THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

CHIN HIN GROUP BERHAD
Registration No. 201401021421 (1097507-W)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

(I) PROPOSED ACQUISITION BY CHIN HIN GROUP BERHAD ("CHIN HIN") OF 30,291,700 ORDINARY SHARES IN SIGNATURE INTERNATIONAL BERHAD ("SIB") ("SIB SHARE(S)"), REPRESENTING AN EQUITY INTEREST OF APPROXIMATELY 4.77% IN SIB FOR A TOTAL CASH CONSIDERATION OF RM25,445,028 OR RM0.84 PER SIB SHARE ("PROPOSED ACQUISITION") AND THE RESULTANT PROPOSED MANDATORY GENERAL OFFER TO ACQUIRE ALL THE REMAINING SIB SHARES NOT ALREADY OWNED BY CHIN HIN AFTER THE PROPOSED ACQUISITION AT AN OFFER PRICE OF RM0.84 PER SIB SHARE ("PROPOSED OFFER"); AND

(II) PROPOSED BONUS ISSUE OF 1,770,163,992 NEW ORDINARY SHARES IN CHIN HIN ("CHIN HIN SHARE(S)" OR "BONUS SHARE(S)") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY ONE (1) EXISTING CHIN HIN SHARE (INCLUDING TREASURY SHARES) HELD BY THE SHAREHOLDERS OF CHIN HIN WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF CHIN HIN ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

AmInvestment Bank Berhad
Registration No. 197501002220 (23742-V)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting of the Company ("**EGM**") of Chin Hin will be held and conducted by way of virtual meeting entirely through live streaming via Remote, Participation and Voting ("**RPV**") facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Friday, 29 March 2024 at 10.00 a.m. or any adjournment thereof together with the Form of Proxy, are enclosed. The completed and signed Form of Proxy should be lodged at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya on or before the time indicated below in order for it to be valid. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM if you wish to do so.

Last day, date and time for lodging the Form of Proxy	: Thursday, 28 March 2024 at 10.00 a.m.
Day, date and time of the EGM	: Friday, 29 March 2024 at 10.00 a.m.

This Circular is dated 14 March 2024

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Acceptance Condition	:	Valid acceptances, received on or before the Closing Date, which would result in Chin Hin and its PACs holding in aggregate more than 50% of the voting shares in SIB
Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AmInvestment Bank	:	AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
Announcement LPD	:	16 January 2024, being the latest practicable date prior to the announcement of the Proposals
Areal	:	Areal Interior Solutions Pte Ltd (201914845C)
Beng Soo	:	Chiau Beng Soo
Beng Sun	:	Chiau Beng Sun
Board	:	Board of Directors of Chin Hin
Bonus Share(s)	:	1,770,163,992 new Chin Hin Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
CHGPB	:	Chin Hin Group Property Berhad (Registration No. 200101017677 (553434-U))
Chiau HC	:	Chiau Haw Choon
Chin Hin Group or Group	:	Chin Hin and its subsidiaries
Chin Hin or Company or Offeror	:	Chin Hin Group Berhad (Registration No. 201401021421 (1097507-W))
Chin Hin Share(s)	:	Ordinary share(s) in Chin Hin
Circular	:	This circular to the Shareholders dated 14 March 2024 in relation to the Proposals
Closing Date	:	Closing date of the Proposed Offer
CMSA	:	Capital Markets and Services Act, 2007
Corten	:	Corten Interior Solutions Pte Ltd (201408463R)
Datuk Cheng	:	Datuk Cheng Lai Hock
DISB	:	Divine Inventions Sdn Bhd (Registration No. 201401043770 (1119952-P))

DS Chiau	:	Datuk Seri Chiau Beng Teik, JP
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of the Company on the Entitlement Date
Entitlement Date	:	The date to be determined by the Board and announced later, on which the names of the Entitled Shareholders must appear in the Record of Depositors of the Company as at the close of business on that date in order to be entitled to participate in the Proposed Bonus Issue
EPS	:	Earnings per share
Fiamma	:	Fiamma Holdings Berhad (Registration No. 198201008992 (88716-W))
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Hock Seng	:	Yeoh Hock Seng
IMR Report	:	Independent market research report dated 29 December 2023 prepared by Protégé
Interested Directors	:	Collectively, DS Chiau, Chiau HC and Shelly Chiau
Interested Shareholders	:	Collectively, DS Chiau, Chiau HC, Shelly Chiau, PP Chin Hin Realty and DISB
LAT	:	Loss after tax
Lay Koon	:	Chiau Teck Huat @ Chiau Lay Koon
LBT	:	Loss before tax
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
LPD	:	29 February 2024, being the latest practicable date prior to the printing of this Circular
LTD	:	2 February 2024, being the last market day prior to the announcement of the Proposals
MGO	:	Mandatory general offer
NA	:	Net assets attributable to owners of the company
Notice	:	The notice of the conditional MGO to be served by Chin Hin on the board of directors of SIB, in accordance with Paragraph 9.10(1) of the Rules
Offer Document	:	Offer document for the Proposed Offer
Offer Price	:	Cash consideration of RM0.84 per Offer Share
Offer Share(s)	:	All the remaining SIB Shares not already owned by the Offeror

PAC(s)	:	The persons acting in concert with the Offeror in relation to the Proposed Offer who holds SIB Shares as at the LPD, in accordance with Sections 216(2) and 216(3) of the CMSA
PAT	:	Profit after tax
PATAMI	:	Profit after tax and non-controlling interests
PBT	:	Profit before tax
PER	:	Price-to-earnings ratio
Poh Keong	:	Toh Poh Keong
PP Chin Hin Realty	:	PP Chin Hin Realty Sdn Bhd (Registration No. 201101034966 (0963099-V))
Proposals	:	Collectively, the Proposed Acquisition, Proposed Offer and Proposed Bonus Issue
Proposed Acquisition	:	Proposed acquisition of the Sale Shares from the Vendors for the Purchase Consideration, in accordance with the terms and conditions set out in the SSA
Proposed Bonus Issue	:	Proposed bonus issue of 1,770,163,992 Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Chin Hin Share (including treasury shares) held on the Entitlement Date
Proposed Offer	:	The MGO by the Offeror, through AmInvestment Bank, to acquire all the Offer Shares at the Offer Price.
Protégé or the **Independent Market Researcher**	:	Protégé Associates Sdn Bhd (Registration No. 200401037256 (0675767-H))
Public Spread Requirement	:	The requirement under Paragraph 8.02(1) of the Listing Requirements which states that a listed issuer must ensure that at least 25% of its total listed shares (excluding treasury shares) are held by public shareholders to ensure its continued listing on the Main Market of Bursa Securities
Purchase Consideration	:	Total cash consideration of RM25,445,028 or RM0.84 per Sale Share
RM and sen	:	Ringgit Malaysia and sen respectively
RPT	:	Related party transaction
Rules	:	Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the SC
Sale Share(s)	:	30,291,700 SIB Shares to be acquired pursuant to the Proposed Acquisition
SC	:	Securities Commission Malaysia
Shareholders	:	Shareholders of Chin Hin
Shelly Chiau	:	Shelly Chiau Yee Wern

SIB	:	Signature International Berhad (Registration No. 200601034359 (0754118 -K))
SIB Group	:	Collectively, SIB and its subsidiaries
SIB Management	:	Being the management of SIB
SIB Proposals	:	Collectively, the Proposed Acquisition and Proposed Offer
SIB Share(s)	:	Ordinary shares in SIB
Siew Hiang	:	Cheng Siew Hiang
Siew Luang	:	Lim Siew Luang
SSA(s)		The conditional share sale agreements dated 5 February 2024 entered into between Chin Hin and the Vendors for the Proposed Acquisition
TEBP	:	Theoretical ex-bonus price of Chin Hin Shares
Undertakings	:	The respective irrevocable undertakings not to accept the Proposed Offer, provided to Chin Hin by the following parties:- (i) JPND Singapore Pte Ltd; (ii) Teo Lay Ban; (iii) Lee Kean Leng; (iv) Chow Kian Hung; (v) Koey Ching Hock; (vi) Ong Hang Ping; (vii) Ng Beng Hoo; and (viii) Wong Hoong Wai
Vendors	:	Collectively, Teoh Hai Hin and Por Teong Eng
VWAP	:	Volume weighted average market price
Zig Zag Builders	:	Zig Zag Builders (M) Sdn Bhd (Registration No. 201501015761 (1141094-M))

Words denoting the singular shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment currently enforced and as may be amended from time to time and any re-enactment thereof.

All references to the time of day in this Circular are references to Malaysian time, unless otherwise stated.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by the Company, such as in the quarterly results or annual reports of the Company (as the case may be), is due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates, indications and assumptions made by the Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that Company's and/or the Group's plans and objectives will be achieved.

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR AND THE APPENDICES CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.

<table>
<tr><th>No.</th><th>Key Information</th><th>Summary</th><th>Reference to this Circular</th></tr>
<tr><td>1.</td><td>Details of the SIB Proposals</td><td>The Proposed Acquisition entails the Company acquiring the Sale Shares from the Vendors for the Purchase Consideration in accordance with the terms and conditions as set out in the SSAs (further details of which are set out in Section 2.2 of this Circular). The Sale Shares will be acquired by the Company free from all encumbrances and with all rights and benefits of whatsoever nature attaching thereto with effect from the completion date of the Proposed Acquisition.

As at the LPD, Chin Hin and its PACs hold in aggregate 182,295,000 SIB Shares, representing approximately 28.72% equity interest in SIB. Upon completion of the Proposed Acquisition, the aggregate shareholdings of Chin Hin and its PACs in SIB will increase from approximately 28.72% to 33.49%.

Accordingly, upon the SSAs becoming unconditional, in accordance to Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules, Chin Hin will be obliged to extend a MGO for all the Offer Shares at the Offer Price.

For information purposes, the following have provided Chin Hin with their respective irrevocable undertakings to not accept the Proposed Offer as follows:-

<table>
<tr><th>Name</th><th>No. of SIB Shares</th><th>%</th></tr>
<tr><td>JPND Singapore Pte Ltd</td><td>46,631,072</td><td>7.35</td></tr>
<tr><td>Teo Lay Ban</td><td>17,497,600</td><td>2.76</td></tr>
<tr><td>Lee Kean Leng</td><td>9,898,300</td><td>1.56</td></tr>
<tr><td>Chow Kian Hung</td><td>6,792,600</td><td>1.07</td></tr>
<tr><td>Koey Ching Hock</td><td>4,581,000</td><td>0.72</td></tr>
<tr><td>Ong Hang Ping</td><td>8,383,400</td><td>1.32</td></tr>
<tr><td>Ng Beng Hoo</td><td>10,945,200</td><td>1.72</td></tr>
<tr><td>Wong Hoong Wai</td><td>7,716,900</td><td>1.22</td></tr>
<tr><td>Total</td><td>112,446,072</td><td>17.72</td></tr>
</table>
</td><td>Sections 1, 2.1 and 2.2</td></tr>
</table>

No.	Key Information	Summary	Reference to this Circular
2.	Basis and justification of arriving at the Purchase Consideration	The Purchase Consideration was arrived at after negotiation on a willing-buyer and willing-seller basis after taking into consideration, amongst others, the following:- (i) historical closing prices of SIB Shares for the past one (1) year, up to and including the LTD of SIB Shares prior to the signing of the SSAs, ranging between 0.835 to 1.450; (ii) the price of RM93.60 million or RM1.17 per SIB Share paid by the Company pursuant to the Initial Acquisition (as defined in Section 2.3 of this Circular). For information purpose, the Initial Acquisition does not require the approval of the Company's shareholders; (iii) the aggregate order book of SIB Group as at 30 September 2023 of approximately RM1,209 million, comprising RM810 million for the kitchen and wardrobe system and RM399 million for the interior fit-out segment. Such orderbook had also taken into consideration the orderbook of the companies that SIB recently acquired, including Corten and Areal in May 2023. The Company in determining the Purchase Consideration, had taken into consideration that such order book, of which all the projects have been secured is expected to provide earnings visibility and contribute positively to the future financial performance of SIB Group. For information purposes, Corten is principally involved in the design, manufacture and distribution of kitchen and wardrobe systems as well as interior fit-out whilst Areal is principally involved in the fabrication and finishing of stone and metal products such as kitchen countertop, basin, bath vanity and wall cladding; and (iv) the prospects of the SIB Group as set out in Section 5.5 of this Circular. The Board is of the opinion that the Purchase Consideration is justifiable after taking into consideration, inter alia the following factors:- (i) implied PER represented by the Purchase Consideration vis-à-vis companies listed on Bursa Securities which are comparable to SIB details of which are further set out in Section 2.3 of this Circular; and (ii) the historical trading price of SIB Shares up to and including the LTD, further details of which are set out in Section 2.3 of this Circular.	Section 2.3
3.	Details of the Proposed Bonus Issue	The Proposed Bonus Issue entails the issuance of 1,770,163,992 Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Chin Hin Share (including treasury shares) held by the Entitled Shareholders. The Entitlement Date for the Proposed Bonus Issue will be determined and announced at a later date upon receipt of all relevant approvals.	Section 3.1

No.	Key Information	Summary	Reference to this Circular
4.	Rationale and benefits of the SIB Proposals	Chin Hin is of the view that it is an opportune time to increase its stake in SIB after taking into consideration the following factors:- (a) Chin Hin views the prospects of SIB to be positive based on the integration of product and services as well as synergies arising from the combination of the strength and niche of SIB Group vis-à-vis the Chin Hin Group, coupled with the targeted recovery within the construction and property industry going forward. Further growth within SIB Group, is also expected to be driven by the recently completed acquisitions of Corten, Areal, Fiamma and Zig Zag Builders which is expected to improve the financial performance of SIB Group going forward; (b) Chin Hin takes cognisance that in order to better complement its strategy and achieve its growth objectives in SIB, it will require a higher controlling stake in SIB. Accordingly, the SIB Proposals will provide Chin Hin the means to potentially increase its stake in SIB to a more meaningful level which in turn enables Chin Hin to better drive the future direction of the SIB Group; (c) Currently SIB is an associate company of Chin Hin. The SIB Proposals allows the Chin Hin Group to potentially control in excess of 50% equity interest in SIB, which shall enable Chin Hin to consolidate the financial results of the SIB Group; and (d) The SIB Proposals will also provide Chin Hin Group with the opportunity to enlarge its asset base and hence have better access to both the debt and equity capital markets to fund current and future business undertakings and expansion plans.	Section 4.1
5.	Rationale and benefits of the Proposed Bonus Issue	The Proposed Bonus Issue is proposed to be undertaken to:- (i) reward the Company's shareholders by enabling them to have greater participation in the equity of Chin Hin by increasing the number of Chin Hin Shares held with no cash outlay required, while retaining their percentage of equity interest held; (ii) improve the trading liquidity and marketability of Chin Hin Shares on the Main Market of Bursa Securities whilst increasing the capital base of the Company; and (iii) result in the Chin Hin Shares being more affordable in order to appeal to a wider group of public shareholders and investors, which may widen the Company's shareholder base.	Section 4.2

No.	Key Information	Summary	Reference to this Circular
6.	Approvals Required	The Proposals are subject to the following approvals being obtained: (a) the shareholders of Chin Hin at an EGM to be convened; (b) the approval of Bursa Securities, for the listing of and quotation for 1,770,163,992 Bonus Shares to be issued pursuant to the Proposed Bonus Issue; and; and (c) any other relevant authorities and/or parties, if required. The Proposed Acquisition and the Proposed Offer are inter-conditional upon each other. However, the SIB Proposals and Proposed Bonus Issue are not conditional upon each other. The Proposals are not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.	Section 8
7.	Directors' statement and recommendation	The Board (save for the Interested Directors), having considered all aspects of the SIB Proposals, including the rationale and justification for the SIB Proposals, salient terms of the SSAs, the basis and justification of arriving at the respective purchase consideration, the future prospects of the enlarged Group and the effects of the Proposals, is of the opinion that the SIB Proposals are in the best interest of the Chin Hin Group. Accordingly, the Board (save for the Interested Directors) recommends that you vote **in favour** of the resolutions pertaining to the SIB Proposals to be tabled at the forthcoming EGM. Furthermore, none of the directors, major shareholders and/or chief executive of the Company and/or persons connected to them has any interests, direct and/or indirect, in the Proposed Bonus Issue. Accordingly, the Board recommends that you vote **in favour** of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming EGM.	Sections 9 and 10

CHIN HIN GROUP BERHAD
Registration No. 201401021421 (1097507-W)
(Incorporated in Malaysia)

Registered Office
22-09, Menara 1 MK
No. 1, Jalan Kiara, Mont Kiara
50480 Kuala Lumpur

14 March 2024

Board of Directors

Datuk Seri Chiau Beng Teik, JP *(Executive Chairman)*
Chiau Haw Choon *(Group Managing Director)*
Shelly Chiau Yee Wern *(Executive Director)*
Yeoh Chin Hoe *(Senior Independent Non-Executive Director)*
Datuk Cheng Lai Hock *(Independent Non-Executive Director)*
Datuk Hj Mohd Yusri Bin Md Yusof *(Independent Non-Executive Director)*

To: The shareholders of Chin Hin

Dear Shareholders,

(I) PROPOSED ACQUISITION;
(II) PROPOSED OFFER; AND
(III) PROPOSED BONUS ISSUE

1. INTRODUCTION

On 5 February 2024, AmInvestment Bank had, on behalf of the Board, announced that the Company had on even date entered into the SSAs with the Vendors for the Proposed Acquisition.

