493,229	18,493,229
Bank borrowings	-	-	249,010,184	249,010,184
Finance lease payables	-	-	9,274,399	9,274,399
Total financial liabilities	-	-	392,078,780	392,078,780

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

	Available -for-sale RM	Loans and receivables RM	Other financial liabilities RM	Total RM
FYE 2012				
Financial Assets				
Trade receivables	-	272,711,812	-	272,711,812
Other receivables	-	62,285,260	-	62,285,260
Hire purchase receivables	-	3,442,259	-	3,442,259
Amount owing by associate companies	-	1,895,120	-	1,895,120
Amount owing by Directors	-	6,513,177	-	6,513,177
Fixed deposits with licensed banks	-	44,204,330	-	44,204,330
Cash and bank balances	-	18,830,410	-	18,830,410
Total financial assets	-	409,882,368	-	409,882,368
Financial Liabilities				
Trade payables	-	-	124,424,768	124,424,768
Other payables	-	-	28,378,003	28,378,003
Amount owing to associate companies	-	-	433,083	433,083
Amount owing to related companies	-	-	-	-
Amount owing to Director	-	-	19,943,783	19,943,783
Bank borrowings	-	-	329,024,680	329,024,680
Finance lease payables	-	-	19,565,587	19,565,587
Total financial liabilities	-	-	521,769,904	521,769,904

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

	Available -for-sale RM	Loans and receivables RM	Other financial liabilities RM	Total RM
FYE 2013				
Financial Assets				
Trade receivables	-	324,107,224	-	324,107,224
Other receivables	-	27,696,746	-	27,696,746
Hire purchase receivables	-	2,055,148	-	2,055,148
Amount owing by Directors	-	10,984,339	-	10,984,339
Fixed deposits with licensed banks	-	54,335,967	-	54,335,967
Cash and bank balances	-	36,326,771	-	36,326,771
Total financial assets	-	455,506,195	-	455,506,195
Financial Liabilities				
Trade payables	-	-	154,212,561	154,212,561
Other payables	-	-	32,859,307	32,859,307
Amount owing to Directors	-	-	12,781,553	12,781,553
Derivative financial liabilities	-	-	50,500	50,500
Bank borrowings	-	-	408,166,843	408,166,843
Finance lease payables	-	-	26,020,611	26,020,611
Total financial liabilities	-	-	634,091,375	634,091,375

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

	Available -for-sale RM	Loans and receivables RM	Other financial liabilities RM	Total RM
FYE 2014				
Financial Assets				
Trade receivables	-	291,277,573	-	291,277,573
Other receivables	-	15,563,893	-	15,563,893
Hire purchase receivables	-	1,130,158	-	1,130,158
Derivative financial assets	-	4,625	-	4,625
Fixed deposits with licensed banks	-	29,977,278	-	29,977,278
Cash and bank balances	-	118,029,973	-	118,029,973
Total financial assets	-	455,983,500	-	455,983,500
Financial Liabilities				
Trade payables	-	-	138,773,491	138,773,491
Other payables	-	-	20,547,704	20,547,704
Amount owing to Directors	-	-	10,856,847	10,856,847
Bank borrowings	-	-	370,861,144	370,861,144
Finance lease payables	-	-	21,447,697	21,447,697
Total financial liabilities	-	-	562,486,883	562,486,883

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(a) Classification of financial instruments (Cont'd)**

	Available -for-sale RM	Loans and receivables RM	Other financial liabilities RM	Total RM
FPE 2015				
Financial Assets				
Trade receivables	-	308,460,323	-	308,460,323
Other receivables	-	16,342,556	-	16,342,556
Hire purchase receivables	-	819,433	-	819,433
Derivative financial assets	-	585,802	-	585,802
Fixed deposits with licensed banks	-	14,589,152	-	14,589,152
Cash and bank balances	-	149,875,773	-	149,875,773
Total financial assets	-	490,673,039	-	490,673,039
Financial Liabilities				
Trade payables	-	-	140,091,510	140,091,510
Other payables	-	-	20,129,250	20,129,250
Amount owing to Directors	-	-	11,382,264	11,382,264
Bank borrowings	-	-	391,016,946	391,016,946
Finance lease payables	-	-	23,484,611	23,484,611
Total financial liabilities	-	-	586,104,581	586,104,581

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) 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 risk, interest rate risk, credit risk, liquidity risk and cash flow 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 exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Financial assets that are primarily exposed to credit risks are receivables, deposits and cash and bank balances.

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 the inability of its customers to make payments when due.

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 banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial years/period represent the Group's maximum exposure to credit risk. No financial assets carry a significant exposure to credit risk with its exposure spread over a large number of customers.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk**

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from mismatches of the maturities of financial assets and liabilities.

The Group's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for non-derivative 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 can be required to pay.

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13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

	On demand or within 1 year RM	Repayable within 1 to 2 years RM	Repayable within 2 to 5 years RM	Repayable after 5 years RM	Contractual cash flows RM	Total carrying amount RM
FYE 2011						
Financial Liabilities						
Trade payables	97,577,035	-	-	-	97,577,035	97,577,035
Other payables	17,290,850	-	-	-	17,290,850	17,290,850
Amount owing to Directors	18,493,229	-	-	-	18,493,229	18,493,229
Amount owing to associate companies	433,083	-	-	-	433,083	433,083
Bank borrowings	235,777,888	907,503	3,203,007	9,121,786	249,010,184	249,010,184
Finance lease payables	4,566,625	4,491,113	1,062,698	-	10,120,436	9,274,399
Total financial liabilities	374,138,710	5,398,616	4,265,705	9,121,786	392,924,817	392,078,780

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

	On demand or within 1 year RM	Repayable within 1 to 2 years RM	Repayable within 2 to 5 years RM	Repayable after 5 years RM	Contractual cash flows RM	Total carrying amount RM
FYE 2012						
Financial Liabilities						
Trade payables	124,424,768	-	-	-	124,424,768	124,424,768
Other payables	28,378,003	-	-	-	28,378,003	28,378,003
Amount owing to Directors	19,943,783	-	-	-	19,943,783	19,943,783
Amount owing to associate companies	433,083	-	-	-	433,083	433,083
Bank borrowings	307,660,440	5,417,424	7,341,464	12,148,086	332,567,414	329,024,680
Finance lease payables	6,802,318	5,887,606	8,974,488	-	21,664,412	19,565,587
Total financial liabilities	487,642,395	11,305,030	16,315,952	12,148,086	527,411,463	521,769,904

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

	On demand or within 1 year RM	Repayable within 1 to 2 years RM	Repayable within 2 to 5 years RM	Repayable after 5 years RM	Contractual cash flows RM	Total carrying amount RM
FYE 2013						
Financial Liabilities						
Trade payables	154,212,561	-	-	-	154,212,561	154,212,561
Other payables	32,859,307	-	-	-	32,859,307	32,859,307
Amount owing to Directors	12,781,553	-	-	-	12,781,553	12,781,553
Derivative financial liabilities	50,500	-	-	-	50,500	50,500
Bank borrowings	369,784,620	8,895,358	23,082,030	14,015,432	415,777,440	408,166,843
Finance lease payables	9,092,692	8,773,453	10,629,715	-	28,495,860	26,020,611
Total financial liabilities	578,781,233	17,668,811	33,711,745	14,015,432	644,177,221	634,091,375
FYE 2014						
Financial Liabilities						
Trade payables	138,773,491	-	-	-	138,773,491	138,773,491
Other payables	20,547,704	-	-	-	20,547,704	20,547,704
Amount owing to Directors	10,856,847	-	-	-	10,856,847	10,856,847
Bank borrowings	324,149,295	8,293,617	26,478,640	8,092,933	367,014,485	370,861,144
Finance lease payables	10,320,887	7,713,731	5,007,339	-	23,041,957	21,447,697
Total financial liabilities	504,648,224	16,007,348	31,485,979	8,092,933	560,234,484	562,486,883

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

	On demand or within 1 year RM	Repayable within 1 to 2 years RM	Repayable within 2 to 5 years RM	Repayable after 5 years RM	Contractual cash flows RM	Total carrying amount RM
FPE 2015						
Financial Liabilities						
Trade payables	140,091,510	-	-	-	140,091,510	140,091,510
Other payables	20,129,250	-	-	-	20,129,250	20,129,250
Amount owing to Directors	11,382,264	-	-	-	11,382,264	11,382,264
Amount owing to associate companies	-	-	-	-	-	-
Bank borrowings	314,395,059	36,705,513	44,716,888	8,488,480	404,305,940	391,016,946
Finance lease payables	11,462,515	7,920,742	5,706,917	131,024	25,221,198	23,484,611
Total financial liabilities	497,460,598	44,626,255	50,423,805	8,619,504	601,130,162	586,104,581

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(c) Market risks****(i) Foreign currency risk**

The Group's exposure to foreign currency risk is minimal.

(ii) Interest rate risk

The Group is exposure to interest rate risk arises primarily from financing through interest bearing financial assets and financial liabilities. The Group's policy is to obtain financing with the most favourable interest rates in the market.

The Group 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 Group is exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits.

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Financial Asset					
Fixed deposits with licensed banks	39,099,842	44,204,330	54,335,967	29,977,278	14,589,152
Financial Liability					
Bank borrowings	249,010,184	329,024,680	408,166,843	370,861,144	391,016,946

Interest rate risk sensitivity analysis

A change in 1% interest rate on financial assets and liabilities of the Company which have variable interest rate at the end of the financial years/ period would have increased / (decreased) profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(c) Market risk (Cont'd)****(ii) Interest rate risk (Cont'd)**Interest rate risk sensitivity analysis (Cont'd)

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Effect to profit or loss					
Interest rate increase by 1%	(2,099,103)	(2,848,204)	(3,538,309)	(3,408,839)	(3,764,278)
Interest rate decrease by 1%	2,099,103	2,848,204	3,538,309	3,408,839	3,764,278

(d) Fair values of financial instruments**(i) Financial instruments at fair value**

The fair value measurement hierarchies used to measure financial instruments at fair value in the statements of financial position are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Financial Asset					
Investment in quoted shares	3,000	-	-	-	-

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.29 Financial Instruments (Cont'd)****(d) Fair values of financial instruments (Cont'd)**Financial instrument other than those carried at fair value

The carrying amounts of 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.

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of the financial liabilities of the Group at the reporting date reasonably approximate their fair values except as follows:

	FYE 2011		FYE 2012		FYE 2013		FYE 2014		FYE 2015	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liability										
Finance lease										
payables (non-current)	5,243,007	4,935,058	13,715,353	13,516,423	18,152,278	17,166,177	12,068,771	12,154,663	12,988,623	12,970,099

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.30 Capital Management**

The Group's capital management policies are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern and maintain an optimal capital structure, so as to maximize shareholders' value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return of capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital managed at Group level, comprises shareholders' funds, cash and cash equivalents, loans and bank borrowings.

The gearing ratios are as follows:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Loans and borrowings	258,284,583	348,590,267	434,187,454	392,308,841	414,501,557
Less: Cash and bank balances	(35,756,165)	(18,830,410)	(36,326,771)	(118,029,973)	(149,875,773)
Net debt	<u>222,528,418</u>	<u>329,759,857</u>	<u>397,860,683</u>	<u>274,278,868</u>	<u>264,625,784</u>
Total equity	115,433,686	158,444,165	192,879,191	230,618,511	251,005,589
Gearing ratio (Times)	1.93	2.08	2.06	1.19	1.05

There were no changes in the Group's approach to capital management during the financial years/period.

The Group is not subject to any externally imposed capital requirements.

4.6.31 Capital Commitments

As at the reporting date, the Group has the following commitments for the acquisition of the property, plant and equipment:

	FYE 2011 RM	FYE 2012 RM	FYE 2013 RM	FYE 2014 RM	FPE 2015 RM
Contracted but not provided for	<u>15,058,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,032,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.32 Contingent Liabilities**

	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FPE 2015
	RM	RM	RM	RM	RM
Unsecured					
Corporate guarantees given to the licensed banks for credit facility granted to related companies	5,181,488	18,201,488	26,849,488	192,080,292	176,863,292

4.6.33 Significant Events***Chin Hin*****FPE 2015**

- (a) On 23 January 2015, Chin Hin entered into Sale and Purchase Agreements as follows: -
- (i) To acquire 30,000,000 ordinary shares of RM1.00 each in Metex Steel representing 100% equity interest in Metex Steel for a total cash consideration of RM27,776,115.
 - (ii) To acquire 30,000,000 ordinary shares of RM1.00 each in Starken AAC representing 100% equity interest in Starken AAC for a total cash consideration of RM27,060,780.

FYE 2014

- (a) On 29 September 2014, Chin Hin increased its authorised capital from RM400,000 to RM500,000,000 by creation of 999,200,000 ordinary shares of RM0.50 each. The new ordinary shares issued rank pari passu in all respects with the existing shares.
- (b) On 19 November 2014, Chin Hin entered into Sale and Purchase Agreements as follows: -
- (i) To acquire 50,000,000 ordinary shares of RM1.00 each in PP Chin Hin representing 100% equity interest in PP Chin Hin, for a total consideration of RM170,624,000 satisfied via issuance of 341,248,000 ordinary shares of Chin Hin.
 - (ii) To acquire 12,001,000 ordinary shares of RM1.00 each in Chin Hin Concrete representing 100% equity interest in Chin Hin Concrete, for a total consideration of RM26,279,000 satisfied via the issuance of 52,558,000 ordinary shares of Chin Hin.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.33 Significant Events (Cont'd)*****Chin Hin (Cont'd)*****FYE 2014 (Cont'd)**

- (iii) To acquire 1,000 ordinary shares of SGD1.00 each in PP Chin Hin (SG) representing 100% equity interest PP Chin Hin (SG), for a total consideration of RM2,535,000 satisfied via issuance of 5,070,000 ordinary shares of Chin Hin.
- (iv) To acquire 1,250,000 ordinary shares of RM1.00 each in C&H Transport representing 100% equity interest in C&H Transport, for a total consideration of RM5,107,000 satisfied via issuance of 10,214,000 ordinary shares of Chin Hin during financial period.
- (b) On 19 November 2014, Chin Hin entered into Sales and Purchase Agreements as follows: (Cont'd)
 - (i) To acquire 11,000,000 ordinary shares of RM1.00 each in Ace Logistic representing 100% equity interest in Ace Logistic, for a total consideration of RM16,800,000 satisfied via the issuance of 33,600,000 ordinary shares of Chin Hin.
- (c) On 2 December 2014, Chin Hin issued 442,690,000 new ordinary shares of RM0.50 each as the purchase consideration for acquisition of subsidiaries during the financial period. Chin Hin had on the same day nominated PP Chin Hin to receive on behalf the investment of 1,000 ordinary shares of SGD1.00 each in PP Chin Hin (SG).

PP Chin Hin**FYE 2013**

- (a) On 24 July 2013, PP Chin Hin has disposed of its 100,000 ordinary shares of RM1.00 each representing 40% equity interest in Chin Hin Concrete Sdn Bhd, for a total cash consideration of RM100,000.
- (b) On 30 December 2013, PP Chin Hin has disposed of its 100,000 ordinary shares of RM1.00 each representing 40% equity interest in Chin Hin Building Material Supply (JB) Sdn Bhd, for a total cash consideration of RM100,000.

FYE 2014

- (a) On 10 February 2014, PP Chin Hin has disposed of its 550,000 ordinary shares of RM1.00 each, representing 55% equity interest in Landmark Grace Development Sdn. Bhd., for a total cash consideration of RM2.
- (b) On 25 April 2014, PP Chin Hin entered into a Sale and Purchase Agreement with a third party for the disposal of PP Chin Hin's investment properties amounting to RM2,354,536.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.34 Significant Events (Cont'd)*****PP Chin Hin (Cont'd)*****FYE 2014 (Cont'd)**

- (c) On 6 June 2014, PP Chin Hin declared of a first interim single tier dividend of 99.3% on 30,000,000 ordinary shares of RM1.00 each, amounting to a total dividend of RM29,800,000 in respect of FYE 2014.
- (d) On 27 June 2014, PP Chin Hin acquired additional 5,000,000 ordinary shares of RM1.00 each in Metex Steel, for a total cash consideration of RM5,000,000. Consequently, PP Chin Hin's shareholding in Metex Steel increased from 83% to 100%.
- (e) On 1 July 2014, PP Chin Hin disposed of its 29,800,000 ordinary shares of RM1.00 each, representing 99% equity interest in PP Chin Hin Realty Sdn Bhd, for a total cash consideration of RM29,800,000 by way of contra with the dividend payable to the Directors of the Company.

Chin Hin Concrete**FYE 2014**

- (a) On 27 March 2014, Chin Hin Concrete disposed of its entire shareholdings in Chin Hin Concrete Mix Sdn Bhd for a total consideration of RM1,000,000.
- (b) On 31 March 2014, Chin Hin Concrete acquired 600,000 ordinary shares of RM1.00 each in Chin Hin Concrete (North) for a total consideration of RM600,000. Consequently, Chin Hin Concrete (North) became a wholly-owned subsidiary of Chin Hin Concrete.

Chin Hin Concrete (KL)**FYE 2014**

- (a) On 28 March 2014, Chin Hin Concrete (KL) entered into a Sale and Purchase Agreement with an third party for the disposal of the property, plant and equipment amounting to RM6,150,586. The said sale and purchase transaction was completed on 31 August 2014.

13. ACCOUNTANTS' REPORT (Cont'd)**II SUBSIDIARIES (CONT'D)****4.6 Notes to Combined Financial Statements of Chin Hin Group (Cont'd)****4.6.33 Significant Events (Cont'd)*****Chin Hin Concrete (North)*****FYE 2014**

- (a) On 28 March 2014, Chin Hin Concrete (North) entered into a Sale and Purchase Agreement with an third party for the disposal of the property, plant and equipment amounting to RM3,132,122. The said Sale and Purchase transaction was completed on 3 April 2014.

Metex Steel**FYE 2014**

- (a) Metex Steel subscribed for 2 ordinary share of RM1.00 each in the share capital of Metal Sphere on 2 March 2014 and 25 March 2014 respectively. Consequently, Metal Sphere became a wholly-owned subsidiary of Metex Steel.
- (b) On 27 June 2014, Metex Steel subscribed for 2 ordinary shares of RM1.00 each representing the share capital of Comet Steel. Consequently, Comet Steel became a wholly-owned subsidiary of Metex Steel.

Starken AAC**FYE 2014**

- (a) On 27 June 2014, Starken AAC subscribed for 2 ordinary shares of RM1.00 each representing the share capital of Green Cement. Consequently, Green Cement became a wholly-owned subsidiary of Starken AAC.

Metal Sphere**FPE 2015**

- (a) Metal Sphere has increased its authorise share capital from RM400,000 to RM25,000,000 comprising 25,000,000 ordinary shares of RM1.00 each on 15 January 2015. Thereafter on 10 June 2015, Metal Sphere has increased its paid up share capital from RM2 to RM15,000,002 through capitalisation of shareholders advances. Such advances from Metex Steel were provided to support Metal Sphere's capital expenditure purposes.

4.6.34 Significant Events Subsequent to the end of the Report Period

There were no significant events between the date of last financial statements used in the preparation of this Report and the date of this Report which will affect materially the contents of this Report.

13. ACCOUNTANTS' REPORT (Cont'd)

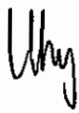



II SUBSIDIARIES (CONT'D)

5. AUDITED COMBINED FINANCIAL STATEMENTS

No Audited Combined Financial Statements of Chin Hin Group has been prepared in respect of any period subsequent to 31 August 2015.

Yours faithfully,


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR, MALAYSIA

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX I**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN GROUP BERHAD**

(Company No.: 1097507-W)

(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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 Fax +60 3 2279 3099
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Report on the Financial Statements

We have audited the financial statements of Chin Hin Group Berhad, which comprise statements of financial position as at 31 August 2015 of the Group and of the Company, and 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 86.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX I

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN GROUP BERHAD (CONT'D)**


(Company No.: 1097507-W)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 August 2015 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of the Company on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX I**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN GROUP BERHAD**

(Company No.: 1097507-W)
(Incorporated in Malaysia)

UHY (AF1411)
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Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Chin Hin Group Berhad, which comprise statements of financial position as at 31 December 2014 of the Group and of the Company, and 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 period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 85.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN GROUP BERHAD (CONT'D)**

(Company No.: 1097507-W)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX I


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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN GROUP BERHAD (CONT'D)**

(Company No.: 1097507-W)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX I**

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN GROUP BERHAD**

(Company No.: 1097507-W)
(Incorporated in Malaysia)

Report on the Financial Statements

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We have audited the financial statements of Chin Hin Group Berhad, which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 22.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX I (Cont'd)

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN GROUP BERHAD (CONT'D)**

(Company No.: 1097507-W)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

A stylized signature of the UHY firm, written in black ink.

UHY

Firm Number: AF 1411
Chartered Accountants

A stylized signature of Chan Jee Peng, written in black ink.

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX II**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD.**

(Company No.: 334885-H)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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Mid Valley City
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59200 Kuala Lumpur

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Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of PP Chin Hin Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 62.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX II

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD. (CONT'D)**

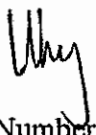
(Company No.: 334885-H)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX II**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD.**

(Company No.: 334885-H)
(Incorporated in Malaysia)

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Report on the Financial Statements

We have audited the financial statements of PP Chin Hin Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 70.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX II

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD. (CONT'D)**

(Company No.: 334885-H)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

16 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX II**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
PP CHIN HIN SDN. BHD.**

(Company No.: 334885-H)
(Incorporated in Malaysia)

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Report on the Financial Statements

We have audited the financial statements of PP Chin Hin Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 58.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX II (Cont'd)

- 4 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
PP CHIN HIN SDN. BHD. (CONT'D)**


(Company No.: 334885-H)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of the Company on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX II (Cont'd)**

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD.**

(Company No.: 334885-H)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of PP Chin Hin Sdn. Bhd., which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 102.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX II (Cont'd)

- 9 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD. (CONT'D)**

(Company No.: 334885-H)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, as disclosed in Note 7 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)

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APPENDIX II (Cont'd)

- 10 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PP CHIN HIN SDN. BHD. (CONT'D)**

(Company No.: 334885-H)
(Incorporated in Malaysia)

Other Matters

1. The financial statements of the Company for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 June 2013.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

UHY
Firm Number: AF 1411
Chartered Accountants



NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (Cont'd)

334885 - H

Independent Auditors' Report to the members of

PP CHIN HIN SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of PP CHIN HIN SDN. BHD., which comprise the statement of financial position as at **31 December, 2012** of the Group and of the Company and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 45.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and with International Financial Reporting Standards and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO . AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRJ PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (Cont'd)

334885 - H

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December, 2012 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provision of the Act.
- b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

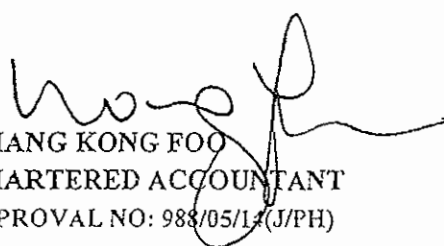
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385
ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my


CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (Cont'd)

334885 - H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

PP CHIN HIN SDN. BHD.
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of PP CHIN HIN SDN. BHD., which comprise the statement of financial position as at 31 December, 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 60.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 08 JUN 2012

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NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX II (Cont'd)

334885 - H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 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, 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.


Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 08 JUN 2012


CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX III**

- 2 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PP CHIN HIN PTE. LTD.****Report on Non-Statutory Financial Statements**

We have audited the accompanying non-statutory financial statements of PP Chin Hin Pte. Ltd. (the "Company") which comprise the balance sheet as at 31 August 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Statutory Financial Statements

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-statutory financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-statutory financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-statutory financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-statutory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-statutory financial statements present fairly, in all material respects, the financial position of the Company as at 31 August 2015 and the financial performance, changes in equity and cash flows of the Company for the period ended on that date in accordance with the Singapore Financial Reporting Standards.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III

- 3 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PP CHIN HIN PTE. LTD.**

Restriction on use

Our report is solely for the use and benefit of the Company and is not to be used, quoted or referred to, in whole or in part, for any other purpose or to be made available to any other party without our prior written consent.



UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore

1st Dec 2015

13. ACCOUNTANTS' REPORT (*Cont'd*)**APPENDIX III**

- 4 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PP CHIN HIN PTE. LTD.****Report on Financial Statements**

We have audited the accompanying financial statements of PP Chin Hin Pte. Ltd. (the "Company") which comprise the balance sheet as at 31 December 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Company for the financial year ended on that date.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III

- 5 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
PP CHIN HIN PTE. LTD.**

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
13 June 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX III**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PP CHIN HIN PTE. LTD.****Report on Non-Statutory Financial Statements**

We have audited the accompanying non-statutory financial statements of PP Chin Hin Pte. Ltd. (the "Company") which comprise the balance sheet as at 31 August 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Statutory Financial Statements

Management is responsible for the preparation and fair presentation of these non-statutory financial statements in accordance with the Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these non-statutory financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-statutory financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the non-statutory financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-statutory financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the non-statutory financial statements present fairly, in all material respects, the state of affairs of the Company as at 31 August 2014 and the results, changes in equity and cash flows of the Company for the period ended on that date in accordance with the Singapore Financial Reporting Standards.

13. ACCOUNTANTS' REPORT (*Cont'd*)

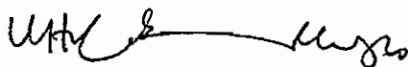
APPENDIX III (*Cont'd*)

- 3 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PP CHIN HIN PTE. LTD.**

Restriction on use

Our report is solely for the use and benefit of the Company and is not to be used, quoted or referred to, in whole or in part, for any other purpose or to be made available to any other party without our prior written consent.



UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
11 December 2014

13. ACCOUNTANTS' REPORT (*Cont'd*)**APPENDIX III (*Cont'd*)**

- 4 -

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PP CHIN HIN PTE. LTD.****Report on Financial Statements**

We have audited the accompanying financial statements of PP Chin Hin Pte. Ltd. (the "Company") which comprise the balance sheet as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Company for the financial period ended on that date.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III (*Cont'd*)

- 5 -

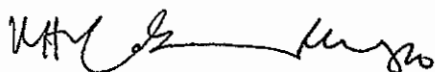
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PP CHIN HIN PTE. LTD.**

Other Matter

The financial statements for the financial year ended 30 April 2013 were audited by another firm of auditors whose report dated 3 October 2013 expressed an unqualified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
26 July 2014

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX III (Cont'd)**

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**Independent Auditors' Report
To the Members of PP Chin Hin Pte Ltd**

Report on the financial statements

We have audited the accompanying financial statements of PP Chin Hin Pte Ltd (the Company), which comprise the statement of financial position as at 30 April 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes information, as set out on pages 6 to 25.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III (*Cont'd*)



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2013 and the results, changes in equity and the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Zhen Public Accounting Firm
Public Accountants and
Chartered Accountants

Singapore

Date : 3 October 2013

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX III (Cont'd)

ZHEN PUBLIC ACCOUNTING FIRM
Certified Public Accountant (Firm No.:T10PF0021H)

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師

**Independent Auditors' Report
To the Members of PP Chin Hin Pte Ltd**

Report on the financial statements

We have audited the accompanying financial statements of PP Chin Hin Pte Ltd (the Company), which comprise the statement of financial position as at 30 April 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes information, as set out on pages 6 to 22.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III (*Cont'd*)

ZHEN PUBLIC ACCOUNTING FIRM
Certified Public Accountant (Firm No.: T10PF0021H)

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Qualified Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2012 and the results, changes in equity and the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Zhen Public Acc Firm

Zhen Public Accounting Firm
Public Accountants and
Certified Public Accountants

Singapore

Date : 12 October 2012

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX III (Cont'd)**

ZHEN PUBLIC ACCOUNTING FIRM
 Certified Public Accountant (Firm No.: T10PFD021H)

正會計公司
 特許會計師

Independent Auditors' Report
 To the Members of PP Chin Hin Pte Ltd

Report on the financial statements

We have audited the accompanying financial statements of PP Chin Hin Pte Ltd (the Company), which comprise the statement of financial position as at 30 April 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes information, as set out on pages 6 to 24.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and the Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX III (*Cont'd*)



正會計公司
特許會計師

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Except for the effects of such adjustments, if any, as might have been determined to be necessary had we not been able to satisfy ourselves as to the opening balances that may materially affect the current period's financial statements.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 April 2011 and the results, changes in equity and the cash flows of the Company for the year ended on that date.

Other Matters

The comparative figures of the financial statement for the year ended 30 April 2010 was not audited as the Company is exempted from statutory audit under Singapore Companies Act, Chapter 50, Section 205(B).

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Zhen Public Acc Firm

Zhen Public Accounting Firm
Public Accountants and
Certified Public Accountants

Singapore

Date : 15 OCT 2011

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX IV



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF C & H TRANSPORT SDN. BHD.

(Company No.: 808916-H)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of C & H Transport Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 42.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX IV

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD. (CONT'D)**

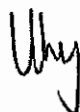
(Company No.: 808916-H)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD.**

(Company No.: 808916-H)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of C & H Transport Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 40.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD. (CONT'D)**

(Company No.: 808916-H)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD.**

(Company No.: 808916-H)
(Incorporated in Malaysia)

Report on the Financial Statements

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
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Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

We have audited the financial statements of C & H Transport Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 34.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX IV

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD. (CONT'D)**


(Company No.: 808916-H)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.



UHY
Firm Number: AF 1411
Chartered Accountants



CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD.**

(Company No.: 808916-H)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of C & H Transport Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 39.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IV**

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD. (CONT'D)**

(Company No.: 808916-H)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As disclosed in Note 2(a) to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 January 2013 with a transition date of 1 January 2012. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2012 and 1 January 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 December 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2013 do not contain misstatements that materially affect the financial position as of 31 December 2013 and financial performance and cash flows for the financial year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

UHY

APPENDIX IV

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD. (CONT'D)**

(Company No.: 808916-H)
(Incorporated in Malaysia)

Other Matters (Cont'd)

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
3. The financial statements of C&H Transport Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 22 May 2013.

UHY

UHY

Firm Number: AF 1411
Chartered Accountants



NG WEE TEIK

Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR

13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

808916 H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
C & H TRANSPORT SDN. BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **C & H TRANSPORT SDN. BHD.**, which comprise the balance sheet as at December 31, 2012, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO
808916 H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

C & H TRANSPORT SDN. BHD. (cont')
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2012 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS

PENANG : 22 MAY 2013



LAI WOOI HEAN
APPROVAL NO : 1961/08/14(J)
PARTNER

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO
808916 H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

C & H TRANSPORT SDN. BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **C & H TRANSPORT SDN. BHD.**, which comprise the balance sheet as at December 31, 2011, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO., (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287496 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

808916 H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

C & H TRANSPORT SDN. BHD. (cont')
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2011 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS



LAI WOIH HEAN
APPROVAL NO : 1961/08/12(J)
PARTNER

PENANG : - 9 MAY 2012

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX V



- 2 -

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHIN HIN CONCRETE HOLDINGS SDN. BHD.

(Company No.: 969862-P)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete Holdings Sdn. Bhd., which comprise statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 36.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX V



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD. (CONT'D)**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY

A handwritten signature in black ink, appearing to be 'Uhy' or similar, written over the printed 'UHY' text.

Firm Number: AF 1411
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Chan Jee Peng' or similar, written over the printed name.

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX V**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD.**

(Company No.: 969862-P)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete Holdings Sdn. Bhd., which comprise statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 41.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD. (CONT'D)**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and 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, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX V**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD.**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete Holdings Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period ended 31 August 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 34.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD. (CONT'D)**

(Company No.: 969862-P)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.



UHY

Firm Number: AF 1411

Chartered Accountants



CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX V (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD.**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete Holdings Sdn. Bhd., which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 81.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX V (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD. (CONT'D)**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of all the subsidiary companies of which we have not acted as auditors, as disclosed in Note 6 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE HOLDINGS SDN. BHD. (CONT'D)**

(Company No.: 969862-P)
(Incorporated in Malaysia)

Other Matters

1. The financial statements of the Company for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 12 May 2013.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A smaller version of the UHY logo, consisting of the letters 'UHY' in a stylized font.

UHY
Firm Number: AF 1411
Chartered Accountants

A handwritten signature in black ink, appearing to read 'NG WEE TEIK'. The signature is fluid and stylized, with a long horizontal stroke extending to the right.

NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (Cont'd)

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Independent Auditors' Report to the Members of
CHIN HIN CONCRETE HOLDINGS SDN. BHD.
(Formerly known as **CHIN HIN MIX HOLDINGS SDN. BHD.**)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **Chin Hin Concrete Holdings Sdn. Bhd.** (Formerly known as **Chin Hin Mix Holdings Sdn. Bhd.**) which comprise the statement of financial position as at 31 December, 2012 of the Group and of the Company and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the period from 29 November, 2011 (Date of Incorporation) to 31 December, 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 34.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS

FIRM NO. AF 0385

ALOR SETAR

DATE: 12 MAY 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my

9.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX V (Cont'd)

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December, 2012 and of its financial performance and cash flows for the period from 29 November, 2011 (Date of Incorporation) to 31 December, 2012.

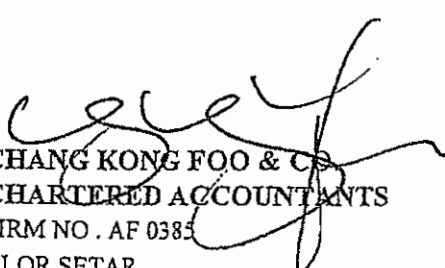
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provision of the Act.
- b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

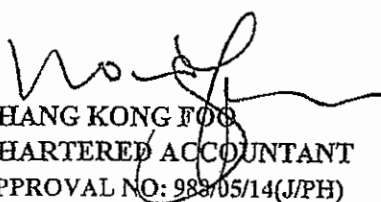

CHANG KONG FOO & CO
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 12 MAY 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfeo@cas.net.my


CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VI**

- 2 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD.**

(Company No.: 818159-D)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (KL) Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 48.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI



- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD. (CONT'D)**

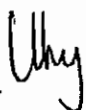
(Company No.: 818159-D)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VI**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD.**

(Company No.: 818159-D)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (KL) Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 53.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX VI



- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE (KL) SDN. BHD. (CONT'D)**

(Company No.: 818159-D)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and 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, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI



- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN CONCRETE (KL) SDN. BHD.**

(Company No.: 818159-D)
(Incorporated in Malaysia)

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Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (KL) Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 47.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)



- 4 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN CONCRETE (KL) SDN. BHD. (CONT'D)**

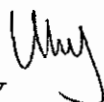
(Company No.: 818159-D)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VI (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD.**

(Company No.: 818159-D)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (KL) Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 52.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VI (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD. (CONT'D)**

(Company No.: 818159-D)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As disclosed in Note 2 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 January 2013 with a transition date of 1 January 2012. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2012 and 1 January 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 December 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2013 do not contain misstatements that materially affect the financial position as of 31 December 2013 and financial performance and cash flows for the financial year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (KL) SDN. BHD. (CONT'D)**

(Company No.: 818159-D)

(Incorporated in Malaysia)

Other Matters (Cont'd)

2. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
3. The financial statements of Chin Hin Concrete (KL) Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 June 2013.

A smaller version of the UHY logo, consisting of the letters 'UHY' in a stylized font.

UHY

Firm Number: AF 1411

Chartered Accountants

A handwritten signature in black ink, appearing to read 'NG WEE TEIK'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

NG WEE TEIK

Approved Number: 1817/12/14 (J)

Chartered Accountant

KUALA LUMPUR

13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

818159

D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHIN HIN CONCRETE (KL) SDN. BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **CHIN HIN CONCRETE (KL) SDN. BHD.**, which comprise the balance sheet as at December 31, 2012, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

818159 D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHIN HIN CONCRETE (KL) SDN. BHD. (Cont'd)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2012 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS



LAI WOOI HEAN
APPROVAL NO : 1961/08/14(J)
PARTNER

PENANG: 04 JUN 2013

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)

賴光輝會計師樓

LAI KWANG HOOI & CO., (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495, 2292993
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Email Add : lkhcompany@gmail.com

COMPANY NO

818159

D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHIN HIN CONCRETE (KL) SDN. BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **CHIN HIN CONCRETE (KL) SDN. BHD.**, which comprise the balance sheet as at December 31, 2011, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VI (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO., (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

818159

D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHIN HIN CONCRETE (KL) SDN. BHD. (Cont'd)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2011 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS



LAI WOON HEAN
APPROVAL NO : 1961/08/12(J)
PARTNER

PENANG: 03 JUN 2012

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (NORTH) SDN. BHD.**

(Company No.: 803784-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (North) Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 47.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CHIN HIN CONCRETE (NORTH) SDN. BHD. (CONT'D)**


(Company No.: 803784-W)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VII**

- 7 -

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 Web www.uhy.com.my

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
 CHIN HIN CONCRETE (NORTH) SDN. BHD.**

(Company No.: 803784-W)
 (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (North) Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 52.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE (NORTH) SDN. BHD. (CONT'D)**

(Company No.: 803784-W)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of their financial performance and 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, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX VII



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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF CHIN HIN CONCRETE (NORTH) SDN. BHD.

(Company No.: 803784-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (North) Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period ended 31 August 2014, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 46.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
CHIN HIN CONCRETE (NORTH) SDN. BHD. (CONT'D)**


(Company No.: 803784-W)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VII (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE (NORTH) SDN. BHD.**

(Company No.: 803784-W)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Chin Hin Concrete (North) Sdn. Bhd., which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of 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 a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 70.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (*Cont'd*)

APPENDIX VII (*Cont'd*)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE (NORTH) SDN. BHD. (CONT'D)**

(Company No.: 803784-W)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2013 and of their financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the accounts and the auditors' reports of the subsidiary company of which we have not acted as auditors, as disclosed in Note 5 to the financial statements.
- (c) We are satisfied that the accounts of the subsidiary company that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the accounts of the subsidiary company did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHIN HIN CONCRETE (NORTH) SDN. BHD. (CONT'D)**

(Company No.: 803784-W)
(Incorporated in Malaysia)

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 June 2013.
2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY

UHY
Firm Number: AF 1411
Chartered Accountants

A handwritten signature in black ink, appearing to read 'NG WEE TEIK'.

NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)

803784 - W

Independent Auditors' Report to the Members of
CHIN HIN CONCRETE (NORTH) SDN. BHD.
(Formerly known as LV MIX SDN. BHD.; CHIN HIN MIX SDN. BHD.)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **Chin Hin Concrete (North) Sdn. Bhd. (Formerly known as LV Mix Sdn. Bhd.; Chin Hin Mix Sdn. Bhd.)** which comprise the statement of financial position as at 31 December, 2012 of the Group and of the Company and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and of the Company for the year ended 31 December, 2012, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 33.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement; whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR
DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)

803784 - W

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December, 2012** and of its financial performance and cash flows for the year then ended.

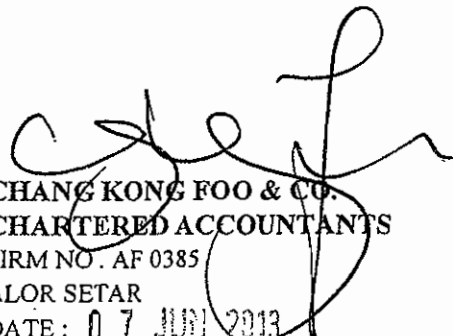
Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) In our opinion the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provision of the Act.
- b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) The audit reports on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

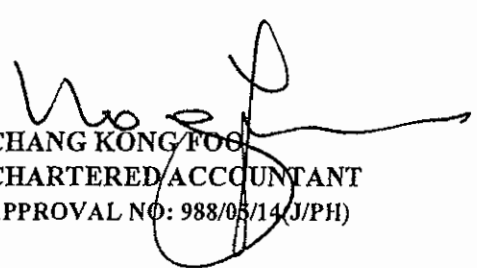


CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385
ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)

803784 - W

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CHIN HIN CONCRETE (NORTH) SDN. BHD.

(Formerly known as LV MIX SDN. BHD.; CHIN HIN MIX SDN. BHD.)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **CHIN HIN CONCRETE (NORTH) SDN. BHD. (Formerly known as LV MIX SDN. BHD.; CHIN HIN MIX SDN. BHD.)**, which comprise the balance sheet as at **31 DECEMBER, 2011** of the Group and of the Company and the income statement, statement of changes in equity and cash flow statement of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 27.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.

CHARTERED ACCOUNTANTS

FIRM NO. AF 0385

ALOR SETAR

DATE: 08 JUN 2012

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VII (Cont'd)

803784 - W

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 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, 2011** and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary have been properly kept in accordance with the provision of the Act.
- b) We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section. 174(3) of the Act.

Other Matters

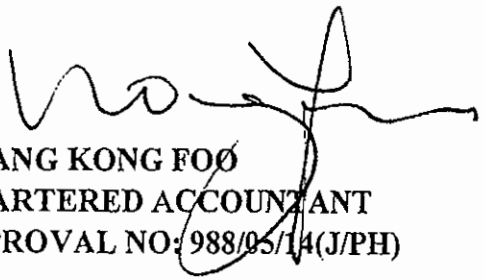
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 08 JUN 2012



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
STARKEN AAC SDN. BHD.**

(Company No.: 752003-D)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Starken AAC Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 50.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX VIII

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
STARKEN AAC SDN. BHD. (CONT'D)**


(Company No.: 752003-D)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
STARKEN AAC SDN. BHD.**

(Company No.: 752003-D)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Starken AAC Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 53.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX VIII

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
STARKEN AAC SDN. BHD. (CONT'D)**

(Company No.: 752003-D)
(Incorporated in Malaysia)

Opinion

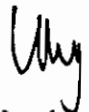
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
STARKEN AAC SDN. BHD.**

(Company No.: 752003-D)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Starken AAC Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 45.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX VIII (Cont'd)

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
STARKEN AAC SDN. BHD. (CONT'D)**

(Company No.: 752003-D)

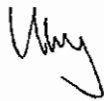
(Incorporated in Malaysia)

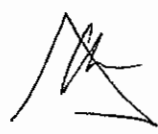
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII (Cont'd)**

- 7 -

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF STARKEN AAC SDN. BHD.

(Company No.: 752003-D)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhyki@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Starken AAC Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 50.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII (Cont'd)**

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
STARKEN AAC SDN. BHD. (CONT'D)**

(Company No.: 752003-D)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of Starken AAC Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another firm of chartered accountant in which the auditors expressed an unmodified opinion on the financial statements dated 7 June 2013.

UHY

Firm Number: AF 1411

Chartered Accountants

NG WEE TEIK

Approved Number: 1817/12/14 (J)

Chartered Accountant

KUALA LUMPUR

13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VIII (Cont'd)

752003 - D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

STARKEN AAC SDN. BHD.

(Formerly known as CHIN HIN INDUSTRIES SDN. BHD.,

CHIN HIN CEMENT BRICK SDN. BHD.)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Starken AAC Sdn. Bhd. (Formerly known as Chin Hin Industries Sdn. Bhd., Chin Hin Cement Brick Sdn. Bhd.), which comprise the statement of financial position as at 31 December, 2012 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 23.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANT
FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

4

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII (Cont'd)**

752003 - D

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at **31 December, 2012** and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

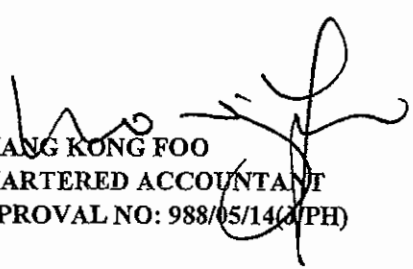
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO
CHARTERED ACCOUNTANT
FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(PH)

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR,
KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX VIII (Cont'd)**

752003 - D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**STARKEN AAC SDN. BHD.****(Formerly known as CHIN HIN INDUSTRIES SDN. BHD.,****CHIN HIN CEMENT BRICK SDN. BHD.)****(Incorporated in Malaysia)****Report on the Financial Statements**

We have audited the financial statements of **STARKEN AAC SDN. BHD. (Formerly known as CHIN HIN INDUSTRIES SDN. BHD., CHIN HIN CEMENT BRICK SDN. BHD.)**, which comprise the balance sheet as at **30 APRIL, 2011** and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.**CHARTERED ACCOUNTANTS**

FIRM NO. AF 0385

ALOR SETAR

DATE: 05 OCT 2011

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@streamyx.com

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX VIII (Cont'd)

752003 - D

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 30 APRIL, 2011 and of its financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters


This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 05 OCT 2011



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/12(J/PH)

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARULAMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@streamyx.com

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
G-CAST CONCRETE SDN. BHD.**

(Company No.: 971228-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of G-Cast Concrete Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 47.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX IX

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
G-CAST CONCRETE SDN. BHD. (CONT'D)**


(Company No.: 971228-X)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY 
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
G-CAST CONCRETE SDN. BHD.**

(Company No.: 971228-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of G-Cast Concrete Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 48.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX**

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
G-CAST CONCRETE SDN. BHD. (CONT'D)**

(Company No.: 971228-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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

CHAN JEE PENG

Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
G-CAST CONCRETE SDN. BHD.**

(Company No.: 971228-X)
(Incorporated in Malaysia)

Report on the Financial Statements

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
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59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

We have audited the financial statements of G-Cast Concrete Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 42.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX IX (Cont'd)

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
G-CAST CONCRETE SDN. BHD. (CONT'D)**


(Company No.: 971228-X)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
G-CAST CONCRETE SDN. BHD.**

(Company No.: 971228-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of G-Cast Concrete Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 46.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

UHY (AF1411)
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13. ACCOUNTANTS' REPORT (Cont'd)

UHY

APPENDIX IX (Cont'd)

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
G-CAST CONCRETE SDN. BHD. (CONT'D)**

(Company No.: 971228-X)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

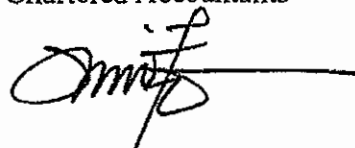
1. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of G-Cast Concrete Sdn. Bhd. for the financial period ended 31 December 2012 were audited by another firm of chartered accountant in which the auditors expressed an unmodified opinion on the financial statements dated 20 May 2013.

UHY

UHY

Firm Number: AF 1411

Chartered Accountants



NG WEE TEIK

Approved Number: 1817/12/14 (J)

Chartered Accountant

KUALA LUMPUR

13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX IX (Cont'd)**

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**G-CAST CONCRETE SDN. BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **G-Cast Concrete Sdn. Bhd.** which comprise the statement of financial position as at **31 December, 2012** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from **11 December, 2011 (Date of Incorporation)** to **31 December, 2012**, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 26.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANT
 FIRM NO. AF 0385

ALOR SETAR

DATE: 20 MAY 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR,
 KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX IX (Cont'd)

971228 - X

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December, 2012 and of its financial performance and cash flows for the period from 11 December, 2011 (Date of Incorporation) to 31 December, 2012.

Report on Other Legal and Regulatory Requirements


In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO.
CHARTERED ACCOUNTANT
FIRM NO. AF 0385



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

ALOR SETAR

DATE: 20 MAY 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX X**

- 2 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD.**

(Company No.: 1008610-A)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Green Cement Sdn. Bhd., which comprise statement of financial position as at 31 August 2015 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 20.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX X

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD. (CONT'D)**

(Company No.: 1008610-A)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411

Chartered Accountants

A handwritten signature in black ink, appearing to be 'Chan Jee Peng'.

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX X**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD.**

(Company No.: 1008610-A)

(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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 Mid Valley City
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Phone +60 3 2279 3088
 Fax +60 3 2279 3099
 Email uhykl@uhy.com.my
 Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Green Cement Sdn. Bhd., which comprise statement of financial position as at 31 December 2014 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX X

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD. (CONT'D)**

(Company No.: 1008610-A)
(Incorporated in Malaysia)

Opinion

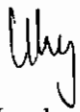
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX X**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
GREEN CEMENT SDN. BHD.**

(Company No.: 1008610-A)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
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Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Green Cement Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 21.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX X (Cont'd)

- 4 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
GREEN CEMENT SDN. BHD. (CONT'D)**

(Company No.: 1008610-A)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411

Chartered Accountants

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX X (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD.**

(Company No.: 1008610-A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Green Cement Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
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Phone +60 3 2279 3088
Fax +60 3 2279 3099
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13. ACCOUNTANTS' REPORT (Cont'd)

UHY

APPENDIX X (Cont'd)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD. (CONT'D)**

(Company No.: 1008610-A)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

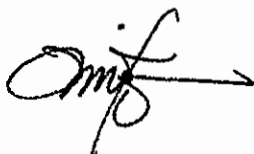
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of Green Cement Sdn. Bhd. for the financial period ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 June 2013.

