



CHIN HIN GROUP BERHAD

INTERIM FINANCIAL REPORT SECOND QUARTER ENDED 30TH JUNE 2022

CHIN HIN GROUP BERHAD

Registration No.:201401021421(1097507-W)
(Incorporated in Malaysia)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022**
(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | | |
|---|--------------------|--------------------------|--------------------------|--------------------|--------------------------|--------------------------|--------------|
| | Note | 30 Jun 2022 RM'000 | 30 Jun 2021 RM'000 | Changes % | 30 Jun 2022 RM'000 | 30 Jun 2021 RM'000 | Changes % |
| Revenue | | 351,327 | 214,948 | 63.45% | 702,278 | 522,863 | 34% |
| Cost of sales | | (324,869) | (199,948) | | (651,689) | (480,784) | |
| Gross profit | | 26,458 | 15,000 | | 50,589 | 42,079 | 7.53% |
| Other operating income | | 3,857 | 1,336 | | 8,864 | 2,538 | |
| Fair value gain on other investment | | 37,235 | - | | 37,235 | - | |
| (Loss)/Gain on disposal of investment in an associate company | | (3,636) | - | | 19,949 | - | |
| Gain on disposal of investment in subsidiary companies | | 4,020 | 168 | | 4,020 | 168 | |
| Gain on disposal of warrants | | - | 8,832 | | - | 16,050 | |
| Finance income | | 438 | 1,111 | | 902 | 1,831 | |
| Impairment loss on trade receivables | | (1,628) | (1,123) | | (3,218) | (2,474) | |
| Administrative expenses | | (25,117) | (17,524) | | (46,999) | (33,483) | |
| Operating profit | | 41,627 | 7,800 | 434% | 71,342 | 26,709 | 167% |
| Finance costs | | (7,148) | (3,906) | | (13,520) | (7,284) | |
| Share of results of associates | | 8,080 | 795 | | 13,732 | 3,530 | |
| Share of results of joint venture | | 575 | - | | 867 | - | |
| Profit before taxation | | 43,134 | 4,689 | 820% | 72,421 | 22,955 | 215% |
| Taxation | B5 | (4,556) | (1,060) | | (6,691) | (4,786) | |
| Profit after taxation | | 38,578 | 3,629 | 963% | 65,730 | 18,169 | 262% |
| Other comprehensive income | | | | | | | |
| Exchange translation differences | | 232 | 11 | | 130 | 155 | |
| Total comprehensive income for the financial period | | 38,810 | 3,640 | | 65,860 | 18,324 | |
| PROFIT AFTER TAX | | | | | | | |
| ATTRIBUTABLE TO: | | | | | | | |
| Owners of the Company | | 38,490 | 3,618 | 964% | 64,748 | 18,774 | 245% |
| Non-controlling interests | | 88 | 11 | | 982 | (605) | |
| | | 38,578 | 3,629 | | 65,730 | 18,169 | |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022 (Cont'd)**

(The figures have not been audited)

| | Individual Quarter | | | Cumulative Quarter | | |
|---|--------------------|----------------|---------|--------------------|----------------|---------|
| | 30 Jun 2022 | 30 Jun 2021 | Changes | 30 Jun 2022 | 30 Jun 2021 | Changes |
| Note | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| TOTAL COMPREHENSIVE INCOME | | | | | | |
| ATTRIBUTABLE TO: | | | | | | |
| Owners of the Company | 38,722 | 3,629 | 967% | 64,878 | 18,929 | 243% |
| Non-controlling interests | 88 | 11 | | 982 | (605) | |
| | <u>38,810</u> | <u>3,640</u> | | <u>65,860</u> | <u>18,324</u> | |
| Earnings per share attributable to owners of the Company (sen): | | | | | | |
| - Basic | B11 <u>4.35</u> | <u>0.65</u> | | <u>7.32</u> | <u>3.38</u> | |
| - Diluted | B11 <u>4.35</u> | <u>0.65</u> | | <u>7.32</u> | <u>3.38</u> | |
| Profit Before Interest and Tax | <u>41,627</u> | <u>7,800</u> | 434% | <u>71,342</u> | <u>26,709</u> | 167% |

Notes:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**
(The figures have not been audited)

| | 30 June 2022 RM'000 | (Audited) 31 December 2021 RM'000 |
|--|---------------------------|--|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 442,263 | 451,655 |
| Investment properties | 59,000 | 59,000 |
| Investment in associates | 268,788 | 229,963 |
| Investment in a joint venture | 2,249 | 1,590 |
| Goodwill | 34,515 | 39,194 |
| Other investment | 85,276 | 93 |
| Other financial assets | 1,519 | 1,519 |
| Inventories - Land held for development | 125,428 | 159,540 |
| Trade receivables | 3,186 | 3,186 |
| TOTAL NON-CURRENT ASSETS | 1,022,224 | 945,740 |
| CURRENT ASSETS | | |
| Contract assets | 36,858 | 21,176 |
| Inventories | 154,226 | 122,686 |
| Trade receivables | 473,479 | 511,878 |
| Other receivables | 94,252 | 69,266 |
| Net investment in lease | 69 | 69 |
| Tax recoverable | 4,910 | 5,862 |
| Fixed deposits with licensed banks | 12,957 | 13,037 |
| Cash and bank balances | 101,820 | 89,113 |
| TOTAL CURRENT ASSETS | 878,571 | 833,087 |
| TOTAL ASSETS | 1,900,795 | 1,778,827 |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 381,851 | 381,851 |
| Treasury shares | (338) | (338) |
| Merger reserve | (147,392) | (147,392) |
| Foreign currency translation reserve | 533 | 403 |
| Revaluation reserve | 6,185 | 6,268 |
| Retained earnings | 314,194 | 275,682 |
| Total equity attributable to Owners of the Company | 555,033 | 516,474 |
| Non-controlling interests | 91,308 | 104,992 |
| TOTAL EQUITY | 646,341 | 621,466 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022 (Cont'd)**
(The figures have not been audited)