As at the LPD, Chin Hin and its PACs hold in aggregate 182,295,000 SIB Shares, representing approximately 28.72% equity interest in SIB. As such, upon completion of the Proposed Acquisition, the aggregate shareholdings of Chin Hin and its PACs in SIB will increase from approximately 28.72% to 33.49%.

Accordingly, pursuant to Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules, the Company will be obliged to extend a conditional MGO for the Offer Shares at the Offer Price of RM0.84 per SIB Share being the highest price paid within six (6) months prior to and including the date of signing of the SSAs (being the beginning of the offer period for the Proposed Offer).

Additionally, on 5 February 2024, AmInvestment Bank had, on behalf of the Board also announced that concurrent with the SIB Proposals, the Company also proposed to undertake the Proposed Bonus Issue. For avoidance of doubt, all treasury shares will be entitled to the Bonus Shares and such Bonus Shares will continue to be held by the Company as treasury shares.

On 1 March 2024, AmInvestment Bank, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 29 February 2024, approved the listing of and quotation for up to 1,770,163,992 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as disclosed in Section 8 of this Circular.

The Proposed Acquisition and the Proposed Offer are inter-conditional upon each other. For the avoidance of doubt, the inter-conditionality of the proposals within the SIB Proposals will only apply in terms of the approvals required and shall not apply to the manner and sequence of the implementation and completion of the respective proposals.

The SIB Proposals and Proposed Bonus Issue are not conditional upon each other.

The Proposed Offer will be implemented upon the SSAs being rendered unconditional. In this respect, upon the SSAs being rendered unconditional, the Company will serve the Notice to the board of directors of SIB.

Further details on the Proposals are set out in the ensuing sections.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH ITS APPENDICES, BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. SIB PROPOSALS

2.1 Details of the SIB Proposals

The Proposed Acquisition entails the Vendors agreeing to sell and the Company agreeing to purchase the Sale Shares for the Purchase Consideration at RM0.84 per Sale Share, to be satisfied entirely in cash.

The particulars of the number of Sale Shares to be acquired from each of the Vendors and the corresponding cash consideration to be paid to them is as follows:-

Name	Sale Shares No. of Sale Shares	%	Cash consideration (RM)
Teoh Hai Hin	14,318,100	2.25	12,027,204
Por Teong Eng	15,973,600	2.52	13,417,824
Total	**30,291,700**	**4.77**	**25,445,028**

The Sale Shares will be acquired by the Company free from all encumbrances and with all rights and benefits of whatsoever nature attaching thereto with effect from the completion date of the Proposed Acquisition. The Proposed Acquisition is subject to the terms and conditions of the SSAs, the salient terms of which are set out in Section 2.2 of this Circular.

For information purposes, based on SIB's record of depositors as at the LPD, upon completion of the Proposed Acquisition, the Vendors will no longer hold any SIB Shares.

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2.2 Salient terms of the SSAs

The salient terms of the SSAs are as follows:-

(i) <u>Sale and purchase of Sale Shares</u>

The Vendors agrees to sell and the Company agrees to purchase the Sale Shares free from all claims, charges, liens, encumbrances and equities whatsoever together with all the interest and rights attached thereto at the Purchase Consideration. The Purchase Consideration shall be satisfied wholly by cash and regardless to the market price, the Purchase Consideration shall prevail.

(ii) <u>Condition precedent</u>

The SSAs are conditional upon the following being fulfilled within six (6) months from the date of SSAs ("**Conditional Period**"):-

(a) The approval of shareholders and/or directors of the Company being obtained for the implementation of the sale and purchase of the Sale Shares; and

(b) such other waivers, consents or approvals as may be required from any third party or governmental, regulatory body or competent authority having jurisdiction over any part of the transactions contemplated under the SSAs to the effect that if such waivers, consents, approvals are not obtained, the sale and purchase of the Sale Shares herein will be rendered null and void by law.

(iii) <u>Recission</u>

In the event the conditions precedent set out in Section 2.2 (ii) above cannot be fulfilled within the Conditional Period for any reason whatsoever, then either party shall be entitled to terminate the SSA whereupon the SSAs shall cease to have any effect and none of the parties shall have any claim against the other.

(iv) <u>Completion of the SSAs</u>

The sale and purchase of Sale Shares shall take place upon the SSAs being rendered unconditional. The completion of the sale and purchase of the Sale Shares shall be by way of a direct business transaction in accordance with the rules and directives issued by Bursa Securities and Bursa Depository.

(v) <u>Termination</u>

Any breach of Section 2.2 (iv) above, being made by either party shall render the SSAs null and void, whereby the non-defaulting party shall be compensated with liquidated damages[(a)] as well as direct losses which shall be borne by the defaulting party, including all costs incurred by the non-defaulting party in connection with the sale and purchase of the Sale Shares.

<u>Note:-</u>

(a) Represents compensation for losses suffered by the non-defaulting party, the amount of which, shall be determined by the parties in the event of termination of the SSA. Such compensation may comprise a portion of the consideration involved.

(vi) Inter-conditionality

The parties agree that the SSAs shall be inter-conditional upon each other, in the event any of the SSAs is not completed or is terminated for any reason whatsoever, the Company may terminate the SSAs by a written notice to the Vendors where the SSAs shall cease to have any effect and none of the parties shall have any claim against the other provided that the Vendors shall refund all monies paid by the Company towards the Purchase Consideration and the Company shall transfer the respective Sale Shares to the Vendors (if the same has been transferred in favour of the Company).

(vii) Costs

Each party shall bear all fees and commissions payable to its stockbroker.

2.3 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, inter-alia, the following:-

(i) historical closing prices of SIB Shares for the past one (1) year, up to and including the LTD of SIB Shares prior to the signing of the SSAs, ranging between RM0.835 to RM1.450;

(ii) the price of RM93.60 million or RM1.17 per SIB Share paid by the Company pursuant to the initial acquisition of 80,000,000 SIB Shares by Chin Hin, as announced by the Company on 8 March 2021 ("**Initial Acquisition**") and completed on even date. For information purpose, the Initial Acquisition does not require the approval of the Company's shareholders; and

(iii) the aggregate order book of SIB Group as at 30 September 2023 of approximately RM1,209 million, comprising RM810 million for the kitchen and wardrobe system and RM399 million for the interior fit-out segment. Such orderbook had also taken into consideration the orderbook of the companies that SIB recently acquired, including Corten and Areal in May 2023. The Company, in determining the Purchase Consideration, had taken into consideration such order book, of which all the projects have been secured is expected to provide earnings visibility and is expected to contribute positively to the future financial performance of SIB Group. For information purposes, Corten is principally involved in the design, manufacture and distribution of kitchen and wardrobe systems as well as interior fit-out whilst Areal is principally involved in the fabrication and finishing of stone and metal products such as kitchen countertop, basin, bath vanity and wall cladding; and

(iv) the prospects of the SIB Group as set out in Section 5.5 of this Circular.

In assessing the Purchase Consideration, the Board is of the opinion that the Purchase Consideration is justifiable after taking into consideration the following:-

(a) the implied PER represented by the Purchase Consideration vis-à-vis companies listed on Bursa Securities which are predominantly involved in the furniture manufacturing industry ("**Comparable Companies**").

For information purposes, there is no company listed on Bursa Securities that are involved in similar business as SIB Group, i.e. design, manufacturing and retail of kitchen and wardrobe systems as well as interior fit-out works for commercial projects. Hence, the Board has adopted the closest comparable companies to the business nature of SIB Group, i.e. companies that are principally involved in the manufacturing and sales of furniture and/or interior fit-out and has market capitalisation of approximately RM500 million as well as have been profit making in the preceding 12 months.

Whilst the comparison may reflect market sentiments towards the sector and provide guidance on valuation, the analysis does not consider differences in accounting policies and standards as well as the operating environments, business models and/or tax treatments and such comparable companies may also differ in terms of composition of business activities, geographical area, scale of operations, track record, financial performance, risk profile, future prospects and other criteria.

Details of the comparative PERs are set out as follows:-

Company	**Principal Activities**	**Market capitalization (RM' mil)**	**Trailing 12-month PER (times)**
Federal International Berhad ("**FIB**")	FIB is principally organised into 3 main business divisions namely, manufacturing, interior fit-out and construction divisions. The manufacturing division is involved in the manufacture of modular caseworks, shop fixtures and fitting and furniture for corporate customers. The interior fit-out (IFO) division is involved in the renovation and fitting out of high-end interior spaces for hospitality, commercial office, food and beverages outlets, government facilities, residential and special facilities such as palaces. The division also supplies and installs kitchens and wardrobes on project basis to property developers. The construction division is involved in the construction of real estate comprising residential and commercial properties.	68.47	5.51
Rhong Khen International Berhad ("**Rhong Khen**")	Rhong Khen manufactures and sells wooden household furniture and components in Malaysia, Vietnam, and Thailand. The company provides bedroom collection sets, including beds, nightstands, chests, armoires, and wardrobes; dining room collection sets comprising tables, chairs, buffets, hutches, curios, sideboards, and servers; and living room collection sets, such as sofas, sofa tables, occasional tables, coffee tables, and cabinets, as well as small and home office sets. It is also involved in the manufacture and sale of polyester boards, and decorative wood panels and paper businesses. The company also exports its products to the United States, Canada, Europe, South Africa, Australia, China, and the Middle East.	249.55	15.69

Company	Principal Activities	Market capitalization (RM' mil)	Trailing 12-month PER (times)
Lii Hen Industries Bhd ("**Lii Hen**")	Lii Hen manufactures and sells furniture. It provides office and residential furniture, as well as furniture components to furniture importers, wholesalers, and retailers. It is also involved in the property investment activities; processing and kiln drying of rubber wood and timber products; planting, cultivating, milling, and dealing in agriculture and forest products; and rubber wood plantation activities. The company has operations primarily in North America, Asia, Oceania, Africa, and Europe.	507.60	8.53
Poh Huat Resources Holdings Berhad ("**Poh Huat**")	Poh Huat is an investment holding company, engages in the manufacture and sale of furniture in Malaysia and Vietnam. It is also involved in the manufacturing and processing wooden household furniture; investment and leasing of warehouses, as well as operates as a property developer. The company also exports its products to India, the United Kingdom, the Middle East, and Southeast Asia.	360.36	13.49
Homeritz Corporation Berhad ("**HMB**")	HMB, an investment holding company, designs, manufactures, and sells upholstery furniture products in Malaysia. The company provides upholstery home furniture products, including leather and fabric-based sofas, dining chairs, and bed frames; other home furniture, such as cushion seats, sofa beds, and tables; and lifestyle furniture products under the eritz brand, as well as furniture parts. It is also involved in the property investment business. The company also exports its products to approximately 40 countries, including Europe, Australasia, North and South America, Asia, and Africa.	240.89	9.27
High			**15.69**
Low			**5.51**
Average			**10.50**
<u>SIB Purchase Consideration</u>			
Based on SIB's trailing 12-months consolidated PATAMI up to the FPE 30 September 2023			**13.12**
Based on adjusted SIB's trailing 12-months consolidated PATAMI up to FPE 30 September 2023 (Note A)			**6.71**

(Source: Bloomberg as at the Announcement LPD and the respective companies' latest quarter financial results as at the Announcement LPD)

Note A *The trailing 12-months consolidated PATAMI of SIB Group up to FPE 30 September 2023 had been adjusted as follows:-*

	RM'000
SIB Group PATAMI for the 12-month period up to 30 September 2023	40,629
Adjustment [(1)]:-	
Add: Extrapolated 12-month PATAMI of Corten and Areal based on the 5 months contribution up to 30 September 2023 *Note (2)*	71,717
Less: Consolidated PAT of Corten and Areal for five (5) months *Note (2)*	(29,882)
Less: Consolidate PAT of Signature Aluminium Sdn Bhd ("**SASB**") and Signature Façade Treatment Sdn Bhd ("**SFT**") *Note (3)*	(2,956)
Adjusted trailing 12-months consolidated PATAMI	**79,508**

Notes:-

(1) Adjustments for material transactions that were completed by SIB during the FYE 31 December 2023.

(2) The trailing 12-months consolidated PATAMI of SIB Group up to FPE 30 September 2023 had only included the consolidated PAT of Corten and Areal for five (5) months (i.e. from May 2023 until September 2023) as the acquisitions of Corten and Areal were completed in May 2023. Hence the adjustments were made to take into consideration the full year's contribution of Areal and Corten to the SIB's Group's PAT.

(3) SIB had completed the disposal of SASB (100% subsidiary of SIB) and SFT (51% subsidiary of SIB) in June 2023. Hence the 12-months interpolated profit contribution from the group of companies of SASB and SFT for the FYE 31 December 2022 respectively, had been excluded from the SIB Group's PATAMI.

Based on the above, the Purchase Consideration's implied PER of 13.12 times based on the trailing 12-months consolidated PATAMI of SIB Group up to 30 September 2023 is higher than the average PER of the Comparable Companies of 10.50 times but within the range of the PER of Comparable Companies of 5.51 times to 15.69 times. Additionally, the Purchase Consideration's implied PER of 6.71 times based on the adjusted trailing 12-months consolidated PATAMI of SIB Group up to 30 September 2023 (taking into account of 12-month contribution from Corten and Areal and the disposal of SASB and SFT) is within the range of the PER of the Comparable Companies.