UHY

UHY
Firm Number: AF 1411
Chartered Accountants



NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX X (Cont'd)

1008610 - A

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
GREEN CEMENT SDN. BHD.
(Incorporated in Malaysia)**

Report on the Financial Statements

We have audited the financial statements of Green Cement Sdn. Bhd., which comprise the statement of financial position as at 31 December, 2012 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 7 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX X (Cont'd)

1008610 - A

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December, 2012 and of its financial performance and cash flows for the period from 4 July, 2012 (Date of Incorporation) to 31 December, 2012.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.




CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XI**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD.**

(Company No.: 916505-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Pintar Sinar Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 31.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX XI

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD. (CONT'D)**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY

Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XI**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD.**

(Company No.: 916505-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Pintar Sinar Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 35.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine to be necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**UHY****APPENDIX XI**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD. (CONT'D)**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of their financial performance and 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, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XI**

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
PINTAR SINAR SDN. BHD.**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Pintar Sinar Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 29.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX XI (Cont'd)

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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
PINTAR SINAR SDN. BHD. (CONT'D)**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX XI (Cont'd)

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD.**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Pintar Sinar Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 34.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

UHY (AF1411)
Chartered Accountants
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13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XI (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
PINTAR SINAR SDN. BHD. (CONT'D)**

(Company No.: 916505-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of Pintar Sinar Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 June 2013.

UHY

Firm Number: AF 1411

Chartered Accountants

NG WEE TEIK

Approved Number: 1817/12/14 (J)

Chartered Accountant

KUALA LUMPUR

13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XI (Cont'd)

BJ CHAN & CO.

Chartered Accountants

Firm No. AF 001851

38, Lorong 11/1A,
Taman Bandar Baru,
08000 Sungai Petani, Kedah.
Tel : 04 - 4413362 Fax : 04 - 4410894
Email : bjchan1@gmail.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINTAR SINAR SDN. BHD. (916505-X)**

Report on the Financial Statements

We have audited the financial statements of Pintar Sinar Sdn. Bhd.(916505-X), which comprise the balance sheet as at 31 December 2012, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 26.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that gives a true and fair view in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XI (Cont'd)

BJ CHAN & CO.

Chartered Accountants
Firm No. AF 001851

38, Lorong 11/1A,
Taman Bandar Baru,
08000 Sungai Petani, Kedah.
Tel : 04 - 4413362 Fax : 04 - 4410894
Email : bjchan1@gmail.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINTAR SINAR SDN. BHD. (916505-X)**

Continue

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2012 and of its financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

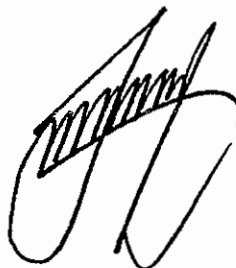
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BJ Chan & Co.
Firm No. AF 001851
Chartered Accountants



Chan Boon Jiunn
Approval No : 2727/06/14(J)
Chartered Accountant

Dated: 5 June 2013

Sungai Petani

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XI (Cont'd)****BJ CHAN & CO.**Chartered Accountants
Firm No. AF 00185136, Tingkat 1, Lorong 11/1A,
Taman Bandar Baru,
08000 Sungai Petani, Kedah.
Tel : 04 - 4422350 Fax : 04 - 4422351
Email : bjchan1@gmail.com**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINTAR SINAR SDN. BHD. (916505-X)****Report on the Financial Statements**

We have audited the financial statements of Pintar Sinar Sdn. Bhd. (916505-X), which comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in equity and cash flow statement for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 16.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2011 and of its financial performance and cash flows for the financial period then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XI (Cont'd)

BJ CHAN & CO.

Chartered Accountants
Firm No. AF 001851

36, Tingkat 1, Lorong 11/1A,
Taman Bandar Baru,
08000 Sungai Petani, Kedah.
Tel : 04 - 4422350 Fax : 04 - 4422351
Email : bjchan1@gmail.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PINTAR SINAR SDN. BHD. (916505-X)**

Continue

Report on Other Legal and Regulatory Requirements

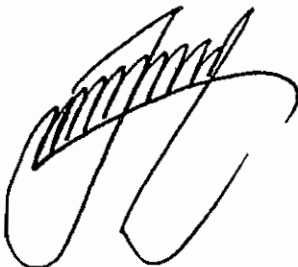
In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BJ Chan & Co.
Firm No. AF 001851
Chartered Accountants



Chan Boon Jiunn
Approval No : 2727/06/12(J)
Chartered Accountant

Dated: 1 March 2012

Sungai Petani

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METEX STEEL SDN. BHD.**

(Company No.: 957930-X)
(Incorporated in Malaysia)

UHY (AFI411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metex Steel Sdn. Bhd., which comprise statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 53.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX XII

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METEX STEEL SDN. BHD. (CONT'D)**

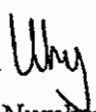
(Company No.: 957930-X)
(Incorporated in Malaysia)

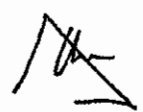
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY 
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METEX STEEL SDN. BHD.**

(Company No.: 957930-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metex Steel Sdn. Bhd., which comprise statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 57.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)



APPENDIX XII

- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METEX STEEL SDN. BHD. (CONT'D)**

(Company No.: 957930-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and 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 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 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

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
METEX STEEL SDN. BHD.**

(Company No.: 957930-X)

(Incorporated in Malaysia)

UHY (AF1411)

Chartered Accountants

Suite 11.05, Level 11

The Gardens South Tower

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Lingkaran Syed Putra

59200 Kuala Lumpur

Phone +60 3 2279 3088

Fax +60 3 2279 3099

Email uhykl@uhy.com.my

Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metex Steel Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 47.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis of our audit opinion.



- 4 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
METEX STEEL SDN. BHD. (CONT'D)**

(Company No.: 957930-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY
Firm Number: AF 1411
Chartered Accountants

A handwritten signature in black ink, appearing to be 'Chan Jee Peng'.

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
METEX STEEL SDN. BHD.**

(Company No.: 957930-X)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metex Steel Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 52.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XII (Cont'd)



- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
METEX STEEL SDN. BHD. (CONT'D)**

(Company No.: 957930-X)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of Metex Steel Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 June 2013.

UHY

UHY
Firm Number: AF 1411
Chartered Accountants

NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XII (Cont'd)

957930 - X

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

METEX STEEL SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **Metex Steel Sdn. Bhd.** which comprise the statement of financial position as at **31 December, 2012** and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended **31 December, 2012**, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 30.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.

CHARTERED ACCOUNTANTS

FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII (Cont'd)**

957930 - X

Opinion


In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December, 2012 and of its financial performance and cash flows for the year ended 31 December, 2012.

Report on Other Legal and Regulatory Requirements

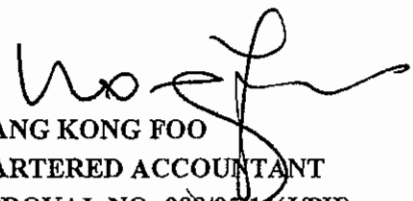
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR,
KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804

Fax: 04-7318501

E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XII (Cont'd)

957930-X

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
METEX STEEL SDN. BHD.
(Incorporated in Malaysia)**

Report on the Financial Statements

We have audited the financial statements of Metex Steel Sdn. Bhd., which comprise the statement of financial position as at **31 December, 2011** and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE : 08 JUN 2012

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XII (Cont'd)**

957930-X

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**Opinion**

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at **31 December, 2011** and of its financial performance and cash flows for the period from **22 August, 2011 (Date of incorporation)** to **31 December, 2011**.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

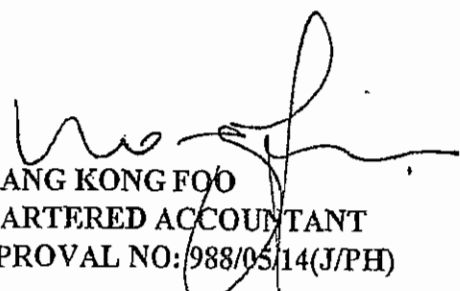
This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 08 JUN 2012



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

NO. 1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.
Tel: 04-7312804, 7322999, 7335546 Fax: 04-7342835 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIII**

- 2 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD.**

(Company No.: 1009789-M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Comet Steel Sdn. Bhd., which comprise statement of financial position as at 31 August 2015 of the Company, and the statement of profit of loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 21.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgements, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII



- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD. (CONT'D)**


(Company No.: 1009789-M)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
5 JAN 2016



- 7 -

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMET STEEL SDN. BHD.

(Company No.: 1009789-M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Comet Steel Sdn. Bhd., which comprise statement of financial position as at 31 December 2014 of the Company, and the statement of profit of loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgements, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII



- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD. (CONT'D)**

(Company No.: 1009789-M)
(Incorporated in Malaysia)

Opinion

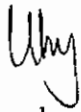
In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIII**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
COMET STEEL SDN. BHD.**

(Company No.: 1009789-M)
(Incorporated in Malaysia)

Report on the Financial Statements

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

We have audited the financial statements of Comet Steel Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 21.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgments, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII (Cont'd)



- 4 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
COMET STEEL SDN. BHD. (CONT'D)**

(Company No.: 1009789-M)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.



UHY

Firm Number: AF 1411

Chartered Accountants



CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIII (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD.**

(Company No.: 1009789-M)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Comet Steel Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 25.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

UHY (AF1411)
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Web www.uhy.com.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII (Cont'd)



- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD. (CONT'D)**

(Company No.: 1009789-M)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of Comet Steel Sdn. Bhd. for the financial period ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 7 June 2013.

UHY

Firm Number: AF 1411

Chartered Accountants

NG WEE TEIK

Approved Number: 1817/12/14 (J)

Chartered Accountant

KUALA LUMPUR

13 JUN 2014

A member of UHY International, a network of independent accounting and consulting firms

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII (Cont'd)

1009789 - M

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
COMET STEEL SDN. BHD.
(Incorporated in Malaysia)**

Report on the Financial Statements

We have audited the financial statements of Comet Steel Sdn. Bhd., which comprise the statement of financial position as at 31 December, 2012 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 18.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and with International Financial Reporting Standards, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved Standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR,
KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIII (Cont'd)

1009789 - M

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia and with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December, 2012 and of its financial performance and cash flows for the period from 12 July, 2012 (Date of Incorporation) to 31 December, 2012.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provision of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.




CHANG KONG FOO & CO.
CHARTERED ACCOUNTANTS
FIRM NO. AF 0385

ALOR SETAR

DATE: 07 JUN 2013

NO.1010, FIRST FLOOR, KOMPLEKS SRI PUTRA, SEBERANG JALAN PUTRA, 05150 ALOR SETAR, KEDAH DARUL AMAN.

Tel: 04-7311109, 7312804 Fax: 04-7318501 E-mail: ckfco@cas.net.my



CHANG KONG FOO
CHARTERED ACCOUNTANT
APPROVAL NO: 988/05/14(J/PH)

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD.**
(Company No.: 642802 -M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Ace Logistic Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 39.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV



- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD. (CONT'D)**


(Company No.: 642802-M)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of their financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matter

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

UHY 
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD.**

(Company No.: 642802 -M)
(Incorporated in Malaysia)

UHY (AF1411)
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Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Ace Logistic Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 41.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV



- 8 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD. (CONT'D)**

(Company No.: 642802-M)
(Incorporated in Malaysia)

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of their financial performance and 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, 1965 in Malaysia.


Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 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


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV**

- 3 -

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
ACE LOGISTIC SDN. BHD.**

(Company No.: 642802-M)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Ace Logistic Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 36.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
ACE LOGISTIC SDN. BHD. (CONT'D)**

(Company No.: 642802-M)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY

Firm Number: AF 1411

Chartered Accountants

A handwritten signature in black ink, appearing to be 'Chan Jee Peng'.

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

13 JAN 2015

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV (Cont'd)**

- 7 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD.**

(Company No.: 642802-M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
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Report on the Financial Statements

We have audited the financial statements of Ace Logistic Sdn. Bhd., which comprise the statement of financial position as at 31 December 2013 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 41.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements 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, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV (Cont'd)**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD. (CONT'D)**

(Company No.: 642802-M)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and 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, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

1. As stated in Note 2(a) to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 January 2013 with a transition date of 1 January 2012. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2012 and 1 January 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2012 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the financial year ended 31 December 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2013 do not contain misstatements that materially affect the financial position as of 31 December 2013 and financial performance and cash flows for the financial year then ended.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ACE LOGISTIC SDN. BHD. (CONT'D)**

(Company No.: 642802-M)
(Incorporated in Malaysia)

Other Matters (Cont'd)

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
3. The financial statements of Ace Logistic Sdn. Bhd. for the financial year ended 31 December 2012 were audited by another auditor who expressed an unmodified opinion on those financial statements on 5 June 2013.

UHY

UHY
Firm Number: AF 1411
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Ng Wee Teik', is written over the printed name.

NG WEE TEIK
Approved Number: 1817/12/14 (J)
Chartered Accountant

KUALA LUMPUR
13 JUN 2014

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XIV (Cont'd)**

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
 Tel : 04-2287495 , 2292993
 Fax : 04-2296939
 Email Add : lkhcompany@gmail.com

COMPANY NO

642802	M
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**ACE LOGISTIC SDN. BHD.**

(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **ACE LOGISTIC SDN. BHD.**, which comprise the balance sheet as at December 31, 2012, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

642802

M

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ACE LOGISTIC SDN. BHD. (cont')
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2012 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS



LAI WOON HEAN
APPROVAL NO : 1961/08/14(J)
PARTNER

PENANG : 05 JUN 2013

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)

CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

642802	M
--------	---

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ACE LOGISTIC SDN. BHD.
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **ACE LOGISTIC SDN. BHD.**, which comprise the balance sheet as at December 31, 2011, and the income statement, changes in equity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes thereon.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XIV (Cont'd)

賴 光 輝 會 計 師 樓

LAI KWANG HOOI & CO. (AF-0645)
CHARTERED ACCOUNTANTS

65 IRVING ROAD, 10400 PENANG.
Tel : 04-2287495 , 2292993
Fax : 04-2296939
Email Add : lkhcompany@gmail.com

COMPANY NO

642802 M

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ACE LOGISTIC SDN. BHD. (cont')
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of December 31, 2011 and of its financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

OTHER MATTERS

This report is solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



LAI KWANG HOOI & CO.
FIRM NO : AF-0645
CHARTERED ACCOUNTANTS



LAI WOOK HEAN
APPROVAL NO : 1961/08/12(J)
PARTNER

PENANG : - 5 JUN 2012

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XV**

- 2 -

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METAL SPHERE SDN. BHD.**

(Company No.: 1082934 -M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metal Sphere Sdn. Bhd., which comprise the statement of financial position as at 31 August 2015 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 42.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XV



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METAL SPHERE SDN. BHD. (CONT'D)**

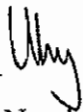
(Company No.: 1082934-A)
(Incorporated in Malaysia)


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2015 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of Chin Hin Group Berhad on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.


UHY
Firm Number: AF 1411
Chartered Accountants


CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

5 JAN 2016

13. ACCOUNTANTS' REPORT (Cont'd)**APPENDIX XV**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METAL SPHERE SDN. BHD.**

(Company No.: 1082934 -M)
(Incorporated in Malaysia)

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
Fax +60 3 2279 3099
Email uhykl@uhy.com.my
Web www.uhy.com.my

Report on the Financial Statements

We have audited the financial statements of Metal Sphere Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 26.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XV



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
METAL SPHERE SDN. BHD. (CONT'D)**

(Company No.: 1082934-A)
(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 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

A handwritten signature in black ink, appearing to be 'Chan Jee Peng'.

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR

8 JUN 2015



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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF METAL SPHERE SDN. BHD.

(Company No.: 1082934-A)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Metal Sphere Sdn. Bhd., which comprise the statement of financial position as at 31 August 2014 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 20.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgments, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we obtained is sufficient and appropriate to provide the basis of our audit opinion.

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
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13. ACCOUNTANTS' REPORT (Cont'd)

APPENDIX XV (Cont'd)



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**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
METAL SPHERE SDN. BHD. (CONT'D)**

(Company No.: 1082934-A)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 August 2014 and of its financial performance and cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Matters

This report is made solely for the proposed listing exercise of PP Chin Hin Sdn. Bhd. on the Main Market of Bursa Malaysia Securities Berhad, and accordingly, we do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to be 'UHY'.

UHY

Firm Number: AF 1411

Chartered Accountants

A handwritten signature in black ink, appearing to be 'CHAN JEE PENG'.

CHAN JEE PENG

Approved Number: 3068/08/16 (J)

Chartered Accountant

KUALA LUMPUR

13 JAN 2015

14. DIRECTORS' REPORT



Integrated Builders Conglomerate

Registered Office:-

Suite 10.03, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Chin Hin Group Berhad (1097507-W)

Wisma Chin Hin, No. A-1-9,
Pusat Perdagangan Kuchai,
No. 2, Jalan 1/127, Off Jalan Kuchai Lama,
58200 Kuala Lumpur, Malaysia.

T: +603-7981 7878 F: +603-7981 7575
www.chinhingroup.com

Date: 03 FEB 2016

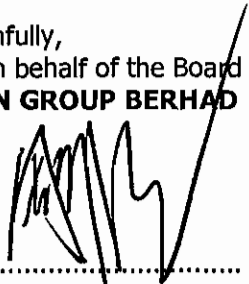
The Shareholders of Chin Hin Group Berhad

Dear Sir/Madam,

On behalf of the Board of Directors of Chin Hin Group Berhad ("Chin Hin" or the "Company"), I report after due inquiry that during the period from 31 August 2015 (being the date to which the last audited financial statements of the Company's subsidiary companies have been made up) to the date hereof (being a date not earlier than fourteen (14) days before the issue of this Prospectus), that:-

- (a) the business of the Company and its subsidiary companies, in the opinion of the Directors, has been satisfactorily maintained;
- (b) In the opinion of the Directors, no circumstances have arisen since the last audited financial statements of the Company and its subsidiary companies which have adversely affected the trading or the value of the assets of the Company or any of its subsidiaries;
- (c) the current assets of the Company and its subsidiary companies that appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) no contingent liabilities have risen by reason of any guarantees or indemnities given by the Company or any of its subsidiaries;
- (e) there has been no default or any known event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings in which the Directors are aware of, since the last audited financial statements of the Company and its subsidiary companies; and
- (f) there have been no material changes in the published reserves or any unusual factors affecting the profits of the Company and its subsidiary companies since the last audited financial statements of the Company subsidiary companies.

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


.....
DATUK CHIAU BENG TEIK
Deputy Group Executive Chairman

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

- (a) We will not issue or allot any Shares on the basis of this Prospectus later than twelve (12) months after the date of this Prospectus.
- (b) As at the date of this Prospectus, we only have one (1) class of shares, namely, ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (c) Save for 6,400,000 Issue Shares under the Pink Form Allocations as disclosed in Section 3.4.1(b) of this Prospectus:-
 - (i) no Directors or employees our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (d) Save as disclosed in Sections 5.2 and 5.4 of this Prospectus, no shares of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past two (2) years immediately preceding the date of this Prospectus.
- (e) Other than the Public Issue and Offer for Sale as disclosed in Section 3.4.1 and Section 3.4.2 of this Prospectus, respectively, there is no intention on the part of our Directors to issue any part of the authorised but unissued share capital of our Company.
- (f) As at the date of this Prospectus, we do not have any outstanding convertible debt securities.

15.2 MEMORANDUM AND ARTICLES

The following provisions are extracted from our Company's Memorandum and Articles, and are qualified in its entirety by the remainder of the provisions of our Company's Memorandum and Articles and the applicable law.

The terms defined in our Memorandum and Articles shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

(1) Remuneration of Directors

The provisions in our Memorandum and Articles dealing with remuneration of Directors are as follows:-

Article 81 – Directors' fee

Fees from time to time payable to Directors shall be determined by a resolution passed at a general meeting of the Company. Unless otherwise directed by such resolution, any such fees shall be divided amongst the Directors into such proportions as they may agree or failing agreement, equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting. Notwithstanding anything to the contrary in these Articles, the Directors shall also be entitled to be repaid all travelling and hotel expenses properly incurred by them

15. STATUTORY AND OTHER INFORMATION (Cont'd)

respectively in or about the performance of their duties as Directors, including their expenses for travelling to and from meetings of Directors or general meetings of the Company or which he may otherwise incur on or about the business of the Company. If by arrangement with the other Directors, any Director shall perform or render any special duties or service outside his ordinary duties as a Director, including residing away from his usual place of business or residence for the purpose of the Company's business or giving special attention to the business of the Company as a member of a committee of the Directors, the Directors may, in addition to his Director's fees, pay such Director remuneration for such special duties or services rendered by him in such amount and in such manner as the Directors shall determine Provided That no Director (non-executive or executive) shall, in any circumstances, be remunerated by a commission on or percentage of turnover and that nothing herein shall prejudice the power of the Directors to appoint any of their number to be the employee or agent of the Company at such remuneration (which shall not include a commission on or percentage of turnover) as the Directors may determine.

Articles 82 – Restrictions on Directors' fee

The fees payable by the Company to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable by the Company to executive Directors shall not include a commission on or percentage of turnover.

(2) Voting and Borrowing Powers of the Directors

The provisions in our Memorandum and Articles dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:-

Article 92 – Borrowing powers

The Directors may, at their discretion, raise or borrow from time to time such sums of moneys as they think proper for the purpose of the business of the Company.

Article 93 – Debts of third parties

Notwithstanding anything to the contrary in these Articles, the Directors shall not borrow any money or mortgage or charge any of the Company's or any of its Subsidiaries' undertaking, property or uncalled capital, or issue debentures and other securities of the Company or any of its Subsidiaries for the benefit of, or as a security for any debt, liability or obligation of, an unrelated third party.

Article 94 – Issue of bonds, debentures, debenture stocks and securities

- (1) *Subject to these Articles and the relevant laws, the Directors may borrow or raise funds for the purpose of the Company's business in such manner and on such terms as they think proper, including by the issue or sale of any bonds, debentures, debenture stocks or securities upon such terms as to the time of repayment, the rate of interest, the price of issue or sale, the payment of premium or bonus upon redemption or repayment or otherwise as they may think proper.*
- (2) *Subject to these Articles and the relevant laws, the Directors may secure or provide for the payment of any moneys to be borrowed or raised by the Company in such manner on and on such terms as they think proper, including by the creation of a mortgage or a charge upon all or any part of*

15. STATUTORY AND OTHER INFORMATION (Cont'd)

the undertaking or property of the Company both present and future or upon any capital remaining unpaid upon the shares of the Company whether called up or not or by any other security, and the Director may confer upon any mortgagees or persons in whom any debentures, debenture stock or security is vested such rights and powers as they think necessary or expedient; and they may vest any property of the Company in trustees for the purpose of securing any moneys so borrowed or so raised and confer upon the trustees or any receiver to be appointed by them or by any debenture holder, such rights and powers as the Director may think necessary or expedient in relation to the undertaking or property of the Company, or the management or the realisation thereof, or the making, receiving or enforcing of calls upon the Members in respect of unpaid capital and otherwise, and may make and issue debentures to trustees for the purpose of further security, and any such trustee may be remunerated on such terms as the Directors shall think fit.

Articles 111 – Interested Directors

(1) A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or an arrangement with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as otherwise provided in this Article 110(1) and Article 110(2), a Director shall not vote in respect of any contract or arrangement in which he is interested (and if he shall do so, his vote shall not be counted) nor shall he be counted as forming part of the quorum present at the meeting convened for the purpose of any resolution regarding the same, but this Article shall not apply to:-

- (a) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or*
- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security.*

(3) Share Capital and Variation of Class Rights

The provisions in our Articles of Association dealing with changes in share capital and variation of class rights, which are no less stringent than those required by law, are as follows:-

Article 44 – Power of Increase

The Company may in general meeting and from time to time, and whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation and issue of new shares, such new capital to be of such amount and to carry such rights and/or to be subject to such conditions or restrictions as regards dividend, return of capital or otherwise and to be divided into shares of such respective amounts as the Company, by the resolution authorising such increase, directs.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Article 47 – Alteration of Capital**

The Company may by ordinary resolution:-

- (1) *consolidate and divide all of its share capital into shares of larger amounts than its existing shares;*
- (2)
 - (a) *cancel any shares which at the date of the passing of the resolution have not been taken, or agreed to be taken, by any person or which have been forfeited, and diminish the amount of its capital by the amount of shares so cancelled; or*
 - (b) *cancel any shares that have been purchased by the Company and extinguish all rights attaching to the shares including suspended right in accordance with Section 67A of the Act and the Listing Requirements; or*
- (3) *sub-divide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum and Articles (subject, nevertheless, to the provisions of the Act) provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.*

Article 48 – Power to Reduce Capital

- (1) *The Company may, by special resolution, and subject to such approval, confirmation, sanction or consent as may be required by law having been obtained, reduce its share capital, any capital redemption reserve fund or any share premium account in any manner as it deems fit.*
- (2) *Without limiting the generality of Article 48(1), the Company may reduce its issued share capital by the cancellation of shares purchased by the Company and the amount by which the Company's issued capital is so reduced shall be transferred to the capital redemption reserve of the Company in accordance with Section 67A of the Act and the Listing Requirements.*

Article 49 – Modification of Class Rights

If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of the class), whether or not the Company is being wound up, be varied with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of these Articles relating to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) persons (whether present in person or represented by proxy) holding one-third (1/3) of the issued shares of the class, and any holder of any shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 152 of the Act shall, with such adaptations as are necessary, apply. However, in the event of the necessary majority not having been obtained in the manner aforesaid, consent in writing may be secured from such holders holding at least three-fourths (3/4) of the issued shares of the class and such consent shall, if obtained within two (2) months from the date of the separate meeting, have the force and validity of a special resolution duly carried by a vote in person or by proxy.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**Article 50 –Ranking of New Shares**

The rights conferred on the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects pari passu therewith but in no respect in priority thereto.

