



CHIN HIN GROUP BERHAD

INTERIM FINANCIAL REPORT FIRST QUARTER ENDED 31ST MARCH 2023

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 FIRST (1ST) QUARTER ENDED 31 MARCH 2023**
(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	31 Mar 2023 RM'000	31 Mar 2022 RM'000	Changes %	31 Mar 2023 RM'000	31 Mar 2022 RM'000	Changes %
Note						
Revenue	523,936	350,951	49.29%	523,936	350,951	49%
Cost of sales	(475,358)	(326,820)		(475,358)	(326,820)	
Gross profit	48,578	24,131	101.31%	48,578	24,131	101%
Other operating income	2,718	5,007		2,718	5,007	
Fair value gain on other investments	7,647	-		7,647	-	
Gain on disposal of investment in an associate	-	23,585		-	23,585	
Loss on disposal of other investments	(1,705)	-		(1,705)	-	
Finance income	921	464		921	464	
Impairment loss on receivables	(2,172)	(1,590)		(2,172)	(1,590)	
Administrative expenses	(26,520)	(21,882)		(26,520)	(21,882)	
Operating profit	29,467	29,715	-1%	29,467	29,715	-1%
Finance costs	(8,582)	(6,372)		(8,582)	(6,372)	
Share of results of associates	9,591	5,652		9,591	5,652	
Share of results of joint ventures	2,321	292		2,321	292	
Profit before taxation	32,797	29,287	12%	32,797	29,287	12%
Taxation	B5 (6,403)	(2,135)		(6,403)	(2,135)	
Profit after taxation	26,394	27,152	-3%	26,394	27,152	-3%
Other comprehensive income						
Exchange translation differences	182	(102)		182	(102)	
Total comprehensive income for the financial year	26,576	27,050		26,576	27,050	
PROFIT AFTER TAX						
ATTRIBUTABLE TO:						
Owners of the Company	20,045	26,258	-24%	20,045	26,258	-24%
Non-controlling interests	6,349	894		6,349	894	
	26,394	27,152		26,394	27,152	

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2023 (Cont'd)**

(The figures have not been audited)

	Individual Quarter			Cumulative Quarter		
	31 Mar 2023	31 Mar 2022	Changes	31 Mar 2023	31 Mar 2022	Changes
Note	RM'000	RM'000	%	RM'000	RM'000	%
TOTAL COMPREHENSIVE INCOME						
ATTRIBUTABLE TO:						
Owners of the Company	20,227	26,156	-23%	20,227	26,156	-23%
Non-controlling interests	6,349	894		6,349	894	
	<u>26,576</u>	<u>27,050</u>		<u>26,576</u>	<u>27,050</u>	
Earnings per share attributable to owners of the Company (sen):						
- Basic	B11	1.13	2.97	1.13	2.97	
- Diluted	B11	1.13	2.97	1.13	2.97	
Profit Before Interest and Tax	<u>29,467</u>	<u>29,715</u>	-1%	<u>29,467</u>	<u>29,715</u>	-1%

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 2022 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**
(The figures have not been audited)

	31 March 2023 RM'000	(Audited) 31 December 2022 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	442,701	443,251
Investment properties	58,430	58,430
Investment in associates	235,871	226,943
Investment in a joint ventures	60,017	57,391
Goodwill	34,768	34,349
Deferred tax assets	816	816
Other investments	35	70
Other financial assets	2,411	2,411
Inventories - Land held for development	62,812	63,267
Trade receivables	7,987	15,277
Other receivables	3,626	5,248
TOTAL NON-CURRENT ASSETS	909,474	907,453
CURRENT ASSETS		
Contract assets	125,812	91,900
Inventories	418,512	316,857
Trade receivables	501,889	491,733
Other receivables	81,262	73,849
Other investments	43,377	10,472
Net investment in lease	69	69
Tax recoverable	5,141	6,595
Fixed deposits with licensed banks	28,135	23,525
Cash and bank balances	92,839	126,802
	1,297,036	1,141,802
Assets held for sale	2,523	2,523
TOTAL CURRENT ASSETS	1,299,559	1,144,325
TOTAL ASSETS	2,209,033	2,051,778
EQUITY AND LIABILITIES		
EQUITY		
Share capital	381,851	381,851
Treasury shares	(338)	(338)
Merger reserve	(147,392)	(147,392)
Foreign currency translation reserve	768	586
Revaluation reserve	7,476	7,529
Retained earnings	344,786	324,321
Total equity attributable to Owners of the Parent	587,151	566,557
Non-controlling interests	109,187	103,755
TOTAL EQUITY	696,338	670,312