(b) The Purchase Consideration of RM0.84 per SIB Share represents a premium/(discount) over the last trading price and VWAP of SIB Shares up to and including LTD, as follows:-

Description	**Price**	**Premium/ (Discount)**	
	RM	**RM**	**%**
Last trading price as at the LTD	0.8400	-	-
Five (5)-day VWAP	0.8387	0.0013	0.16
One (1)-month VWAP	0.8750	(0.0350)	(4.00)
Three (3)-month VWAP	0.9188	(0.0788)	(8.58)
Six (6)-month VWAP	0.9832	(0.1432)	(14.56)
One (1)-year VWAP	1.2980	(0.4580)	(35.29)

(Source: Bloomberg)

2.4 Background information on SIB

SIB is a public limited company incorporated on 23 November 2006 and was listed on the Second Board of Bursa Securities and transferred to the Main Market of Bursa Securities on 3 August 2009. SIB is mainly involved in design, product development, manufacturing, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances as well as interior fit-out.

As at the LPD, the issued share capital of SIB is RM160,722,848 comprising 645,497,370 SIB Shares (including 10,804,000 treasury shares). Currently, SIB is an associate company of Chin Hin.

Further details of SIB Group are set out in Appendix I of this Circular.

2.5 Details of the Proposed Offer

For shareholders' information, as at the LPD, the shareholdings of the Company and its PACs in SIB are as follows:-

Name	**As at the LPD**	
	No. of SIB Shares	**%**
Chin Hin	179,400,000	28.27
PACs		
Director of Chin Hin		
Datuk Cheng	932,000	0.15
Close relatives of Chin Hin's Directors [(4)]		
Beng Soo [(1)]	260,000	0.04
Beng Sun [(1)]	97,600	0.02
Lay Koon [(1)]	62,000	0.01
Shout Chan [(1)]	44,000	*
Poh Keong [(1)]	38,000	*
Hock Seng [(1)]	1,395,000	0.22
Siew Hiang [(2)]	6,400	*
Siew Luang [(3)]	60,000	0.01
Total	**182,295,000**	**28.72**

Notes:-

* *Less than 0.01%.*

(1) *Being close relatives of DS Chiau, the Executive Chairman and major shareholder of Chin Hin via his direct and indirect shareholdings in DISB and PP Chin Hin Realty.*

(2) *Being a close relative of Datuk Cheng, an Independent Non-Executive Director of Chin Hin.*

(3) *Being a close relative of Yeoh Chin Hoe, an Independent Non-Executive Director of Chin Hin.*

(4) *Close relatives refers to mother, father, child, brother, sister, adopted child of step child (of Chin Hin's Directors) as well as their spouses, where applicable.*

As shown in the table above, as at the LPD, the Company together with the PACs, hold in aggregate 182,295,000 SIB Shares, representing approximately 28.72% equity interest in SIB. Upon completion of the Proposed Acquisition, the aggregate shareholdings of Chin Hin and the PACs in SIB will increase from approximately 28.72% to 33.49%. Accordingly, upon the SSAs being rendered unconditional, in accordance to Section 218(2) of the CMSA and Paragraph 4.01(a) of the Rules, Chin Hin will be obliged to extend MGO for all the Offer Shares at the Offer Price.

For information purposes, the following parties had provided Chin Hin with their respective irrevocable undertakings to not accept the Proposed Offer ("**Undertaking Shareholders**") as follows:-

Name [(i)]	No. of Offer Shares	%
JPND Singapore Pte Ltd	46,631,072	7.35
Teo Lay Ban	17,497,600	2.76
Lee Kean Leng	9,898,300	1.56
Chow Kian Hung	6,792,600	1.07
Koey Ching Hock	4,581,000	0.72
Ong Hang Ping	8,383,400	1.32
Ng Beng Hoo	10,945,200	1.72
Wong Hoong Wai	7,716,900	1.22
Total	**112,446,072**	**17.72**

Note:-

(i) The Undertaking Shareholders are not related to Chin Hin as well as Chin Hin's directors and/or major shareholders.

As such, based on Chin Hin shareholdings in SIB as at the LPD, upon completion of the Proposed Acquisition and assuming full acceptance of the Proposed Offer (excluding the Undertakings), Chin Hin will be required to pay a total cash consideration of up to RM262.55 million for up to 312,555,598 Offer Shares, as tabulated in the table below:-

Description	No. of SIB Shares
Share capital	645,497,370
Less: treasury shares	(10,804,000)
Subtotal	**634,693,370**
Less: Shares held by Chin Hin as at the LPD	(179,400,000)
Less: Sale Shares	(30,291,700)
Less: SIB Shares held by the Undertaking Shareholders as at the LPD	(112,446,072)
Offer Shares (up to) [(1)]	**312,555,598**

Note:-

(i) For the avoidance of doubt, the Proposed Offer will also be extended to the PACs and hence the 2,895,000 SIB Shares held by the PACs are included in the Offer Shares.

Consequently, upon the SSAs being rendered unconditional, the Company will serve a Notice to the board of directors of SIB. The Offer Document will be despatched to the shareholders of SIB within 21 days from the date of the Notice in accordance with Paragraph 11.02(1) of the Rules.

The Offer Shares to be acquired pursuant to the acceptances under the Proposed Offer shall be transferred:-

(i) free from all moratorium, claims, charges, liens, pledges, encumbrances, options, rights of pre-emption, third party rights and equities from the date of valid acceptance; and

(ii) with all rights, benefits, and entitlement attached thereto, including the right to all dividend, rights, allotments and/or distribution on or after the date of the Notice, subject to the adjustments to the Offer Price as set out in Section 2.6 below.

2.6 Consideration for the Proposed Offer

The Offer Price of RM0.84 per Offer Share is equivalent to the price paid for each Sale Share pursuant to the Proposed Acquisition and is the highest price paid by the Company and its PACs for SIB Shares in the 6 months prior and including the date of signing of the SSAs.

Notwithstanding the above, if SIB declares, makes and/or pays any dividend and/or other distribution of any nature whatsoever (collectively, the "**Distribution**") on or after the date of the Notice but prior to the Closing Date to the entitled shareholders of SIB, the Offer Price shall be reduced by an amount equivalent to the net Distribution per SIB Offer Share which such SIB shareholders are entitled to retain. For avoidance of doubt, no adjustment shall be made to the Offer Price in the event that the entitlement date for the Distribution is after the Closing Date.

2.7 Condition of the Proposed Offer

The Proposed Offer is conditional upon the Acceptance Condition.

The Acceptance Condition must be fulfilled by the statutory timeline as prescribed by the Rules, failing which the Proposed Offer shall lapse and all acceptances received under the Proposed Offer must be return to the respective holders.

2.8 Listing status of SIB

Chin Hin intends to **maintain the listing status of SIB on the Main Market of Bursa Securities** subsequent to the Proposed Offer.

For information purposes, as at the LPD, SIB has public shareholding spread of 62.97%. Strictly for illustration purposes, following the completion of the SIB Proposals the proforma shareholding spread of SIB will range from 10.37% to 58.20% assuming (i) the Company receives full acceptances (excluding the Undertaking) and (ii) the Company achieves the Acceptance Condition (including acceptances by the PACs) pursuant to the Proposed Offer, respectively.

In this regard, in the event that the Company receives valid acceptances under the Proposed Offer or acquires Offer Shares resulting in SIB not being in compliance with the Public Spread Requirement, the Company will work together with SIB to explore various options or proposals to rectify the non-compliance with the Public Spread Requirement. While the Company will work together with SIB to attempt to rectify any shortfall in the Public Spread Requirement of SIB, there can be no assurance that the Public Spread Requirement of SIB can be rectified within the stipulated timeframe as allowed by Bursa Securities.

Any action taken to address the Public Spread Requirement may require the approvals of the relevant authorities and/or the shareholders of SIB. The actual course of action to be taken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time.

Additionally, in the event the Company receives valid acceptances amounting to not less than nine-tenths (9/10) of the Offer Shares, Chin Hin does not intend to invoke the provisions of Section 222(1) of the CMSA to compulsorily acquire any remaining Offer Shares for which valid acceptances have not been received on or prior to the Closing Date. In this respect, the Company will not invoke the provisions of Section 222(1) of the CMSA in view of the Undertakings.

2.9 Liabilities to be assumed

The Company will not assume any additional liabilities (including contingent liabilities and guarantees, if any) pursuant to the SIB Proposals, save for the existing liabilities stated in the financial statements of SIB Group.

2.10 Source of funding

The purchase consideration of the Proposed Acquisition of RM25.45 million shall be fully funded via the Group's internally generated funds. It is the intention of the Company to fund the Proposed Offer of RM262.55 million via bank borrowings.

2.11 Additional financial commitment required

The Company does not expect to incur any additional financial commitment to put the business of SIB Group on stream. SIB Group are operating business entities and are currently listed on the Main Market of Bursa Securities.

3. PROPOSED BONUS ISSUE

3.1 Details of the Proposed Bonus Issue

The Proposed Bonus Issue entails the issuance of 1,770,163,992 Bonus Shares on the basis of one (1) Bonus Share for every one (1) existing Chin Hin Share (less treasury shares) held by the Entitled Shareholders.

The actual number of the Bonus Shares to be issued pursuant to the Proposed Bonus Issue will depend on the total number of issued ordinary shares of the Company on the Entitlement Date. As at the LPD, the total issued ordinary capital of Chin Hin is RM381,850,595 comprising 1,770,163,992 Chin Hin Shares (including 750,300 treasury shares).The Proposed Bonus Issue which entails the issuance of 1,770,163,992 Bonus Shares, will result in an enlarged issued ordinary share capital of 3,540,327,984 Chin Hin Shares.

For the avoidance of doubt, all treasury shares will be entitled to the Bonus Shares and such Bonus Shares will continue to be held by our Company as treasury shares.

The entitlement basis for the Proposed Bonus Issue was arrived at after taking into consideration the potential enhancement to the trading liquidity of Chin Hin Shares in the market given the adjustment to the share price and the increase in the number of Chin Hin Shares pursuant to the Proposed Bonus Issue as well as compliance with Paragraph 6.30(1A) of the Listing Requirements which states that a listed issuer must ensure its adjusted share price for a bonus issue is not less than RM0.50 based on the daily VWAP during the three (3)-month period before the application date ("**Paragraph 6.30(1A)**").

For illustration purposes, the 5 day VWAP and lowest 3-month daily VWAP of Chin Hin Shares up to the Announcement LPD, and the TEBP of Chin Hin Shares are as follows:-

	Before Proposed Bonus Issue	After Proposed Bonus Issue
	Market price (RM)	**TEBP (RM)**
5-day VWAP up to the Announcement LPD	3.5493	1.7747
Lowest 3-month daily VWAP up to the Announcement LPD	3.6248	1.8124

Based on the above, the Board confirms that the Proposed Bonus Issue complies with Paragraph 6.30(1A) of the Listing Requirements.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with by the Board in such manner as it may in its absolute discretion deem fit, expedient and in the best interest of the Company.

The Entitlement Date will be determined by the Board and announced by the Company at a later date upon receipt of all relevant approvals for the Proposed Bonus Issue. The Proposed Bonus Issue will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

3.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

With Section 74 of the Act that came into effect on 31 January 2017, the concept of par value of shares of Malaysian companies has been abolished. Hence, there is no such requirement and stipulation that cash consideration must be paid or be transferred in connection with new issuance of shares. As a result, a bonus issue can now be undertaken either:-

(i) by way of capitalisation from retained earnings or reserves of a company; or

(ii) without capitalisation, in a manner akin to a subdivision of shares.

In view of the above and the rationale as set out in Section 4.2 of this Circular, the Board has resolved that the Proposed Bonus Issue shall be implemented and undertaken without capitalising the retained earnings or reserves of the Company and that the Bonus Shares shall be issued as fully paid Chin Hin Shares at no consideration. The Proposed Bonus Issue will then increase the total number of Chin Hin Shares in issue but will not increase the amount of the total issued share capital of Chin Hin.

3.3 TEBP of Chin Hin Shares

The Proposed Bonus Issue will result in an adjustment to the reference price of Chin Hin Shares, as quoted on the Main Market of Bursa Securities, but will not have any impact on the total market value of Chin Hin Shares held by the Company's shareholders.

For illustration purposes, based on the 5-day VWAP of Chin Hin Shares up to the Announcement LPD of RM3.5493, the TEBP per Chin Hin Share upon the completion of the Proposed Bonus Issue will be as follows:-

	Illustrative number of Chin Hin Shares	**Market price / TEBP per Chin Hin Share (RM)**	**Total Value (ii) (RM)**
Closing market price as at the Announcement LPD	100	3.5493	354.93
After the completion of the Proposed Bonus Issue	200	1.7747 (i)	354.93

Notes:-

(i) *The actual TEBP will be calculated as follows:-*

$$TEBP = \begin{array}{c}\textit{Closing market price} \\ \textit{of Chin Hin Shares} \\ \textit{prior to ex-date}\end{array} \times \frac{\textit{Number of Chin Hin Shares before the Proposed Bonus Issue}}{\textit{Number of Chin Hin Shares after the Proposed Bonus Issue}}$$

(ii) *The total value was arrived at by multiplying the number of Chin Hin Shares held with the market price / TEBP per Share, as the case may be.*

3.4 Ranking of Bonus Shares

The Bonus Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Chin Hin Shares, save and except that the Bonus Shares shall not be entitled to any dividends, rights, allotments and/or other distributions which may be declared, made or paid to the shareholders of Chin Hin, on the entitlement date of which is prior to the date of allotment and issuance of the Bonus Shares.

3.5 Listing of and quotation for the Bonus Shares

Approval has been obtained from Bursa Securities vide its letter dated 29 February 2024 for the listing of and quotation for the Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities.

Subject to the relevant approvals being obtained, the Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next market day following the Entitlement Date.

4. RATIONALE FOR THE PROPOSALS

4.1 SIB Proposals

Chin Hin Group is a builder conglomerate that provides end-to-end solutions from upstream building services, i.e. manufacturing and provision of building materials and construction engineering to downstream building services, i.e. property development and home and living solutions.

Realising the need to grow and evolve its product offerings within the building materials business as well as providing a comprehensive product range within the property and home and living solutions segment, Chin Hin embarked on the acquisition of its current associate stake in SIB in March 2021, which manufactures and sells kitchen and wardrobe systems as well as undertakes interior fit-out works for commercial projects. The Initial Acquisition has allowed the Company to incorporate SIB's strength in design and interior fit-out as within the Group's construction and property divisions. The Initial Acquisition is also premised on SIB having presence beyond Malaysia where it allows the Group to tap on SIB's network in Brunei, Cambodia, Vietnam, Myanmar, Sri Lanka, Maldives and Singapore.

The integration and synergies between SIB Group and the Company is part of the Company's continuous effort to be one of the few companies in the industry to have a unique business model of providing end-to-end solutions, from upstream activities (building materials manufacturing, construction and engineering) to downstream business (property development, home and living solutions and interior fit-out).

Post Initial Acquisition of SIB, the financial performance of SIB Group have improved annually arising from the synergistic benefits. This was evidenced via SIB Group's increasing PATAMI from RM8.48 million in FYE 30 June 2021 to RM34.54 million in FYE 31 December 2022. SIB Group's financial performance had improved further for this financial year with SIB Group recording PATAMI of RM53.08 million for the FYE 31 December 2023.