| | 30 June 2022 RM'000 | (Audited) 31 December 2021 RM'000 |
|--------------------------------------|---------------------------|--|
| CURRENT LIABILITIES | | |
| Trade payables | 229,606 | 207,525 |
| Other payables | 100,561 | 122,606 |
| Contract liabilities | (2,939) | 195 |
| Amount owing to directors | 5 | 6 |
| Bank borrowings | 535,270 | 492,122 |
| Lease liabilities | 5,278 | 4,363 |
| Tax payable | 1,790 | 2,727 |
| TOTAL CURRENT LIABILITIES | 869,571 | 829,544 |
| NON-CURRENT LIABILITIES | | |
| Contract liabilities | 3,071 | 25 |
| Trade payables | 6,681 | 6,681 |
| Bank borrowings | 353,101 | 298,766 |
| Lease liabilities | 5,010 | 5,324 |
| Deferred tax liabilities | 17,020 | 17,021 |
| TOTAL NON-CURRENT LIABILITIES | 384,883 | 327,817 |
| TOTAL LIABILITIES | 1,254,454 | 1,157,361 |
| TOTAL EQUITY AND LIABILITIES | 1,900,795 | 1,778,827 |
| NET ASSET PER SHARE (RM) | 0.73 | 1.12 |

Notes:

- (1) *The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*
- (2) *Net asset per share for the current quarter and comparative financial period is calculated based on the total equity divided by the weighted average number of ordinary shares in issue for the quarter and comparative financial period.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022**

(The figures have not been audited)

| | -----Attributable to owners of the parent----- | | | | | | | | |
|--|--|-----------------|----------------|--------------------------------------|---------------------|-------------------|----------|---------------------------|--------------|
| | ----- Non-Distributable ----- | | | | | Distributable | Total | Non-Controlling Interests | Total Equity |
| | Share Capital | Treasury Shares | Merger Reserve | Foreign Currency Translation Reserve | Revaluation Reserve | Retained Earnings | | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2022 | 381,851 | (338) | (147,392) | 403 | 6,268 | 275,682 | 516,474 | 104,992 | 621,466 |
| Profit for the financial period | - | - | - | - | - | 64,748 | 64,748 | 982 | 65,730 |
| Other comprehensive income | - | - | - | 130 | - | - | 130 | - | 130 |
| Total comprehensive income | - | - | - | 130 | - | 64,748 | 64,878 | 982 | 65,860 |
| Realisation of revaluation reserve | - | - | - | - | (83) | 83 | - | - | - |
| Transactions with owners: | | | | | | | | | |
| Changes in ownership interests in subsidiary companies | - | - | - | - | - | (17,472) | (17,472) | (15,409) | (32,881) |
| Capital contribution by non-controlling interests | - | - | - | - | - | - | - | 596 | 596 |
| Disposal of subsidiary companies | - | - | - | - | - | - | - | 147 | 147 |
| Dividends to owners of the Company | - | - | - | - | - | (8,847) | (8,847) | - | (8,847) |
| Total transactions with owners | - | - | - | - | - | (26,319) | (26,319) | (14,666) | (40,985) |
| At 30 June 2022 | 381,851 | (338) | (147,392) | 533 | 6,185 | 314,194 | 555,033 | 91,308 | 646,341 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022 (Cont'd)**

(The figures have not been audited)

| | -----Attributable to owners of the parent----- | | | | | | Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|---|--|------------------------------|-----------------------------|---|----------------------------------|--------------------------------|-----------------|--|---------------------------|
| | ----- Non-Distributable ----- | | | Distributable | | | | | |
| | Share Capital RM'000 | Treasury Shares RM'000 | Merger Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Revaluation Reserve RM'000 | Retained Earnings RM'000 | | | |
| At 1 January 2021 | 325,796 | - | (147,392) | 250 | 9,413 | 262,067 | 450,134 | (4,846) | 445,288 |
| Profit for the financial year | - | - | - | - | - | 30,700 | 30,700 | 269 | 30,969 |
| Other comprehensive income | - | - | - | 153 | 62 | - | 215 | - | 215 |
| Total comprehensive income | - | - | - | 153 | 62 | 30,700 | 30,915 | 269 | 31,184 |
| Realisation of revaluation reserve upon disposal of properties | - | - | - | - | (3,123) | 3,123 | - | - | - |
| Realisation of revaluation reserve | - | - | - | - | (84) | 84 | - | - | - |
| Acquisition through business combination | - | - | - | - | - | - | - | 94,977 | 94,977 |
| Transactions with owners: | | | | | | | | | |
| Issue of ordinary shares | 56,055 | - | - | - | - | (297) | 55,758 | - | 55,758 |
| Shares repurchased | - | (338) | - | - | - | - | (338) | - | (338) |
| Dividends to owners of the Company | - | - | - | - | - | (14,408) | (14,408) | - | (14,408) |
| Balance brought forward | 56,055 | (338) | - | - | - | (14,705) | 41,012 | - | 41,012 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022 (Cont'd)**
(The figures have not been audited)

| | -----Attributable to owners of the parent----- | | | | | | Total RM'000 | Non- Controlling Interests RM'000 | Total Equity RM'000 |
|---|--|------------------------------|-----------------------------|---|----------------------------------|---|-----------------|--|---------------------------|
| | Share Capital RM'000 | Treasury Shares RM'000 | Merger Reserve RM'000 | Foreign Currency Translation Reserve RM'000 | Revaluation Reserve RM'000 | Distributable Retained Earnings RM'000 | | | |
| Transactions with owners: (Cont'd) | | | | | | | | | |
| Balance carried forward | 56,055 | (338) | - | - | - | (14,705) | 41,012 | - | 41,012 |
| Disposal of subsidiary companies | - | - | - | - | - | - | - | 111 | 111 |
| Non-controlling interests arising from acquisition of subsidiary companies | - | - | - | - | - | - | - | 175 | 175 |
| Capital contribution by non-controlling interests arising from incorporation of subsidiary companies | - | - | - | - | - | - | - | 45 | 45 |
| Capital contribution by non-controlling interests | - | - | - | - | - | - | - | 33,147 | 33,147 |
| Changes in ownership interests in subsidiary companies | - | - | - | - | - | (5,917) | (5,917) | (18,856) | (24,773) |
| Disposal of equity interest to non-controlling interests | - | - | - | - | - | 330 | 330 | (30) | 300 |
| Total transactions with owners | 56,055 | (338) | - | - | - | (20,292) | 35,425 | 14,592 | 50,017 |
| At 31 December 2021 | 381,851 | (338) | (147,392) | 403 | 6,268 | 275,682 | 516,474 | 104,992 | 621,466 |