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 MARCH 2023 (Cont'd)***(The figures have not been audited)*

	31 March 2023 RM'000	(Audited) 31 December 2022 RM'000
CURRENT LIABILITIES		
Trade payables	320,553	312,676
Other payables	153,108	151,864
Contract liabilities	-	40
Amount owing to directors	75,998	7,027
Bank borrowings	523,394	523,690
Lease liabilities	6,550	6,390
Tax payable	2,971	2,237
TOTAL CURRENT LIABILITIES	1,082,574	1,003,924
NON-CURRENT LIABILITIES		
Trade payables	7,379	6,605
Bank borrowings	398,860	350,968
Lease liabilities	5,875	4,112
Deferred tax liabilities	18,007	15,857
TOTAL NON-CURRENT LIABILITIES	430,121	377,542
TOTAL LIABILITIES	1,512,695	1,381,466
TOTAL EQUITY AND LIABILITIES	2,209,033	2,051,778
NET ASSET PER SHARE (RM)	0.39	0.76

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 2022 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 FIRST (1ST) QUARTER ENDED 31 MARCH 2023**

(The figures have not been audited)

	<-----Attributable to owners of the parent----->								
	<----- Non-Distributable ----->			Distributable				Non-	
	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	Total RM'000	Controlling Interests RM'000	Total Equity RM'000
At 1 January 2023	381,851	(338)	(147,392)	586	7,529	324,321	566,557	103,755	670,312
Profit for the financial year	-	-	-	-	-	20,045	20,045	6,349	26,394
Other comprehensive income	-	-	-	182	-	-	182	-	182
Total comprehensive income	-	-	-	182	-	20,045	20,227	6,349	26,576
Realisation of revaluation reserve	-	-	-	-	(53)	53	-	-	-
Transactions with owners:									
Changes in ownership interests in subsidiaries	-	-	-	-	-	367	367	(17,065)	(16,698)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	16,148	16,148
Total transactions with owners	-	-	-	-	-	367	367	(917)	(550)
At 31 March 2023	381,851	(338)	(147,392)	768	7,476	344,786	587,151	109,187	696,338

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2023 (Cont'd)**

(The figures have not been audited)

	<-----Attributable to owners of the parent----->								
	<----- Non-Distributable ----->					Distributable		Non-	
	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	Total RM'000	Controlling Interests RM'000	Total Equity 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 year	-	-	-	-	-	96,827	96,827	4,145	100,972
Other comprehensive income	-	-	-	183	1,428	-	1,611	-	1,611
Total comprehensive income	-	-	-	183	1,428	96,827	98,438	4,145	102,583
Realisation of revaluation reserve	-	-	-	-	(167)	167	-	-	-
Transactions with owners:									
Changes in ownership interests in subsidiaries	-	-	-	-	-	(39,508)	(39,508)	(21,802)	(61,310)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	9,160	9,160
Acquisition of subsidiaries	-	-	-	-	-	-	-	7,112	7,112
Disposal of subsidiaries	-	-	-	-	-	-	-	148	148
Dividends to owners of the Company	-	-	-	-	-	(8,847)	(8,847)	-	(8,847)
Total transactions with owners	-	-	-	-	-	(48,355)	(48,355)	(5,382)	(53,737)
At 31 December 2022	381,851	(338)	(147,392)	586	7,529	324,321	566,557	103,755	670,312