Article 4 – Preference Shares

- (1) *The Company shall have power to issue preference shares carrying a right to redemption out of profits or which are liable to be redeemed at the option of the Company and to issue preference capital ranking equally with or in priority to preference shares already issued and the Directors may, subject to the provisions of the Act, redeem such preference shares either at par or at a premium and on such terms and in such manner as they may think fit.*
- (2) *Preference shareholders of the Company shall have the same rights as ordinary shareholders of the Company in relation to receiving notices, reports and audited financial statements, and attending general meetings of the Company.*
- (3) *Preference shareholders of the Company shall also have the right to vote in each of the following circumstances:-*
 - (a) *when the dividend or part of the dividend on the preference shares held is in arrears for more than six (6) months;*
 - (b) *on a proposal to reduce the Company's share capital;*
 - (c) *on a proposal for the disposal of the whole of the Company's property, business and undertaking;*
 - (d) *on a proposal that affects the rights attached to the preference shares held;*
 - (e) *on a proposal to wind up the Company; and*
 - (f) *during the winding up of the Company.*
- (4) *The repayment of preference capital other than on redeemable preference shares issued by the Company or any other alteration of preference shareholders rights may only be made pursuant to a special resolution of the affected preference shareholders of the Company PROVIDED ALWAYS that where the necessary majority for such a resolution is not obtained at the meeting, consent in writing, if obtained from the holders of three-fourths (3/4) of the preference capital concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.*

Article 7 – Share issue for purposes of raising money for the construction of works

Where any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provision for any plant which cannot be made profitable for a long period, the Company may, subject to the provisions of Section 69 of the Act, pay interest on so much of such share capital as is for the time being paid up and charge the same to capital as part of the cost of the construction or provision.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**(4) Transfer of Shares**

The provisions in our Articles of Association in respect of the arrangement for transfer of securities of our Company and restrictions on their free transferability are as follows:-

Article 20 – Transfer of Deposited Securities

Subject to the provisions of the Depositories Act, the transfer of any Deposited Security or class of Deposited Security shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 103 and 104 of the Act, but subject to Section 107C(2) of the Act and any exemption therefrom, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Article 21 – Persons to whom shares are not transferable

Subject to the Depositories Act, no share of the Company shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Article 22 – Instruments of transfer

In respect of shares which are not Deposited Securities, the instrument of transfer must be left for registration at the Office or at such other place (if any) as the Directors may appoint together with such fee not exceeding Ringgit Malaysia three (RM3) per transfer and the certificate(s) of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and if the instrument of transfer is executed by some other person on behalf of the transferor, the authority of that person so to do.

Article 24 – Register of Transfers

The Company shall maintain a book called "Register of Transfers" which shall be kept by the Secretary or such other person authorised by the Directors. Subject to Article 20, particulars of the transfer or transmission of every share shall be entered into the Register of Transfers.

15.3 GENERAL INFORMATION

- (a) Save for our Directors' remuneration, benefits and purchase consideration paid pursuant to the Acquisitions as disclosed in Sections 8.2.3 and 5.3 of this Prospectus, no other amount or benefit has been paid or given within the past two (2) years immediately preceding the date of this Prospectus, nor is it intended to be so paid or given, to any of our Directors, Promoters or substantial shareholders.
- (b) Save as disclosed in Sections 10.1 and 10.3 of this Prospectus, none of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the procedures for application of our Shares are set out in Section 16 of this Prospectus.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (d) There are no limitations on the right to own securities, including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by the constituent documents of our Company.

15.4 MATERIAL LITIGATION, CLAIMS, ARBITRATION AND CONTINGENT LIABILITY

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Directors do not know of any proceeding pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our position or business.

As at the date of our Directors' Report, there is no contingent liability which, upon becoming enforceable, may have material impact on our financial position or business.

15.5 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past two (2) years immediately preceding the date of this Prospectus:-

- (a) Sale and purchase agreement dated 25 April 2014 entered into between PP Chin Hin and Fortune Merger Sdn Bhd for the disposal of a freehold land bearing title details GM 15, Lot No 88, Mukim Senai, Tempat Selong, Daerah Kulaijaya, Johor Darul Takzim, for the disposal consideration of RM2,354,536.00. This agreement was completed on 31 August 2015;
- (b) Sale and purchase agreement dated 31 March 2014 entered into between PP Chin Hin and Kencana Technology and Laboratories Sdn Bhd for the disposal of a freehold land with a 3 storey semi-detached industrial factory bearing title details HSM 14566, PT 970, Bandar Alor Setar, Daerah Kota Serat, Kedah Darul Aman for the disposal consideration of RM1,750,000.00. This agreement was completed on 1 April 2015;
- (c) Sale and purchase agreement dated 31 March 2014 entered into between PP Chin Hin and Chong Ka Hon for the disposal of a freehold land with a three (3) storey semi-detached industrial factory bearing title details HSM 14576, PT 980, Bandar Alor Setar, Daerah Kota Serat, Kedah Darul Aman for the disposal consideration of RM1,462,000.00. This agreement was completed on 16 May 2014;
- (d) Sale and purchase agreement dated 20 October 2014 entered into between PP Chin Hin and Bengkel Motor Indah Sdn Bhd for the disposal of a freehold land with a single storey detached warehouse bearing title details HSD 21133, PT 3199, Bandar Alor Setar, Daerah Kota Serat, Kedah Darul Aman for the disposal consideration of RM3,300,000.00. This agreement was completed on 27 January 2015;
- (e) Sale and purchase agreement dated 21 August 2014 entered into between PP Chin Hin and Lee Eng Eng for the disposal of a unit of service apartment bearing details Q-2-3A, Subang Olives Residence, Jalan Kemajuan Subang, SS16, 47500 Subang Jaya, Selangor Darul Ehsan for the disposal consideration of RM650,000.00 This agreement was completed on 11 December 2014;
- (f) Sale and purchase agreement dated 4 December 2014 entered into between PP Chin Hin and Datuk Chiau Beng Teik for the disposal by PP Chin Hin of all the following properties for the total aggregate consideration of RM1,405,000.00. This agreement was completed on 31 December 2014:-

15. STATUTORY AND OTHER INFORMATION (Cont'd)

- (i) GM 12195, Lot 3034, Bandar Alor Setar, Alor Bekong, Daerah Kota Setar, Kedah Darul Aman;
 - (ii) HS(M) 7266, Lot 3034, Bandar Alor Setar, Alor Bekong, Daerah Kota Setar, Kedah Darul Aman;
 - (iii) HSM 16/1976, Lot 1338, Mukim Alor Merah, Daerah Kota Setar, Kedah Darul Aman;
 - (iv) Plot 95, Lot 3372, MK 16, Wellesley, Penang; and
 - (v) No Hakmilik 2487, Lot 7852, Mukim Pengkalan Kundor, Daerah Kota Setar, Kedah Darul Aman,
- (g) Underwriting Agreement;
- (h) Shares sale and purchase agreement for the Acquisitions;
- (i) Shares sale and purchase agreement for the internal reorganisation as set out in Section 5.3.2 of this Prospectus;
- (j) The relevant agreements and/or resolutions pertaining to the rationalisation exercise set out in Section 5.3.3 of this Prospectus;
- (k) Settlement agreement dated 16 December 2013 entered between PP Chin Hin, PP Chin Hin Realty Sdn Bhd and Pintar Muda Development Sdn Bhd for the partial settlement of debt of RM38,353,325.13 by way of transferring the following properties to PP Chin Hin by Pintar Muda Development Sdn Bhd. This agreement was completed on 30 March 2015:-
 - (i) HS(D) 283204, PT 35460, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan; and
 - (ii) HS(D) 283205, PT 35461, Mukim Damansara, Daerah Petaling, Selangor Darul Ehsan;
- (l) Sale and purchase agreement dated 15 July 2015 entered into between PP Chin Hin and Ashiana Industries (M) Sdn Bhd for the disposal of a piece of freehold land with a three (3) storey semi-detached industrial factory held under the individual title, HSD 283204, PT 35460, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan for the consideration of RM5,000,000.00. This agreement was completed on 9 December 2015;
- (m) Renewable energy power purchase agreement dated 19 June 2015 entered into between TNB and Starken AAC, where Starken AAC shall sell and deliver, and TNB shall purchase and accept the metered renewable energy which is generated and delivered from the renewable energy installation and metered by TNB at the connection point; and
- (n) Renewable Energy Power Purchase Agreement dated 19 June 2015 entered into between TNB and Metex Steel, where Metex Steel shall sell and deliver, and TNB shall purchase and accept the metered renewable energy which is generated and delivered from the renewable energy installation and metered by TNB at the connection point.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**15.6 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT**

Singapore has no significant exchange controls. Funds may be repatriated freely from Singapore.

Under the Singapore Companies Act, Chapter 50, dividends may be paid out of profits available for distribution. There are no restrictions on payment of dividends to a foreign shareholder. Capital may not be returned to shareholders unless a capital reduction exercise is carried out in accordance with the provisions of the Singapore Companies Act and the company's Articles of Association. There are no restrictions on payment from a capital reduction exercise to foreign shareholders.

A company, may, if so authorised by its Articles of Association and subject to the limits imposed by the Singapore Companies Act, buy back its own shares. Similarly, there are no restrictions on payments of the purchase price in respect of such purchases to foreign shareholders.

There is no material impact on the availability of cash and cash equivalent for the use by our subsidiaries in Malaysia as there are no restriction on payments of dividends and payment of capital from a capital reduction exercise (if applicable) to foreign shareholders.

15.7 PUBLIC TAKE-OVERS

During the last financial year and the current financial year up to the LPD, there were:-

- (a) no public take-over offers by third parties in respect of our Shares; and
- (b) no public take-over offers by our Company in respect of other companies' shares.

15.8 CONSENTS

- (a) The written consents of our Adviser, Sponsor, Underwriter and Placement Agent, Principal Bankers, Solicitors, Share Registrar, Company Secretaries and the Issuing House for the inclusion of their names in this Prospectus in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (b) The written consents of our Auditors (including Messrs Lee Seng Chan & Co, the auditors of PP Chin Hin (SG)) for the FYE 2013, FYE 2014 and FPE 2015 and Reporting Accountants for the inclusion of their names in this Prospectus, Accountants' Report and letter relating to the Pro forma Consolidated Statement of Financial Position of our Company in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.
- (c) The written consents of our IMR for the inclusion of its name in this Prospectus and the executive summary of the IMR report and extracts of the said report in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

15. STATUTORY AND OTHER INFORMATION (Cont'd)

15.9 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office during normal business hours for a period of twelve (12) months from the date of this Prospectus:-

- (a) Memorandum and Articles of our Company;
- (b) Audited financial statements of our Group and our subsidiaries for the past four (4) FYEs 2011, 2012, 2013 and 2014 as well as FPE 2015;
- (c) The Reporting Accountants' Letters relating to our Pro forma Consolidated Statement of Financial Position as set out in Section 11 of this Prospectus;
- (d) The Accountants' Report as set out in Section 13 of this Prospectus;
- (e) The Executive Summary of the IMR Report as set out in Section 7 of this Prospectus and the full IMR Report;
- (f) The Directors' Report as set out in Section 14 of this Prospectus;
- (g) The material contracts as set out in Section 15.5 of this Prospectus; and
- (h) The letters of consent as set out in Section 15.8 of this Prospectus.

15.10 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors have seen and approved this Prospectus, and they collectively and individually accept full responsibility for the accuracy of the information contained herein, and confirmed that after making all reasonable enquiries, there are no false or misleading statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.

M&A Securities, being our Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE**16.1 OPENING AND CLOSING OF APPLICATION**

The application period will open at 10.00 a.m. on 18 February 2016 and will remain open until 5.00 p.m. on 25 February 2016 or for such further period or periods as our Directors, Promoters, Offerors and the Underwriter may in their absolute discretion mutually decide. Any changes to the Closing Date will be published in a widely circulated daily Bahasa Malaysia and English newspapers within Malaysia prior to the original closing date of the application. Following this, the dates for the balloting of the applications for our IPO Shares, allotment of our IPO Shares and Listing would be extended accordingly. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

16.2 METHODS OF APPLICATION

The Applications shall be made in relation with and subject to the terms of this Prospectus and our Memorandum and Articles.

Types of Application	Application Method
Applications for the 6,400,000 Issue Shares made available for application by our eligible Directors and employees.	Pink Application Form only
Applications for the 25,294,400 Issue Shares made available for applications by the Malaysian Public:-	
(i) Malaysian Public – Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Malaysian Public – Non-Individuals	White Application Form only

FULL INSTRUCTIONS FOR THE APPLICATION FOR OUR IPO SHARES AND THE PROCEDURES TO BE FOLLOWED ARE SET OUT IN THE APPLICATION FORMS. YOU ARE ADVISED TO READ THE APPLICATION FORMS AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

16.3 APPLICATIONS USING APPLICATION FORM

16.3.1 Types of Application Forms

The following relevant Application Forms are issued with their notes and instructions enclosed together with this Prospectus:-

- (a) **Pink Application Forms** for application by our eligible Directors and employees.
- (b) **White Application Forms** for application by the Malaysian Public.
- (c) **White Application Forms** together with copies of this Prospectus may be obtained, subject to availability, from M&A Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and Issuing House.

The submission of an Application Form does not necessarily mean that your application will be successful.

16.3.2 Terms and Conditions for Applications Using Application Forms

Only one (1) Application Form from each applicant will be considered and an application must be for one hundred (100) ordinary shares of RM0.65 each or multiples thereof. **MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED.** If you submit multiple applications in your own name or by using the name of others, with or without their consents, you will be committing an offence under Section 179 of the CMSA and if convicted, may be punished with a minimum fine of RM1,000,000 and a jail term of up to ten (10) years under Section 182 of the CMSA.

Application for our IPO Shares must be made on the respective Application Form provided together with this Prospectus and must be completed in accordance with the notes and instructions printed on the reverse side of the Application Form and in this Prospectus. In accordance with Section 232 of the CMSA, the Application Form together with the notes and instructions printed thereon shall constitute integral part of this Prospectus. Applications which do not **STRICTLY** conform to the terms of this Prospectus or Application Form or notes and instructions printed thereon or which are illegible may not be accepted.

Each completed Application Form must be accompanied by a remittance in Ringgit Malaysia for the full amount payable by either:-

- (a) **BANKER'S DRAFT OR CASHIER'S ORDER** purchased within Malaysia only and drawn on a bank in Kuala Lumpur (differentiated by a special red band for Bumiputera applicants); or
- (b) **MONEY ORDER OR POSTAL ORDER** (for applicants from Sabah and Sarawak only); or
- (c) **GUARANTEED GIRO ORDER ("GGO")** from Bank Simpanan Nasional Malaysia Berhad (differentiated by a special red band for Bumiputera applicants); or

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**(d) ATM STATEMENTS OBTAINED FROM ANY OF THE FOLLOWING FINANCIAL INSTITUTIONS:**

- HONG LEONG BANK BERHAD;
- MALAYAN BANKING BERHAD;
- RHB BANK BERHAD.

made out in favour of:-

"TIH SHARE ISSUE ACCOUNT NO. 662"

and crossed **"A/C Payee Only"** (excluding ATM statements) and endorsed on the reverse side with your name and address.

Applications accompanied by mode of payment other than in the manner stated above or with excess or insufficient remittances or inappropriate Banker's Drafts, Cashier's Orders, Money Orders or Postal Order, ATM Statement or GGO will not be accepted. Details of remittances must be completed in the appropriate boxes provided in the Application Forms.

If you are an individual and not a member of the Armed Forces/Police, your name and national registration identity card number must be exactly the same as that stated in:-

- (a) Your national registration identity card;
- (b) Any valid temporary identity document issued by the National Registration Department from time to time; or
- (c) Your "Resit Pengenalan Sementara (**"KPPK 09"**) issued pursuant to Peraturan 5(5), Peraturan- Peraturan Pendaftaran Negara 1990.

If you are a member of the Armed Forces/Police, your name and your Armed Forces or Police personnel number, as the case may be, must be exactly the same as that stated in your authority card and your address must be the address of your respective camp, base or station.

For corporation/institutional applicants, the name and certificate of incorporation number must be exactly the same as that stated in the corporation's or certificate of incorporation and the address must be the registered address.

We, together with Issuing House will not issue any acknowledgement of the receipt of your Application Form or application monies.

Applications accompanied by mode of payment other than those stated above or with excess or insufficient remittance may not be accepted. You must complete details of the remittance in the appropriate boxes provided on the Application Form.

You must state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to Issuing House and/or our Company. If you do not presently have a CDS account, you may open one (1) by contacting any one of the ADAs listed in Section 16.9 of this Prospectus.

You must write your name and address on the reverse side of the Banker's Draft, Cashier's Order, ATM statement, Money Order or GGO from Bank Simpanan Nasional Malaysia Berhad.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents must be despatched by ORDINARY POST in the official envelopes provided to the following address:-

Tricor Investor & Issuing House Services Sdn Bhd (11324-H)

Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur

or **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

so as to arrive not later **than 5.00 p.m. on 25 February 2016** or such other date or dates as our Directors and the Underwriter may, in their absolute discretion, mutually decide.

Registered post must not be used.

No acknowledgement of the receipt of Application Forms or application monies will be made.

Please direct all enquiries in respect of the White Application Form to Issuing House.

16.4 APPLICATIONS USING ELECTRONIC SHARE APPLICATION**16.4.1 Participating Financial Institutions**

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches with the respective processing fees:-

- Affin Bank Berhad – No fee will be charged for application by their account holders;
- AmBank (M) Berhad – RM1.00;
- CIMB Bank Berhad – RM2.50
- HSBC Bank Malaysia Berhad – RM2.50;
- Malayan Banking Berhad – RM1.00;
- Public Bank Berhad – RM2.00;
- RHB Bank Berhad – RM2.50; or
- Standard Chartered Bank Malaysia Berhad (as selected branches only) – RM2.50

16.4.2 Terms and Conditions for Electronic Share Application

The procedures for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions. For illustration purposes, the procedures for Electronic Share Application at ATMs are set out in Section 16.4.3 of this Prospectus. The steps set out the actions that you must take at the ATM to complete an Electronic Share Application. Please read and understand carefully the terms of this Prospectus, the steps and the terms and conditions for Electronic Share Application set out below before making an Electronic Share Application.

In the case of Electronic Share Application, only an applicant who is an individual with a CDS account is eligible to utilise the facility.

You must have an existing bank account with, and be an ATM cardholder of, one (1) of the Participating Financial Institutions before you can make an Electronic Share Application at an ATM of that Participating Financial Institution. An ATM card issued by one of the Participating

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

Financial Institutions cannot be used to apply for our IPO Shares at an ATM belonging to other Participating Financial Institutions. Upon the completion of your Electronic Share Application transaction, you will receive a computer-generated transaction slip ("Transaction Record"), confirming the details of your Electronic Share Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Share Application or any data relating to such an Electronic Share Application by our Company or Issuing House. The Transaction Record is for your retention and should not be submitted with any Application Form.

Upon the closing of offer for the application for our IPO Shares on 25 February 2016 at 5.00 p.m., the Participating Financial Institutions shall submit the magnetic tapes containing their respective customers' applications for our IPO Shares to Issuing House as soon as practicable but not later than 12.00 p.m. of the second (2nd) business day after the Closing Date and Time.

You are allowed to make an Electronic Share Application for our IPO Shares via an ATM that accepts the ATM cards of the Participating Financial Institutions with which you have an account and its branches, subject to you making only one (1) Application. You can apply for our IPO Shares via an ATM card of that Participating Financial Institution which is situated in another country or place outside of Malaysia, subject to you making only one (1) Application.

You must ensure that you use your own CDS account number when making an Electronic Share Application. If you have a joint account with any Participating Financial Institution, you must ensure that you enter your own CDS account number when using an ATM card issued to you in your own name. Your application will be rejected if you fail to comply with the foregoing conditions.

The Electronic Share Application shall be made on, and subject to, the above terms and conditions as well as the terms and conditions appearing below:-

- (a) The Electronic Share Application shall be made in connection with and subject to the terms of this Prospectus and the Memorandum and Articles of our Company.
- (b) You are required to confirm the following statements (by depressing predesignated keys or buttons on the ATM keyboard) and undertake that the following information given is true and correct:-
 - (i) You have attained 18 years of age as at the Closing Date;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
 - (iv) This is the only application that you are submitting; and
 - (v) You thereby give consent to the participating financial institution and Bursa Depository to disclose information pertaining to yourself and your account with the participating financial institution and Bursa Depository to Issuing House and other relevant authorities.
- (c) Your Application will not be successfully completed and cannot be recorded, as a completed transaction at the ATM unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall be treated as signifying your confirmation of each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia, including Section 134 of the Financial Services Act 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991 to the

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

disclosure by the relevant Participating Financial Institution or Bursa Depository, as the case may be, of any of your particulars to Issuing House or any other relevant regulatory bodies.

- (d) You confirm that you are not applying for our IPO Shares as nominee of any other person and that any Electronic Share Application that you make is made by yourself as the beneficial owner. You shall only make one (1) Electronic Share Application and shall not make any other application for our IPO Shares, whether at the ATMs of any Participating Financial Institution or on the prescribed Application Forms or via Internet share application.
- (e) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Share Application, failing which your Electronic Share Application will not be completed. Any Electronic Share Application, which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Share Application is being made will be rejected.
- (f) You agree and undertake to subscribe for or purchase and to accept the number of IPO Shares applied for as stated on the Transaction Record or any lesser number of IPO Shares that may be allotted or allocated to you in respect of your Electronic Share Application. In the event that we decide to allot or allocate any lesser number of such IPO Shares or not to allot or allocate any IPO Shares to you, you agree to accept any such decision as final. If your Electronic Share Application is successful, your confirmation (by your action of pressing the designated key on the ATM) of the number of IPO Shares applied for shall signify, and shall be treated as, your acceptance of the number IPO Shares that may be allotted or allocated to you and to be bound by our Memorandum and Articles.
- (g) Issuing House, acting under the authority of our Board, reserves the right to reject any Electronic Share Application or accept any Electronic Share Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (h) You request and authorise us:-
 - (i) to credit our IPO Shares allotted or allocated to you into your CDS account; and
 - (ii) to issue share certificate(s) representing such IPO Shares allotted or allocated in the name of Bursa Malaysia Depository Nominees Sdn Bhd and send the same to Bursa Depository.
- (i) You acknowledge that your Electronic Share Application is subject to the risks of electrical, electronic, technical and computer-related faults and breakdowns, fires and other events beyond the control of our Company, Issuing House, the Participating Financial Institution or Bursa Depository, and irrevocably agree that if:-
 - (i) our Company or Issuing House do/does not receive your Electronic Share Application; and
 - (ii) data relating to your Electronic Share Application is wholly or partially lost, corrupted or not otherwise accessible, or not transmitted or communicated to our Company or Issuing House,

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

you shall be deemed not to have made an Electronic Share Application and you shall not claim whatsoever against the Company, Issuing House, the Participating Financial Institutions of Bursa Depository for our IPO Shares applied for or for any compensation, loss or damage.