Premised on the above, Chin Hin is of the view that it is an opportune time to increase its stake in SIB taking into consideration the following factors:-

(a) Chin Hin views the prospects of SIB to be positive based on the integration of product and services as well as synergies arising from the combination of the strength and niche of SIB Group vis-à-vis the Chin Hin Group, coupled with the targeted recovery within the construction and property industry going forward. Further growth within SIB, is also expected to be driven by the recently completed acquisitions of Corten, Areal, Fiamma and Zig Zag Builders which is expected to improve the financial performance of SIB Group going forward.

(b) Chin Hin takes cognisance that in order to better complement its strategy and achieve its growth objectives in SIB Group, it will require a higher controlling stake in SIB. Accordingly, the SIB Proposals provide Chin Hin the means to potentially increase its stake in SIB a to a more meaningful level which in turn enables Chin Hin to better drive the future direction of SIB Group.

(c) Currently SIB is an associate company of Chin Hin. The SIB Proposals allows the Chin Hin Group to potentially control in excess of 50% equity interest in SIB, which shall enable Chin Hin to consolidate the financial results of SIB Group.

    As mentioned above, the PATAMI of SIB Group has been increasing annually, thus, the consolidation of financial results of SIB Group is expected to improve the overall financial performance of Chin Hin Group.

(d) The SIB Proposals will also provide Chin Hin Group with the opportunity to enlarge its asset base and hence have better access to both the debt and equity capital markets to fund current and future business undertakings and expansion plans.

Taking into consideration of the above as well as the prospects as set out in Section 5.5 of the announcement, the Company is cautiously optimistic that SIB Group will continue to grow its orderbook which will result in continuously improvement in SIB Group's earnings moving forward. Hence, the Company wishes to capitalise the current opportunity to further increase its equity interest in SIB in order to have more control on the business direction and strategies of SIB Group. If the Company is able to achieve its objective as mentioned above, Chin Hin is able to benefit from the increased earnings contribution from SIB Group upon consolidation as well as crystallisation of its investment in SIB via any potential stake sale or public offering by SIB Group in the future. Notwithstanding Chin Hin's optimism in growing the order book of SIB Group given the prospects as highlighted above, the Company remains cautious on the future outlook of SIB taking into consideration any undesired fluctuations in the general economic conditions which may be beyond Chin Hin and SIB's control which may potentially affect the SIB's ability in growing its order book.

4.2 Proposed Bonus Issue

The Proposed Bonus Issue is proposed to be undertaken to:-

(i) reward the Company's shareholders by enabling them to have greater participation in the equity of Chin Hin by increasing the number of Chin Hin Shares held with no cash outlay required, while retaining their percentage of equity interest held;

(ii) improve the trading liquidity and marketability of Chin Hin Shares on the Main Market of Bursa Securities whilst increasing the capital base of the Company; and

(iii) result in the Chin Hin Shares being more affordable in order to appeal to a wider group of public shareholders and investors, which may widen the Company's shareholder base.

The Company had on 22 August 2022 completed a bonus issue of 885,081,996 Chin Hin Shares on the basis of 1 bonus share for every 1 existing Chin Hin Share held ("**Previous Bonus Issue**"). As a result of the Previous Bonus Issue, Chin Hin's issued share capital increased from 885,081,996 to 1,770,163,922 Chin Hin Shares (including 10,804,000 treasury shares); and the market price of Chin Hin Shares was adjusted from RM5.27 to RM2.42 on 18 August 2022, being the ex-date of the Previous Bonus Issue, resulting in more affordable Chin Hin Shares.

Notwithstanding the above, since the completion of the Previous Bonus Issue in August 2022, the share price of Chin Hin had trended upwards to a high of RM4.80 in March 2023 and was trading within the range of approximately RM3.37 to RM3.77 in the past one (1) month period up to the Announcement LPD. The increase in Chin Hin's share price is also in line with the increase in the PAT of Chin Hin Group. For information purpose, based on Chin Hin Group's latest unaudited financial results for the FYE 31 December 2023, Chin Hin Group recorded PATAMI of RM150.11 million as compared to PATAMI of RM96.83 million for the FYE 31 December 2022.

The table below illustrates the monthly volume of Chin Hin Shares traded before and after the Previous Bonus Issue:-

	Average last trading price for the month (RM)	**Monthly volume (Rounded to nearest thousand) No. of shares**
2022		
February	2.424	25,150,000
March	2.634	34,830,000
April	3.334	26,870,000
May	3.774	26,580,000
June	3.382	20,050,000
July	3.703	29,410,000
August [(1)]	4.014	25,520,000
September	2.650	26,320,000
October	2.739	32,470,000
November	3.135	58,360,000
December	3.164	42,650,000
2023		
January	3.438	30,660,000
February	3.952	53,400,000
March	4.012	79,060,000
April	4.499	30,230,000
May	4.296	40,850,000
June	4.412	32,860,000
July	4.308	16,210,000
August	4.301	14,630,000
September	4.139	12,630,000
October	3.848	18,490,000
November	3.812	7,200,000
December	3.533	12,960,000
2024		
January (up to Announcement LPD)	3.502	6,730,000

Note:-
(1) Being the completion date of the Previous Bonus Issue

Based on the table above, the average number of Chin Hin Shares traded based on the 6-months period ended before and after the Previous Bonus Issue has increased by 32.6% from 27,150,000 Chin Hin Shares to 35,996,000 Chin Hin Shares. Following that, the number of Chin Hin Shares traded for the last twelve (12) months, peaked with the highest monthly volume of 79,060,000 Chin Hin Shares in March 2023. Furthermore, it was also noted that, as the share prices of Chin Hin gradually increased from April 2023 onwards, the trading volume of Chin Hin Shares had also similarly experienced a declining trend in the aforementioned months.

As such, the Proposed Bonus Issue is now undertaken as the Board is of the view that the Proposed Bonus Issue will further improve the liquidity of Chin Hin Shares.

5. INDUSTRY OVERVIEW AND PROSPECTS

For information purposes, the Chin Hin Group is principally engaged in investment holding and management services and through its subsidiaries, it is involved in manufacturing, trading, distribution and wholesale of building materials, manufacturing and trading of commercial vehicles, property development as well as construction mainly in Malaysia, whilst SIB Group's principal business involves furniture and fit-out activities in Malaysia and Singapore.

5.1 Overview and outlook of the Malaysian Economy

Overall, Malaysia's economic recovery in 2022 was largely driven by stronger domestic demand as economic activity normalised. However, the pace of recovery varied across different economic sectors. While economic activity in export-oriented industries thrived, some sectors such as that of the leisure-related services remained below pre-pandemic levels. This was mostly due to tourist arrivals recovering only at a gradual pace during the year.

Headline inflation averaged higher in 2022 at 3.3% (2021: 2.5%). Underlying inflation, as measured by core inflation, also rose, averaging at 3.0% (2021: 0.7%). The surge in global commodity prices and prolonged supply-related disruptions were key factors that resulted in cost-push inflationary pressures. The continued US dollar strength against the ringgit also led to higher import prices, which added to the cost pressures. While inflation was largely driven by these cost factors, the strengthened domestic demand following the economic reopening also contributed to the increasing inflationary pressures. However, upward pressures on prices were partly contained by domestic price controls, subsidies, and prevailing spare capacity in the economy.

(Source: Annual Report 2022, Bank Negara Malaysia)

For 2024, growth of the Malaysian economy is expected to trend higher, lifted by the recovery in exports and resilient domestic expenditure. Household spending will be supported by continued growth in employment and wages. Tourist arrivals and spending are expected to improve further. Moreover, investment activity would be supported by continued progress of multi-year projects in both the private and public sectors, and the implementation of catalytic initiatives under national master plans. Budget 2024 measures will also provide additional support to economic activity.

The growth outlook remains subject to downside risks from weaker-than-expected external demand and declines in commodity production. Meanwhile, upside risks to domestic growth emanate from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of both existing and new projects.

As expected, both headline and core inflation have moderated, mainly due to lower cost pressures amid stabilising demand conditions. In 2024, inflation is expected to remain modest, broadly reflecting stable cost and demand conditions. However, the inflation outlook remains highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: BNM Quarterly Bulletin, 4Q 2023, Vol. 38 No. 4, Bank Negara Malaysia)

5.2 Overview and outlook of property development and construction industry in Malaysia

The construction sector expanded by 3.6% (3Q 2023: 7.2%). due to further expansion in civil engineering subsector weighed by weak non-residential activities.

(Source: BNM Quarterly Bulletin,4Q 2023, Vol. 38 No. 4, Bank Negara Malaysia)

The real estate and business services subsector is poised to grow by 5.4% attributed to sustained demand for professional services, particularly in the field of engineering following vigorous construction activities. In addition, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

The construction sector improved steadily by 6.8% in the first half of 2023 mainly driven by the civil engineering and special construction activities subsectors. The civil engineering subsector rebounded, supported by the acceleration of ongoing infrastructure and utilities projects, which include East Coast Rail Link ("**ECRL**") and Large Scale Solar 4 projects. The non-residential buildings and residential buildings subsectors also registered positive growth in line with vibrant economic activities. Efforts are underway to accelerate the construction of public infrastructure projects in Sabah and Sarawak including the Sabah Pan-Borneo Highway and Sarawak-Sabah Link Road.

The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors. Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road ("**CSR**"), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 ("**Twelfth Plan**"). Furthermore, a new solar power plant project under the Corporate Green Power Programme will support the subsector's growth. The implementation of New Industrial Master Plan ("**NIMP**") 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Plan will provide a platform to attract more investments into the country. In addition, the residential buildings subsector is projected to improve further in line with the Government's effort to increase more affordable houses as outlined under the Mid-Term Review of the Twelfth Plan and the MADANI Neighbourhood scheme, as well as new launching by the private sector.

(Source: Economic Outlook 2024, Ministry of Finance Malaysia)

Despite a challenging global financial and economic environment, the property market stayed resilient in 2023 supported by positive performance in all sub-sectors except agriculture compared to the previous year. In 2023, total transactions volume and value increased by 2.5% and 9.9% respectively to 399,008 transactions worth RM196.83 billion (2022: 389,107 transactions; RM179.07 billion; 2021: 300,497 transactions; RM144.87 billion). The residential sub-sector continued to contribute the largest share of transactions, recorded a marginal increase in both volume and value.

The growth in 2023 property market is highly supported by the implementation of various government initiatives and assistance and improving labour market conditions. Several initiatives which outlined under Budget 2023 by the government to a certain extent helped improve property market activities. These are:

1. Full stamp duty exemption on instrument of transfer and loan agreement for the purchase of the first residential home priced up to RM500,000 by Malaysia citizens remained until 31 December 2025.

2. Increase of stamp duty remission from 50% to 75% for the purchase of the first residential properties priced between RM500,000 to RM 1 million by Malaysian citizens and applicable for sale and purchase agreements executed until 31 December 2023.

3. Full stamp duty exemption up to RM1 million and 50% stamp duty remission for the remaining balance on transfers of property by way of love and affection between family members (father to child and grandfather to grandson).

4. Allocation of RM460.2 million for the building of new homes and home renovations in rural areas.

5. Allocation of RM389.5 million will be channelled to the People's Housing Programme.

6. Allocation of RM358 million for the construction of affordable homes under Rumah Mesra Rakyat programme by Syarikat Perumahan Negara Berhad.

7. Allocation of RM462 million for the construction of 23,000 houses under Projek Perumahan Awam Malaysia.

8. Increase the guarantees of up to RM5 billion via Syarikat Jaminan Kredit Perumahan (SJKP) in assisting gig workers such as e-hailing workers in obtaining home financing up to RM500,000.

The property market has gradually increased in 2023, higher after the downturn in 2020 due to Covid-19 pandemic. A total of 399,008 transactions worth RM196.83 billion were recorded, each showing an increase of 2.5% and 9.9% respectively compared to 2022, which recorded 389,107 transactions worth RM179.07 billion. Of the total transactions, 77.7% (309,861 transactions) and 18.6% (74,405 transactions) were transfers dated in 2023 and 2022 respectively while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance showed upward movements. Residential, commercial, industrial and development land sub-sectors recorded year-on-year growths of 3.0%, 23.3%, 0.9% and 5.0% respectively, whereas agricultural sub-sector recorded otherwise, declined by 7.8% in volume.

Value of transactions recorded higher increase for all subsectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 7.1%, 17.5%, 13.1%, 4.6% and 13.8% respectively.

In the construction segment, housing completion were promising, up by 4.0% to 74,893 units in 2023 as compared to 2022. Selangor contributed the highest number with 21,448 units and followed by Johor with 10,456 units. By type, supply continued to focus on condominiums/apartments, formed around 34.1% (25,513 units) of the national total, while two to three storey terraced houses formed another 30.5% (22,805 units). Contrarily, starts and new planned supply declined by 9.9% to 88,114 units and 9.1% to 80,964 units respectively, both led by Selangor with 19,865 units for the former and 7,593 units for the latter.

As the national economy is projected to remain in the range of 4.0% to 5.0% in 2024 which supported by resilient domestic growth prospects, the property market performance is expected to remain cautiously optimistic given the unpredictable external environment. The accommodative policies, continuous government support, well-executed measures outlined in Budget 2024, and the proper implementation of strategies and initiatives under Rancangan Malaysia Kedua Belas ("**RMK-12**") are expected to continue supporting growth in the property sector.

(Source: Property Market Report 2023, Valuation and Property Services Department, Ministry of Finance Malaysia)

5.3 <u>Overview and outlook of the furniture industry in SIB's major principal markets</u>

5.3.1 Overview and outlook of furniture industry in Malaysia

The furniture industry covers a diverse array of products ranging from pieces such as tables, shelves, and cabinets which are designed for storing and containing other objects to pieces such as beds, chairs, and sofas which are designed to provide comfort and support to people. Furniture can be produced from a variety of materials such as wood, metal, plastic, as well as cane/ rattan. At large, the furniture industry can be categorised into three main categories, namely home furniture, office furniture, and other furniture. Specifically, home furniture can be subdivided into living room furniture, bedroom furniture, dining room furniture, and kitchen furniture. Kitchen furniture includes seats such as stools and chairs, fitted cabinets, countertops, kitchen islands, and pantry shelves. Bedroom furniture typically includes beds, nightstands, wardrobes, and dressers.

Furniture can also include fit-out furniture. "Fit out" refers to the process of making an interior space ready for occupancy and involves installation of floors and ceilings, partitions, windows, lighting, electrical systems, heating, ventilation, and air conditioning systems, and furnishings. Fit-out furniture can be installed to create a customised space that fits the needs of the occupants while also providing an aesthetic environment.

The Malaysian furniture industry experienced challenges in 2020 and 2021 amidst the novel coronavirus 2019 ("**COVID-19**") pandemic and resulting lockdown measures disrupting economic activities. With the easing of lockdown measures and resumption of all business activities leading to economic recovery, the industry rebounded to produce RM17.10 billion worth of products in 2022, an increase of 9.8% from RM15.58 billion in 2021.

With the lifting of restrictions and re-opening of Malaysia's borders in April 2022, Malaysia was able to host the Malaysian International Furniture Fair ("**MIFF**") 2022 in July 2022, after a two-year hiatus, and the MIFF 2023 in March 2023.