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 2022 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2023**
(The figures have not been audited)

	Cumulative quarter	
	31 March 2023 RM'000	31 March 2022 RM'000
Cash Flows From Operating Activities		
Profit before taxation	32,797	29,287
Adjustment for:		
Depreciation of property, plant and equipment	9,440	9,288
Impairment loss on receivables	2,172	1,590
Interest expense	8,582	6,372
Interest income	(921)	(464)
Inventories written off	3	2
Fair value gain on other investments	(7,647)	-
Gain on disposal of investment in an associate	-	(23,585)
Gain on disposal of property, plant and equipment	(133)	(67)
Gain on liquidation of investment in a subsidiary	-	(176)
Loss on disposal of other investments	1,705	-
Property, plant and equipment written off	-	2
Reversal of impairment loss on trade receivables	(296)	(952)
Share of results of associates	(9,591)	(5,652)
Share of results of joint ventures	(2,321)	(292)
Unrealised (gain)/loss on foreign exchange	(282)	88
Operating profit before working capital changes	33,508	15,441
Changes in working capital:		
Inventories	(27,647)	(4,681)
Trade receivables	3,478	9,645
Other receivables	4,324	(10,332)
Contract assets/liabilities	(33,952)	(8,600)
Trade payables	8,520	6,306
Other payables	(39,115)	(23,208)
Amount due to directors	68,011	(1)
	(16,381)	(30,871)
Cash from/(used in) operations	17,127	(15,430)
Interest paid	(8,582)	(6,372)
Interest received	921	464
Tax paid	(1,703)	(3,576)
Tax refund	-	2,343
Net cash from/(used in) operating activities	7,763	(22,571)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2023 (Cont'd)**
(The figures have not been audited)

	Cumulative Quarter	
	31 March 2023 RM'000	31 March 2022 RM'000
Cash Flows From Investing Activities		
Capital contribution by non-controlling interests	16,148	567
Purchase of property, plant and equipment	(7,143)	(7,980)
Purchase of other investments	(52,010)	-
Acquisition of associates	-	(425)
Acquisition of additional investment in subsidiaries	(16,700)	(18,026)
Proceeds from disposal of investment in associates	-	29,691
Proceeds from disposal of other investments	25,083	-
Proceeds from disposal of property, plant and equipment	123	107
Net cash (used in)/from investing activities	<u>(35,617)</u>	<u>3,934</u>
Cash Flows From Financing Activities		
Dividend paid	-	(5,561)
Net changes on bankers' acceptance, trust receipt and revolving credits	4,591	25,586
Increase in fixed deposits pledged	(1,274)	(383)
Repayment of bank borrowings	(19,287)	(10,586)
Repayment of lease liabilities	1,183	742
Net cash (used in)/from financing activities	<u>(5,458)</u>	<u>9,798</u>
Net decrease in cash and cash equivalents	(33,312)	(8,839)
Cash and cash equivalents at the beginning of the financial period	116,524	79,274
Effect of exchange translation differences on cash and cash equivalents	182	74
Cash and cash equivalents at the end of the financial period	<u>83,394</u>	<u>70,509</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2023 (Cont'd)**

(The figures have not been audited)

	Cumulative Quarter	
	31 March 2023 RM'000	31 March 2022 RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	92,839	79,945
Bank overdrafts	(15,313)	(9,436)
Fixed deposits with licensed banks	28,135	13,420
	<u>105,661</u>	<u>83,929</u>
Less: Fixed deposits pledged to licensed banks	(22,267)	(13,420)
	<u>83,394</u>	<u>70,509</u>

Notes:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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NOTES TO THE INTERIM FINANCIAL REPORT- FIRST QUARTER ENDED 31 MARCH 2023

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023

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 2022 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 2022, except for the adoption of standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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:

MFRSs AND IC Interpretations (Including The Consequential Amendments)	Effective dates for financial period beginning on and after
Amendments to MFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 – Classification of Liabilities as Current or Non- Current	1 January 2024
Amendments to MFRS 101 – Non-current Liabilities with Covenants	1 January 2024
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

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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023 (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 2022.