Notes:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022**
(The figures have not been audited)

| | Cumulative quarter | |
|---|--------------------|-----------------|
| | 30 June 2022 | 30 June 2021 |
| | RM'000 | RM'000 |
| Cash Flows From Operating Activities | | |
| Profit before taxation | 72,421 | 22,955 |
| Adjustment for: | | |
| Bad debts written off | - | 37 |
| Depreciation of property, plant and equipment | 18,178 | 16,271 |
| Impairment loss on trade receivables | 3,218 | 2,474 |
| Interest expense | 13,520 | 7,284 |
| Interest income | (902) | (1,831) |
| Inventories written off | 11 | 36 |
| Fair value gain on other investment | (37,235) | - |
| Gain on disposal of assets held for sale | - | (150) |
| Gain on disposal of investment in an associate company | (19,949) | - |
| Gain on disposal of investment in subsidiary companies | (4,020) | (168) |
| Gain on disposal of warrants | - | (16,050) |
| Gain on disposal of property, plant and equipment | (473) | (5) |
| Gain on liquidation of investment in a subsidiary company | (176) | - |
| Property, plant and equipment written off | 243 | 50 |
| Reversal of impairment loss on trade receivables | (1,223) | - |
| Share of results of associates | (13,732) | (3,530) |
| Share of results of joint venture | (867) | - |
| Unrealised gain on foreign exchange | (1,281) | (186) |
| Operating profit before working capital changes | 27,733 | 27,187 |
| Changes in working capital: | | |
| Inventories | (4,285) | (3,077) |
| Trade receivables | 22,967 | 44,221 |
| Other receivables | (22,184) | 3,267 |
| Contract assets | (15,770) | 281 |
| Trade payables | 30,884 | (14,053) |
| Other payables | (19,356) | (5,397) |
| Amount due to directors | (1) | 29,235 |
| | (7,745) | 54,477 |
| Cash generated from operations | 19,988 | 81,664 |
| Interest paid | (13,520) | (7,284) |
| Interest received | 902 | 1,831 |
| Tax paid | (6,869) | (1,685) |
| Tax refund | 2,345 | 441 |
| Net cash from operating activities | 2,846 | 74,967 |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022 (Cont'd)**
(The figures have not been audited)

| | Cumulative Quarter | |
|---|---------------------------|---------------------------|
| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Cash Flows From Investing Activities | | |
| Capital contribution by non-controlling interests | 596 | - |
| Purchase of property, plant and equipment | (8,757) | (7,674) |
| Purchase of other investment | - | (9,390) |
| Acquisition of associate companies | (105,736) | (93,886) |
| Acquisition of additional investment in subsidiaries | (32,881) | - |
| Proceeds from/(Net outflows) disposal of subsidiary companies | 18,876 | (13) |
| Proceeds from disposal of assets held for sales | - | 11,600 |
| Proceeds from disposal of investment in associate companies | 50,391 | - |
| Proceeds from disposal of warrants | - | 16,050 |
| Proceeds from disposal of property, plant and equipment | 705 | 30 |
| Net cash used in investing activities | (76,806) | (83,283) |
| Cash Flows From Financing Activities | | |
| Dividend paid | (8,847) | (5,561) |
| Drawdown of bank borrowings | 80,000 | - |
| Net changes on bankers' acceptance, trust receipt and revolving credits | 39,052 | 35,402 |
| Increase in fixed deposits pledged | (247) | - |
| Repayment of bank borrowings | (23,988) | (10,320) |
| Repayment of lease liabilities | (2,028) | (1,363) |
| Shares repurchased | - | (338) |
| Net cash from financing activities | 83,942 | 17,820 |
| Net decrease in cash and cash equivalents | 9,982 | 9,504 |
| Cash and cash equivalents at the beginning of the financial year | 79,274 | 49,723 |
| Effect of exchange translation differences on cash and cash equivalents | 306 | 155 |
| Cash and cash equivalents at the end of the financial year | 89,562 | 59,382 |

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2022 (Cont'd)**

(The figures have not been audited)

| | Cumulative Quarter | |
|---|------------------------------------|------------------------------------|
| | 30 June 2022 RM'000 | 30 June 2021 RM'000 |
| Cash and cash equivalents at the end of the financial year comprises: | | |
| Cash and bank balances | 101,820 | 62,324 |
| Bank overdrafts | (12,258) | (2,942) |
| Fixed deposits with licensed banks | 12,957 | 21 |
| | 102,519 | 59,403 |
| Less: Fixed deposits pledged to licensed banks | (12,957) | (21) |
| | 89,562 | 59,382 |

Notes:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- SECOND QUARTER ENDED 30 JUNE 2022

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022

A1. Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2022:

| | |
|---|--|
| Amendment to MFRS 16 | Covid-19-Related Concessions beyond 30 June 2021 |
| Amendments to MFRS 3 | Reference to the Conceptual Framework |
| Amendments to MFRS 116 | Property, Plant and Equipment - Proceeds before Intended Use |
| Amendments to MFRS 137 | Onerous Contracts - Cost of Fulfilling a Contract |
| Annual Improvements to MFRS Standards 2018-2020 | |
| - Amendment to MFRS 1 | |
| - Amendment to MFRS 9 | |
| - Amendment to MFRS 16 | |
| - Amendment to MFRS 141 | |

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

| | Effective dates for financial period beginning on and after |
|--|--|
| MFRSs AND IC Interpretations (Including The Consequential Amendments) | |
| MFRS 17 – Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 – Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information | 1 January 2023 |
| Amendments to MFRS 101 – Classification of Liabilities as Current or Non- Current | 1 January 2023 |
| Amendments to MFRS 101 – Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 108 – Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred until further notice |

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)

A2. Auditors' report of preceding annual audited financial statements

The auditors' report on the preceding year's audited financial statements of the Company and of the Group was not subject to any qualification.