Moving forward, the local furniture industry is forecast to reach RM26.24 billion in 2027, growing at a compounded annual growth rate ("**CAGR**") of 8.9% during the forecast period. Growth of the industry is expected to be driven by improved domestic economic conditions as well as a recovery in the property market. However, the industry may be affected by inflationary pressures and high interest rates, as well as shortage of labour and rising input costs.

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In particular, the kitchen furniture market has been subdued in recent years. The kitchen furniture market is intertwined with the development of the local property market, mainly due to the practice amongst property developers to furnish new residential properties with kitchen furniture such as built-in cabinets, kitchen islands and countertops to attract homebuyers. However, high property prices and supply-demand imbalances have led to limited growth in the Malaysian property market. To combat this, the Malaysian Government has taken proactive measures to aid the market. These measures include promotion of affordable housing schemes; introduction of the Housing Credit Guarantee scheme to help gig workers, independent business owners, and small traders or entrepreneurs who do not have a fixed income become first-time homebuyers; as well as elimination of real property gains tax for property transactions effective from the sixth year onwards. Additionally, in the Revised Budget 2023, the Government has allocated funds for the construction of new affordable homes, as well as extended the full stamp duty exemption for first time homebuyers on properties worth below RM500,000, and provided a 75.0% of stamp duty on the sales and purchase agreements for properties from RM500,001 to RM1,000,000. During the tabling of the Budget 2024, the Government has allocated additional funding for the construction of affordable housing under the "*Program Rumah Mesra Rakyat*", an allocation of RM10 billion to expand the Housing Credit Guarantee Scheme to up to 40,000 borrowers, as well as fixing the stamp duty levied on transfers of properties between parents and children and grandparents and children at RM10.

These measures are likely to positively impact the growth of the local property market and in turn positively impact the kitchen furniture market.

The interior fit-out furniture market has also remained resilient as fit-out activities are required to convert interior spaces from blank slates to a space that can be occupied and utilised, meaning that fit-out activities are undertaken for different types of spaces including residential and commercial. In terms of property transactions, there were a total of 293,095 property transactions valued at RM142.52 billion recorded for the first 3 quarters of 2023, an increase in compared to 293,115 transactions valued at RM130.99 billion for the corresponding period in 2022. There is also a steady supply of residential and commercial properties across the country, where there are existing units, incoming units, and planned supply.

The continuous demand for housing augers well for the prospects of the Malaysian furniture industry. On the flip side, rising interest rates, and an oversupply of non-affordable homes coupled with an undersupply of affordable homes may affect the demand for residential properties moving forward. Similarly, growth of the Malaysian furniture industry may be impacted by high interest rates in global economies. For example, interest rate hikes by the US Federal Reserve elevated mortgage payments, thus making housing unaffordable for prospective homebuyers. As a global furniture exporter, Malaysia's furniture industry is subject to the economic conditions in other countries. Should there be a global economic downturn, growth of the furniture industry in Malaysia may be adversely affected.

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While benefiting from the continued demand for residential properties, the interior fit-out furniture market is also likely to benefit from the commercial and industrial property segments. The commercial properties segment recorded 29,011 transactions worth RM27.29 billion while the industrial properties sector recorded 5,935 transactions worth RM16.83 billion for the first 3 quarters of 2023. In terms of commercial properties, there were a total of 562,586 existing shop units, with another 26,231 units of incoming supply and 28,513 units of planned supply as at the third quarter of 2023. Other types of commercial properties include small office/home office, shopping complex and purpose-built offices, whereby all three categories showed promising incoming and planned supplies. For industrial properties, there were a total of 121,171 existing units, with another 3,940 units of incoming supply and 6,487 units of planned supply as at the third quarter of 2023. Additionally, to support the NIMP 2030, the Government announced in Budget 2024 that it would open a high-tech industrial area in Kerian, Perak to build a wider ecosystem for the electrical and electronics sectors. The continued supply of industrial and commercial properties and the need to transform them into occupiable spaces is expected to spur demand for interior fit-out furniture in the future.

The lifting of COVID-19 restrictions, economic recovery, and re-opening of Malaysia's borders had contributed positively to the Malaysian furniture industry's performance in 2022. The industry rebounded to produce RM17.10 billion worth of products in 2022, an increase of 9.8% from RM15.58 billion in 2021. Overall, after taking into consideration Malaysia's estimated GDP growth for 2023 and the historical performance of furniture industry in Malaysia, the Malaysian furniture industry is expected to continue an expansionary trend, with the industry expected grow to RM26.24 billion in 2027, representing a CAGR of 8.9% during the forecast period.

(Source: IMR Report)

5.3.2 Overview and outlook of furniture industry in Singapore

The Singapore furniture industry declined by 24.3% in 2020 to record manufacturing output of 563.1 million Singapore dollars ("**SGD**") compared to SGD743.6 million in 2019 due to the COVID-19 pandemic and resulting economic impact. The industry rebounded in 2021 to record manufacturing output of SGD720.3 million which was an increase of 27.9% compared to SGD563.1 million in the previous year. The industry continued its rebound in 2022, growing by 12.8% to SGD778.3 million, resulting from the country's resumption of economic activities. Moving forward, the furniture industry in Singapore is forecast to reach SGD1.06 billion in 2027, growing at a CAGR of 6.3% during the forecast period. The growing adoption of work-from-home arrangements is expected to lead to greater development of furniture that are suitable for working from home as well as improve work-life integration for sustainable urban living. The need to renovate and repurpose ageing buildings is also likely to spur the industry moving forward. The industry is also expected to benefit from the proliferation of e-commerce and the growing use of augmented reality ("**AR**"). However, the Singapore Government is considering to further increase the goods and services tax ("**GST**"), which may also lead to increases in the price of goods thereby affecting the demand for the local furniture industry.

Singapore's property market has seen significant recovery since the COVID-19 pandemic and the Singaporean Government had introduced cooling measures such as raising the additional buyer's stamp duty and lowering loan-to-value limits for Housing & Development Board ("**HDB**") loans to manage the local property market. Despite such measures, the property market in Singapore continues to be resilient, owing to demand for new launch properties and return of foreign buyers. To cope with the demand, the HDB is ramping up supply of build-to-order flats and it aims to launch up to 23,000 flats in 2023. Demand for residential properties is also expected to be resilient, with 41,851 units in the pipeline of which 17,576 units remain unsold as at the third quarter of 2023. Of the 41,851 units in the pipeline, 3,167 units are expected to be completed in the last quarter of 2023 while 20,400 units and 12,032 units are expected to be completed in 2024 and 2025 respectively. The resilient demand for and supply of residential properties augers well for the growth of the kitchen furniture market in Singapore moving forward.

Similarly, the bedroom furniture market is also linked to the local property market. However, bedroom furniture is relatively easier to change compared to kitchen furniture. As bedrooms are personal spaces that are designed to reflect the occupant's style and needs, any changes to the occupant’s style and needs may lead them to renovate or redecorate their bedrooms. The resilient demand for and supply of residential properties also augers well for the growth of the Singaporean bedroom furniture market in the future. The interior fit-out furniture market continues to remain resilient as activities are required to convert interior spaces into occupiable spaces. This is applicable to various types of properties including residential and commercial properties

The resilient demand for and supply of residential properties also augers well for the growth of the Singaporean bedroom furniture market in the future. The interior fit-out furniture market continues to remain resilient as activities are required to convert interior spaces into occupiable spaces. This is applicable to various types of properties including residential and commercial properties.

The furniture industry in Singapore, particularly the kitchen and bedroom furniture markets, is also expected to benefit from a resilient property market. A strong pipeline of residential properties is expected to enter the market soon as the country’s demand for private and public housing increases, creating a potential demand for furniture from homebuyers. On the other hand, the interior fit-out furniture market is likely to benefit from a continuous supply of office and retail space. As of the end of 2022, there was a total of 872,000 square metres (“**sq m**”) of office space and 420,000 sq m of retail space in the pipeline that is expected to be completed from 2023 and beyond. This pipeline of office and retail spaces will require interior fit-out works to make the space occupiable which bodes well for the prospectus of the interior fit-out furniture market in Singapore. Likewise, renovation activities can spur the Singaporean furniture industry as it may involve replacing old furniture with new furniture.

Ageing properties in Singapore also present an opportunity for the Singapore furniture industry. The Singaporean Government had introduced the Periodic Façade Inspection (“**PFI”**) Regime into the Building Control Act to prevent the likelihood of façade failure in older buildings. The PFI Regime requires buildings of more than 20 years of age and over 13 meters in height, excluding landed houses, to undergo inspection by a Competent Person (i.e., professional engineer or registered architect) every 7 years. As building stock ages, the PFI Regime will facilitate early detection of façade deterioration, allowing rectification works to be undertaken in a timely manner. Ageing properties in land-starved Singapore are also getting new leases on life through repurposing and upgrading activities. For example, a British military outpost located on Sentosa island was repurposed into a luxury heritage hotel. The need for repurposing and upgrading existing buildings is important in Singapore due to its lack of land. As such, this represents an opportunity for growth of the Singapore furniture industry.

There has also been a growth in the affluence of Singaporeans, with the median monthly household income increasing from SGD9,520 in 2021 to SGD10,099 in 2022. From 2017 to 2022, the median monthly household income increased by 2.9% cumulatively or 0.6% per annum. The higher income may provide greater opportunities for more consumption of goods and services, including renovation of dwellings and purchase of new furniture.

The industry may be challenged by the increase in GST, a consumption tax that is levied on goods and services sold in the country. The Singaporean Government had announced that the GST would increase from 7% to 8% with effect from 1 January 2023, and increase further to 9% with effect from 1 January 2024. The rise in GST will increase the price of goods in Singapore and may potentially lead to a reduced demand for furniture. Amidst an inflationary environment, the GST hike is also likely to lead to consumers cutting back on discretionary spending to ensure that they can cover their necessities.

The furniture industry in Singapore continued its recovery in 2022, registering a growth of 12.8% to SGD778.3 million compared to SGD720.3 million in 2021, due to recovery of the economy. The industry is expected to be supported by factors such as changing consumer behaviour, a resilient property market, the need to repurpose and upgrade ageing buildings, technological advancements, and support from industry bodies. Moving forward, after taking into consideration Singapore's estimated GDP growth for 2023 and the historical performance of Singapore's furniture industry, the furniture industry in Singapore is expected to expand, growing from SGD778.3 million in 2022 to SGD1.06 billion in 2027 at a CAGR of 6.3%.

(Source: IMR Report)

5.4 Prospects of the SIB Group

The SIB Group has evolved from provision of modular kitchen systems to a growing regional provider of complete customised solutions for home and living which focuses on both retail sales and project-based contracts. Over the years, SIB Group's product offering had also grown to include built-in kitchen cabinet and wardrobe systems, kitchen appliances, bathroom solutions, loose furniture and home furnishing products, which can be categorized into two distinct segments, i.e. Kitchen Cabinet and Wardrobe Systems as well as Interior Fit-out Works to appropriately address the needs and diversified requirements of both its retail and project customers.

In line with SIB Group's growing range of products and with the input and contribution of the Chin Hin Group, it had launched its Signature Flagship Store which is located in Kota Damansara, Selangor, in May 2022, which is the largest interior design showroom in Malaysia with a built-up area of 50,000 square feet. Going forward, the SIB Group's medium-term goal is to transform all Signature outlets (including outlets in 15 countries beyond Malaysia) to a home living space solutions provider by replicating the Signature Flagship Store's experiential business concept, including its overseas outlets in the future.

Furthermore, synergistic benefits are expected to arise from the acquisition as both the Chin Hin Group and the SIB Group operate in and service the same industry, i.e., the construction and property development industry. The SIB Proposals represents an opportunity to expand Chin Hin Group's product range from the upstream supply of building materials into downstream supply of quality kitchen, home and living solutions and vice-versa for the SIB Group. Besides that, the SIB Group's products are not only supplied to property development projects but also directly to consumers through its various retail outlets. Leveraging on the SIB Group's expertise, will enable the Chin Hin Group to tap into the business to-consumer (B2C) segment.

Additionally, the SIB Group also has overseas presence in countries such as Thailand, Vietnam, Cambodia, Brunei, Philippines, Maldives, Pakistan, United Arab Emirates, Sri Lanka, India and Singapore. The Chin Hin Group may be able to leverage on such overseas network for future expansion abroad.

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Furthermore, as part of the SIB Group's plans to expand into local and regional markets via strategic acquisitions, SIB had completed the following acquisitions:-

(i) 51% equity interest in a Malaysian based contractor namely Space Alliance Contracts Sdn Bhd ("**SACSB**") in March 2022. SACSB is a Grade 7 contractor registered with Construction Industry Development Board (CIDB) and is mainly involved in the renovation works of corporate office, hospitality, residence, public amenities and others;

(ii) equity interests of 75% and 100% respectively, in 2 Singapore-based companies, Corten and Areal in May 2023 which has resulted in SIB Group increasing its orderbook to RM1,645 million as at 31 December 2023 where it is envisaged to contribute to the earnings of SIB Group moving forward. For information purposes, SIB had subsequently disposed Areal to Corten resulting in the effective interest held by SIB in Areal to decrease from 100% to 75% as at the LPD.

(iii) 23.7% equity interests in Fiamma in September 2022, who is principally an investment holding company, whilst its subsidiaries are principally involved in trading and services, property development as well as investment holding and property investments. The acquisition of the aforesaid stake in Fiamma represents a good fit to SIB's supply chain as SIB observed a shift in consumer spending habits which saw a significant increase in demand for its products which comprises of electrical home appliances, sanitaryware as well as kitchen and wardrobe systems during the Covid-19 pandemic.

(iv) 50.1% equity interest in Zig Zag Builders in September 2023, who is principally involved in the business of interior design, renovation, furnishing, installation as well as maintenance and construction works. Zig Zag Builder is expected to contribute positively to the earnings of the SIB Group as the vendor of Zig Zag Builders has provided an aggregate profit guarantee of at least RM15.0 million for the FYE 31 December 2023 and FYE 31 December 2024.

Chin Hin believes that the established customer base and healthy order book, on the back of the prospects of the aforementioned acquired companies, SIB's organic expansion plan coupled with the synergies expected to be achieved across the enlarged Chin Hin Group, will bode well in regard to the prospects and financial performance of both SIB and Chin Hin Group moving forward.

Additionally, as part of its ongoing strategy, Chin Hin is constantly evaluating the feasibility of some of its investments undertaken earlier, held under the Group. At this juncture, the management of Chin Hin and SIB is in the midst of evaluating the feasibility of unlocking and monetising its investments in SACSB, which may include a potential listing of SACSB on the Official List of Bursa Securities. At present, the details of such plans had yet to be finalised and SIB shall make the necessary announcement in due course once the Board of SIB has finalise and approved such plans.

(Source: Management of Chin Hin)

6. RISK FACTORS IN RELATION TO THE SIB PROPOSALS

The SIB Proposals will not materially change the risk profile of the business of Chin Hin Group as Chin Hin Group had invested in SIB since March 2021 and hence it is already exposed to the business, operational and financial risks inherent in the industries which SIB operate in. SIB Group which operates in the kitchen system and home and living solutions industry is exposed to, inter-alia, competition from international brands, change in technology, availability and fluctuations in price of raw materials, product liabilities/defect claims and product obsolescence.