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 31 March 2023, the number of treasury shares held was 750,300 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 31 MARCH 2023 (CONT'D)
A7. Segmental information

The Group's operating activities were derived from Thirteen (13) main business segments, namely the following:-

	Unaudited Individual quarter 31 March 2023 RM'000	Unaudited Individual quarter 31 March 2022 RM'000	Unaudited Cumulative quarter 31 March 2023 RM'000	Unaudited Cumulative quarter 31 March 2022 RM'000
Revenue				
• Investment holding and management services	1,927	1,761	1,927	1,761
• Others	221	40	221	40
<u>Building material division</u>				
• Distribution of building materials and logistics services	239,678	182,091	239,678	182,091
• Ready-mixed concrete	27,618	18,212	27,618	18,212
• Manufacturing of fire-rated and wooden door	-	8,246	-	8,246
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	106,296	80,889	106,296	80,889
• Manufacturing of wire mesh	48,145	51,192	48,145	51,192
• Modular building Solutions	-	85	-	85
• Trading of sanitaryware and fittings	159	243	159	243
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	15,700	18,200	15,700	18,200
• Rental and fleet management services	723	754	723	754
<u>Property development and construction division</u>				
• Construction	118,379	14,648	118,379	14,648
• Property development	3,630	-	3,630	-
	562,476	376,361	562,476	376,361
Adjustments and eliminations	(38,540)	(25,410)	(38,540)	(25,410)
	523,936	350,951	523,936	350,951

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023 (CONT'D)
A7. Segmental information (Cont'd)

The Group's operating activities were derived from Thirteen (13) main business segments, namely the following (Cont'd):-

	Unaudited Individual quarter 31 March 2023 RM'000	Unaudited Individual quarter 31 March 2022 RM'000	Unaudited Cumulative quarter 31 March 2023 RM'000	Unaudited Cumulative quarter 31 March 2022 RM'000
Profit before taxation				
• Investment holding and management services	2,184	20,837	2,184	20,837
• Others	(157)	(59)	(157)	(59)
<u>Building material division</u>				
• Distribution of building materials and logistics services	5,049	3,084	5,049	3,084
• Ready-mixed concrete	(1,587)	(1,121)	(1,587)	(1,121)
• Manufacturing of fire-rated and wooden door	-	(966)	-	(966)
• Manufacturing of autoclaved aerate concrete ("AAC") and precast concrete	4,213	(138)	4,213	(138)
• Manufacturing of wire mesh	458	965	458	965
• Modular building Solutions	(383)	(339)	(383)	(339)
• Trading of sanitaryware and fittings	(217)	(264)	(217)	(264)
<u>Vehicle division</u>				
• Manufacturing and trading of commercial vehicles and bodyworks	1,968	790	1,968	790
• Rental and fleet management services	158	359	158	359
<u>Property development and construction division</u>				
• Construction	13,222	2,692	13,222	2,692
• Property development	(3,468)	(2,790)	(3,468)	(2,790)
	21,440	23,050	21,440	23,050
Share of results of associates	9,591	5,652	9,591	5,652
Share of results of joint ventures	2,321	292	2,321	292
	33,352	28,994	33,352	28,994
Adjustments and eliminations	(555)	293	(555)	293
	32,797	29,287	32,797	29,287

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023 (CONT'D)
A8. Dividend paid

There was no dividend paid during the current financial quarter.