A3. Seasonal or cyclical factors

The businesses of the Group were not affected by seasonal or cyclical factors during the current financial quarter and financial period-to-date.

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

A5. Material changes in estimates

There were no material changes in estimates used in reporting the current financial quarter and financial period-to-date as compared to the audited financial statements of the Group for the financial year ended 31 December 2021.

A6. Debt and equity securities

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

As at 30 June 2022, the number of treasury shares held was 375,150 ordinary shares. The shares repurchased are held as treasury shares in accordance with Section 127 (6) of the Companies Act 2016.

During the current financial period to date, none of the treasury shares is distributed as share dividend to the shareholders.

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)
A7. Segmental information

The Group's operating activities were derived from Twelve (12) main business segments, namely the following:-

| | Unaudited Individual quarter 30 June 2022 RM'000 | Unaudited Individual quarter 30 June 2021 RM'000 | Unaudited Cumulative quarter 30 June 2022 RM'000 | Unaudited Cumulative quarter 30 June 2021 RM'000 |
|--|---|---|---|---|
| Revenue | | | | |
| • Investment holding and management services | 2,521 | 2,065 | 4,322 | 3,997 |
| <u>Building material division</u> | | | | |
| • Distribution of building materials and logistics services | 178,115 | 118,694 | 360,206 | 295,775 |
| • Ready-mixed concrete | 20,809 | 8,728 | 39,021 | 24,219 |
| • Manufacturing of fire-rated and wooden door | 1,463 | 6,669 | 9,709 | 16,410 |
| • Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete | 86,531 | 70,588 | 167,420 | 160,052 |
| • Manufacturing of wire mesh | 48,796 | 30,017 | 99,988 | 73,554 |
| • Modular building Solutions | - | - | 85 | - |
| • Trading of sanitaryware and fittings | 435 | - | 678 | - |
| <u>Vehicle division</u> | | | | |
| • Manufacturing and trading of commercial vehicles and bodyworks | 11,773 | - | 29,973 | - |
| • Rental and fleet management services | 718 | - | 1,472 | - |
| <u>Property development and construction division</u> | | | | |
| • Construction | 22,081 | - | 36,729 | - |
| • Property development | 1,280 | - | 1,280 | - |
| | 374,522 | 236,761 | 750,883 | 574,007 |
| Adjustments and eliminations | (23,195) | (21,813) | (48,605) | (51,144) |
| | 351,327 | 214,948 | 702,278 | 522,863 |

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)
A7. Segmental information (Cont'd)

The Group's operating activities were derived from Twelve (12) main business segments, namely the following (Cont'd):-

| | Unaudited Individual quarter 30 June 2022 RM'000 | Unaudited Individual quarter 30 June 2021 RM'000 | Unaudited Cumulative quarter 30 June 2022 RM'000 | Unaudited Cumulative quarter 30 June 2021 RM'000 |
|--|---|---|---|---|
| Profit before taxation | | | | |
| • Investment holding and management services | 41,166 | 8,269 | 61,944 | 14,007 |
| <u>Building material division</u> | | | | |
| • Distribution of building materials and logistics services | 1,776 | 411 | 4,860 | 5,294 |
| • Ready-mixed concrete | (584) | (2,140) | (1,705) | (2,082) |
| • Manufacturing of fire-rated and wooden door | (318) | (1,703) | (1,284) | (1,976) |
| • Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete | 4,199 | (386) | 4,061 | 3,758 |
| • Manufacturing of wire mesh | 1,063 | (200) | 2,028 | 1,317 |
| • Modular building Solutions | (231) | (404) | (570) | (868) |
| • Trading of sanitaryware and fittings | (104) | - | (368) | - |
| <u>Vehicle division</u> | | | | |
| • Manufacturing and trading of commercial vehicles and bodyworks | 914 | - | 1,704 | - |
| • Rental and fleet management services | 135 | - | 494 | - |
| <u>Property development and construction division</u> | | | | |
| • Construction | 1,163 | - | 3,855 | - |
| • Property development | (1,636) | - | (4,426) | - |
| | 47,543 | 3,847 | 70,593 | 19,450 |
| Share of results of associates | 8,080 | 795 | 13,732 | 3,530 |
| Share of results of joint venture | 575 | - | 867 | - |
| | 56,198 | 4,642 | 85,192 | 22,980 |
| Adjustments and eliminations | (13,064) | 47 | (12,771) | (25) |
| | 43,134 | 4,689 | 72,421 | 22,955 |

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)
A8. Dividend paid

A single-tier first interim dividend of RM0.010 per ordinary share totalling RM8,847,068 in respect of the financial year ended 31 December 2022 was paid on 5 July 2022.

A9. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter and financial quarter period to date.

A10. Valuation of investment properties

The Group has not carried out any valuation on its investment properties in the current financial quarter and financial period to-date.