- (j) All your particulars in the records of the relevant Participating Financial Institution at the time you make your Electronic Share Application shall be deemed to be true and correct and our Company, Issuing House and the relevant Participating Financial Institution shall be entitled to rely on the accuracy thereof.
- (k) You shall ensure that your particulars as recorded by both Bursa Depository and the relevant participating financial institution are correct and identical. Otherwise, your Electronic Share Application is liable to be rejected. You must inform Bursa Depository promptly of any change in address, failing which the notification letter of successful allotment or allocation will be sent to your registered or correspondence address last maintained with Bursa Depository.
- (l) By making and completing an Electronic Share Application, you agree that:-
 - (i) in consideration of our Company agreeing to allow and accept the making of any application for our IPO Shares via the Electronic Share Application facility established by the Participating Financial Institution at their respective ATMs, your Electronic Share Application is irrevocable;
 - (ii) our Company, the Participating Financial Institutions, Bursa Depository and Issuing House shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Share Application due to a breakdown, failure of transmission or communication facilities, or to any cause beyond our/their control;
 - (iii) notwithstanding the receipt of any payment by our Company or on behalf of our Company, the acceptance of your offer to subscribe for and purchase of our IPO Shares for which your Electronic Share Application has been successfully completed shall be constituted by the issue of notices of successful allocation for prescribed securities, in respect of the said IPO Shares;
 - (iv) you irrevocably authorise Bursa Depository to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of our IPO Shares allotted or allocated to you; and
 - (v) our Company agrees that in relation to any legal action or proceedings arising out of or in connection with the contract between the parties and/or the electronic share scheme and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that our Company irrevocably submits to the jurisdiction of the Courts of Malaysia.
- (m) Issuing House, acting under the authority of our Board, reserves the right to reject applications which do not conform to these instructions.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)**16.4.3 Steps for Electronic Share Application through a Participating Financial Institution's ATM**

- (a) You must have an account with a Participating Financial Institution and an ATM card issued by that Participating Financial Institution to access the account;
- (b) You must have a CDS account; and
- (c) You have to choose the Electronic Share Application option at the ATM of the Participating Financial Institution. Mandatory statements required in the Application are set out on Section 16.4.2 of this Prospectus relating to the terms and conditions for Electronic Share Application. You have to enter at least the following information through the ATM where the instructions on the ATM screen require you to do so:-
 - Personal Identification Number ("PIN Number");
 - **TIIH Share Issue Account Number No. 662;**
 - CDS account number;
 - Number of IPO Shares applied for and/or the Ringgit Malaysia amount to be debited from the account; and
 - Confirmation of several mandatory statements.

16.5 APPLICATIONS USING INTERNET SHARE APPLICATION**16.5.1 Steps for Internet Share Application through an Internet Participating Financial Institution's website**

The exact steps for Internet Share Application in respect of the Shares are as set out on the Internet financial services website of the Internet Participating Financial Institutions.

For illustration purposes only, the steps for an application for our IPO Shares via Internet Application may be as set out below. The steps set out the actions that you must take at the Internet financial services website of the Internet Participating Financial Institution to complete an Internet Share Application.

YOU MUST HAVE A CDS ACCOUNT BEFORE YOU CAN MAKE ANY APPLICATION FOR THE SHARES. PLEASE TAKE NOTE THAT THE ACTUAL STEPS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS MAY DIFFER FROM THE STEPS OUTLINED BELOW.

- (a) Connect to the Internet financial services website of the Internet Participating Financial Institution with which you have an account.
- (b) Login to the Internet financial services facility by entering your user identification and PIN Number/password.
- (c) Navigate to the section of the website on applications in respect of initial public offerings.
- (d) Select the counter in respect of our IPO Shares to launch the Electronic Prospectus and the terms and conditions of the Internet Share Application.
- (e) Select the designated hyperlink on the screen to accept the abovementioned terms and conditions, having read and understood such terms and conditions.
- (f) At the next screen, complete the online application form.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- (g) Check that the information contained in the online application form such as the Shares counter, NRIC number, CDS account number, number of IPO Shares applied for and the account number to debit are correct, and select the designated hyperlink on the screen to confirm and submit the online application form.

By confirming such information, you also undertake that the following information given is true and correct:-

- (i) You have attained eighteen (18) years of age as at the Closing Date;
- (ii) You are a Malaysian citizen residing in Malaysia;
- (iii) You have, prior to making the Internet Share Application, received and/or have had access to a printed/electronic copy of the Prospectus, the contents of which you have read and understood;
- (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in this Prospectus before making the Internet Share Application for our IPO Shares;
- (v) The Internet Share Application is the only application that you are submitting for our IPO Shares;
- (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;
- (vii) You give your express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of the Financial Services Act 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
- (viii) You are not applying for our IPO Shares as a nominee of any other person and the application is made in your own name, as the beneficial owner and subject to the risks referred to in this Prospectus; and
- (ix) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO Shares, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO Shares. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of your information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Applications services;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- (h) Upon submission of your online application form, you will be linked to the website of the Authorised Financial Institution to effect the online payment of your application money for our IPO.
- (i) As soon as your transaction is completed, a message from the Authorised Financial Institution pertaining to your payment status will appear on the screen of the website through which the online payment of your application money is being made.
- (j) Subsequent to the above, the Internet Participating Financial Institution shall confirm that your Internet Share Application has been completed, via the Confirmation Screen on its website.
- (k) You are advised to print out the Confirmation Screen for reference and retention.

16.5.2 Terms and Conditions for Internet Share Application

Applications for our IPO Shares may be made through the Internet financial services website of the Internet Participating Financial Institutions.

YOU ARE ADVISED NOT TO APPLY FOR OUR IPO SHARES THROUGH ANY WEBSITE OTHER THAN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

Internet Participating Financial Institution

Internet Share Applications may be made through a website of the following Participating Financial Institutions with the respective processing fees:-

- CIMB Investment Bank Berhad (www.eipocimb.com) – RM2.00 for payment via CIMB Bank Berhad or Malayan Banking Berhad;
- CIMB Bank Berhad (www.cimbclicks.com.my) – RM2.00 for applicants with CDS accounts held with CIMB Investment Bank Berhad and RM2.50 for applicants with CDS accounts with other ADAs;
- Malayan Banking Berhad (www.maybank2u.com.my) – RM1.00;
- RHB Bank Berhad (www.rhb.com.my) – RM2.50;
- Affin Bank Berhad (www.affinOnline.com) – No fees will be charged for application by their account holders;
- Public Bank Berhad (www.pbepbank.com) – RM2.00; and
- Affin Hwang Investment Bank Berhad (www.trade.affinhwang.com) - No fees will be charged for application by their account holders

PLEASE READ THE TERMS OF THIS PROSPECTUS, THE TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN AND THE STEPS FOR INTERNET SHARE APPLICATIONS SET OUT HEREIN CAREFULLY PRIOR TO MAKING AN INTERNET SHARE APPLICATION.

THE EXACT TERMS AND CONDITIONS AND THE SEQUENCE FOR INTERNET SHARE APPLICATIONS IN RESPECT OF OUR IPO SHARES ARE AS SET OUT ON THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

PLEASE NOTE THAT THE ACTUAL TERMS AND CONDITIONS OUTLINED BELOW SUPPLEMENT THE ADDITIONAL TERMS AND CONDITIONS FOR INTERNET SHARE APPLICATIONS CONTAINED IN THE INTERNET FINANCIAL SERVICES WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS.

An Internet Share Application shall be made on and shall be subject to the terms and conditions set out herein:-

- (a) You can make an Internet Share Application if you fulfill all of the following:-
 - (i) You are an individual with a CDS Account and in the case of a joint account, an individual CDS account registered in your name which is to be used for the purpose of the application if you are making the application instead of a CDS account registered in the joint account holder's name;
 - (ii) You have an existing account with access to Internet financial services facilities with an Internet Participating Financial Institution. You must have ready your user identification ("User ID") and Personal Identification Numbers ("PIN")/password for the relevant Internet financial services facilities; and
 - (iii) You are a Malaysian citizen and have a mailing address in Malaysia.

You are advised to note that a User ID and PIN/password issued by one of the Internet Participating Financial Institutions cannot be used to apply for our IPO Shares at Internet financial service websites of other Internet Participating Financial Institutions.
- (b) An Internet Share Application shall be made on and shall be subject to the terms of this prospectus and our Company's Memorandum and Articles.
- (c) You are required to confirm the following statements (by selecting the designated hyperlink on the relevant screen of the Internet financial services website of the Internet Participating Financial Institution) and to undertake that the following information given is true and correct:-
 - (i) You have attained eighteen (18) years of age as at the Closing Date;
 - (ii) You are a Malaysian citizen residing in Malaysia;
 - (iii) You have, prior to making your Internet Share Application, received and/or have had access to a printed/electronic copy of this Prospectus, the contents of which you have read and understood;
 - (iv) You agree to all the terms and conditions of the Internet Share Application as set out in this Prospectus and have carefully considered the risk factors set out in this Prospectus, in addition to all other information contained in the Prospectus before making your Internet Share Application for our IPO;
 - (v) Your Internet Share Application is the only application that you are submitting for our IPO Shares;
 - (vi) You authorise the Internet Participating Financial Institution or the Authorised Financial Institution to deduct the full amount payable for our IPO Shares from your account with the Internet Participating Financial Institution or the Authorised Financial Institution;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- (vii) You give express consent in accordance with the relevant laws of Malaysia (including but not limited to Section 134 of the Financial Services Act 2013 and Section 45 of the Securities Industry (Central Depositories) Act, 1991) to the disclosure by the Internet Participating Financial Institution, the Authorised Financial Institution and/or Bursa Depository, as the case may be, of your information, your Internet Share Application or your account;
 - (viii) with the Internet Participating Financial Institution, to Issuing House and the Authorised Financial Institution, the SC and any other relevant authority;
 - (ix) You are not applying for our IPO Shares as a nominee of any other person and your application is made in your own name, as beneficial owner and subject to the risks referred to in this Prospectus; and
 - (x) You authorise the Internet Participating Financial Institution to disclose and transfer to any person, including any government or regulatory authority in any jurisdiction, our Company, Bursa Securities or other relevant parties in connection with our IPO, all information relating to you if required by any law, regulation, court order or any government or regulatory authority in any jurisdiction or if such disclosure and transfer is, in the reasonable opinion of the Internet Participating Financial Institution, necessary for the provision of the Internet Application services or if such disclosure is requested or required in connection with our IPO. Further, the Internet Participating Financial Institution will take reasonable precautions to preserve the confidentiality of your information furnished by you to the Internet Participating Financial Institution in connection with the use of the Internet Share Application services.
- (d) Your application will not be successfully completed and cannot be recorded as a completed application unless you have completed all relevant application steps and procedures for the Internet Share Application which would result in the Internet financial services website displaying the Confirmation Screen.

For the purposes of this Prospectus, "Confirmation Screen" shall mean the screen which appears or is displayed on the Internet financial services website, which confirms that your Internet Share Application has been completed and states the details of your Internet Share Application, including the number of IPO Shares applied for which you can print out for your records.

Upon the display of the Confirmation Screen, you shall be deemed to have confirmed the truth of the statements set out in Section 16.5.2 (c) of this Prospectus.

- (e) You must have sufficient funds in your account with the Internet Participating Financial Institution or the Authorised Financial Institution at the time of making your Internet Share Application, to cover and pay for our IPO Shares and the related processing fees, charges and expenses, if any, to be incurred, failing which your Internet Share Application will not be deemed complete, notwithstanding the display of the Confirmation Screen. Any Internet Share Application which does not conform strictly to the instructions set out in this Prospectus or any instructions displayed on the screens of the Internet financial services website through which the Internet Share Application is made shall be rejected.
- (f) You irrevocably agree and undertake to subscribe for and to accept the number of IPO Shares applied for as stated on the Confirmation Screen or any lesser number of IPO Shares that may be allotted to you in respect of the Internet Share Application. If our Company decides to allot or allocate any lesser number of such Shares or not to

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

allot or allocate any IPO Shares to you, you agree to accept any such decision of our Company as final.

In the course of completing your Internet Share Application on the website of the Internet Participating Financial Institution, your confirmation of the number of IPO Shares applied for (by way of your action of clicking the designated hyperlink on the relevant screen of the website) shall be deemed to signify and shall be treated as:-

- (i) Your acceptance of the number of IPO Shares that may be allotted or allocated to you in the event that your Internet Share Application is successful or successful in part, as the case may be; and
 - (ii) Your agreement to be bound by the Memorandum and Articles of our Company.
- (g) You are fully aware that multiple or suspected multiple Internet Share Applications for our IPO Shares will be rejected. Our Company reserves the right to reject any Internet Share Application or accept any Internet Share Application in part only without assigning any reason therefore. We will give due consideration to the desirability of allotting or allocating the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
- (h) If your Internet Share Application is unsuccessful or successful in part only, the Internet Participating Financial Institution will be informed of the unsuccessful or partially successful Internet Share Application. If your Internet Share Application is unsuccessful, the Internet Participating Financial Institution will credit or arrange with the Authorised Financial Institution to credit the full amount of your application money in Ringgit Malaysia (without interest or any Shares of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution or the Authorised Financial Institution within two (2) market days after receipt of written confirmation from Issuing House.

Issuing House shall inform the Internet Participating Financial Institution of unsuccessful or partially successful applications within two (2) Market Days from the balloting date.

If your Internet Share Application is accepted in part only, the relevant Internet Participating Financial Institution will credit the balance of your application monies in Ringgit Malaysia (without interest or any share of revenue or other benefit arising therefrom) into your account with the Internet Participating Financial Institution within two (2) Market Days after receipt of written confirmation from Issuing House. However, a number of applications will be held in reserve to replace any successfully balloted applications that are subsequently rejected. If your application is held in reserve, and subsequently rejected, your application monies (without interest or any share of revenue or other benefit arising therefrom) will be refunded to you by the Internet Participating Financial Institution by crediting into the applicant's account with the Internet Participating Financial Institution within ten (10) Market Days from the day of the final ballot of the applications list.

If your application is held in reserve and which are subsequently unsuccessful (or only partly successful), the Internet Participating Financial Institution will arrange for a refund of the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) within ten (10) Market Days from the day of the final ballot of the applications list.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

Except where Issuing House is required to refund application monies, it is the sole responsibility of the Internet Participating Financial Institution to ensure the timely refund of application monies from unsuccessful or partially successful Internet Share Applications. Therefore, you are strongly advised to consult the Internet Participating Financial Institution through which your application was made in respect of the mode or procedure of enquiring on the status of your Internet Share Application in order to determine the status or exact number of IPO Shares allotted, if any, before trading of our IPO Shares on Bursa Securities.

- (i) Internet Share Applications will be closed at 5.00 p.m. on 25 February 2016 or such other date(s) as our Directors, Promoters, and Vendor's together with the Underwriter may decide in their absolute discretion. An Internet Share Application is deemed to be received only upon its completion, which is when the Confirmation Screen is displayed on the Internet financial services website. You are advised to print out and retain a copy of the Confirmation Screen for record purposes. Late Internet Share Applications will not be accepted.
- (j) You irrevocably agree and acknowledge that your Internet Share Application is subject to risk of electrical, electronic, technical and computer-related faults and breakdowns, faults with computer software, problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of the Internet Participating Financial Institution, the Authorised Financial Institution, Issuing House and our Company. If, in any such event, we, Issuing House and/or the Internet Participating Financial Institution and/or the Authorised Financial Institution do not receive your Internet Share Application and/or the payment therefore, or in the event that any data relating to your Internet Share Application or the tape or any other devices containing such data is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an Internet Share Application and you shall have made no claim whatsoever against us, Issuing House or the Internet Participating Financial Institution and the Authorised Financial Institution in relation to our IPO Shares applied for or for any compensation, loss or damage whatsoever, as a consequence thereof or arising therefrom.
- (k) All of your particulars in the records of the relevant Internet Participating Financial Institution at the time of your Internet Share Application shall be deemed to be true and correct, and we, Issuing House, the Internet Participating Financial Institutions and all other persons who, are entitled or allowed under the law to such information or where you expressly consent to the provision of such information shall be entitled to rely on the accuracy thereof.

You shall ensure that your personal particular as recorded by both Bursa Depository and the Internet Participating Financial Institution are correct and identical. Otherwise, your Internet Share Application is liable to be rejected. The notification letter on successful allocation or allotment will be sent to your address last registered with Bursa Depository. It is your responsibility to notify the Internet Participating Financial Institution and Bursa Depository of any changes in your personal particulars that may occur from time to time.

- (l) By making and completing an Internet Share Application, you are deemed to have agreed that:-
 - (i) in consideration of us making available the Internet Share Application facility to you, through the Internet Participating Financial Institution acting as our agents, the Internet Share Application is irrevocable;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

- (ii) you have irrevocably requested and authorised us to register our IPO Shares allotted or allocated to you for deposit into your CDS Account;
- (iii) neither we nor the Internet Participating Financial Institution shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data relating to your Internet Share Application to the Issuing House or Bursa Depository due to any breakdown or failure of transmission, delivery or communication facilities or due to any risk referred to in Section 16.5.2(j) of this Prospectus or to any cause beyond their control;
- (iv) you shall hold the Internet Participating Financial Institution harmless from any damages, claims or losses whatsoever, as a consequence of or arising from any rejection of your Internet Share Application by Issuing House, us and/or the Internet Participating Financial Institution for reasons of multiple application, suspected multiple application, inaccurate and/or incomplete details provided by you, or any other cause beyond the control of the Internet Participating Financial Institution;
- (v) the acceptance of the offer made by you to subscribe for our IPO Shares for which your Internet Share Application has been successfully completed shall be constituted by written notification in the form of the issue of a notice of allotment by us or on our behalf and not otherwise, notwithstanding the receipt of any payment by us or on our behalf;
- (vi) you are not entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your Internet Application by us;
- (vii) in making the Internet Share Application, you have relied solely on the information contained in this Prospectus. We, M&A Securities and any other person involved in our IPO shall not be liable for any information not contained in this Prospectus which may have been relied on by you in making the Internet Share Application; and
- (viii) the acceptance of your Internet Share Application by us and the contract resulting therefrom under our IPO shall be governed by and construed in accordance with the laws of Malaysia, and you irrevocably submit to the jurisdiction of the courts of Malaysia.

16.6 APPLICATIONS AND ACCEPTANCES

You can only apply for our IPO Shares if:-

- (a) You have attained eighteen (18) years of age as at the Closing Date;
- (b) You are a Malaysian citizen residing in Malaysia;
- (c) You are a corporation/institution incorporated in Malaysia where, there is a majority of Malaysian citizens on your board of Directors/trustee and if you have a share capital, more than half of your issued share capital, excluding preference share capital, is held by Malaysian citizens;
- (d) You are a superannuation, provident or pension fund established or operating in Malaysia;
- (e) You have a CDS account;

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (f) You have read the relevant Prospectus and understood and agreed with the terms and conditions of the application;
- (g) You are not a Director or employee of Issuing House or their immediate family members;
- (h) This is the only application that you are submitting; and
- (i) You give consent to the Participating Financial Institution and Bursa Depository to disclose information pertaining yourself and your account with the Participating Financial Institution and Bursa Depository to us, Issuing House and other relevant authorities.

The amount payable in full on application is RM0.65 per IPO Share. Persons submitting applications by way of Application Forms may not submit applications by way of Electronic Share Applications or by way of Internet Share Application and vice versa. A corporation or institution cannot submit an Application by way of Electronic Share Application or Internet Share Application.

Issuing House, acting under the authority of our Board reserves the right not to accept any Application or accept any Application in part only without assigning any reason therefor. Due consideration will be given to the desirability of allotting or allocating our IPO Shares to a reasonable number of applicants with a view to establishing an adequate market for our IPO Shares.

Issuing House, acting under the authority of our Board reserves the right not to accept any application which does not strictly comply with the instructions or to accept any Application in part only without assigning any reason therefore.

The submission of your Application Form or the completion of your Electronic Share Application or Internet Share Application does not necessarily mean that your Application will be successful.

In the event of an over-subscription, acceptance of Applications by the Malaysian Public shall be subject to ballot to be conducted in a manner as approved by our Directors. Our Board will ensure that any excess IPO Shares will be allocated on a fair and equitable manner, and in our best interest. Due consideration will be given to the desirability of distributing our IPO Shares to a reasonable number of applicants with a view to broadening the shareholding base and establishing an adequate market in the trading of our Shares.

The final allocation of our IPO Shares to any single applicant will be made to ensure that our Company complies with the public shareholding spread requirement under the Listing Requirements, which is at least 25% of our total enlarged issued and paid-up share capital of our Shares for which listing is sought must be in the hands of public shareholders, with a minimum of 1,000 public shareholders holding not less than 100 Shares each upon admission to the Official List of the Main Market of Bursa Securities. In the event that the above requirement is not met pursuant to our Listing, we may not be allowed to proceed with our Listing. In the event thereof, your monies paid in respect of your Applications will be returned without interest of the said permission for listing and quotation is not granted. Applicants will be selected in a manner determined by our Directors.

YOUR APPLICATION MUST BE FOR 100 ORDINARY SHARES OF RM0.65 EACH OR MULTIPLES THEREOF.

In the event of an under-subscription of IPO Shares by the Malaysian Public, such number of IPO Shares not applied for will be reallocated in the manner as specified in Section 3.4.1 of this Prospectus.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

If you are unsuccessful/partially successful in your Application, the full amount or the balance of the Application monies, as the case may be, will be refunded without interest in the following manner:-

- (a) The application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account for purposes of cash dividend /distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your last address maintained with the Bursa Depository, if you have not provided such bank account information to Bursa Depository (for partially successful applications), at your own risk within ten (10) Market Days from the date of the final ballot.

If your application is rejected because you did not provide a CDS account, the full amount of your application monies will be sent to you to the address as per the NRIC or "Resit Pengenalan Sementara (KPPK 09)" or any valid temporary identity document as issued by the National Registration Department from time to time, or authority card in the case of armed forces/police personnel, at your own risk.

The Issuing House reserves the right to bank in all application monies from unsuccessful applicants. These monies will be refunded within ten (10) Market Days from the date of the final ballot by crediting into your bank account for purposes of cash dividend /distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your last address maintained with the Bursa Depository at your own risk if you have not provided such bank account information to Bursa Depository.

- (b) For an Application by way of Electronic Share Application, where an Electronic Share Application is not successful or successful in part only, the relevant participating financial institution will be informed of the non-successful or partially successful applications. If the Electronic Share Application is not successful, the relevant Participating Financial Institutions will credit the full amount of your Application monies into your account with that Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. Issuing House shall inform the Participating Financial Institutions of the non-successful or partially successful Applications within two (2) Market Days after the balloting date. You may check your account on the fifth (5th) Market Day from the balloting date.

Where your Electronic Share Application is accepted in part only, the relevant Participating Financial Institution will credit the balance of your Application monies without interest into your account with the Participating Financial Institution within two (2) Market Days after the receipt of confirmation from Issuing House. A number of Applications will, however, be held in reserve to replace any successfully balloted applications, which are subsequently rejected. For such Applications, which are subsequently rejected, the Application monies without interest will be refunded to you by the Participating Financial Institution by crediting into the applicant's account with the Participating Financial Institution not later than ten (10) Market Days from the day of the final ballot of the application list.

- (c) For an Application by way of Internet Share Application, please refer to Section 16.5.2(h).

If you encounter any problems in your Application, you may refer to the Participating Financial Institutions.

If you are successful in your Application, our Directors reserve the rights to require you to appear in person at the registered office of Issuing House within fourteen (14) days of the

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

date of the notice issued to you to ascertain the regularity or propriety of the Application. Our Directors shall not be responsible for any loss or non-receipt of the said notice nor shall they be accountable for any of your expenses incurred or to be incurred for the purpose of complying with this provision.

Your remittance having been presented for payment shall not signify that your Application has been accepted.

16.7 CDS ACCOUNT

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed the Issues Shares as Prescribed Securities. In consequence thereof, the share issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these shares will be carried out in accordance with the Securities Industry (Central Depository) Act, 1991 and Rules of Bursa Depository.

Following the above, in accordance to Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, all dealings in our IPO Shares of our Company including our IPO Shares will be by book entries through CDS accounts. No share certificates will be issued to you.

You must have a CDS account when applying for our IPO Shares. If you do not presently have a CDS account, you should open a CDS account at an ADA prior to making an application for our IPO Shares.

In the case of an Application by way of Application Form, you should state your CDS account number in the space provided on the Application Form and you shall be deemed to have authorised Bursa Depository to disclose information pertaining to your CDS account to Issuing House or our Company and any relevant regulatory bodies, as the case may be.