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 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Authorised and contracted for:		
- acquisition of property, plant and equipment	6,388	673

b) Property development division

	Unaudited 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Authorised and contracted for:		
- acquisition of land held for property development	50,223	50,223
- acquisition of property, plant and equipment	235	418
- acquisition of equity interest in subsidiaries	-	17,825

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023 (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 31 March 2023, except for the following:-

- i) On 13 March 2023, the subsidiary, Chin Hin Group Property Berhad (“CHGP”) has completed the acquisition of 11,500,000 ordinary shares in Quaver Sdn Bhd (“Quaver”), representing 100% equity interest in Quaver, for a cash consideration of RM1,250,000. Consequently, Quaver has become the wholly owned subsidiary of CHGP.
- ii) On 1 January 2023, the proposed acquisition of 3,000,000 ordinary shares in Kayangan Kemas (“Kayangan”), representing 30% equity in Kayangan for a cash consideration of RM16.70 million is deemed completed in view that CHGP had fulfilled all its payment obligation under the share sale agreement and obtained control of Kayangan. In accordance with MFRS 3 Business Combinations, the Company’s stake in Kayangan is now deemed as 95%
- iii) During the quarter under review, CHGP increased its issued and paid-up ordinary share capital from RM134,813,102 to RM151,068,093 by conversion of 1,762,200 warrants to ordinary shares and issuance of 16,180,000 ordinary shares pursuant to the Private Placement. Consequently, the equity interest of Chin Hin in CHGP has diluted to 61.65%.

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 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Unsecured		
Corporate guarantees given to the licensed banks for credit facility granted to related companies	571,596	548,064
Bank guarantee issued to third parties	5,478	19,476
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A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD 31 MARCH 2023 (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 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Unsecured		
Bank guarantee given to third parties in respect of trade and contracts	46,285	47,483
Corporate guarantees given to financial institutions for borrowings	366,118	450,923
	<u>366,118</u>	<u>450,923</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 31 March 2023 were as follows: -

	Unaudited RM'000
Transaction with companies in which the Directors or substantial shareholders have financial interest:	
-Transportation services	677
-Sales of goods	770
-Purchase of goods	2,286
-Rental received/receivables	25
-Rental paid/payables	725
-Insurance and road tax received	52
-Progress billing receivables	17,298
-Project management fee receivables	108
	<u>108</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 RM523.94 million, an increase of RM172.99 million or 49.29% as compared to RM350.95 million in the preceding year corresponding quarter. Higher revenue recorded in the current quarter mainly due to the contribution from the construction division with the incremental of RM103.73 million as compared to preceding year corresponding quarter. Majority of the revenue was derived from the construction projects of Kayangan Kemas which include the construction of car park building for Intel's Pelican in Penang, Hospital Sri Iskandar in Perak, Hospital Langkawi, KPJ Kuala Selangor, design and build of community halls and other related works in Grisek, Bukit Pasir and Bukit Kepong, Johor. Whereas for the infrastructure construction projects sales were derived from the infill work for precast portal, plinth work, pier column and deck slab for Mainline of Suke Highway Sungai Besi-Ulu Kelang (Package CA3), construction of superstructure of the Interchanges Pan Borneo Highway, design and build for Elevated Ramp construction and bridge structure works at The Light Waterfront Penang Master Infrastructure (parcel A1, A2 & B1) Phase 2A and elevated bridge works for WCE ("West Coast Expressway) Section 3, Bridge 1 & Bridge 2 at Sungai Klang. Besides that, the increased of revenue also contributed by the higher volume of the wall panel and autoclaved aerated concrete ("AAC") blocks sold to private and government projects in Singapore. The distribution of the building materials sector's sales has grown by 31.63% in this quarter as compared to the preceding year corresponding quarter mainly contributed by cement and other building materials products.

In line with the considerable increase in revenue, the Group's gross profit has increased by RM24.45 million or 101.31% from RM24.13 million in the preceding year corresponding quarter of 2022 to RM48.58 million in the current quarter of 2023. The gross profit margin for the current quarter was recorded at 9.27%, increased by 2.39% as compared to the preceding year corresponding quarter of 6.88% mainly due to the higher margin from the AAC block and panel sales to Singapore, higher pricing for rebuilt commercial vehicles due to the global semiconductor chip shortage and healthy margin from the construction sector.