A11. Capital commitments

The capital commitments of the Group were as follows: -

a) Building material division

| | Unaudited 30 June 2022 RM'000 | Audited 31 December 2021 RM'000 |
|--|--|--|
| Authorised and contracted for: | | |
| - acquisition of property, plant and equipment | 416 | 1,106 |

b) Property development division

| | Unaudited 30 June 2022 RM'000 | Audited 31 December 2021 RM'000 |
|---|--|--|
| Authorised and contracted for: | | |
| - acquisition of land held for property development | 126,723 | 50,223 |
| - acquisition of property, plant and equipment | 1,351 | - |
| Contracted and subject to shareholders' approval: | | |
| - acquisition of land held for property development | - | 85,000 |

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)

A12. Changes in the composition of the Group

Save as disclosed in Note B6(i) on the Status of Corporate Proposal Announced, there were no material changes in the composition of the Group for the current quarter ended 30 June 2022 except for the following:-

On 18 March 2022, Chin Hin has entered into a Conditional Share Sale Agreement with Dato' Chan Wah Kiang and Avia Kapital Sdn Bhd to acquire 72,000,000 ordinary shares in Ajiya Berhad ("Ajiya"), representing 23.64% equity interest (excluding treasury shares) in Ajiya, for a purchase consideration of RM104,400,000. On 28 April 2022, Chin Hin has completed the acquisition and upon the completion, Ajiya has become the associate company to Chin Hin.

In April 2022, Chin Hin has disposed 22,096,964 ordinary shares of Solarvest Holdings Berhad ("Solarvest") for a total cash consideration of RM20,700,112. As such, the shareholdings in Solarvest were reduced to 19.34% in which Solarvest has become a direct investment to Chin Hin as of 20 April 2022.

On 30 April 2022, Chin Hin has disposed its entire equity interest in Midah Industries Sdn Bhd and its subsidiary companies ("Midah Group") to a third party. Upon the disposal, Midah Group has ceased to be the subsidiary companies of Chin Hin.

In May and June 2022, the Chin Hin has acquired additional 16,720,600 ordinary shares of Chin Hin Group Property Berhad ("CHGP") for a total cash consideration of RM14,854,456. Consequently, CHGP has become a 63% owned subsidiary company of Chin Hin.

A13. Contingent liabilities and contingent assets

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

a) Building Material division

| | Unaudited 30 June 2022 RM'000 | Audited 31 December 2021 RM'000 |
|---|--|--|
| Unsecured | | |
| Corporate guarantees given to the licensed banks for credit facility granted to related companies | 504,405 | 495,052 |
| Bank guarantee issued to third parties | 3,186 | 3,311 |

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2022 (CONT'D)
A13. Contingent liabilities and contingent assets (Cont'd)

There were no contingent assets as at the date of this interim financial report. Contingent liabilities of the Group were as follows (Cont'd): -

b) Property Development & Construction division

| | Unaudited 30 June 2022 RM'000 | Audited 31 December 2021 RM'000 |
|--|--|--|
| Unsecured | | |
| Bank guarantee issued for execution of contract of the subsidiary companies | 45 | 45 |
| Bank guarantee in favour of third parties granted in the ordinary course of construction business | 69,791 | 66,482 |
| Corporate guarantee for credit facilities granted to a joint venture company | 11,550 | 11,550 |
| Corporate guarantees given to the licensed banks for credit facility granted to subsidiary companies | <u>164,312</u> | <u>159,638</u> |

A14. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of current quarter and financial period-to-date that have not been reflected in this interim financial report.

A15. Related party transactions

- (1) Our Group's transactions with companies in which our directors or substantial shareholders have an interest in for the current quarter ended 30 June 2022 were as follows: -

| | Unaudited RM'000 |
|--|-----------------------------|
| Transaction with companies in which the Directors or substantial shareholders have financial interest: | |
| -Transportation services | 1,404 |
| -Sales of goods | 1,159 |
| -Purchase of goods | 2,634 |
| -Rental received/receivables | 107 |
| -Rental paid/payables | 1,411 |
| -Insurance and road tax received | 118 |
| -Progress billing receivables | 2,322 |
| -Project management fee receivables | <u>1,304</u> |

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

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

Comparison with Corresponding results of Last Quarter

For the current financial quarter under review, the Group reported a revenue of RM351.33 million, an increase of RM136.38 million or 63.45% as compared to RM214.95 million in the preceding year corresponding quarter. The lower revenue recorded in the preceding year corresponding quarter were due to the total lockdown, Full Movement Control Order (“FMCO”) implemented nationwide in June 2021. Business activities were badly affected as the Government has imposed more stringent requirements to halt the sudden hike in the Covid-19 cases. Despite, the country entered the transition to endemic phase on 1 April 2022, all restrictions on business activities have removed and all business activities are normalised under the relaxed standard operating procedures (“SOP”). As the construction activities resume back with loosen SOP, the demand for building material increased and contributed a hike in the Group’s revenue in current quarter. Moreover, Chin Hin’s expansion into the property development and construction segment in 2021 has also brought in the revenue of RM12.49 million and RM23.36 million from the vehicle and property development and construction division respectively.

The Group’s gross profit has increased significantly by RM11.46 million or 76.39% from RM15.00 million in the preceding year corresponding quarter of 2021 to RM26.46 million in the current quarter of 2022. The gross profit margin for the current quarter was recorded at 7.53%, increase by 0.55% as compared to the preceding year corresponding quarter of 6.98%. The slight increase in the profit margin due to the project management fee generated from property development division in the current quarter.

Other operating income has increased significantly by RM31.14 million or 301.28% from RM10.34 million in the preceding year corresponding quarter to RM41.48 million in the current quarter. The other operating income mainly consists of the net impact arising from the partial disposal of investment in Solarvest totalling RM33.60 million in current quarter as compared to the gain on disposal of Solarvest’s warrants which amounting to RM8.83 million in the preceding year corresponding quarter. As mentioned in Section A12, Solarvest has ceased to be an associate to Chin Hin as of 20 April 2022. At the date of disposal, the remaining stake of 19.34% was remeasured to fair value with the impact of the fair value gain of RM37.24 million coupled with the gain on disposal of investment of the said shares of RM16.54 million offset with the reversal of profit shared after it ceased to be our associate company totalling RM20.17 million were recognised into the current quarter’s result. Further, there was a gain of disposal of our loss-making subsidiary, Midah Industries Sdn Bhd and its subsidiary companies (“Midah Group”) totalling of RM4.02 million. The disposal of Midah Group was aimed to reduce the Group’s loss as the business was not performing since the beginning of the pandemic.