In the case of an Application by way of Electronic Share Application, you shall furnish your CDS account number to the Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen require you to do so.

In the case of an application by way of Internet Share Application, only an applicant who has a CDS Account can make an Internet Share Application. In certain cases, only an applicant who has a CDS account opened with the Internet Participating Financial Institution can make an Internet Share Application. Arising therewith, the applicant's CDS account number would automatically appear in the e-IPO online application form.

Failure to comply with these specific instructions or inaccuracy in the CDS account number, arising from use of invalid, third party or nominee accounts, may result in the Application being rejected. If a successful applicant fails to state his / her CDS account number, Issuing House, on our authority, will reject the Application. Issuing House, acting under the authority of our Board also reserves the right to reject any incomplete and inaccurate Application. Applications may also be rejected if the applicants' particulars provided in the Application Forms, or in the case of Electronic Share Application or Internet Share Application, if the records of the Participating Financial Institutions at the time of making the Electronic Share Application or Internet Share Application differ from those in Bursa Depository's records, such as the identity card number, name and nationality.

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)

16.8 NOTICES OF ALLOTMENT

Our IPO Shares allocated to you will be credited into your CDS account if you are successful or partially successful in your application. A notice of allotment will be despatched to you at your address last maintained with Bursa Depository at your own risk prior to our Listing. This is the only acknowledgement of acceptance of your application.

You shall ensure that your personal particulars as recorded by both Bursa Depository and relevant participating financial institutions are correct and identical. You must inform Bursa Depository of your updated address promptly by adhering to certain rules and regulations of Bursa Depository, failing which the notification letter on successful allotment shall be sent to your address last registered with Bursa Depository.

You may also check the status of your application by calling your respective ADAs as stated in Section 16.9 or at the telephone numbers of Issuing House stated below (during office hours only) or by checking at Issuing House's website stated below after the date of allotment of the Shares:

Telephone number: 03 – 2783 9299

Website: www.myetricor.com

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16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (*cont'd*)**16.9 LIST OF ADAs**

The list of ADAs and their respective addresses, telephone numbers and ADA codes are as follows:-

Name	Address and telephone number	ADA Code
KUALA LUMPUR		
AFFIN HWANG INVESTMENT BANK BHD	Ground, Mezzanine & 3rd Floor Chulan Tower No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2143 8668	068-018
AFFIN HWANG INVESTMENT BANK BHD	No. 38A & 40A Jalan Midah 1 Taman Midah Cheras 56000 Kuala Lumpur Tel No.: 03-9130 8803	068-021
ALLIANCE INVESTMENT BANK BHD	17 th Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2604 3333	076-001
AMINVESTMENT BANK BERHAD	8-9, 11-18, 21-25 Floor Bangunan AmBank Group 55, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2036 2633	086-001
BIMB SECURITIES SDN BHD	32 nd Floor, Menara Multi-Purpose Capital Square No. 8, Jalan Munshi Abdullah 50100 Kuala Lumpur Tel No.: 03-2691 8887	024-001
CIMB INVESTMENT BANK BHD	Principal Office Level 17, Menara CIMB Jalan Stesen Sentral 2 50470 Kuala Lumpur Tel No.: 03-2261 8888	065-001
CITIGROUP GLOBAL MARKETS MALAYSIA SDN BHD	Level 43, Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2383 3890	038-001
CLSA SECURITIES SDN BHD	Bilik 20-01, Aras 20 Menara Dion2 7 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2056 7888	033-001

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (CONT'D)		
CREDIT SUISSE SECURITIES (MALAYSIA) SDN BHD	Suite 7.6, Level 7 Menara IMC8, Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 2723 2020	036-001
FA SECURITIES SDN BHD	A-10-17 & A-10-1 Level 10, Menara UOA Bangsar No. 5, Jalan Bangsar Utama 1 59000 Kuala Lumpur Tel No.: 2288 1676	021-002
HONG LEONG INVESTMENT BANK BERHAD	Level 6, 7, 17, 19, 22 & 23 Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel No.: 03-2168 1168	066-001
HONG LEONG INVESTMENT BANK BERHAD	18 th & 21 st Floor Menara Raja Laut 288, Jalan Raja Laut 50350 Kuala Lumpur Tel No.: 03-2692 8899	066-006
AFFIN HWANG INVESTMENT BANK BHD	Tingkat 2, Bangunan AHP No. 2, Jalan Tun Mohd Fuad 3 Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel No.: 03-7710 6688	068-009
INTER-PACIFIC SECURITIES SDN BHD	No.33 (First Floor) Jalan Radin Bagus 57000 Bandar Baru Seri Petaling Tel No.: 03-9056 2922	054-007
INTER-PACIFIC SECURITIES SDN BHD	West Wing, Level 13 Berjaya Times Square No. 1, Jalan Imbi 55100 Kuala Lumpur Tel No.: 03-2117 1888	054-001
INTER-PACIFIC SECURITIES SDN BHD	Tingkat Bawah, 7-0-8 Jalan 3/109F Danau Business Centre Danau Desa 58100 Kuala Lumpur Tel No.: 03-7984 7796	054-003

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (CONT'D)		
J.P.MORGAN SECURITIES (MALAYSIA) SDN BHD	Level 18, Integra Tower The Intermark, 348 Jalan Tun Razak 50250 Kuala Lumpur Tel No.: 03-2270470	035-001
JUPITER SECURITIES SDN BHD	Level 8 & 9, Menara Olympia 8, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2034 1888	055-001
KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD	11 th - 14 th Floor Chulan Tower, No. 3, Jalan Conlay 50450 Kuala Lumpur Tel No.: 03-2168 8800	053-001
KENANGA INVESTMENT BANK BHD	Tingkat 4-10, 15-16, 18 & 20 Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2164 9080	073-001
KENANGA INVESTMENT BANK BERHAD	M3-A-7 & M3-A-8 Jalan Pandan Indah 4/3A Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4297 8806	073-020
KENANGA INVESTMENT BANK BERHAD	Ground, Mezzanine, 1st & 2nd Floors (West & Center Wing) & 1st Floor East Wing Bangunan ECM Libra 8, Jalan Damansara Endah Damansara Heights 50490 Kuala Lumpur Tel No.: 03-2089 2888	073-021
KENANGA INVESTMENT BANK BERHAD	1st Floor, Wisma Genting Jalan Sultan Ismail 50250 Kuala Lumpur Tel No.: 03-2178 1133	073-029
M & A SECURITIES SDN BHD	Aras 1-3, No. 45 & 47 and No. 43-6 The Boulevard, Bandar Mid Valley Lingkaran Syed Putra 59200 Kuala Lumpur Tel No.: 03-2282 1820	057-002
M & A SECURITIES SDN BHD	22A & 22A-1 Jalan Kuchai Maju 1 Kuchai Entrepreneurs' Park Off Jalan Kuchai Lama 58200, Kuala Lumpur Tel No.: 03-7983 9890	057-004

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (CONT'D)		
MACQUARIE CAPITAL SECURITIES(MALAYSIA) SDN BHD	Aras 10, Menara Dion 27 Jalan Sultan Ismail 50250, Kuala Lumpur Tel. No.: 03-2059 8833	032-001
MALACCA SECURITIES SDN BHD	55-1 Jalan Metro Perdana Barat 1 Taman Usahawan Kepong 52100 Kuala Lumpur Tel No.: 03-6241 8595	012-009
MALACCA SECURITIES SDN BHD	No. 76, Jalan Wangsa Maju Delima 6, Pusat Bandar Wangsa Maju (KLSC) 53300 Setapak Kuala Lumpur Tel No.: 03-4144 2565	012-012
MAYBANK INVESTMENT BANK BERHAD	Tingkat 5-13, MaybanLife Tower Dataran Maybank No. 1, Jalan Maarof 59000 Kuala Lumpur Tel No.: 03-2297 8888	098-001
MERCURY SECURITIES SDN BHD	L-7-2, No.2 Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Tel No.: 03-6203 7227	093-002
MIDF AMANAH INVESTMENT BANK BHD	8 th , 9 th , 10 th , 11 th & 12 th Floor Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Tel No.: 03-2173 8888	026-001
NOMURA SECURITIES MALAYSIA SDN BHD	Suite 16.5, Level 16 Menara IMC, Letter Box 47 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel No. 2027 6811	037-001
PM SECURITIES SDN BHD	Ground Floor Menara PMI No. 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel No.: 03-2146 3000	064-001
PUBLIC INVESTMENT BANK BHD	27 th Floor, Bangunan Public Bank No. 6, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel No.: 03-2268 3000	051-001

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (CONT'D)		
RHB INVESTMENT BANK BHD	Tingkat 10, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel No.: 03-9287 3888	087-001
RHB INVESTMENT BANK BHD	Tingkat 12, 15 (Sebahagian), 20 (sebahagian) & 21 Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel No.: 03-2333 8333	087-018
RHB INVESTMENT BANK BHD	No. 62, 62-1, 64 & 64-1 Vista Magna Jalan Prima, Metro Prima 52100 Kepong Kuala Lumpur Tel No.: 03-6257 5869	087-028
RHB INVESTMENT BANK BHD	No. 5 & 7 Jalan Pandan Indah 4/33 Pandan Indah 55100 Kuala Lumpur Tel No.: 03-4280 4798	087-054
RHB INVESTMENT BANK BHD	Ground, First, Second and Third Floor No. 55, Zone J4 Jalan Radin Anum Bandar Baru Seri Petaling 57000 Kuala Lumpur Tel No.: 03-9058 7222	087-058
TA SECURITIES HOLDINGS BHD	Tingkat 13-15, 23,28-30,32,34 & 35 No. 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel No.: 03-2072 1277	058-003
UBS SECURITIES MALAYSIA SDN BHD	Level 7 Wisma Hong Leong 18, Jalan Perak 50450, Kuala Lumpur Tel No.: 03-2781 1100	031-001
UOB KAY HIAN SECURITIES (M) SDN BHD	N3, Plaza Damas60, Jalan Sri Hartamas 1 Sri Hartamas 50480 Kuala Lumpur Tel No.: 03-6205 6000	078-004

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
KUALA LUMPUR (CONT'D)		
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 19th Floor Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Tel No.: 03-2147 1888	078-010
SELANGOR DARUL EHSAN		
AFFIN HWANG INVESTMENT BANK BHD	3rd & 4th floors, Wisma Meru No. 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9999	068-019
AFFIN HWANG INVESTMENT BANK BHD	Lot 229, Tingkat 2, The Curve No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7729 8016	068-020
AMINVESTMENT BANK BERHAD	Aras 4, Plaza Damansara Utama No 2, Jalan SS 21/60 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7710 6613	086-003
CIMB INVESTMENT BANK BHD	Level G & Level 1 Tropicana City Office Tower No.3 Jalan SS 20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7717 3388	065-009
HONG LEONG INVESTMENT BANK BERHAD	Level 10, First Avenue Persiaran Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7724 6888	066-002
AFFIN HWANG INVESTMENT BANK BHD	16 th , 18 th -20 th Floor Plaza Masalam No. 2, Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Selangor Darul Ehsan Tel No.: 03-5513 3288	068-002

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (CONT'D)		
JF APEX SECURITIES BHD	3 rd , 5 th , 6 th and 10 th Floor Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 1118	079-001
JF APEX SECURITIES BHD	Level 16, Menara Choy Fook On No. 1B, Jalan Yong Shook Lin 46050 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7620 1118	079-002
JF APEX SECURITIES BHD	Block J-6-3A, Setia Walk PSN Wawasan Pusat Bandar Puchong 47160 Puchong Selangor Darul Ehsan Tel No.: 03-5879 0163	079-004
JUPITER SECURITIES SDN BHD	No. 42 – 46, 3 rd Floor Jalan SS19/1D 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5632 4838	055-004
KENANGA INVESTMENT BANK BHD	Ground – Fifth Floor East Wing, Quattro West No. 4, Lorong Persiaran Barat 46200 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7862 6200	073-005
KENANGA INVESTMENT BANK BHD	55C (2 nd Floor) Jalan USJ 10/1F 47610 Subang Jaya Selangor Darul Ehsan Tel No.: 03-8024 1773	073-006
KENANGA INVESTMENT BANK BHD	Lot 240, Second Floor The Curve, No. 6, Jalan PJU 7/3 Mutiara Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7725 9095	073-016

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (CONT'D)		
AFFIN HWANG INVESTMENT BANK BHD	East Wing & Centre Link Tingkat 3A, Wisma Consplant 2 No. 7, Jalan SS 16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5635 6688	068-010
KENANGA INVESTMENT BANK BHD	Level 1 East Wing Wisma Consplant 2 No. 7, Jalan SS16/1 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5621 2118	073-030
KENANGA INVESTMENT BANK BHD	No. 35, Ground, 1 st and 2 nd Floor Jalan Tiara 3 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3348 8080	073-035
MALACCA SECURITIES SDN BHD	No. 16, Jalan SS15/4B 47500 Subang Jaya Selangor Darul Ehsan Tel No.: 03-5636 1533	012-002
MALACCA SECURITIES SDN BHD	No. 58A & 60A, Jalan SS2/67 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 1300 221 223	012-003
MAYBANK INVESTMENT BANK BERHAD	Level 8, 68 Jalan Batai Laut 4 Taman Bukit Camerlang 41300 Klang Selangor Darul Ehsan Tel No.: 03-3050 8888	098-003
MAYBANK INVESTMENT BANK BERHAD	Wisma Bently Music Level 1, No. 3, Jalan PJU 7/2 Mutiarra Damansara 47800 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7718 8888	098-004
PM SECURITIES SDN BHD	1st Floor, 157-A Jalan Kenari 23/A Bandar Puchong Jaya 47100 Puchong Selangor Darul Ehsan Tel No.: 03-8070 0773	064-003

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (CONT'D)		
RHB INVESTMENT BANK BHD	24, 24M, 24A, 26M, 28M, 28A, 30, 30M & 30A Jalan SS2/63 47300 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7873 6366	087-011
RHB INVESTMENT BANK BHD	No. 37, Jalan Semenyih 43000 Kajang Selangor Darul Ehsan Tel No.: 03-8736 3378	087-045
RHB INVESTMENT BANK BHD	First Floor 10 & 11 Jalan Maxwell 48000 Rawang Selangor Darul Ehsan Tel No.: 03-6092 8916	087-047
RHB INVESTMENT BANK BHD	Ground & Mezzanine Floor No. 87 & 89, Jalan Susur Pusat Perniagaan NBC Batu 1 ½, Jalan Meru 41050 Klang Selangor Darul Ehsan Tel No.: 03-3343 9180	087-048
RHB INVESTMENT BANK BHD	11-1 11-2, Jalan PJU 5/12 Dataran Sunway, Kota Damansara 47810 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-6148 3361	087-051
RHB INVESTMENT BANK BHD	Unit 1B, 2B & 3B, USJ 10/1J 47610 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8023 6518	087-059
SJ SECURITIES SDN BHD	Ground Floor, Podium Block Wisma Synergy Lot 72, Persiaran Jubli Perak Section 22 40000 Shah Alam Selangor Darul Ehsan Tel No.: 03-5192 0202	096-001
SJ SECURITIES SDN BHD	101B, Jalan SS 15/5A 47500, Subang Jaya Selangor Darul Ehsan Tel No.: 5631 7888	096-002

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SELANGOR DARUL EHSAN (CONT'D)		
PM SECURITIES SDN BHD	No. 18 & 20, Jalan Tiara 2 Bandar Baru Klang 41150 Klang Selangor Darul Ehsan Tel No.: 03-3341 5300	064-007
SJ SECURITIES SDN BHD	No. 74-2, Jalan Batu Nilam 5 Bandar Bukit Tinggi 41200 Klang Selangor Darul Ehsan Tel No.: 3322 1915	096-004
SJ SECURITIES SDN BHD	No. A-3-11 Block Alamanda 3rd Floor, 10 Boulevard, Lebuhraya Sprint, PJU 6 ^a 47400, Damansara Selangor Darul Ehsan Tel No.: 3322 1915	096-005
TA SECURITIES HOLDINGS BERHAD	No. 2-1, 2-2, 2-3 & 4-2 Jalan USJ 9/5T Subang Business Centre 47620 UEP Subang Jaya Selangor Darul Ehsan Tel No.: 03-8025 1880	058-005
TA SECURITIES HOLDINGS BERHAD	Damansara Utama Branch 2nd Floor, Wisma TA No. 1A, Jalan SS 20/1 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel No.: 03-7795 5713	058-007
PERAK DARUL RIDZUAN		
CIMB INVESTMENT BANK BERHAD	Ground, 1 st , 2 nd and 3 rd Floor No. 8, 8A-C, Persiaran Greentown 4C Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2088 688	065-010
HONG LEONG INVESTMENT BANK BERHAD	51-53, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2530 888	066-003

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PERAK DARUL RIDZUAN (CONT'D)		
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, Aras 1,2 & 3 21 Jalan Stesen 30400 Taiping Perak Darul Ridzuan Tel No.: 05-8066 688	068-003
AFFIN HWANG INVESTMENT BANK BHD	Tingkat Bawah, 1 & 2 No. 22, Persiaran Greentown 1 Greentown Business Centre 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2559 988	068-015
KENANGA INVESTMENT BANK BHD	Ground, 1 st , 2 nd & 4 th Floor No. 63, Persiaran Greenhill 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2422 828	073-022
KENANGA INVESTMENT BANK BHD	No. 7B-1, Jalan Laman Intan Bandar Baru Teluk Intan 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6222 828	073-026
KENANGA INVESTMENT BANK BHD	Ground Floor, No. 25 & 25A Jalan Jaya 2, Medan Jaya 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6939 828	073-031
M & A SECURITIES SDN BHD	5th, 6th, & Unit 8A M & A Building 52A, Jalan Sultan Idris Shah 30000 Ipoh Perak Darul Ridzuan Tel No.: 05-2419 800	057-001
MAYBANK INVESTMENT BANK BERHAD	B-G-04 (Aras Bawah), Aras 1 & 2 No. 42, Persiaran Greentown 1 Pusat Dagangan Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2453 400	098-002
RHB INVESTMENT BANK BHD	No. 17, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6236 498	087-014

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PERAK DARUL RIDZUAN (CONT'D)		
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 23 & 25 Jalan Lumut 32000 Sitiawan Perak Darul Ridzuan Tel No.: 05-6921 228	087-016
RHB INVESTMENT BANK BHD	21-25, Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No.: 05-2415 100	087-023
RHB INVESTMENT BANK BHD	Tingkat Bawah, No. 40, 42 & 44 Jalan Berek 34000 Taiping Perak Darul Ridzuan Tel No.: 05-8088 229	087-034
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No.72, Jalan Idris 31900 Kampar Perak Darul Ridzuan Tel No.: 05-4651 261	087-044
RHB INVESTMENT BANK BHD	No. 1 & 3, First Floor Jalan Wawasan Satu Taman Wawasan Jaya 34200, Parit Buntar Perak Darul Ridzuan Tel No.: 05-171 088	087-052
TA SECURITIES HOLDINGS BHD	Bahagian Kanan Tingkat Bawah, Tingkat 1 & 2, Plaza Teh Teng Seng No. 227, Jalan Raja Permaisuri Bainun 30250 Ipoh Perak Darul Ridzuan Tel No.: 05-2531 313	058-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 27-1, Jalan Intan 2 Bandar Baru 36000 Teluk Intan Perak Darul Ridzuan Tel No.: 05-6216 010	078-009
UOB KAY HIAN SECURITIES (M) SDN BHD	153A Jalan Raja Musa Aziz 30300 Ipoh Perak Darul Ridzuan Tel No.: 05-2411 290	078-013

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Bangunan Berkath 21 Beach Street 10300, Georgetown Penang Tel No : 04-2611 688	076-015
AMINVESTMENT BANK BERHAD	Mezzanine Floor & Level 3 No. 37, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2261 818	086-001
AMINVESTMENT BANK BERHAD	Level 3, No. 15, Lebuhr Pantai 10300 Penang Tel No.: 04-2618 688	086-007
CIMB INVESTMENT BANK BHD	Ground Floor Suite 1.01, Menara Boustead Penang 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2385 900	065-003
AFFIN HWANG INVESTMENT BANK BHD	Level 2, 3, 4, 5 & 7, Wisma Sri Pinang 60, Green Hall; and Levels 2,3,4,5,6,7& 8, Wisma Sri Pinang II 42, Green Hall 10200 Penang Tel No.: 04-2636 996	068-001
AFFIN HWANG INVESTMENT BANK BHD	No. 2 & 4 Jalan Perda Barat Bandar Perda 14000 Penang Tel No.: 04-5372 882	068-006
INTER-PACIFIC SECURITIES SDN BHD	Ground Floor, Mezzanine & 8th Floor Sentral Tower No. 3, Penang Street 10200 Penang Tel No.: 04-2690 888	054-002
JF APEX SECURITIES SDN BHD	368-2-5 Jalan Burmah Belissa Row 10350 Pulau Tikus Penang Tel No.: 04-2289 118	079-005

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG (CONT'D)		
JUPITER SECURITIES SDN BHD	20-1 Persiaran Bayan Indah Bayan Bay, Sungai Nibong 11900 Bayan Lepas Penang Tel No.: 04-641 2881	055-003
KENANGA INVESTMENT BANK BHD	7 th , 8 th & 16 th Floor Menara Boustead 39, Jalan Sultan Ahmad Shah 10050 Penang Tel No.: 04-2283 355	073-023
M & A SECURITIES SDN BHD	332H-1 & 332G-2 Jalan Perak 11600 Georgetown Penang Tel No.: 04-2817 611	057-005
M & A SECURITIES SDN BHD	216, 216A, 218 and 218A Pengkalan Weld Lebuh Macallum 10300 Penang Tel No.: 04-2617 611	057-008
MALACCA SECURITIES SDN BHD	No. 39-1 Jalan Lenggong Vantage Point 11600 Jelutong Penang Tel No.: 04-2821 533	012-004
MALACCA SECURITIES SDN BHD	48 Jalan Todak 2 13700 Seberang Jaya Penang Tel No.: 04-3905 669	012-006
MALACCA SECURITIES SDN BHD	No.17, 1 st Floor Persiaran Bayan Indah Taman Bayan Indah 11900 Bayan Lepas Penang Tel No.: 04-6421 533	012-007
MAYBANK INVESTMENT BANK BERHAD	Lot 1.02, Tingkat 1, Bangunan KWSP Jalan Sultan Ahmad Shah 10050 Georgetown Penang Tel No.: 04 2196 888	098-006

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG (CONT'D)		
MERCURY SECURITIES SDN BHD	Ground, 1 st , 2 nd & 3 rd Floor Wisma UMNO Lorong Bagan Luar Dua Seberang Perai 12000 Butterworth Penang Tel No.: 04-3322 123	093-001
MERCURY SECURITIES SDN BHD	2 nd Floor Standard Chartered Bank Chambers 2 Lebuhr Pantai 10300 Penang Tel No.: 04-2639 118	093-004
MERCURY SECURITIES SDN BHD	70-1-22 Jalan Mahsuri 11900 Bandar Bayan Baru Penang Tel No.: 04-6400 822	093-006
PM SECURITIES SDN BHD	3rd Floor, Wisma Wang 251-A, Jalan Burmah 10350 Penang Tel No.: 04-2273 000	064-004
RHB INVESTMENT BANK BHD	Aras Bawah, 1 dan 2 No. 2677, Jalan Chain Ferry Taman Inderawasih 13600 Seberang Prai Penang Tel No.: 04-3900 022	087-005
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu dan Tingkat Dua No. 11A, Jalan Keranji Off Jalan Padang Lallang 14000 Bukit Mertajam Penang Tel No.: 04-5402 888	087-015
RHB INVESTMENT BANK BHD	834, Tingkat Bawah dan Tingkat Satu 835, Tingkat Satu Jalan Besar, Sungai Bakap 14200 Sungai Jawi Seberang Perai Selatan Penang Tel No.: 04-5831 888	087-032