Nevertheless, the additional potential risks that may have an impact on the enlarged Chin Hin Group, which may not be exhaustive, arising from the SIB Proposals are set out below:-

6.1 Non-completion of the SIB Proposals

The Proposed Acquisition is conditional upon the fulfilment of the conditions precedent of the respective SSAs, including obtaining shareholders' approval at the forthcoming EGM. Further details are set out in Section 2.2 of this Circular. There can be no certainty that all the conditions precedent of the SSAs will be satisfied and that the completion will occur within the stipulated timeframe. In the event any of the conditions precedent are not satisfied or waived (in accordance with the terms of the SSAs) and/or extension of time is not agreed upon between Chin Hin and the respective Vendors, the Proposed Acquisition will not be completed.

Notwithstanding the above, Chin Hin shall endeavour to take all reasonable steps to ensure that the conditions precedent set out in the SSAs are fulfilled in a timely manner to facilitate the completion of the Proposed Acquisition. As the Proposed Offer is the consequential effect of the Proposed Acquisition, in the event that the Proposed Acquisition cannot be completed, Chin Hin will not be able to undertake the Proposed Offer. This may result in the Chin Hin Group not being able to reap the anticipated benefits of the SIB Proposals as set out in Section 4.1 of this Circular.

6.2 Non-fulfilment of the Acceptance Condition

In accordance with Paragraph 6.01 of the Rules, the Proposed Offer is conditional upon the Offeror receiving sufficient acceptances for the Proposed Offer by the closing date, which would result in the Offeror and its PACs holding in aggregate, together with their existing equity interest, more than 50% of the voting shares of SIB. In the event such Acceptance Condition cannot be met within the stipulated timeframe as prescribed under the Rules, the Proposed Offer shall lapse and all acceptances received under the Proposed Offer must be immediately returned to the respective holders who accepted the offer.

In such instance, SIB will continue to be the associates of Chin Hin and the Company will not be able to consolidate SIB Group's financial results into Chin Hin Group.

6.3 Investment risks

Although the SIB Proposals is expected to contribute positively to the future earnings of the Group, there is no assurance that the anticipated benefits from the SIB Proposals will be realised or that the Group will be able to generate sufficient returns from the earnings contribution from SIB Group to offset the associated cost of investment incurred. In addition, any decline in economic conditions may affect the potential benefits to be derived from the SIB Proposals and the duration required for Chin Hin to recoup its investment could be longer than anticipated.

Nevertheless, the Group has exercised due care in considering the potential risks and benefits associated with the SIB Proposals and believes that the SIB Proposals will be earnings accretive and synergistic to the enlarged Chin Hin Group, after taking into consideration, amongst others, the prospects of SIB Group.

6.4 Higher gearing and interest rate risk

Chin Hin is proposing to fund the SIB Proposals partly via external borrowings, the final quantum of which will be dependent on the timing of completion for the Proposed Acquisition as well as the level of acceptances under the Proposed Offer. Furthermore, should the Acceptances Conditions being met, Chin Hin will also be required to consolidate the existing borrowings of SIB Group, resulting in higher borrowing levels of the enlarged Chin Hin Group.

As illustrated under Section 7.2 of this Circular, the total borrowings of Chin Hin Group is expected to increase from RM1.02 billion to RM1.63 billion following the completion of the Proposals, with gearing ratio increasing from 1.48 times to 2.21 times.

Accordingly, the potential higher net borrowing levels of the enlarged Chin Hin Group will increase the Group's risks, taking into consideration that the Group may be exposed to the risk of fluctuations in interest rate. Furthermore, the increase in the enlarged Group's net gearing ratio may impede its ability in securing additional borrowings for future business operations and/or affect its ability in obtaining funding on terms which are commercially acceptable as well as adversely impact the Group's compliance with financial institution's debt covenants, where applicable.

Nevertheless, the management of Chin Hin shall continuously monitor and review its debt portfolio, taking into consideration the gearing level, interest costs as well as cash flows in achieving an optimal capital structure as well as ensuring compliance with debt covenants of the financial institutions.

7. EFFECTS OF THE PROPOSALS

The SIB Proposals will not have any effect on the issued share capital and the shareholdings of the substantial shareholders of the Company as the SIB Proposals do not involve any issuance of new Chin Hin Shares.

7.1 Share capital

For illustration purposes, the proforma effects of the Proposed Bonus Issue on the share capital of Chin Hin is shown in the table below:-

	No. of Chin Hin Shares ('000)	RM'000
Issued share capital as at the LPD	1,770,164	381,851
Bonus Shares to be issued pursuant to the Proposed Bonus Issue	1,770,164	-
Enlarged issued share capital after the Proposed Bonus Issue	**3,540,328**	**381,851**

7.2 NA and gearing

Minimum Scenario : Assuming the Company completes the Proposed Acquisition and does not receive any valid acceptance under the Proposed Offer. Furthermore, it also assumes that there are no further issuances from the Company's perpetual medium term notes ("**Perpetual MTN**") programme of up to RM500 million in nominal value (with option to upsize) ("**Perpetual MTN Programme**") which was launched on 6 December 2023 (of which RM40 million of Perpetual MTNs have already been issued as at the LPD).

Maximum Scenario : Assuming the Company completes the Proposed Acquisition and receives full acceptance under the Proposed Offer (excluding Undertakings) which results in consolidation of SIB Group's financial results into Chin Hin Group. Furthermore, it also assumes that the remaining RM460 million of Perpetual MTNs under the Company's Perpetual MTN Programme has been fully issued. ("**Proposed Perpetual MTN Issuance**").

Minimum Scenario

	Audited as at 31 December 2022 (RM'000)	(I) Subsequent events up to the LPD [(2)] (RM'000)	(II) After (I) and the Proposed Acquisition (RM'000)	(III) After (II) and the Proposed Bonus Issue (RM'000)
Share capital	381,851	381,851	381,851	381,851
Treasury shares	(338)	(338)	(338)	(338)
Reserves	(139,277)	(134,577)	(134,577)	(134,577)
Retained earnings	324,322	443,997	442,797 [(3)]	442,797
Equity attributable to the owners of the Company	566,558	690,933	689,733	689,733
Number of Chin Hin Shares in issue (excluding treasury shares) ('000)	1,769,414	1,769,414	1,769,414	3,538,828
NA per Chin Hin Share attributable to owner (RM) [(1)]	0.32	0.39	0.39	0.19
Total borrowings	885,160	1,024,267	1,024,267	1,024,267
Gearing (times)	1.56	1.48	1.49	1.49

Notes:-

(1) Calculated based on number of Chin Hin Shares in issue, excluding treasury shares.

(2) Adjusted for subsequent events after the Chin Hin Group's FYE 31 December 2022 comprising:-

(a) Disposal of 8,500,000 ordinary shares, representing 100% equity interest in Chin Hin Concrete (KL) Sdn Bhd by Chin Hin Concrete Holdings Sdn Bhd, a wholly-owned subsidiary of Chin Hin for cash consideration of RM26.92 million, which was completed on 31 May 2023;

*(b) Acquisition of 11,500,000 ordinary shares, representing 100% equity interest in Quaver Sdn Bhd by BKG Development Sdn Bhd, a wholly-owned subsidiary of Chin Hin Group Property Berhad ("**CHGPB**") (a subsidiary of the Company), for cash consideration of RM1.25 million, which was completed on 13 March 2023;*

(c) Acquisition of 3,000,000 ordinary shares, representing 30% equity interest in Kayangan Kemas Sdn Bhd by CHGPB for a cash consideration of RM16.70 million, which was completed on 11 August 2023;

*(d) CHGPB subscribing to 75,405,000 ordinary shares in NCT Alliance Berhad ("**NCT**") ("**NCT Shares**"), representing 5.61% of the equity interest in NCT at RM0.32 per NCT Share for a total cash consideration of RM24.13 million via a private placement exercise undertaken by NCT. The NCT Shares were acquired on 27 March 2023;*

(e) Two (2) separate private placement exercises undertaken by CHGPB via multiple tranches with the issuance of 45,167,620 new shares in CHGPB which raised gross proceeds of RM42.24 million which was completed on 20 April 2023 as well as issuance of 110,066,000 new shares in CHGPB which raised gross proceeds of RM85.65 million which was completed on 9 February 2024;

(f) CHGPB increased its issued and paid-up share capital via the issuance of 25,796,648 new ordinary shares in CHGPB via conversion of 25,796,648 warrants 2013/2023 of CHGPB at an exercise price of RM0.20 for a total cash consideration of RM5.16 million from 1 January 2023 up to the LPD;

(g) *The acquisition of shares in Ajiya Berhad ("**Ajiya**"), together with the resulting mandatory take over offer by Chin Hin, which was completed on 3 January 2024 ("**Ajiya Transactions**");*

(h) *Issuance of RM40 million in Perpetual MTNs under the Company's Perpetual MTN Programme, as announced by the Company on 26 December 2023 and 9 February 2024. As at the LPD, there is remaining RM460 million nominal value of Perpetual MTN which has yet to be issued under the Company's Perpetual MTN Programme; and*

(i) *Disposal of 70,000 ordinary shares, representing 70% equity interest in Saujana Vision Sdn. Bhd. by Metex Modular Sdn. Bhd., an indirect wholly-owned subsidiary of Chin Hin for a total cash consideration of RM1 which was completed on 28 December 2023.*

(3) *After taking into consideration the estimated expenses in relation to the Proposals of RM1.20 million, comprising professional fees, fees payable to regulatory authorities, brokerage and transfer fees, printing and despatch costs for the circular and the respective Offer Document to be issued, cost to convene the EGM and other incidental expenses relating to the Proposals*

(4) *Assuming the acquisition of Sale Shares pursuant to the Proposed Acquisition is funded via internally generated funds.*

<u>Maximum Scenario</u>

		(I)	**(II)**	**(III)**	**(IV)**
	Audited as at 31 December 2022 (RM'000)	**Subsequent events up to the LPD [(2)] (RM'000)**	**After (I) and the SIB Proposals (RM'000)**	**After (II) and the Proposed Perpetual MTN Issuance (RM'000)**	**After (III) and the Proposed Bonus Issue (RM'000)**
Share capital	381,851	381,851	381,851	381,851	381,851
Treasury shares	(338)	(338)	(338)	(338)	(338)
Reserves	(139,277)	(134,577)	(134,250)	(134,250)	(134,250)
Retained earnings	324,322	443,997	490,318 [(3)]	490,318	490,318
Equity attributable to the owners of the Company	566,558	690,933	737,581	737,581	737,581
Number of Chin Hin Shares in issue (excluding treasury shares) ('000)	1,769,414	1,769,414	1,769,414	1,769,414	3,538,828
NA per Chin Hin Share attributable to owner (RM)[(1)]	0.32	0.39	0.42	0.42	0.21
Total borrowings	885,160	1,024,267	1,628,824 [(4)]	1,628,824 [(5)]	1,628,824
Gearing (times)	1.56	1.48	2.21	2.21	2.21

<u>Notes:-</u>

(1) *Calculated based on number of Chin Hin Shares in issue, excluding treasury shares.*

(2) Adjusted for subsequent events after the Chin Hin Group's FYE 31 December 2022 comprising:-

(a) Disposal of 8,500,000 ordinary shares, representing 100% equity interest in Chin Hin Concrete (KL) Sdn Bhd by Chin Hin Concrete Holdings Sdn Bhd, a wholly-owned subsidiary of Chin Hin for cash consideration of RM26.92 million, which was completed on 31 May 2023;
(b) Acquisition of 11,500,000 ordinary shares, representing 100% equity interest in Quaver Sdn Bhd by BKG Development Sdn Bhd, a wholly-owned subsidiary of CHGPB (a subsidiary of the Company), for cash consideration of RM1.25 million, which was completed on 13 March 2023;
(c) Acquisition of 3,000,000 ordinary shares, representing 30% equity interest in Kayangan Kemas Sdn Bhd by CHGPB for a cash consideration of RM16.70 million, which was completed on 11 August 2023;
(d) CHGPB subscribing to 75,405,000 NCT Shares, representing 5.61% of the equity interest in NCT at RM0.32 per NCT Share for a total cash consideration of RM24.13 million via a private placement exercise undertaken by NCT. The NCT Shares were allotted on 27 March 2023;
(e) Two (2) separate private placement exercises undertaken by CHGPB via multiple tranches with the issuance of 45,167,620 new shares in CHGPB which raised gross proceeds of RM42.24 million which was completed on 20 April 2023 as well as issuance of 110,066,000 new shares in CHGPB which raised gross proceeds of RM85.65 million which was completed on 9 February 2024;
(f) CHGPB had increased its issued and paid-up share capital via the issuance of 25,796,648 new ordinary shares in CHGPB through conversion of 25,796,648 warrants 2013/2023 of CHGPB at an exercise price of RM0.20 for a total cash consideration of RM5.16 million from 1 January 2023 up to the LPD;
(g) The Ajiya Transactions, which was completed on 3 January 2024;
(h) Issuance of RM40 million in Perpetual MTNs under the Company's Perpetual MTN Programme, as announced by the Company on 26 December 2023 and 9 February 2024. As at the LPD, there is remaining RM460 million nominal value of Perpetual MTN which has yet to be issued under the Company's Perpetual MTN Programme; and
(i) Disposal of 70,000 ordinary shares, representing 70% equity interest in Saujana Vision Sdn. Bhd. by Metex Modular Sdn. Bhd., an indirect wholly-owned subsidiary of Chin Hin for a total cash consideration of RM1 which was completed on 28 December 2023.

(3) After taking into consideration the following:-

(a) the effect of the remeasurement of the previous equity interest held in SIB; and
(b) estimated expenses in relation to the Proposals of RM5.80 million, comprising professional fees, fees payable to regulatory authorities, brokerage and transfer fees, printing and despatch costs for the circular and the respective Offer Document to be issued, cost to convene the EGM and other incidental expenses relating to the Proposals. The estimated expenses of RM5.80 million under the Maximum Scenario is higher as compared to RM1.20 million under the Minimum Scenario is mainly due to the stamp duty, facility fee and legal fees incurred on additional borrowings obtained for the Proposed Offer.

(4) Comprising drawdown of borrowing of RM262.55 million for the acquisition of Offer Shares and excluding the Undertakings as well as consolidation of SIB Group's borrowings and lease liabilities of RM342.01 million after SIB becomes a subsidiary of the enlarged Chin Hin Group upon the completion of the SIB Proposals.

(5) *For information purposes, the Perpetual MTN is deemed as an equity instrument in accordance to the Malaysian Financial Reporting Standards ("**MFRS**") 132 after taking into consideration of its features which includes, inter-alia, the tenure for the Perpetual MTN being perpetual in nature as well as its redemption is at the discretion of the issuer, i.e. the Company. Arising therefrom, the Perpetual MTN will not increase the total borrowings of the Group.*

7.3 Earnings and EPS

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group, save for the potential dilution in EPS as a result of the increase in the number of Chin Hin Shares in issue arising from the Proposed Bonus Issue.