Administrative expenses have increased by RM7.59 million mainly contributed from the property development and construction segment as compared to nil figure in preceding year corresponding quarter. Impairment on trade receivables in current quarter principally caused by the impairment provided in the distribution of building materials segment due to slow collection from certain customers.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B1. Review of performance (Cont'd)****Comparison with Corresponding results of Last Quarter (Cont'd)**

The Group's finance cost for the current quarter has increased significantly by RM3.24 million as compared to the preceding year corresponding quarter principally due to the drawdown of approximately RM310.00 million bank borrowings during the second half of the previous financial year to part finance the acquisition of CHGP and Kayangan Kemas Sdn Bhd, refinance the acquisition of Signature, to defray the working capital of the distribution of building materials and the manufacturing of AAC and precast concrete products division, to part finance the acquisition of a piece of freehold land located at Daerah Petaling, Pekan Kinrara, Selangor and five (5) pieces of freehold lands at Mukim Serendah, Selangor. The Group has further drawdown RM80.00 million term loan to part finance the acquisition of Ajiya Berhad and approximately RM41.47 million to fund the working capital of the distribution of building materials, manufacturing of ready mixed-concrete, commercial vehicles and construction division in current quarter. The increase of bank borrowings was set-off partially with the reduction of existing term loans of RM23.99 million.

Share of profit from our associate companies have increased by RM7.29 million or 916.35% as compared to the preceding year corresponding quarter primarily due to the share of results of RM6.29 million in current quarter as compared to RM0.69 million in preceding year corresponding quarter from Signature International Berhad's home living solutions business segment and RM1.78 million from the newly acquired associate, Ajiya Berhad. The balance was contributed by the loss shared from Solarvest prior to the disposal in April 2022. The sudden hike in Signature International Berhad's profit was derived from our share of disposal gain on the three pieces of Bandar Enstek lands which amounting to RM3.65 million.

Share of results of joint venture, R Synergy Sdn Bhd of RM0.58 million for the current quarter solely derived from the profit recognised on the construction of Miri Hospital Annex Building, Sarawak (Design and Build Project).

Given the abovementioned increased in the gross profit, huge fair value gain on remeasurement in Solarvest remaining stake, gain on disposal of Midah Group and Solarvest shares, share of results of the associates and joint venture company offset partially with the increased in administrative expenses, finance costs, impairment on trade receivables and the reversal of shared profit from Solarvest Group after it ceased to be our associate company, the Group reported an increase in profit before tax ("PBT") of RM43.13 million for this quarter as compared to the preceding year corresponding quarter.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B2. Comparison with immediate preceding quarter's results
CURRENT QUARTER vs. PRECEDING QUARTER

| | Unaudited Individual quarter 30 June 2022 RM'000 | Unaudited Individual quarter 31 March 2022 RM'000 | Changes % |
|---|---|--|--------------|
| Revenue | 351,327 | 350,951 | 0% |
| Operating Profit | 41,627 | 29,715 | 40% |
| Profit Before Interest and Tax | 41,627 | 29,715 | 40% |
| Profit Before Tax | 43,134 | 29,287 | 47% |
| Profit After Tax | 38,578 | 27,152 | 42% |
| Profit Attributable to Ordinary Equity Holders of the Parent | 38,490 | 26,258 | 47% |

For the quarter under review, the Group posted a revenue of RM351.33 million as compared to RM350.95 million in the preceding quarter, a slight increase of RM0.38 million or 0.11%. However, the Group reported a considerably higher profit before tax ("PBT") of RM43.13 million, an increase of RM13.84 million as compared to the preceding quarter PBT of RM29.29 million. The increased in PBT was mainly contributed by the fair value gain on remeasurement in Solarvest remaining stake of RM37.24 million, gain on disposal of Midah Group and Solarvest shares of RM4.02 million and RM16.54 million respectively offset with the reversal of profit recognised from Solarvest Group after it ceased to be our associate company of RM20.17 million. By excluding the above factors, the current quarter's PBT reported was RM5.50 million. In comparing to preceding quarter and excluded the gain from disposal of Solarvest Holdings Berhad's ordinary shares totalling RM23.59 million, the PBT reported in the preceding quarter was RM5.70 million which was RM0.20 million more than the PBT reported in current quarter. The drop in PBT in current quarter was caused by the increase in the administrative expenses and finance costs. The increase was mainly due to the stamp duty, brokerage fee and processing fee incurred for the disposal of Solarvest's ordinary shares, acquisition of Ajiya's ordinary shares and the term loans secured to part finance the acquisition of said acquisition.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B3. Prospects**

The past two to three years have witnessed several major global events which have greatly disrupted supply chain continuity and adversely impacted production levels worldwide. As such, all building material's unit price index has increased significantly between 4.1 per cent to 19.9 per cent. It has posed great challenges to our manufacturing sector. The Group has repositioned itself to cope with the challenges and remain vigilant for new prospects.