Other operating income has decreased by RM18.23 million or 63.75% from RM28.59 million in the preceding year corresponding quarter to RM10.36 million in the current quarter. The decrease is mainly due to there was a gain on disposal of Solarvest Holdings Berhad ("Solarvest")'s ordinary shares totalling RM23.59 million in preceding year corresponding quarter as compared to the fair value gain on other investments of RM7.65 million in the current quarter.

Administrative expenses have increased by RM4.64 million in this quarter as compared to the preceding year corresponding quarter mainly contributed from the expansion in property development and construction division following our active efforts in securing new government and private construction projects coupled with the deemed completion for acquisition of Quaver Sdn Bhd in January 2023. Impairment in trade receivables in the current quarter was provided in the distribution of building materials division due to slow collection from certain customers.

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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 by RM2.21 million as compared to the preceding year corresponding quarter principally due to the raising of the overnight policy rate ("OPR") fourth consecutive time in 2022 totalling 100.00 basis points to 2.75 percent to curb inflation.

Share of profit from our associates have increased by RM3.94 million or 69.69% in the current quarter as compared to the preceding year corresponding quarter mainly contributed by the share of Ajiya Berhad's profit of RM7.93 million after the completion of the acquisition of 24.80% stake on 28 April 2022. In contrast, no profit was contributed by Solarvest in Quarter 1, 2023 (Q1 2022, RM1.07 million) after it ceased to be an associate of Chin Hin in April 2022. Furthermore, the RM2.28 million Joint Development project profit entitlement recognised from "8th & Stellar" in Quarter 1, 2022 has been reclassified to as joint venture account in the last quarter of 2022.

Significant increase in the share of results of joint ventures mainly contributed from the 8th & Stellar Joint Development project entitlement.

Given the abovementioned increase in the revenue and gross profit offset against the increase in administrative expenses, finance costs and impairment on trade receivables, the Group reported increased in profit before tax ("PBT") of RM3.51 million for this quarter as compared to the preceding year corresponding quarter. Should both Q1 2023 and Q1 2022 results exclude those non-operating income and losses such as fair value gain on other investments, gain on disposal of investment in an associate and the loss on disposal of other investments, the underlying PBT for Q1 2023 shall be recorded at RM26.85 million which is much higher than the underlying PBT of RM5.70 million for Q1 2022.

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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 31 March 2023 RM'000	Unaudited Individual quarter 31 December 2022 RM'000	Changes %
Revenue	523,936	509,226	3%
Operating Profit	29,467	19,491	51%
Profit Before Interest and Tax	29,467	19,491	51%
Profit Before Tax	32,797	21,310	54%
Profit After Tax	26,394	18,253	45%
Profit Attributable to Ordinary Equity Holders of the Parent	20,045	16,610	21%

For the quarter under review, the Group posted a revenue of RM523.94 million as compared to RM509.23 million in the preceding quarter, an increase of RM14.71 million or 2.89%. The Group reported a profit before tax ("PBT") of RM32.80 million, an increase of RM11.49 million as compared to the preceding quarter. The increase in revenue mainly contributed by the construction division due to more construction progress work done and certified. Should both Q1 2023 and Q4 2022 results exclude those non-operating income and losses, the Group has performed much better in this quarter than the preceding quarter due to the reason as mentioned in B1 and lower impairment loss on receivables.

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

Malaysian government has further tightened up the monetary policy in May 2023 to curb the looming inflation risks by raising the overnight policy rate (“OPR”) fifth consecutive time totalling 125.00 basis points to 3.00% percent. It has posed great challenges to our Company as a whole. The Group has repositioned itself to cope with the challenges and remain vigilant for new prospects.