For illustrative purpose only, based on the latest audited consolidated statement of profit or loss of the Chin Hin Group for the FYE 31 December 2022 and on the assumption that the Proposals had been effected at the beginning of the said financial year, the pro forma effects of the Proposals on the consolidated earnings and EPS of the Group have been prepared based on the following scenarios:-

	Minimum Scenario (RM'000)	**Maximum Scenario (RM'000)**
Adjusted audited consolidated PATAMI of Chin Hin Group for the FYE 31 December 2022 (1)	80,764	80,764
Add:-		
• Share of Ajiya and its subsidiaries' ("**Ajiya Group**") consolidated PATAMI for the FYE 30 November 2022	15,853 (2)	15,853 (2)
• Share of SIB Group's consolidated PATAMI for the FYE 31 December 2022	7,607 (3)	18,944 (3)
Less:-		
Estimated borrowing costs for the SIB Proposals (3)	-	(14,019)
Pro forma consolidated PATAMI after the Proposals	**104,224**	**101,542**
Number of Chin Hin Shares in issue (excluding treasury shares) ('000) (Before Proposed Bonus Issue)	1,769,414	1,769,414
Number of Chin Hin Shares in issue (excluding treasury shares) ('000) (After Proposed Bonus Issue)	3,538,828	3,538,828
EPS		
▪ Based on the audited consolidated PATAMI of the Group for the FYE 31 December 2022 (sen) (4)		
- Before Proposed Bonus Issue	5.47	5.47
- After Proposed Bonus Issue	2.74	2.74
▪ Based on the pro forma consolidated PATAMI of the Group for the FYE 31 December 2022 (sen) (5)		
(1) Before Proposed Bonus Issue	5.89	5.74
- After Proposed Bonus Issue	2.95	2.87

Notes:-

(2) Adjusted the audited consolidated PATAMI of Chin Hin Group for the FYE 31 December 2022 to exclude (i) the share of profits from SIB Group; and (ii) the consolidated profits from Ajiya Group for the FYE 30 November 2022.

(3) Represents the total equity interest of Chin Hin in Ajiya upon the completion of the Ajiya Transactions on 3 January 2024.

(4) *Assuming that the Proposed Acquisition is funded through internally generated funds while the Proposed Offer is funded through external borrowings, the estimated cost of borrowings computed based on the interest rate of 5.34% per annum, representing the estimated effective finance costs to be incurred by the Chin Hin Group for the external borrowings.*

(5) *Calculated based on the relevant PATAMI for the FYE 31 December 2022 of RM96.83 million over the number of Chin Hin Shares in issue (excluding treasury shares).*

(6) *Calculated based on the relevant PATAMI over the number of Chin Hin Shares in issue (excluding treasury shares).*

7.4 Convertible securities

As at the LPD, the Company does not have any convertible securities.

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7.5 Substantial shareholders' shareholdings

For illustration purposes, the proforma effects of the Proposed Bonus Issue on the shareholdings of Chin Hin's substantial shareholders' shareholdings as at the LPD are set out as follows:

	As at the LPD				After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Chin Hin Shares	%	No. of Chin Hin Shares	%	No. of Chin Hin Shares	%	No. of Chin Hin Shares	%
DISB	666,699,500	37.68	-	-	1,333,399,000	37.68	-	-
PP Chin Hin Realty	-	-	666,699,500 (a)	37.68	-	-	1,333,399,000 (a)	37.68
DS Chiau	359,038,700	20.29	666,699,500 (b)	37.68	718,077,400	20.29	1,333,399,000 (b)	37.68
Chiau HC	101,783,600	5.75	666,699,500 (b)	37.68	203,567,200	5.75	1,333,399,000 (b)	37.68

Notes:-

(a) Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in DISB, which in turn hold shares in Chin Hin.

(b) Deemed interested pursuant to Section 8 of the Act, by virtue of his shareholdings in PP Chin Hin Realty, which is the holding company of DISB, which in turn hold shares in Chin Hin.

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8. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:-

(i) the shareholders of Chin Hin at an EGM to be convened;

(ii) the approval of Bursa Securities, for the listing of and quotation for 1,770,163,992 Bonus Shares to be issued pursuant to the Proposed Bonus Issue; and

(iii) any other relevant authorities and/or parties, if required.

The Proposed Acquisition and the Proposed Offer are inter-conditional upon each other. For the avoidance of doubt, the inter-conditionality of the proposals within the SIB Proposals will only apply in terms of the approvals required and shall not apply to the manner and sequence of the implementation and completion of the respective proposals in order to facilitate firstly, the Proposed Acquisition being rendered unconditional, which will thereafter result in the implementation of the Proposed Offer pursuant to the requirements of the Rules. For the avoidance of doubt, once the Proposed Acquisition is rendered unconditional, it will proceed regardless of whether the Acceptance Condition for the Proposed Offer is met.

The SIB Proposals and the Proposed Bonus Issue are not conditional upon each other. The Proposals are not conditional upon any other corporate proposal undertaken or to be undertaken by the Company.

For information purposes, the Company intends to implement the SIB Proposals and the Proposed Bonus Issue concurrently upon obtaining all the required approvals. Please refer to Section 13 of this Circular for further details on the estimated timeframe of completion of the Proposals.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED TO THEM

9.1 SIB Proposals

DS Chiau, Chiau HC and Shelly Chiau, being the common directors of Chin Hin and SIB ("**SIB Common Directors**"), are deemed interested in the SIB Proposals. Accordingly, DS Chiau, Chiau HC and Shelly Chiau have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the SIB Proposals.

For information purposes, save for their indirect interests in SIB via Chin Hin, the SIB Common Directors do not hold any direct interests in SIB. Nonetheless, Beng Soo, Beng Sun, Lay Koon, Shout Chan, Poh Keong and Hock Seng being persons connected to the SIB Common Directors (**"Persons Connected**"), collectively hold 0.30% equity interests in SIB as at the LPD.

Nevertheless, as the SIB Common Directors and Persons Connected have no other interested relationships in the SIB Proposals other than their common directorships in Chin Hin and SIB as well as taking into consideration the interests of the Persons Connected in SIB which is less than 10%, pursuant thereto, the SIB Proposals are not RPT pursuant to paragraph 10.08(11)(d) of the Listing Requirements.

Save as disclosed above, none of the directors, major shareholders and/or chief executive officers of Chin Hin and/or persons connected with them has any interest, either direct and/or indirect, in the SIB Proposals.

The shareholdings of the Interested Directors and the Interested Shareholders in Chin Hin as at the LPD are as follows:-

	As at the LPD			
	Direct		Indirect	
	No. of Chin Hin Shares	%	No. of Chin Hin Shares	%
DS Chiau	359,038,700	20.29	666,699,500 (1)	37.68
Chiau HC	101,783,600	5.75	666,699,500 (1)	37.68
Shelly Chiau	3,650,000	0.21	-	-
PP Chin Hin Realty	-	-	666,699,500 (2)	37.68
DISB	666,699,500	37.68	-	-

Notes:-

(1) *Deemed interested pursuant to Section 8 of the Act, by virtue of his shareholdings in PP Chin Hin Realty, which is the holding company of DISB, which in turn hold shares in Chin Hin.*

(2) *Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in DISB, which in turn hold shares in Chin Hin.*

For information purpose, the shareholdings of the Interested Directors and the Interested Shareholders in SIB as at the LPD are as follows:-

	As at the LPD			
	Direct		Indirect	
	No. of SIB Shares	%	No. of SIB Shares	%
DS Chiau	-	-	179,400,000 (1)	28.27
Chiau HC	-	-	179,400,000 (1)	28.27
Shelly Chiau	-	-	-	-
PP Chin Hin Realty	-	-	179,400,000 (2)	28.27
DISB	-	-	179,400,000 (3)	28.27

Notes:-

(1) *Deemed interested pursuant to Section 8 of the Act, by virtue of their shareholdings in PP Chin Hin Realty, which is the holding company of DISB, which in turn hold shares in Chin Hin. For information purposes, as at the LPD, Chin Hin holds 179,400,000 SIB Shares, representing equity interest of 28.27% in SIB.*

(2) *Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in DISB, which in turn hold shares in Chin Hin.*

(3) *Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in Chin Hin.*

As such, the Interested Directors have abstained and will continue to abstain from all deliberations and voting at the relevant Board meetings in respect of the SIB Proposals. In addition, the Interested Directors will also undertake to ensure that persons connected to them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in Chin Hin on the resolutions pertaining to the SIB Proposals to be tabled at an EGM to be convened.

The Interested Shareholders will abstain from voting and undertake to ensure that persons connected to them (if any) to abstain from voting in respect of their direct and/or indirect shareholdings in Chin Hin on the resolutions pertaining to the SIB Proposals to be tabled at an EGM to be convened.

9.2 Proposed Bonus Issue

None of the directors, major shareholders and/or chief executive of the Company and/or persons connected to them has any interests, direct and/or indirect, in the Proposed Bonus Issue.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board (save for the Interested Directors), having considered all aspects of the SIB Proposals, including the rationale and justification for the SIB Proposals, salient terms of the SSAs, the basis and justification of arriving at the respective purchase consideration, the future prospects of the enlarged Group and the effects of the SIB Proposals, is of the opinion that the SIB Proposals are in the best interest of the Chin Hin Group.

Accordingly, the Board (save for the Interested Directors) recommends that you vote **in favour** of the resolutions pertaining to the SIB Proposals to be tabled at the forthcoming EGM.

Additionally, the Board, having considered all aspects of the Proposed Bonus Issue, including the rationale and justification for the Proposed Bonus Issue, the future prospects of the enlarged Group and the effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of the Chin Hin Group.

Accordingly, the Board recommends that you vote **in favour** of the resolution pertaining to the Proposed Bonus Issue to be tabled at the forthcoming EGM.

11. HIGHEST PERCENTAGE RATIO FOR THE SIB PROPOSALS

Pursuant to Paragraph 10.02(g) of the Listing Requirements, the highest percentage ratio applicable to the SIB Proposals is approximately 50.83%, computed based on the Purchase Consideration and total cash consideration for the Proposed Offer amounting to an aggregate of RM287.99 million over the latest audited consolidated NA of the Chin Hin Group as at 31 December 2022.

12. ADVISERS

AmInvestment Bank has been appointed as the Principal Adviser to Chin Hin for the Proposals.

13. ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSALS

Barring any unforeseen circumstances and subject to the approvals/consents being obtained, the Proposals are expected to be completed by 2nd half of 2024.

The tentative timeline for the Proposals is as follows:-

Tentative timeline	Events
29 March 2024	• EGM to approve the Proposals • SSAs are rendered unconditional and the Proposed Acquisition is completed • Serving of the Notice on the board of directors of SIB
Early to Mid-April 2024	• Announcement of the Entitlement Date for the Proposed Bonus Issue • Entitlement Date • Listing and quotation for the Bonus Shares
19 April 2024	• Despatch of Offer Document in relation to the Proposed Offer
10 May 2024	• First closing date for the Proposed Offer

14. OUTSTANDING CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

As at LPD, save as disclosed below, there are no other corporate proposals that have been announced by the Company but yet to be completed.

1) the Proposals; and

2) the lodgement with the SC by Chin Hin, on 6 December 2023, for the Perpetual MTN Programme of up to RM500 million in nominal value (with option to upsize) and proposed issuance(s) of Perpetual MTN from time to time pursuant to the Perpetual MTN Programme (of which RM40 million of Perpetual MTNs have already been issued as at the LPD).

15. EGM

The EGM, the notice of which is enclosed in this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via RPV facilities from the broadcast venue at Chin Hin Culture Centre, F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, off Jalan Kuchai Lama, 58200 Kuala Lumpur via online meeting platform at https://web.vote2u.my, on Friday, 29 March 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolutions to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you may complete and return the enclosed Form of Proxy in accordance with the instructions contained, to be deposited at the Share Registrar of the Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, not less than 48 hours before the time appointed for holding the EGM or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. The lodging of the Form of Proxy will not preclude you from attending the EGM and voting in person should you subsequently wish to do so.

16. FURTHER INFORMATION

You are requested to refer to the enclosed appendices in the Circular for further information.

Yours faithfully,
For and on behalf of the Board of Directors of,
CHIN HIN GROUP BERHAD

Yeoh Chin Hoe
Senior Independent Non-Executive Director

Information relating to SIB as set out herein has been obtained from publicly available documents (where available) as well as from the SIB Management (where available) as at LPD.

1. Background information on SIB

SIB is a public limited company incorporated on 23 November 2006 and was listed on the Second Board of Bursa Securities and transferred to the Main Market of Bursa Securities on 3 August 2009. SIB is mainly involved in design, product development, manufacturing, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances as well as interior fit-out. SIB Group also fabricates and manufactures glass and aluminium products.

1.1 Principal revenue and customer segments

Revenue segments	Audited						Unaudited 12-months FPE 31 December 2023 (1)	
	12-month FYE 30 June 2020		12-month FYE 30 June 2021		18-month FYE 31 December 2022 (1)			
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Design, manufacture and retail of kitchen and wardrobe systems	73,563	68.53	82,838	57.68	171,849	39.79	414,958	66.62
Manufacture of glass and aluminium products	29,890	27.83	56,478	39.32	143,176	33.14	32,734	5.26
Interior fit-out works	N/A	N/A	N/A	N/A	116,727	27.02	175,060	28.10
Others (2)	3,899	3.64	4,305	3.00	230	0.05	158	0.02
Total revenue	**107,352**	**100.00**	**143,621**	**100.00**	**431,982**	**100.00**	**622,910**	**100.00**

Notes:-

(1) For information purposes, SIB has changed its FYE from June to December for the FYE 2022 in which the FYE 2022 is made up for a cumulative 18-month performance results, i.e. from 1 July 2021 to 31 December 2022.

(2) For FYE 2020 and FYE 2021, the revenue from others mainly comprises marketing and distribution of white goods as well as rental income from its investment properties. For FYE 2022 and FYE 2023, the aforesaid revenue from marketing and distribution of white goods were consolidated into the "design, manufacture and retail of kitchen and wardrobe system" revenue segment. Hence, the revenue from others for FYE 2022 and FYE 2023 mainly comprises rental income from its investment properties.

(Source: SIB's Annual Report 2021 and 2022 and SIB's Quarterly Report on Consolidated Results for the FPE 30 September 2023)

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1.2 Principal market

The principal markets of the SIB Group are as follows:-

Principal Markets	12-month FYE 30 June 2020		12-month FYE 30 June 2021		18-month FYE 31 December 2022 (1)		12-months FPE 31 December 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	103,296	96.22	136,757	95.22	421,701	97.62	385,778	61.93
Singapore	-	-	-	-	-	-	234,532	37.65
Outside Malaysia (2)	4,056	3.78	6,864	4.78	10,281	2.38	2,600	0.42
Total revenue	**107,352**	**100.00**	**143,621**	**100.0**	**431,982**	**100.0**	**622,910**	**100.00**

Notes:-

(1) For information purposes, SIB has changed its FYE from June to December for the FYE 2022 in which the FYE 2022 is made up for a cumulative 18-month performance results, i.e. from 1 July 2021 to 31 December 2022.

(2) Comprises of SIB's markets in Thailand, Cambodia, Myanmar, Maldives, Mauritius, Vietnam, Philippines, United Arab Emirates Sri Lanka and Brunei.

(Source: SIB's Annual Report 2021 and 2022 and SIB Management)

The main raw materials for SIB Group's business comprises of carcass, wood panels and fittings and accessories, which are principally sourced locally for the FYE 31 December 2022.

1.3 Production capacity

SIB Group's annual production capacity and output for its manufacturing of kitchen and wardrobe system for the past three (3) FYEs are as follows:-

FYE	Production capacity (Set)	Production output (Set)	%
30 June 2020 (12 months period)	3,240	2,597	80.15
30 June 2021 (12 months period)	3,240	2,607	80.46
31 December 2022 (18 months period)	4,860	4,675	96.19
31 December 2023 (12 months period)	3,240	3,120	96.30

For information purposes, the production capacity for SIB Group's manufacture of glass and aluminium products have not been included in the table above as the aforesaid segment has been disposed off by SIB Group in June 2023.