In the 12th Malaysia Plan, RM1.30 billion has been allocated to upgrade and build centralised sewage treatment facilities nationwide. Recently, G-Cast Concrete Sdn Bhd ("G-Cast") was awarded some sewerage projects namely Package D56 at Batu Jinjang Kepong Phase 2, Zon 1C for the supply of jacking pipe, manhole and caisson and also Scheme Project Phase 1, Ranau, Kota Kinabalu for the supply of spigot socket. The efforts in securing other infrastructure projects in the Asia countries i.e Singapore, India, the Philippines and Indonesia are progressing satisfactory. The Company continued to supply sewerage related products i.e. cable trough, walkways, covers, reinforced and prestressed concrete products to the project secured in Singapore. There are some finalised projects which still pending the issuance of purchase order from the project awarders to G-Cast. The project awarders are unable to schedule the actual start date of the sewerage project as a result of the Singapore government's move to prioritise the delivery of homes to flat buyers under the Build to Order ("BTO") scheme enacted by the Housing Development Board ("HDB"), instead of speeding up the earthwork construction. HDB projects were experiencing delays ranging from six months to one year due to Covid-19 pandemic and severe shortage of manpower in the market. The chances to secure more projects in the Philippines and Singapore remains very promising since G-Cast has secured a solid footing in these two countries. The Company will continuously bid for more new contracts to replenish its order book after the tail end of the national sewerage projects.

Singapore polymer concrete pipe projects still progress much slower than normal project execution speed after the Covid-19 pandemic. Land Transport Authority ("LTA") projects execution are experiencing great delays as the market is still suffering from the repercussion of Covid-19 and severe shortage of workforce. Allowing Malaysian manpower to enter Singapore after the relaxations of Covid rules did not improve the manpower shortage since they don't work in the infrastructure industry. Moreover, large diameter reinforced concrete ("RC") pipes, sizes 900mm and above are being jacked by the contractors instead of the polymer concrete pipes which is 800mm and below for the Link Sewer & Deep Tunnel Sewerage System ("DTSS") projects as upsize to RC pipes can allowed them to fetch higher margin. Besides, delay in obtaining approvals from the relevant authorities have caused further delay in the project execution. Multiple main contractors have pulled out of their projects due to the raw material price hike and the LTA's refusal to compensate for the post-Covid price fluctuation. Those affected projects were tendered during the pre-Covid period. Therefore, it had a drastic effect on the polymer concrete pipe business and disrupted our Singapore project execution in 2022. Singapore market continues to be our main market for polymer concrete pipe. With further easing of community and border measures in Singapore, the current manpower woes are expected to improve. However, it is not expected to reach its pre-Covid levels before 2023.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)**B3. Prospects (Cont'd)**

Our Starken AAC 2's autoclaved aerated concrete ("AAC") production line with 600,000 m3 installed capacity located at Kota Tinggi, Johor has increased its production utilisation rate to above 40% level in view of the surge in demand for the IBS products particularly wall panel due to the severe shortage of foreign labour in Singapore. Starken AAC 2's delivery is expected to pick up strongly in the third quarter of 2022 as the company has dominated the market share for wall panel and block products in the Singapore particularly in the public transportation sector such as Mass Rapid Transit ("MRT") spearhead by LTA; airlines (e.g airports), healthcare (e.g. hospitals), education (e.g. National University of Singapore) and dormitory segment as well as the private residential market. The Company will continue to penetrate and expand its overseas market especially Philippines to fill up the excess capacity in Starken AAC 2.

Multiple property launching is scheduled to take place by end of this year or beginning of next year in the Property Development division. Our construction division, Kayangan Kemas Group and Makna Setia Sdn Bhd possessed strong order book of approximately RM578.30 million and RM234.85 million respectively as at end June 2022. The newly acquired company, Makna Setia Sdn Bhd mainly involved in the construction of public infrastructure, which includes bridges, railway tracks and highways. Both the companies are expected to boost the construction division's financial performance in FY2022 up till FY2025.

Our associate company, Signature International Bhd's ("Signature") 50,000 square feet Malaysia's largest Flagship Gallery has begun operation since its launching in May 2022 and is expected to contribute positively to Signature's bottom line. This flagship gallery offers full range of consultation for design, build and installation services including the customised solution package for individual and project needs. The "Whole House Customisation" package offered allow the customers to truly experience and imagine their dream home's living space and obtain inspiration which match their concept. As at end June 2022, Signature Group's total order books stood at RM612.00 million i.e. RM192.00 million for Kitchen and Wardrobe System, RM255.00 million for Aluminium and Glass Products and RM165.00 million for Interior Fit-Out Works. Barring unforeseen circumstances, we are confident that Signature's performance in the coming quarters will improve in view of the healthy order book.

Our newly acquired associate company, Ajiya Bhd ("Ajiya") whom involve in the high value-added safety glass products, metal roofing, metal door and window frames is expected to maintain its performance in the coming quarter.

B4. Estimates/Forecast

The Group has not provided any revenue or profit guidance in any public documents.

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B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B5. Taxation

The applicable income tax rate is 24% except for the Group's subsidiary companies, PP Chin Hin Pte Ltd and MI Polymer Concrete Pipes Pte Ltd which are subject to the statutory rate of 17% based on Singapore's tax regime and Starken Philippines, Inc which is subject to the statutory rate of 30% based on Philippines's tax regime.

| | Individual Quarter | | Cumulative Quarter | |
|-------------------------------|--------------------|-----------|--------------------|-----------|
| | Unaudited | Unaudited | Unaudited | Unaudited |
| | 30 June | 30 June | 30 June | 30 June |
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax expense | | | | |
| - Current financial year | 4,333 | 1,005 | 6,637 | 4,742 |
| | 4,333 | 1,005 | 6,637 | 4,742 |
| Deferred tax | | | | |
| - Current financial year | 223 | 55 | 54 | 45 |
| - Overprovision in prior year | - | - | - | (1) |
| Total tax expense | 4,556 | 1,060 | 6,691 | 4,786 |

B6. Status of corporate proposals and utilisation of proceeds
I. Status of corporate proposal

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

- (a) On 1 November 2021, the Company proposed to undertake a bonus issue of up to 500,749,198 new ordinary shares in Chin Hin ("Bonus Shares"), on the basis of 1 Bonus Share for every 2 ordinary shares in Chin Hin.