Our Starken AAC 2’s autoclaved aerated concrete (“AAC”) production line with 600,000 m3 installed capacity located at Kota Tinggi, Johor has exceeded its production utilisation rate of 60% level. Starken AAC 2’s majority deliveries are to the private high-rise projects, hospital, Housing & Development Board (HDB) projects, landed property, MRT, nursing home, dormitory, airport and hospital in Singapore. Sales of new private homes in Singapore jumped 80 per cent in April 2023 to a seven-month high despite the cooling measures imposed. First-timer buyers were particularly unaffected by the additional buyer’s stamp duty (“ABSD”) imposed. HDB has launched a total of 18,555 Build-To-Order (BTO) flats across 18 projects in Tengah, as at the recently concluded sales exercise in February 2023. Overall application rates in Tengah, the newest town range from 1.4 to 4.3. Due to the overwhelming responses from the homebuyers, more new private residential developments and BTO flats are expected to be launched in Singapore this year. Hence, Starken AAC 2’s panel and block sales are expected to be good since it has secured a solid footing in this country. The Company has also managed to secure a few data centre projects in the Southern Malaysia as Malaysia has emerged as the top destination for data centre investment among the Southeast Asia five (SEA-5).

Our rebuilt commercial vehicles division has upgraded its services by offering customers with warranty, free-service and more service centres throughout Peninsula Malaysia. The pandemic has caused the loan application from the banks more stringent, in view of higher default risk. Hence, many consumers have turned to rebuilt vehicles with lower cost and flexible payment options offered by our dealers. The success of online business has led to the emergence of new entrepreneurs and hence spring up more logistic partners that are enjoying the lower vehicles cost with the same efficiency as new vehicles.

Our subsidiary, Chin Hin Group Property Berhad (“CHGP”) is planning two new launches i.e., Avantro Residences at Bandar Kinrara and Ayanna Resort Residences at Bukit Jalil in 2023 with a total Gross Development Value (“GDV”) of RM1.36 billion. In the office category, the Company will launch its first commercial development, the Solarvest Tower in August. In the pipeline, The Group is developing another new project at Rawang which has an estimated GDV of RM342.38 million. This project is targeted to be launched in 2024. CHGP has recently entered into a Joint Development Agreement with Ivory Properties Group Berhad to jointly develop the iconic Crown Penang, marking our maiden foray into Penang.

All the major infrastructure construction projects i.e., MRT3 Circle Line’s four major contract packages, East Coast Rail Link (ECRL) project and the aborted multibillion dollar High Speed Railway project (HSR) with Singapore which was signalled keen on resuming by the Malaysian’s government are expected to keep driving the growth of the construction industry in Malaysia over the next three to four years. The construction division’s outstanding order book currently stands at RM1.30 billion. The Group remains committed to pursue business expansion opportunities by actively seeking for new government and private construction projects and acquiring more strategic landbank in high-growth areas for property development to ensure a sustainable business growth in the long run.

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

Our associate company, Signature International Berhad (“Signature”) has completed the acquisition of 75% equity stake in Corten Interior Solutions Pte Ltd (“Corten”) and 100% equity stake in Areal Interior Solutions Pte Ltd (“Areal”), Singapore’s largest kitchen and wardrobe company with more than 50% market share of private residential property projects on 17 May 2023. Following these acquisitions, Signature Group already owned a strong presence across the wider home and living supply chain in the Southeast Asia and became a total interior design solutions provider. Signature's New Smart Factory located at Bandar Enstek is expected to be completed by Q2 2023. This Smart Factory is a key component of Signature’s Industry 4.0 effort. As at end March 2023, Signature Group’s total order books stood at RM640.00 million i.e., RM180.00 million for Kitchen and Wardrobe System, RM241.00 million for Aluminium and Glass Products and RM219.00 million for Interior Fit-Out Works.