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PULAU PINANG (CONT'D)		
RHB INVESTMENT BANK BHD	Tingkat Bawah – Tingkat 3 & Tingkat 5 – Tingkat 8 64 & 64-D Lebuhrampai 10200 Penang Tel No.: 04-2634 222	087-033
RHB INVESTMENT BANK BHD	No. 15-G-5, 15-G-6, 15-1-5, 15-1-6, 15-2-5 dan 15-2-6 dan 15-2-24 Medan Kampung Relau (Bayan Point) 11950 Penang Tel No.: 04-6404 888	087-042
RHB INVESTMENT BANK BHD	41-A, 41-B and 41-C Lintang Angsana Bandar Baru Air Itam 11500 Penang Tel No.: 04-8352 988	087-056
SJ SECURITIES SDN BHD	12th Floor, Office Tower Hotel Royal Penang No. 3 Jalan Larut 10050 Georgetown Penang	096-003
TA SECURITIES HOLDINGS BHD	3 rd Floor, Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2272 339	058-010
UOB KAY HIAN SECURITIES (M) SDN BHD	1st and 2nd Floor Bangunan Heng Guan No. 171 Jalan Burmah 10050 Penang Tel No.: 04-2299 318	078-002
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor No. 2, Jalan Perniagaan 2 Pusat Perniagaan Alma 14000 Bukit Mertajam Penang Tel No.: 04-5541 388	078-003

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PERLIS INDRA KAYANGAN		
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 39, Taman Suriani Persiaran Jubli Emas 1000 Kangar, Perlis Tel No.: 04-9793 888	087-060
KEDAH DARUL AMAN		
ALLIANCE INVESTMENT BANK BHD	2 nd Floor, Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel No.: 04-7317 088	076-004
AFFIN HWANG INVESTMENT BANK BHD	No. 70A, B & C, Jalan Mawar 1 Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4256 666	068-011
RHB INVESTMENT BANK BHD	No. 112, Jalan Pengkalan Taman Pekan Baru 8000 Sungai Petani Kedah Darul Aman Tel No.: 04-4204 888	087-017
RHB INVESTMENT BANK BHD	35, Tingkat Bawah Jalan Suria 1, Jalan Bayu 9000 Kulim Kedah Darul Aman Tel No.: 04-4964 888	087-019
RHB INVESTMENT BANK BHD	214-A, 214-B, 215-A & 215-B Medan Putra Jalan Putra 05150 Alor Setar Kedah Darul Aman Tel No.: 04-7209 888	087-021
UOB KAY HIAN SECURITIES (M) SDN BHD	Lot 4, 5 & 5A 1 st Floor EMUM 55 No. 55, Jalan Gangsa Kawasan Perusahaan Mergong 2 Seberang Jalan Putra 5150 Alor Setar Kedah Darul Aman Tel No.: 04-7322 111	078-007

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
NEGERI SEMBILAN DARUL KHUSUS		
AFFIN HWANG INVESTMENT BANK BHD	1 st Floor 105, 107 & 109, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7612 288	068-007
AFFIN HWANG INVESTMENT BANK BHD	No. 6, Tingkat Atas Jalan Mahligai 72100 Bahau Negeri Sembilan Darul Khusus Tel No.: 06-4553 188	068-013
MAYBANK INVESTMENT BANK BERHAD	Wisam HM, Ground Floor No. 43 Jalan Dr. Krishnan 70000, Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7669 555	098-005
PM SECURITIES SDN BHD	1 st , 2 nd & 3 rd Floor 19-21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7623 131	064-002
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 32 & 33, Jalan Dato' Bandar Tunggal 70000 Seremban Negeri Sembilan Darul Khusus Tel No.: 06-7641 641	087-024
RHB INVESTMENT BANK BHD	Tingkat Satu, No. 3601, Jalan Besar 73000 Tampin Negeri Sembilan Darul Khusus Tel No.: 06-4421 000	087-037
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Mezanin No. 346 & 347, Batu 1/2, Jalan Pantai 71000 Port Dickson Negeri Sembilan Darul Khusus Tel No.: 06-6461 234	087-046

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name MELAKA	Address and telephone number	ADA Code
CIMB INVESTMENT BANK BHD	Ground, 1 st & 2 nd Floor No. 191, Taman Melaka Raya Off Jalan Parameswara 75000 Melaka Tel No.: 06-2898 800	065-006
KENANGA INVESTMENT BANK BHD	71 (Ground, A&B) & 73(Ground, A&B) Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2881 720	073-028
KENANGA INVESTMENT BANK BHD	22A & 22A-1 and 26 & 26-1 Jalan MP 10 Taman Merdeka Permai 75350 Batu Berendam Melaka Tel No.: 06-3372 550	073-034
MALACCA SECURITIES SDN BHD	No. 1, 3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park) Balai Panjang, 75250 Melaka Tel No.: 06-3371 533	012-001
MERCURY SECURITIES SDN BHD	No. 81-B & 83-B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2921 898	093-003
PM SECURITIES SDN BHD	No. 6-1 Jalan Lagenda 2 Taman 1 Lagenda 75400 Melaka Tel No.: 06-2866 008	064-006
RHB INVESTMENT BANK BHD	No. 19, 21 & 23 Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2833 622	087-002
RHB INVESTMENT BANK BHD	579, 580 & 581 Taman Melaka Raya 75000 Melaka Tel No.: 06-2825 211	087-026

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
MELAKA (CONT'D)		
TA SECURITIES HOLDINGS BHD	No. 59, 59A & 59B Jalan Merdeka Taman Melaka Raya 75000 Melaka Tel No.: 06-2862 618	058-008
UOB KAY HIAN SECURITIES (M) SDN BHD	7-2 Jalan PPM8 Malim Business Park 75250 Melaka Tel No.: 06-3352 511	078-014
JOHOR DARUL TAKZIM		
ALLIANCE INVESTMENT BANK BHD	No. 73, Ground & 1 st Floor Jalan Rambutan 86000 Kluang Johor Darul Takzim Tel No.: 07-7717 922	076-006
AMINVESTMENT BANK BERHAD	2 nd , 3 rd , 4 th Floor Penggaram Complex 1, Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4342 282	086-002
AMINVESTMENT BANK BERHAD	18 th & 31 st Floor Selesa Tower, Jalan Dato' Abdullah Tahir 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3343 855	086-001
CIMB INVESTMENT BANK BERHAD	No. 73 Ground Floor, No. 73A First Floor & No.79A First Floor Jalan Kuning Dua 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3405 888	065-011
AFFIN HWANG INVESTMENT BANK BHD	Level 7, Johor Bahru City Square (Office Tower) 106-108, Jalan Wong Ah Fook 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2222 692	068-004
INTER-PACIFIC SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel No.: 07-2231 211	054-004

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (CONT'D)		
JUPITER SECURITIES SDN BHD	30-1 Jalan Molek 1/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3538 878	055-002
KENANGA INVESTMENT BANK BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3333 600	073-004
KENANGA INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Mezzanine No. 34, Jalan Genuang 85000 Segamat Johor Darul Takzim Tel No.: 07-9333 500	073-009
KENANGA INVESTMENT BANK BHD	No. 33 & 35, (Tingkat Bawah dan Tingkat Satu A&B) Jalan Syed Abdul Hamid Sagaff 86000 Kluang Johor Darul Takzim Tel No.: 07-7771 161	073-010
KENANGA INVESTMENT BANK BHD	Tingkat Bawah No. 4 Jalan Dataran 1 Taman Bandar Tangkak 84900 Tangkak Johor Darul Takzim Tel No.: 06-9782 292	073-011
KENANGA INVESTMENT BANK BHD	No. 24, 24A & 24B Jalan Penjaja 3 Kim Park Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4326 963	073-017
KENANGA INVESTMENT BANK BHD	Suite 16-02, 16-03 & 16-03A Level 16, Manara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-2237 423	073-019
KENANGA INVESTMENT BANK BHD	No. 57, 59 & 61, Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9531 222	073-024

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (CONT'D)		
KENANGA INVESTMENT BANK BHD	Ground Floor No. 234, Jalan Besar Taman Semberong Baru 83700 Yong Peng Johor Darul Takzim Tel No.: 07-4678 885	073-025
KENANGA INVESTMENT BANK BHD	916 Ground Floor Jalan Bakek 82000 Pontian Johor Darul Takzim Tel No.: 07-6861 121	073-037
M & A SECURITIES SDN BHD	Suite 5.3A, Level 5 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3381 233	057-003
M & A SECURITIES SDN BHD	26 Jalan Indah 16/5 Taman Bukit Indah 81200 Johor Bahru Johor Darul Takzim Tel No.: 07-2366 288	057-006
M & A SECURITIES SDN BHD	No. 27, 27A & 27 B Jalan Molek 2/10 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 3551 988	057-007
MALACCA SECURITIES SDN BHD	1735-B Jalan Sri Putri 4 Taman Putri Kulai 81000 Kulai Jaya Johor Darul Takzim Tel No: 07-6638 877	012-010
MALACCA SECURITIES SDN BHD	74 Jalan Serampang Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No: 07-3351 533	012-005
MERCURY SECURITIES SDN BHD	Suite 17.1, Level 17 Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel No.: 07-3316 992	093-005

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (CONT'D)		
PM SECURITIES SDN BHD	Ground & 1 st Floor No. 43 & 43A, Jalan Penjaja 3 Taman Kim's Park Business Centre 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4333608	064-008
RHB INVESTMENT BANK BHD	6 th Floor, Wisma Tiong-Hua 8, Jalan Keris, Taman Sri Tebrau 80050 Johor Bahru Johor Darul Takzim Tel No.: 07-2788 821	087-006
RHB INVESTMENT BANK BHD	53, 53-A & 53-B Jalan Sultanah 83000 Batu Pahat Johor Darul Takzim Tel No.: 07-4380 288	087-009
RHB INVESTMENT BANK BHD	No. 33-1 Tingkat 1 & 2 (Unit Penjuru) Jalan Ali 84000 Muar Johor Darul Takzim Tel No.: 06-9538 262	087-025
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 119 & 121 Jalan Sutera Tanjung 8/2 Taman Sutera Utama 81300 Skudai Johor Darul Takzim Tel No.: 07-5577 628	087-029
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 3, Jalan Susur Utama 2/1 Taman Utama 85000 Segamat Johor Darul Takzim Tel No.: 07-9321 543	087-030
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 40 Jalan Haji Mana 86000 Kluang Johor Darul Takzim Tel No.: 07-7769 655	087-031

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (CONT'D)		
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 10, Jalan Anggerik 1 Taman Kulai Utama 81000 Kulai Johor Darul Takzim Tel No.: 07-6626 288	087-035
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat Satu & Tingkat Dua No. 343, Jalan Muar 84900 Tangkak Johor Darul Takzim Tel No.: 06-9787 180	087-038
RHB INVESTMENT BANK BHD	Tingkat Satu No 2 & 4, Jalan Makmur Taman Sri Aman 85300 Labis Johor Darul Takzim Tel No.: 07-9256 881	087-039
RHB INVESTMENT BANK BHD	Tingkat Bawah, Tingkat 1 & Tingkat 2 No. 21 & 23 Jalan Molek 1/30 Taman Molek 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3522 293	087-043
TA SECURITIES HOLDINGS BHD	7A, Jalan Genuang Perdana Taman Genuang Perdana 85000 Segamat Johor Darul Takzim Tel No.: 07-9435 278	058-009
UOB KAY HIAN SECURITIES (M) SDN BHD	Level 6 & 7, Menara MSC Cyberport No. 5, Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel No.: 07-3332 000	078-001
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 42-8, Main Road Kulai Besar 81000 Kulai Johor Darul Takzim Tel No.: 07-6637 398	078-005

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
JOHOR DARUL TAKZIM (CONT'D)		
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 70, 70-01, 70-02 Jalan Rosmerah 2/17 Taman Johor Jaya 81100 Johor Bahru Johor Darul Takzim Tel No.: 07-3513 218	078-006
UOB KAY HIAN SECURITIES (M) SDN BHD	No. 171 (Ground Floor) Jalan Bestari 1/5 Taman Nusa Bestari 81300 Skudai Johor Darul Takzim Tel No.: 07-5121 633	078-008
KELANTAN DARUL NAIM		
RHB INVESTMENT BANK BHD	Tingkat Bawah & Tingkat Satu No. 3953-H, PT225, 1 st Floor, Jalan Kebun Sultan 15350 Kota Bharu Kelantan Darul Naim Tel No.: 09-7430 077	087-020
TA SECURITIES HOLDINGS BHD	298, Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7433 388	058-004
UOB KAY HIAN SECURITIES (M) SDN BHD	Ground & 1 st Floor Lot 712, Sek.9, PT62 Jalan Tok Hakim Bandar Kota Bharu 15000 Kota Bharu Kelantan Darul Naim Tel No.: 09-7473 906	078-015
PAHANG DARUL MAKMUR		
ALLIANCE INVESTMENT BANK BHD	Ground, Mezzanine & 1st Floor B-400 Jalan Berserah 25300 Kuantan Pahang Darul Makmur Tel No.: 09-5660 800	076-002
CIMB INVESTMENT BANK BHD	Ground 1 st & 2 nd Floor No. A-27, Jalan Dato' Lim Hoe Lek 25200 Kuantan Pahang Darul Makmur Tel No.: 09-2057 800	065-007

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
PAHANG DARUL MAKMUR (CONT'D)		
JUPITER SECURITIES SDN BHD	2 nd Floor, Lot No. 25 Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 136	055-005
KENANGA INVESTMENT BANK BHD	A15, A17 & A19, Ground Floor Jalan Tun Ismail 2 Sri Dagangan 2 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5171 698	073-027
MALACCA SECURITIES SDN BHD	P11-3, Jalan Chui Yin 28700 Bentong Pahang Darul Makmur Tel No.: 011-2577 7489	012-008
RHB INVESTMENT BANK BHD	B32 & B34, Lorong Tun Ismail 8 Seri Dagangan II 25000 Kuantan Pahang Darul Makmur Tel No.: 09-5173 811	087-007
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 98, Jalan Pasdec 28700 Bentong Pahang Darul Makmur Tel No.: 09-2234 943	087-022
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu No. 76-A, Persiaran Camelia 4 Tanah Rata 39000 Cameron Highlands Pahang Darul Makmur Tel No.: 05-4914 913	087-041
TERENGGANU DARUL IMAN		
ALLIANCE INVESTMENT BANK BHD	Ground & Mezzanine Floor Wisma Kam Choon 101, Jalan Kampung Tiong 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6317 922	076-009
FA SECURITIES SDN BHD	No. 51 & 51A Ground, Mezzanine & 1st Floor Jalan Tok Lam 20100 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6238 128	021-001

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
TERENGGANU DARUL IMAN (CONT'D)		
RHB INVESTMENT BANK BHD	Tingkat Bawah dan Tingkat Satu 9651, Cukai Utama Jalan Kubang Kurus 24000 Kemaman Terengganu Darul Iman Tel No.: 09-8583 109	087-027
RHB INVESTMENT BANK BHD	1 st Floor No. 59, Jalan Sultan Ismail 20200 Kuala Terengganu Terengganu Darul Iman Tel No.: 09-6261 816	087-055
SABAH		
CIMB INVESTMENT BANK BHD	1 st – 3 rd Floor, Central Building No. 28, Jalan Sagunting 88000 Kota Kinabalu Sabah Tel No.: 088-328 878	065-005
AFFIN HWANG INVESTMENT BANK BHD	Suite 1-9-E1, 9 th Floor, CPS Tower Centre Point Sabah No. 1, Jalan Centre Point 88000 Kota Kinabalu Sabah Tel No.: 088-311 688	068-008
KENANGA INVESTMENT BANK BHD	Level 8, Wisma Great Eastern 68, Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-236 188	073-032
RHB INVESTMENT BANK BHD	2nd Floor, No. 81 & 83 Jalan Gaya 88000 Kota Kinabalu Sabah Tel No.: 088-269 788	087-010
RHB INVESTMENT BANK BHD	Tingkat Bawah, Block 2 Lot 4 & Lot 5, Bandar Indah Mile 4, North Road 91000 Sandakan Sabah Tel No.: 089-229 286	087-057

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SABAH (CONT'D)		
UOB KAY HIAN SECURITIES (M) SDN BHD	11, Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel No.: 088-234 090	078-011
UOB KAY HIAN SECURITIES (M) SDN BHD	177 & 178 Ground Floor Block 17 Phase 2, Prima Square Mile 4, North Road 90000 Sandakan Sabah Tel No.: 089-218 681	078-012
SARAWAK		
AMINVESTMENT BANK BERHAD	1 st , 2 nd & 3 rd Floor No. 162, 164, 166 & 168 1 st , 2 nd & 3 rd Floor Jalan Abell 93100 Kuching Sarawak Tel No.: 082-244 791	086-001
CIMB INVESTMENT BANK BERHAD	Aras 1 (Utara) Wisma STA 26 Jalan Datuk Abang Abdul Rahim 93450 Kuching Sarawak Tel No.: 082-358 688	065-004
CIMB INVESTMENT BANK BERHAD	No. 6A, Ground Floor Jalan Bako, Off Brooke Drive 96000 Sibu Sarawak Tel No.: 084-367 700	065-008
AFFIN HWANG INVESTMENT BANK BHD	Ground Floor & 1 st Floor No. 1, Jalan Pending 1 st Floor, No. 3, Jalan Pending 93450 Kuching Sarawak Tel No.: 082-341 999	068-005
AFFIN HWANG INVESTMENT BANK BHD	No. 282, 1 st Floor Park City Commercial Centre Phase 4, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-330 008	068-016

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SARAWAK (CONT'D)		
KENANGA INVESTMENT BANK BHD	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No.: 085-435 577	073-002
KENANGA INVESTMENT BANK BHD	Level 1-5, Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel No.: 082-338 000	073-003
KENANGA INVESTMENT BANK BHD	No. 11-12, (Ground & 1 st Floor) Lorong Kampung Datu 3 96000 Sibu Sarawak Tel No.: 084-313 855	073-012
KENANGA INVESTMENT BANK BHD	Ground Floor of Survey Lot No. 4203 Parkcity Commerce Square Phase 6, Jalan Diwarta 97000, Bintulu Sarawak Tel No.: 086-337 588	073-018
KENANGA INVESTMENT BANK BERHAD	Yung Kong Abell Suite 9 & 10, 3 rd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-248 877	073-036
MERCURY SECURITIES SDN BHD	1 st Floor No.16 jalan Getah 96100 Sarikei Sarawak Tel No.: 084-659 019	093-007
RHB INVESTMENT BANK BHD	Yung Kong Abell Units No. 1-10, 2 nd Floor Lot 365, Section 50 Jalan Abell 93100 Kuching Sarawak Tel No.: 082-250 888	087-008

16. PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

Name	Address and telephone number	ADA Code
SARAWAK (CONT'D)		
RHB INVESTMENT BANK BERHAD	Lot 1268, 1 st & 2 nd Floor Lot 1269, 2 nd Floor Centre Point Commercial Centre Jalan Melayu 98000 Miri Sarawak Tel No.: 085-422 788	087-012
RHB INVESTMENT BANK BERHAD	102, Pusat Pedada Jalan Pedada 96000 Sibu Sarawak Tel No.: 084-329 100	087-013
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat Satu No. 10, Jalan Bersatu 96100 Sarikei Sarawak Tel No.: 084-654 100	087-050
RHB INVESTMENT BANK BERHAD	Tingkat Bawah dan Tingkat 1 No. 221, Parkcity Commerce Square Phase III, Jalan Tun Ahmad Zaidi 97000 Bintulu Sarawak Tel No.: 086-311 770	087-053
TA SECURITIES HOLDINGS BHD	12G, Jalan Kampong Datu 96000 Sibu Sarawak Tel No.: 084-319 998	058-002
TA SECURITIES HOLDINGS BHD	Tingkat 2, (Bahagian Hadapan) Bangunan Binamas, Lot 138, Section 54, Jalan Pandung 93100 Kuching Sarawak Tel No.: 082-236 333	058-006

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APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP

The summary details of the information on the material land and buildings owned by our Group as at the LPD are set out below:-

PP CHIN HIN

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
1.			Description of property				For erection of shoplots/offices only/Not applicable
(i)		Units A-0-1, A-1-1 and A-2-1;		196.3/572.9	3,097,577.64		
(ii)		Units A-0-3A, A-1-3A and A-2-3A;			2,152,328.60		
(iii)	Master title held under	Units A-0-07, A-1-07 and A-2-07;			2,306,800.00		
(iv)	HSM 13217, PT15196	Units A-0-08, A-1-08 and A-2-08;		133.5/400.4	2,154,567.20		
(v)	(formerly known as GM	Units A-0-09, A-1-09 and A-2-09;		for each unit	2,154,567.20		
(vi)	3754, Lot 44773), Mukim	Units A-0-10, A-1-10 A-2-10;	3-storey		2,154,326.97		
(vii)	Petaling, Daerah Kuala	Units A-0-12, A-1-12 and A-2-12;	shophouse unit	132.3/397.0	2,195,759.56	6 July 2010	
(viii)	Lumpur, Wilayah	Units B-0-03, B-1-03 and B-2-03;		133.5/400.4	2,188,694.56		
(ix)	Persekutuan Kuala	Units J-0-08, J-1-08 and J-2-08;		122.5/367.4	1,842,059.14		
(x)	Lumpur	Units C-0-02 and C-1-02;			1,124,799.96		
(xi)		Units C-0-03 and C-1-03;		125.5/251.0	1,124,799.96		
(xii)		Unit D-0-03 and D-1-03; and	2-storey	for each unit	1,155,969.30		
(xiii)		Unit F-0-07 and F-1-07,	shophouse unit		1,126,683.20		
		Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	Existing use/Expiry of Lease/Category of Land Use				
			Partly occupied by our Group as office premises, partly tenanted by our related parties and partly tenanted by third parties and partly vacant/Freehold/Building				

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
2.	Master titles held under:-						
(i)	HSM 13217, PT15196 (formerly known as GM 4140, Lot 46197), Mukim Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Units J-0-06, J-1-06 and J-2-06; and Units J-0-07, J-1-07 and J-2-07, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	3-storey shophouse unit	122.5/ 367.4 per unit	1,823,089.56 1,823,089.56	6 July 2010	For erection of shoplots/offices only/ Not applicable
			<u>Existing use/Expiry of Lease/Category of Land Use</u>				
			Partly tenanted by our related parties and partly tenanted by third parties/ Freehold/Building				
3.	Strata titles held under:-						
(i)	GM 8564, No. Bangunan M1-A, No. Tingkat 25, No. Petak 44, Lot 67625; and	No. A-22-02; and	One condominium unit at 22 nd floor, block A of a 23-storey condominium block	(N/A/ 194.2	1,470,000.00	13 May 2008	For multi-storeys residential building only/ Not applicable
(ii)	GM 8564, No. Bangunan M1-B, No. Tingkat 23, No. Petak 86, Lot 67625, Mukim Batu, Negeri Wilayah Persekutuan Kuala Lumpur	No. B-20-02, Hijauan Kiara, No. 6, Jalan Kiara 5, Mont' Kiara, 50480 Kuala Lumpur	One condominium unit at 23 rd floor, block B of a 25-storey condominium block	(N/A/ 231.0	1,492,200.00		
			<u>Existing use/Expiry of Lease/Category of Land Use</u>				
			Vacant/Freehold/Building				

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
4.	Strata titles held under:-		Description of property				For erection of commercial buildings (shops and offices) only/ Not to be transferred, charged or leased without the consent from Jawatankuasa Kerja Tanah Kuala Lumpur
(i)	PN 46794, Lot 30118, No. Bangunan M1-B, No. Tingkat 2, No. Petak 57; and	No. 13A-0, No. 13A-1, No. 13A-2; and No. 13A-3,	4-storey shophouse unit	118.6/ 474.5	2,570,000.00	28 March 2008	
(ii)	PN 46794, Lot 30118, No. Bangunan M1-B, No. Tingkat 1, No. Petak 47,	No. 15-0, No. 15-1, No. 15-2; and No. 15-3,		112.5/ 450.0	2,710,000.00		
	Mukim Setapak, Negeri Wilayah Persekutuan Kuala Lumpur	Blok B, Platinum Walk, No. 2, Jalan Langkawi, Danau Kota 53300 Setapak, Kuala Lumpur	Existing use/Expiry of Lease/Category of Land Use				
			Partly tenanted by third parties and partly vacant/99 years lease expiring on 20 November 2106/Building				
5.	Individual titles held under:-		Description of property				For commercial building only/ Land can be transferred, leased or charged with consent of State Authority
(i)	HS(D) 63311, PT 6366;	Lots No. A-23-0, A-23-1 and A-23-2;			1,400,000.00		
(ii)	HS(D) 63310, PT 6365;	Lots No. A-23A-0, A-23A-1 and A-23A-2;	3-storey shophouse unit	153.3/ 459.9 for each unit	1,500,000.00 1,400,000.00 1,400,000.00	26 September 2011	
(iii)	HS(D) 63309, PT 6364;	Lots No. A-25-0, A-25-1 and A-25-2;					
(iv)	HS(D) 63308, PT 6363;	Lots No. A-26-0, A-26-1 and A-26-2; and					
(v)	HS(D) 63307, PT 6362,	Lots No. A-27-0, A-27-1 and A-27-2,					