However, after further review of its market share price performance, the Board of the Company has on 22 April 2022 repropoed to undertake a bonus issue of up to 885,081,996 new ordinary shares in Chin Hin, on the basis of 1 Bonus Share for every 1 Chin Hin Share held. Approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the Bonus Shares was obtained on 27 June 2022. Shareholders' approval for the Bonus Issue was obtained on 4 August 2022 during the Extraordinary General Meeting. Subsequently, the Bonus Shares was listed on 22 August 2022, being the next market day after the entitlement date i.e. 19 August 2022.

- (b) On 17 May 2022, the Company entered into a conditional share sale agreement ("SSA") with Divine Inventions Sdn Bhd ("Divine Inventions" or "Purchaser") for the disposal of 129,100,000 ordinary shares in Solarvest Holdings Berhad ("Solarvest") ("Sale Shares"), representing 19.34% equity interest in Solarvest to Divine Inventions for a cash consideration of RM103,280,000 ("Proposed Disposal"). The Sale Shares represents all the Solarvest Shares held by Chin Hin. Shareholders' approval for the Proposed Disposal was obtained on 4 August 2022 during the Extraordinary General Meeting.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B7. Borrowings

The Group's borrowings are all secured and denominated in Ringgit Malaysia, details are as follows: -

| | As at 30 June 2022 RM'000 | (Audited) As at 31 December 2021 RM'000 |
|--|---------------------------------|--|
| Bank overdrafts | 12,258 | 9,839 |
| Revolving credits | 134,725 | 141,177 |
| Bankers' acceptance | 336,420 | 291,494 |
| Trust receipts | 1,094 | 516 |
| Term loans | 403,875 | 347,862 |
| Total bank borrowings | 888,372 | 790,888 |
| Total bank borrowings comprises:- | | |
| Current: | | |
| Bank overdraft | 12,258 | 9,839 |
| Revolving credits | 134,725 | 141,177 |
| Bankers' acceptance | 336,420 | 291,494 |
| Trust receipts | 1,094 | 516 |
| Term loans | 50,773 | 49,096 |
| | 535,270 | 492,122 |
| Non-current: | | |
| Term loans | 353,102 | 298,766 |
| | 888,372 | 790,888 |

B8. Lease liabilities

The Group's lease liabilities are denominated in Ringgit Malaysia, details are as follows: -

| | As at 30 June 2022 RM'000 | (Audited) As at 31 December 2021 RM'000 |
|--|---------------------------------|--|
| Present value of minimum lease payments: | | |
| Repayable within twelve months | 5,278 | 4,363 |
| Repayables after twelve months | 5,010 | 5,324 |
| | 10,288 | 9,687 |

B9. Changes in material litigation

As at a date not earlier than seven (7) days from the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)
B10. Dividend Proposed

There was no dividend declared for the current financial quarter.

B11. Earnings per share
Basic earnings per ordinary share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|-----------------|--------------------|-----------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 |
| Profit attributable to ordinary equity holders of the Group (RM'000) | 38,490 | 3,618 | 64,748 | 18,774 |
| Number of ordinary shares in issues as at 1 January ('000) | 885,082 | 556,388 | 885,082 | 556,388 |
| Effect of treasury shares held | (375) | (222) | (375) | (222) |
| Weighted average number of ordinary shares in issue ('000) | 884,707 | 556,166 | 884,707 | 556,166 |
| Basic earnings per share (sen) | 4.35 | 0.65 | 7.32 | 3.38 |

Diluted earnings per ordinary share

The Group and the Company have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the end of this quarter.

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|-----------------|--------------------|-----------------|
| | 30 June 2022 | 30 June 2021 | 30 June 2022 | 30 June 2021 |
| Profit attributable to ordinary equity holders of the Group (RM'000) | 38,490 | 3,618 | 64,748 | 18,774 |
| Weighted average number of ordinary shares as above | 884,707 | 556,166 | 884,707 | 556,166 |
| Basic earnings per share (sen) | 4.35 | 0.65 | 7.32 | 3.38 |

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B12. Disclosure on selected expense/income items as required by the Listing Requirements

Included in profit before tax comprised the following expense/(income) items:

| | Unaudited As at 30 June 2022 RM'000 | Unaudited As at 30 June 2021 RM'000 |
|---|---|---|
| Profit before taxation is arrived at after charging/(crediting):- | | |
| Auditor remuneration | | |
| - Current year | 237 | 155 |
| - Overprovision in prior year | - | (2) |
| Bad debts written off | - | 37 |
| Depreciation of property, plant and equipment | 18,178 | 16,271 |
| Directors' fee | 120 | 90 |
| Directors' remuneration | | |
| - Salary, EPF and Socso | 2,199 | 1,030 |
| - Other emoluments | 185 | 125 |
| Impairment loss on trade receivables | 3,218 | 2,474 |
| Interest expense | 13,520 | 7,284 |
| Interest income | (902) | (1,831) |
| Inventories written off | 11 | 36 |
| Fair value gain on other investment | (37,235) | - |
| Gain on disposal of assets held for sale | - | (150) |
| Gain on disposal of investment in an associate company | (19,949) | - |
| Gain on disposal of investment in subsidiary companies | (4,020) | (168) |
| Gain on disposal of warrants | - | (16,050) |
| Gain on disposal of property, plant and equipment | (473) | (5) |
| Gain on liquidation of investment in a subsidiary company | (176) | - |
| Property, plant and equipment written off | 243 | 50 |
| Realised (gain)/loss on foreign exchange | (86) | 90 |
| Rental income | (922) | (1,080) |
| Rental expenses | 2,833 | 2,820 |
| Reversal of impairment loss on trade receivables | (1,223) | - |
| Share of results of associates | (13,732) | (3,530) |
| Share of results of joint venture | (867) | - |
| Unrealised gain on foreign exchange | (1,281) | (186) |

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)

B13. Comparative figures

Comparatives figures, where applicable, have been modified to conform to the current presentation.

BY ORDER OF THE BOARD

26 August 2022