Our newly acquired associate company, Ajiya Berhad (“Ajiya”) who involve in the high value-added safety glass products, metal roofing, metal door and window frames business continue sourcing for cheaper cost of raw materials with good quality to improve its profitability and to remain competitive for a sustainable long-term growth.

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 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000	Unaudited 31 March 2023 RM'000	Unaudited 31 March 2022 RM'000
Income tax expense				
- Current financial year	5,675	2,304	5,675	2,304
	<u>5,675</u>	<u>2,304</u>	<u>5,675</u>	<u>2,304</u>
Deferred tax				
- Current financial year	728	(169)	728	(169)
Total tax expense	<u>6,403</u>	<u>2,135</u>	<u>6,403</u>	<u>2,135</u>

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

There was no corporate proposal which had been announced by the Company and are pending for completion as of to date.

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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 31 March 2023 RM'000	(Audited) As at 31 December 2022 RM'000
Bank overdrafts	15,313	12,809
Revolving credits	88,109	72,648
Bankers' acceptance	356,065	352,832
Invoice financing	-	1,962
Term loans	456,092	410,666
Margin facility	6,675	18,817
Bills discounting facility	-	4,924
Total bank borrowings	922,254	874,658
Total bank borrowings comprises:-		
Current:		
Bank overdraft	15,313	12,809
Revolving credits	88,109	72,648
Bankers' acceptance	356,065	352,832
Invoice financing	-	1,962
Term loans	57,232	59,698
Margin facility	6,675	18,817
Bills discounting facility	-	4,924
	523,394	523,690
Non-current:		
Term loans	398,860	350,968
	922,254	874,658

B8. Lease liabilities

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

	As at 31 March 2023 RM'000	(Audited) As at 31 December 2022 RM'000
Present value of minimum lease payments:		
Repayable within twelve months	6,550	6,390
Repayables after twelve months	5,875	4,112
	12,425	10,502

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

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	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Profit attributable to ordinary equity holders of the Group (RM'000)	20,045	26,258	20,045	26,258
Number of ordinary shares in issues as at 1 January ('000)	1,770,164	885,082	1,770,164	885,082
Effect of treasury shares held	(750)	(375)	(750)	(375)
Weighted average number of ordinary shares in issue ('000)	1,769,414	884,707	1,769,414	884,707
Basic earnings per share (sen)	1.13	2.97	1.13	2.97

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	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Profit attributable to ordinary equity holders of the Group (RM'000)	20,045	26,258	20,045	26,258
Weighted average number of ordinary shares as above	1,769,414	884,707	1,769,414	884,707
Basic earnings per share (sen)	1.13	2.97	1.13	2.97

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 31 March 2023 RM'000	Unaudited As at 31 March 2022 RM'000
Profit before taxation is arrived at after charging/(crediting):-		
Auditor remuneration		
- Current year	170	140
- Underprovision in prior year	13	-
Depreciation of property, plant and equipment	9,440	9,288
Directors' fee	88	57
Directors' remuneration		
- Salary, EPF and Socso	1,157	1,285
- Other emoluments	40	90
Impairment loss on receivables	2,172	1,590
Interest expense	8,582	6,372
Interest income	(921)	(464)
Inventories written off	3	2
Fair value gain on other investments	(7,647)	-
Gain on disposal of investment in an associate	-	(23,585)
Gain on disposal of property, plant and equipment	(133)	(67)
Gain on liquidation of investment in a subsidiary	-	(176)
Loss on disposal of other investments	1,705	-
Property, plant and equipment written off	-	2
Realised (gain)/loss on foreign exchange	(151)	3
Rental income	(157)	(396)
Rental expenses	1,095	1,398
Reversal of impairment loss on trade receivables	(296)	(952)
Share of results of associates	(9,591)	(5,652)
Share of results of joint ventures	(2,321)	(292)
Unrealised (gain)/loss on foreign exchange	(282)	88

B13. Comparative figures

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

BY ORDER OF THE BOARD

30 May 2023