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/Restriction in interest
		Bandar Rawang, Daerah Gombak, Negeri Selangor	Jalan Reef 1/1, Pusat Perniagaan Reef, 48000 Selangor Darul Ehsan				
			<u>Existing use/Expiry of Lease/Category of Land Use</u> Partly tenanted by our related parties and partly tenanted by third parties/99 years lease expiring on 27 June 2107/Building				
6.	Individual title held under HS(D) 283205, PT 35461 Mukim Damansara, Daerah Petaling, Negeri Selangor	No. 28, Jalan Kerawang U8/108, Taman Perindustrian Tekno Jelutong, Seksyen U8, 40150 Shah Alam, Selangor Darul Ehsan	<u>Description of property</u> 3-storey semi-detached industrial factory unit <u>Existing use/Expiry of Lease/Category of Land Use</u> Vacant/Freehold/Industrial	824.2/663.3	4,308,940.00	30 March 2015	For industrial building only/ Not applicable

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
7.	Individual titles held under:-		Description of property				Note (xii)
(i)	HS(M) 14302, PT 1222;	Ground floor to second floor, No. 3;	3-storey shophouse unit	149.0/390.2	800,000.00	18 May 2010	
(ii)	HS(M) 14303, PT 1223;	Ground floor to second floor, No. 5;		149.0/408.8	800,000.00		
(iii)	HS(M) 14304, PT 1224;	Ground floor to second floor, No. 6;		149.0/390.2	800,000.00		
(iv)	HS(M) 14305, PT 1225;	Ground floor to second floor, No. 7;		per unit	800,000.00		
(v)	HS(M) 14306, PT 1226;	Ground floor to second floor, No. 8;		149.0/408.8	800,000.00		
(vi)	HS(M) 14307, PT 1227;	Ground floor to second floor, No. 9;	3-storey shophouse unit	149.0/408.8	850,000.00	22 July 2010	
(vii)	HS(M) 14308, PT 1228;	Ground floor to second floor, No. 10;			880,000.00		
(viii)	HS(M) 14309, PT 1229;	Ground floor to second floor, No. 11;			850,000.00		
(ix)	HS(M) 14310, PT 1230;	Ground floor to second floor, No. 12;		149.0/	850,000.00		
(x)	HS(M) 14311, PT 1231;	Ground floor to second floor, No. 13;		445.9	850,000.00		
(xi)	HS(M) 14312, PT 1232;	Ground floor to second floor, No. 15;	3-storey shophouse unit	per unit	850,000.00	22 July 2010	
(xii)	HS(M) 14313, PT 1233;	Ground floor to second floor, No. 16;			850,000.00		
(xiii)	HS(M) 14314, PT 1234;	Ground floor to second floor, No. 17;			850,000.00		
(xiv)	HS(M) 14315, PT 1235;	Ground floor to second floor, No. 18;			850,000.00		
(xv)	HS(M) 14316, PT 1236;	Ground floor to second floor, No. 19;		278.0/773.4	1,500,000.00		
(xvi)	HS(M) 14663, PT 1301;	Ground floor and first floor, No. 20;	2-storey shophouse unit	251.0/356.7	1,050,000.00	22 July 2010	
(xvii)	HS(M) 14668, PT 1306;	Ground floor and first floor, No. 26;		178.0/267.6	1,000,000.00		
(xviii)	HS(M) 14669, PT 1307	Ground floor and first floor, No. 27,		178.0/267.6	1,000,000.00		
Existing use /Expiry of Lease/Category of Land Use							
Bandar Alor Setar,	Jalan Lengkok Sari, Taman						
Daerah Kota Setar,	Perindustrian Mergong, Persiaran						
Negeri Kedah	Bandar Baru Mergong 05150 Alor Setar, Kedah						
Partly tenanted by our related parties and partly tenanted by third parties/Freehold/Building							

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
<u>Description of property</u>							
8.	Individual titles held under:-						Note (xii)
(i)	HS(D) 19491, PT 484;	Ground floor and first floor, Plot 183;	2-storey shophouse unit	167.0/325.2	645,000.00	3 February 2010	
(ii)	HS(D) 19492, PT 485;	Ground floor and first floor, Plot 184;		130.0/ 260.1 per unit	495,000.00		
(iii)	HS(D) 19493, PT 486;	Ground floor and first floor, Plot 185;			495,000.00		
(iv)	HS(D) 19494, PT 487;	Ground floor and first floor, Plot 186;			495,000.00		
(v)	HS(D) 19495, PT 488;	Ground floor and first floor, Plot 187;			495,000.00		
(vi)	HS(D) 19496, PT 489;	Ground floor and first floor, Plot 188;	2-storey shophouse unit	227.0/471.6	495,000.00		
(vii)	HS(D) 19497, PT 490;	Ground floor and first floor, Plot 189;		259.0/665.3	860,000.00		
(viii)	HS(D) 19513, PT 506;	Ground floor to second floor, Plot 205;			1,400,000.00		
(ix)	HS(D) 19514, PT 507;	Ground floor to second floor, Plot 206;			750,000.00		
(x)	HS(D) 19515, PT 508;	Ground floor to second floor, Plot 207;		130.0/ 390.2 per unit	750,000.00		
(xi)	HS(D) 19516, PT 509;	Ground floor to second floor, Plot 208;	3-storey shophouse unit		750,000.00		
(xii)	HS(D) 19517, PT 510;	Ground floor to second floor, Plot 209;			750,000.00		
(xiii)	HS(D) 19518, PT 511; and	Ground floor to second floor, Plot 210; and			750,000.00		
(xiv)	HS(D) 19519, PT 512, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Ground floor to second floor, Plot 211, Kompleks Perniagaan Sultan Abdul Hamid 2, Persiaran Sultan Abdul Hamid, 05050 Alor Setar, Kedah	<u>Existing use/Expiry of Lease/Category of Land Use</u> Partly tenanted by third parties and partly vacant/99 years lease expiring on 24 October 2106/Building	183.0/539.8	1,050,000.00		

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
9.	Individual titles held under:-						For commercial building only/ Not applicable
(i)	PN 3321, Lot 296;	Ground floor to second floor, Unit No. 61;	3-storey shophouse unit/ Tenanted by third party/99 years lease expiring on 20 May 2101/Building	130.0/388.7 per unit	750,000.00		
(ii)	PN 3331, Lot 306;	Ground floor to second floor, Unit No. 71;	3-storey shophouse unit/ Tenanted by our Group as office premises/99 years lease expiring on 20 May 2101/Building		752,796.32		
(iii)	PN 3332, Lot 307;	Ground floor to second floor, Unit No. 72;	3-storey shophouse unit/ Partly tenanted by third parties and Partly occupied by our Group as office premises/99 years lease expiring on 20 May 2101/Building	130.0/ 388.7 per unit	Note (iv)	26 October 2004	
(iv)	PN 3333, Lot 308;	Ground floor to second floor, Unit No. 73;			Note (iv)		

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/Restriction in interest
(v)	PN 3334, Lot 309; and	Ground floor to second floor, Unit No. 74; and	3-storey shophouse	130.0/ 388.7 per unit	Note (iv)	26 October 2004	
(vi)	PN 3336, Lot 311, Seksyen 31, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Ground floor to second floor, Unit No. 76, Kompleks Perniagaan Sultan Abdul Hamid 1, Jalan Persiaran Sultan Abdul Hamid, 05050 Alor Setar, Kedah	unit/Partly tenanted by third parties and Partly occupied by our Group as office premises/99 years lease expiring on 20 May 2101/Building		750,000.00		
10.	Individual titles held under:-						
(i)	HS(M) 12099, PT 14125;	Ground floor to second floor, No. 48;	Description of property	265.0/743.2	1,400,000.00		For commercial building (3-storey shop office) only/Not applicable
(ii)	HS(M) 12100, PT 14126; and	Ground floor to second floor, No. 49; and	3-storey shophouse unit	143.0/429.2	850,000.00	31 July 2008	
(iii)	HS(M) 12101, PT 14127, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Ground floor to second floor, No. 50, Taman Gunung Indah, Jalan Kuala Kedah, 05400, Alor Setar, Kedah	Existing use/Expiry of Lease/Category of Land Use Partly tenanted by third parties and partly tenanted by our related parties/Freehold/Building	143.0/429.2	850,000.00		
11.	Individual title held under GRN 142670, Lot 101, Seksyen 14, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Ground floor and first floor, No. 101, Jalan PSK 2, Pekan Simpang Kuala, 05400 Alor Setar, Kedah	2-storey shophouse unit/Partly tenanted by third parties and partly vacant/Freehold/ Building	130.0/260.1	500,000.00	6 October 1997	Note (vii)

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
12.	Individual title held under HS(D) 20775, PT 2165, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Ground floor and first floor, No. 86, Susuran Tuanku Haminah, Pusat Perdagangan Tuanku Haminah, 05150 Alor Setar, Kedah	2-storey shophouse unit/ Vacant/99 years expiring on 2 January 2107/ For commercial building (2 storey shop/office) only	111.0/223.0	480,000.00	27 December 2010	Note (viii)
13.	Individual titles held under HS(D) 17617, PT 9191, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Plot 615, Jalan Lencong Barat, Kawasan Perusahaan Mergong 2, 05050 Alor Setar, Kedah	Open sided single story warehouse unit/Tenanted by third party/Freehold/Industrial	1184.5/ 1189.0	683,146.00	9 March 2010	For industrial building only/ Not applicable
14.	Individual titles held under:-		Description of property				
(i)	HS(M) 5498, PT 13059; and	Ground floor and first floor, No. 101; and	2-storey shophouse unit	130.0/ 260.1 per unit	500,000.00	4 December 2007	Note (vii)
(ii)	HS(M) 5499, PT 13060,	Ground floor and first floor, No. 102,			500,000.00		
	Mukim Pengkalan Kundor, Daerah Kota Setar, Negeri Kedah	Taman Gunung Perak V, Jalan Gunung Perak 1, Jalan Dato Syed, Alor Setar 05050, Kedah	Existing use/Expiry of Lease/Category of Land Use Tenanted by third party/Freehold/Building				

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in Interest
15.	Individual titles held under:-						Note (ix)
(i)	GM 29604, Lot 9942; No. 401;		3-storey shophouse unit with open storage warehouse for building material	1,255.0/ 1,783.7	831,432.25	12 January 2014	
(ii)	GM 29605, Lot 9943; No. 400; and			1,274.0/ 1,783.7	844,692.74		
(iii)	GM 29606, Lot 9944, No. 399,			1,293.0/ 1,783.7	856,627.00		
	Seksyen 50, Bandar Alor Setar, Daerah Kota Setar, Negeri Kedah	Taman Bandar Baru Mergong, 05150 Alor Setar, Kedah.					
			Existing use/Expiry of Lease/Category of Land Use				
			Tenanted by our Group as warehouse and office premises/Freehold/Industrial				
16.	Individual titles held under:-						
(i)	PN 147622, Lot 9456N; No. 10;		4-storey shophouse unit	118.7/118.7	409,098.74	7 December 2009	For commercial (mixed development) only/ Land can be transferred or leased with consent of State Authority
(ii)	PN 147622, Lot 9456N; No. 10A;			152.6/152.6	525,934.97		
(iii)	PN 147622, Lot 9456N; No. 10B; and			154.5/154.5	532,482.71		
(iv)	PN 147622, Lot 9456N, No. 10C,			154.5/154.5	532,483.58		
	Bandar Ipoh, Daerah Persiaran Greentown 4, Greentown Kinta, Negeri Perak	Business Centre, 30450 Ipoh, Perak Darul Ridzuan					

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in Interest
<p><u>Existing use/Expiry of Lease/Category of Land Use</u></p> <p>Partly tenanted by third parties and Partly occupied by our Group as office premises/ Leasehold expiring on 21 November 2094/ Building</p>							
<p><u>Description of property</u></p> <p>3-storey shopoffice unit</p>							
17.	Individual titles held under:-						
(i)	PN 6118, Lot 351;	Ground floor to second floor, PT 432;			818,000.00		Commercial buildings only according to plan and type as approved by local authority/ Not applicable
(ii)	PN 6119, Lot 350;	Ground floor to second floor, PT 433;			818,000.00	5 January 2012	
(iii)	PN 6120, Lot 349;	Ground floor to second floor, PT 434;		145.0/	818,000.00		
(iv)	PN 6121, Lot 348; and	Ground floor to second floor, PT 435;		827.5	818,000.00		
(v)	PN 6122, Lot 347,	Ground floor to second floor, PT 436,		per unit	818,000.00		
<p><u>Existing use/Expiry of Lease/Category of Land Use</u></p> <p>Partly vacant and partly tenanted by third parties/ Leasehold expiring on 20 August 2102/Building</p>							
	Seksyen 17, Bandar Kota Bahru, Daerah Jajahan Kota Bharu, Negeri Kelantan	Jalan Jambatan, Kampung Sireh, Bawah Lembah, 15050 Kota Bharu, Kelantan					

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
18.	Individual titles held under:-						
(i)	GRN 109156, Lot 5308; and	No. 42-1, No. 42-1A and No. 42-1B; and	<u>Description of property</u> - 3-storey shopoffice unit	112.0/ 346.0	931,111.80	- 2 July 2010	Note (x)
(ii)	GRN 109157, Lot 5309,	No. 46, No. 46A and No. 46B,	<u>Existing use/Expiry of Lease/Category of Land Use</u> Partly vacant, partly tenanted by third parties and Partly occupied by our Group as office premises/ Freehold/Nil	150.0/ 450.0	1,141,320.95		
19.	Master titles held under:-	B01-0207; and	<u>Description of property</u>				
(i)	PN 17802, Lot 13791, Mukim Setul, Daerah Seremban, Negeri Sembilan ^(v)		One serviced apartment unit located on the 2nd floor of a 5 storey service apartment	0'N/A/86.4	45,000.00	6 November 2003	For commercial building only/ Land alienated shall not be transferred, leased or charged unless with the consent of the State Authority
(ii)		B01-0206, Sri Dedap 01, Jalan UTL 1, Bandar Universiti Teknologi Lagenda, 71700 Mantin, Negeri Sembilan	One serviced apartment unit located on the 2nd floor of a 5 storey service apartment	0'N/A/86.4	45,000.00		

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
<p><u>Existing use/Expiry of Lease/Category of Land Use</u></p> <p>Vacant/99 years lease expiring on 13 June 2099/Building</p>							
<p><u>Description of property</u></p> <p>One serviced apartment unit located on the 5th floor of a 5 storey service apartment</p> <p>One serviced apartment unit located on the 5th floor of a 5 storey service apartment</p> <p>One serviced apartment unit located on the 3rd floor of a 5 storey service apartment</p>							
20.	Master titles held under:-						
(i)	PN 17816, Lot 13810;	SM12-0504;		^(v) N/A/86.4	45,000.00		For commercial building only/ Land alienated shall not be transferred, leased or charged unless with the consent of the State Authority
(ii)	PN 17816, Lot 13810; and	SM14-0501; and		^(v) N/A/86.4	45,000.00	^(v) 23 September 2003	
(iii)	PN 17815, Lot 13809, Mukim Setul, Daerah Seremban, Negeri Sembilan	SG05-0302, Sri Gelam 05, Jalan UTL 1, Bandar Universiti Teknologi Lagenda, 71700 Mantin, Negeri Sembilan		^(v) N/A/86.4	45,000.00		
<p><u>Existing use/Expiry of Lease/Category of Land Use</u></p> <p>Vacant/99 years lease expiring on 13 June 2099/Building</p>							

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
21.	Individual title by GRN No. 90, No. 90A and No. 90B, Jalan 268186, Lot 114234, Sutera Tanjung 8/4, Taman Sutera Mukim Pulau, Daerah Johor Bahru, Johor		3-storey shopoffice unit/ Partly occupied by our Group as office premises and partly tenanted by third parties /Freehold/Building	178.0/ 530.1	1,883,349.36	23 June 2009	Note (xi)
ACE LOGISTIC 1. Individual titles held under:- (i) Geran No. 164787, Lot No. 6, 19033; (ii) Geran No. 164789, Lot No. 2; 19034; (iii) Geran No. 164790, Lot No. 2A; and 19035; and (iv) Geran No. 164808, Lot No. 6, 19055, Mukim Setul, Daerah Utama Enterprise Park, Negeri Sembilan Darul Khusus							
Description of property Two-storey office building, two units of semi-detached industrial factory units for AAC plant and metal roofing manufacturing, one batching plant, one electrical room and one canteen block erected on contiguous industrial land				Land area 4,895.0 9,291.0 10,595.0 9,291.0 Total built-up area (iii) 17,210.98	3,169,651 6,016,186 6,860,563 6,016,186	25 April 2013	Land to be used for development/ Not applicable
Existing use/Expiry of Lease/Category of Land Use Tenanted by our Group as factory and warehouse unit/Freehold/Industrial							

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
<u>Description of property</u>							
2.	Individual titles held under:-		Single storey terrace house				For construction of single storey mid cost terrace house only/Dealings on land must obtain approval from JKR
(i)	HS(M) 386, PT 4899; No 51; and and			111/89.2 per unit	66,500.00	(v)29 September 2001	
(ii)	HS(M)539, PT 5052, No 204,				66,500.00		
	Mukim Naga, Kampong Naga, Daerah Kubang Pasu, Negeri Kedah	Taman Wira Mas, Kepala Batas, 06200, Kedah	<u>Existing use/Expiry of Lease/Category of Land Use</u> Vacant/Freehold/Building				
<u>METEX STEEL</u>							
1.	Individual title held under GM 4075, Lot No 15311, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	No 2271, MK 14, Jalan IKS Bukit Minyak, Kawasan Perindustrian, Perai Tengah, 14100	Single storey factory with office unit /Vacant/ Freehold/ Industrial	1,980.0/14,476.6	8,716,337.65	^(viii) 8 September 2015	Note (xiii)
<u>CHIN HIN (CONCRETE) KL</u>							
1.	Parcel no. F-02 held under master title HSM 13217, PT15196 (formerly known as GM	F-0-02 and F-1-02, Pusat Perdagangan Kuchai, No.2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shophouse unit/ Tenanted by our related parties/Freehold/ Building	125.5/251.0	1,145,214.34	6 July 2010	For erection of shophots/ offices only/ Not applicable

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/Restriction in interest
	3754, Lot 44773), Mukim Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur						
2.	Parcel no. F-01 held under master title HSM 13217, PT15196 (formerly known as GM 3754, Lot 44773), Mukim Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	F-0-01 and F-1-01, Pusat Perdagangan Kuchai, No.2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shophouse/ Partly tenanted by third parties and partly vacant/ Freehold/Building	125.5/ 249.0	1,229,335.66	6 July 2010	For erection of shophots/ offices only/ Not applicable
3.	Individual title held under HS(M) 20056, PT 34448, Mukim Kajang, Daerah Ulu Langat, Negeri Selangor	No. 29, No. 29-1 and No. 29-2, Jalan Balakong Jaya 2, Taman Balakong, Selangor Darul Ehsan	3-storey shop office unit/ Vacant/99 years lease expiring on 29 July 2095/Building	130.0/ 390.0	507,196.00	7 September 2008	For commercial building only/ Land can be transferred, leased or charged with consent of State Authority

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

No.	Title Details	Postal address	Description of property/Existing use/Expiry of lease/Category of land use	Land Area/ Built-up Area m ²	Audited NBV as at 31 August 2015 RM	Date of Issuance of Certificate of Fitness for Occupation	Express condition/ Restriction in interest
C&H TRANSPORT							
1.	Parcel no. D-07 held under master title HSM 13217, PT15196 (formerly known as GM 3754, Lot 44773), Mukim Petaling, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	D-0-07 and D-1-07, Pusat Perdagangan Kuchai, No.2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	2-storey shophouse unit/ Tenanted by third parties/Freehold/ Building	125.5/ 251.0	1,110,666.72	6 July 2010	For erection of shoplots or offices only/ Not applicable
PINTAR SINAR							
1.	Individual title held under PN 97898, Lot 40023 (formerly known as HS(M) 45098, PT No. 16047), Seksyen 20, Bandar Serendah, Daerah Ulu Selangor, Selangor	Plot 6, Jalan Bunga Azalea 1/2, Kawasan Industri Bunga Azalea, 48200 Serendah, Selangor Darul Ehsan	One semi-detached industrial factory unit, one plant unit, one unit of 2-storey office unit, one unit of single storey canteen and prayer-room, one unit of electrical sub-station, one unit of batching plant and one unit of main switch room/Occupied by Chin Hin Group as factory/ 99 years lease expiring on 7 July 2109/Industrial	83,190.5/ 17,554.0	20,000,000.00	10 November 2014	For medium enterprise/ Land shall not be transferred, leased or charged unless with the consent of the State Authority

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)**Notes:-**

Save as disclosed above, the above properties are presently assigned and/or charged to financial institutions in Malaysia. Such financial institutions include Hong Leong Bank Berhad, Malayan Banking Berhad, RHB Bank Berhad, Public Bank Berhad, Standard Chartered Bank Berhad, AmBank (M) Berhad and HSBC Bank Malaysia Berhad.

- (i) Not available ("N/A") as there is no measurement of the total land area occupied. These properties include condominium and service apartment units.
- (ii) The Certificate of Completion and Compliance for these properties has been obtained by Majlis Perbandaran Seberang Perai ("MPSP") on 8 September 2015.
- (iii) The properties located on No. 2, 2A & 6, Jalan Intan 1, Phase NU3A1, Nilai Utama Enterprise Park, Negeri Sembilan Darul Khusus comprises a single storey office block, single storey warehouse, open-sided single storey BRC wire mesh factory and a guardhouse. As such, the total built-up area of the factory is 17,210.98 m² across these four (4) parcels of contiguous industrial lands.
- (iv) The total net book value for these properties is RM2,269,183.85.
- (v) These properties do not have any encumbrances as at the LPD.
- (vii) Express condition:- For commercial building (shop/office)
Restriction in interest:- Landlords are forbidden to make any dealings on the land which is to be developed as a housing site unless the landlord built and maintained the reserved roads and place stones and tirs according to the standards of Jabatan Kerja Raya ("JKR") and the drains to the satisfaction of the local authorities and obtain the support of the JKR or guarantee from the local authorities and JKR that roads and drains can be completed.
- (viii) Express condition:- For commercial building (2 storey shop/office) only
Restriction in interest:- Landlords are forbidden to make any dealings on the land which is to be developed as a housing site unless the landlord built and maintained the reserved roads and place stones and tirs according to the standards of JKR and the drains to the satisfaction of the local authorities and obtain the support of the JKR or guarantee from the local authorities and JKR that roads and drains can be completed.
- (ix) Express condition:- For industrial only
Restriction in interest:- Landlords are forbidden to make any dealings on the land which is to be developed as a housing site unless the landlord built and maintained the reserved roads and place stones and tirs according to the standards of JKR and the drains to the satisfaction of the local authorities and obtain the support of the JKR or guarantee from the local authorities and JKR that roads and drains can be completed.
- (x) The land comprised in this title:-
 - (aa) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access;
 - (ba) subject to implied condition that land is liable to be re-entered it is abandoned for more than three (3) years shall revert to the State; and

APPENDIX I – LIST OF PROPERTIES OWNED BY OUR GROUP (Cont'd)

(ca) the title shall confer absolute right to all forest product and to all oil, mineral and other natural deposits on or below the surface of the land

There is no restriction in interest.

(xi) Express condition:-

- (aa) Land must be used for construction of 3 storey building approved by the local municipal
- (ba) All waste and pollutant must be discharged by designated location approved by the authorities
- (ca) All bylaws and rules enforced by the authorities from time to time have to be complied

Restriction in interest:- This land cannot be transferred or disposed in whatsoever to foreigner/foreign corporation without the consent of the State Authority

(xii) Express condition:- For commercial building (shop/office) only

Restriction in interest:- Landlords are forbidden to make any dealings on the land which is to be developed as a commercial site unless the landlord built and maintained the reserved roads and place stones and tars according to the standards of JKR and obtain the support of the JKR or guarantee from the local authorities and JKR that roads and drains can be completed.

(xiii) Express condition:-

- (aa) This land if for development purposes only
- (ba) Building plan must be as per approved by the local municipal

There is no restriction in interest.

None of the properties disclosed above are in breach of any land use conditions and/or is in non-compliance with current statutory requirements with land rules or building regulations or subject to environmental issues that would have a material adverse impact on our Group's business operations and/or our financial position.