(Source: SIB Management)

2. Share capital

As at the LPD, the issued share capital of SIB is RM155,791,834 comprising 634,693,370 SIB Shares (excluding 10,804,000 treasury shares).

Description	No. of shares	RM
Issued share capital	645,497,370	160,722,848
Less: Treasury shares	(10,804,000)	(4,931,014)
Total	**634,693,370**	**155,791,834**

(Source: SIB's Annual Report 2022 and SIB's subsequent announcements made on Bursa Securities)

3. Subsidiaries and associated companies

The subsidiaries and associated companies of SIB as at the LPD are as follows:

Name of subsidiaries and associates	Date and place of incorporation	Principal activity	Share capital	Effective equity interest (%)
Subsidiary companies held directly				
Signature Cabinet Sdn Bhd	14 May 1994 / Malaysia	Design, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances.	RM1,000,000	100.00
Signature Obicorp Sdn Bhd	25 August 2002 / Malaysia	Marketing and distribution of built-in kitchen appliances and white goods.	RM500,000	70.00
Kubiq Sdn Bhd	9 September 2009 / Malaysia	Selling, marketing and distributing kitchen and bedroom cabinets, knockdown furniture and furniture parts, appliances and accessories.	RM100,000	100.00
Signature Distribution Sdn Bhd	22 April 2013 / Malaysia	Distribution of kitchen systems, wardrobe system, worktop and built-in kitchen appliances.	RM1,000,000	100.00
Signature Realty Sdn Bhd	29 October 2013 / Malaysia	Investment properties holding.	RM1,000,000	100.00
Space Alliance Contracts Sdn Bhd	28 October 2009 / Malaysia	Business of contractors, sub-contract works and renovation works.	RM1,500,000	51.00
Corten	25 March 2014 / The Republic of Singapore	Design, manufacture and distribution of kitchen and wardrobe systems and interior fit-out.	SGD2,000,002	75.00
Zig Zag Builders	20 April 2015 / Malaysia	Business of interior design, renovation, furnishing, installation, and maintenance and construction works.	RM1,000,000	50.10

Name of subsidiaries and associates	Date and place of incorporation	Principal activity	Share capital	Effective equity interest (%)
Subsidiary company held indirectly through Signature Cabinet Sdn Bhd				
Signature Manufacturing Sdn Bhd	8 July 2005 / Malaysia	Manufacturing of kitchen systems and wardrobe systems.	RM1,000,000	100.00
Signature Kitchen Sdn Bhd	5 July 2002 / Malaysia	Retailing of kitchen systems, wardrobe systems and built-in kitchen appliances.	RM150,000	100.00
Fabriano Sdn Bhd	25 May 2001 / Malaysia	Investment holding.	RM100,000	100.00
Subsidiary company held indirectly through Signature Manufacturing Sdn Bhd				
Signature Kitchen Lanka (Pvt) Ltd	25 August 2020 / Sri Lanka	Marketing, distribution, import and export of kitchen systems, wardrobe systems and built-in kitchen appliances.	Sri Lankan Rupees ("**LKR**") 95,281,650 / RM2,047,009	100.00
Subsidiary company held indirectly through Signature Distribution Sdn Bhd				
Signature Contempo Sdn Bhd	3 March 2022 / Malaysia	Designing, manufacturing, trading and sales of unholstered furniture, fabrication of drapery and other soft furnishings related products.	RM100,000	70.00
Subsidiary company held indirectly through Fabriano Sdn Bhd				
Signature Global Marketing Pte Ltd	16 April 2009 / The Republic of Singapore	Marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances.	RM243,800	100.00
Signature Surfaces Sdn Bhd	29 August 2013 / Malaysia	Dormant.	RM100	100.00
Signature Daehan Co., Ltd	3 January 2020 / Myanmar	Dormant and its intended principal activities are marketing, distribution, import and export of kitchen systems, wardrobe systems and built-in kitchen appliances.	RM410	85.00

Name of subsidiaries and associates	Date and place of incorporation	Principal activity	Share capital	Effective equity interest (%)
Subsidiary company held indirectly through Space Alliance Contracts Sdn Bhd				
Space Alliance Cabinet Sdn Bhd	25 November 2014 / Malaysia	Contractors and sub-contractors for renovation works and supply of furnishing materials.	RM100,000	51.0
Space Alliance Furniture Sdn Bhd	29 August 2013 / Malaysia	Trading and alteration of furniture.	RM150,000	51.0
Space Alliance Resources Sdn Bhd	3 November 2011 / Malaysia	Trading of furniture hardware, plywood, fancy plywood, high pressure laminate and other building materials.	RM150,000	51.0
SAF Manufacturing Sdn Bhd	15 November 2006 / Malaysia	Manufacturing of semi-furnished customised furniture.	RM100	51.0
Subsidiary company held indirectly through Corten				
Woodcraft Studio Sdn Bhd (1)	25 February 2015 / Malaysia	Manufacturing of wooden and cane furniture.	RM1,000,000	75.0 (1)
Areal	8 May 2019 / The Republic of Singapore	Fabrication and finishing of stone and metal products such as kitchen countertop, basin, bath vanity, wall cladding, etc.	SGD1,000,001	75.0 (1)
Name of associate	**Date and place of incorporation**	**Principal activity**	**Share capital ('000)**	**Effective equity interest (%)**
Associate company held directly				
Fiamma	16 August 1982 / Malaysia	Investment holding and property development.	RM277,908	22.6

Note:-

(1) 100% of owned by Corten.

(Source: SIB's Annual Report 2022, Fiamma's Annual Report 2022, SIB's and Fiamma's subsequent announcements made on Bursa Securities)

4. Information on material properties

The details of SIB Group's factories, material properties and principal place of business as at the LPD are as follows:

Location	Description and existing use	Tenure / Expiry Date	Age	Total area (Square feet)	Audited net book value ("NBV") as at 31 December 2022 (RM'000)	Year of acquisition
Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia. (Principal place of business)	Head Office and Factory Building	Leasehold 99 years / Expires 2106	16 years	98,043	17,337	2007
	Factory Land		12 years	174,240	13,808	2011
Plot 25, 26 - Enstek, Phase 2, Bandar Baru Enstek, Mukim of Labu, District of Seremban, Negeri Sembilan Darul Khusus.	Land	Freehold	N/A	435,629	20,035	2017
Unit No. B22 - L1, L2, L3, L4 & L5 Aurora Place, Bandar Bukit Jalil, 57000 Bukit Jalil, Kuala Lumpur	Shop office	Freehold	4 years	6,056	5,370	2018

(Source: SIB's Annual Report 2022 and SIB Management)

5. Directors of SIB

As at the LPD, the details of the directors and their respective shareholdings in SIB are as follows:

Name	Position	Nationality	Direct		Indirect	
			No. of SIB Shares	(1)%	No. of SIB Shares	(1)%
DS Chiau	Non-Independent Non-Executive Chairman	Malaysian	-	-	179,400,000(2)	28.27
Chiau HC	Managing Director	Malaysian	-	-	179,400,000(2)	28.27
Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Director	Malaysian	6,000,000	0.95	-	-
Shelly Chiau	Executive Director	Malaysian	-	-	-	-
Rozahan Bin Osman	Independent Non-Executive Director	Malaysian	-	-	-	-
Chee Jee Kong	Independent Non-Executive Director	Malaysian	-	-	-	-
Gu, Jincheng	Non-Independent Non-Executive Director	Chinese	-	-	-	-
Wang, Yongneng	Alternate Director to Gu, Jincheng	Chinese	-	-	-	-

Notes:-
(1) Based on the share capital of 634,693,370 SIB Shares as at the LPD (excluding treasury shares).
(2) Deemed interested pursuant to Section 8 of the Act, by virtue of their shareholdings in PP Chin Hin Realty which is the holding company of DISB, which in turn hold shares in Chin Hin.

(Source: SIB's Annual Report 2022 and SIBs subsequent announcements made on Bursa Securities)

6. Substantial shareholders of SIB

Name	Nationality / Place of Incorporation	Direct		Indirect	
		No. of SIB Shares	% (1)	No. of SIB Shares	% (1)
Chin Hin	Malaysia	179,400,000	28.27	-	-
DISB	Malaysia	-	-	179,400,000(3)	28.27
PP Chin Hin Realty	Malaysia	-	-	179,400,000(4)	28.27
DS Chiau	Malaysian	-	-	179,400,000(2)	28.27
Chiau HC	Malaysian	-	-	179,400,000(2)	28.27
JPND Singapore Pte Ltd	Singapore	46,631,072	7.35	-	-
Goldenhome Living Co., Ltd	China	-	-	46,631,072(5)	7.35
Xiamen Jianpan Group Co., Ltd	China	-	-	46,631,072(6)	7.35
Wen Jianhuai	Chinese	-	-	46,631,072(7)	7.35
Pan Xiaozhen	Chinese	-	-	46,631,072(7)	7.35

Notes:-
(1) Based on the share capital of 634,693,370 SIB Shares as at the LPD (excluding treasury shares).

(2) Deemed interested pursuant to Section 8 of the Act, by virtue of their shareholdings in PP Chin Hin Realty which is the holding company of DISB, which in turn hold shares in Chin Hin.
(3) Deemed interested pursuant to Section 8 of the Act, by virtue of DISB's shareholdings Chin Hin.
(4) Deemed interested pursuant to Section 8 of the Act, by virtue of PP Chin Hin Realty's shareholdings in DISB, which in turn hold shares in Chin Hin.
(5) Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in JPND Singapore Pte Ltd.
(6) Deemed interested pursuant to Section 8 of the Act, by virtue of its shareholdings in Goldenhome Living Co., Ltd which in turn hold shares in JPND Singapore Pte Ltd.
(7) Deemed interested pursuant to Section 8 of the Act, by virtue of their shareholdings in Xiamen Jianpan Group Co., Ltd which in turn hold shares in Goldenhome Living Co. Ltd which in turn hold shares in JPND Singapore Pte Ltd.

7. Material contracts, contingent liability and material commitment

7.1 Material contracts

Save as disclosed below, the SIB Group has not entered into any material contracts (not being contract entered into in the ordinary course of business) which have been entered into by the SIB Group during the past 2 years immediately preceding the LPD:-

(a) Signature Realty Sdn Bhd, a wholly-owned subsidiary of SIB, had on 13 September 2021 entered into 3 conditional sale and purchase agreements with Ace Logistics Sdn Bhd for the proposed disposal of 3 pieces of vacant freehold lands located at Bandar Baru Enstek, Tempat Bandar Baru Enstek, Daerah Seremban, Negeri Sembilan for a total cash consideration of RM54.5 million, all of which were completed on 27 June 2022;

(b) SIB had on 16 December 2021 entered into a conditional share sale agreement with Chang Chung Fei and Ng Mun Moh to acquire 765,000 ordinary shares in Space Alliance Contracts Sdn Bhd, representing 51% equity interest in Space Alliance Contracts Sdn Bhd, for a total cash consideration of RM15.3 million, which was completed on 25 March 2022;

(c) SIB had on 18 May 2022 entered into a conditional share sale agreement with Lim Choo Hong to acquire 120,000,000 ordinary shares in Fiamma at the purchase price of RM1.50 each, representing 23.7% equity interest in Fiamma, for a total cash consideration of RM180.0 million, which was completed on 26 September 2022;

(d) SIB had on 26 May 2022 entered into a share sale agreement with Ang Chek Peow to acquire 400,000 ordinary shares in SASB, representing 40% equity interest in SASB, for a total cash consideration of RM15.0 million, which was completed on 26 May 2022;

(e) SIB had on 3 November 2022 entered into 2 conditional share sale agreements with Lim Leng Foo and Chua Wei Ping for the acquisition of 75% equity interest in Corten and the entire equity interest in Areal for a total cash consideration of SGD47.8 million (equivalent to RM160.48 million), all of which were completed on 17 May 2023;

(f) SIB had on 5 April 2023 entered into a conditional share sale agreement with Foo Khai Shin for the acquisition of 450,000 ordinary shares in Zig Zag Builders, representing 45% equity interest in Zig Zag Builders for a total cash consideration of RM13.05 million, which was completed on 19 June 2023;

(g) SIB had on 19 June 2023 entered into a share sale agreement with Fortune Greenbest Sdn Bhd for the disposal of 1,000,000 ordinary shares in SASB, representing the entire equity interest in SASB and 382,500 ordinary shares in SFT, representing 51% equity interest in SFT for a total cash consideration of RM17.53 million, which was completed on 21 June 2023; and

(h) SIB had on 30 November 2023 entered into a share sale agreement with Corten for the disposal of 1,000,001 ordinary shares in Areal, representing the entire equity interest in Areal for a total cash consideration of SGD2.8 million (equivalent to RM9.78 million (computed based on Bank Negara Malaysia exchange rate of SGD1:RM3.4914 as at 30 November 2023)), which was completed on 1 December 2023

(Source: SIB's Annual Report 2022 and subsequent announcements on Bursa Securities)

7.2 Contingent liabilities

Saved as disclosed below, the Board is not aware of any material contingent liabilities incurred or known to be incurred by the SIB Group which have not been provided for, which upon becoming enforceable, may have an impact on SIB's profits or NA as at 31 December 2023:-

	RM'000
Corporate guarantee given to licensed banks for credit facilities granted to the subsidiaries	21,016
Total	**21,016**

7.3 Material commitment

Saved as disclosed below, the Board, is not aware of any material commitments incurred or known to be incurred by the SIB Group, which upon becoming enforceable, may have an impact on SIB Group's profits or NA as at the 31 December 2023:-

	RM'000
Procurement of property, plant and equipment	783
Procurement of investment properties [(1)]	1,354
Total	**2,137**

Note:-

(1) Comprising 2 units of serviced residences located in Kuala Lumpur.

8. Audit qualification and accounting policies

For the past 3 FYEs 30 June 2020, 30 June 2021 and 31 December 2022 under review:-

(i) there were no exceptional or extraordinary items;

(ii) there were no accounting policies adopted by SIB which are peculiar to SIB due to the nature of its business or the industry in which it is involved in; and

(iii) SIB's external auditors had not issued any audit qualification on its financial statements.

9. Material litigation

As at the LPD, SIB is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the directors of SIB confirm that there are no proceedings pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of SIB.

10. Historical financial information

	12-month FYE 30 June 2020 RM'000	12-month FYE 30 June 2021 RM'000	18-month FYE 31 December 2022 RM'000	Unaudited 12-month FPE 31 December 2023 (6) RM'000
Revenue	107,352	143,621	431,982	622,910
(Loss) / Profit before tax	(4,631)	9,972	50,454	96,425
(LAT) / PAT attributable to the owners of the company	(6,580)	8,479	34,536	53,083
Current assets	146,036	166,018	320,414	522,549
Current liabilities	75,615	71,476	251,030	355,807
Shareholders' fund	169,002	208,359	243,756	358,182
Non-controlling interest	8,081	5,981	8,120	58,231
NA	177,083	214,340	251,876	416,413
Total borrowings(1)	45,135	40,339	228,051	335,851
Share capital	69,774	101,323	101,323	160,723
No. of shares outstanding ('000) *(excluding treasury shares)*	246,607	288,996	289,847	634,693
NA per share (RM)(2)	0.72	0.74	0.87	0.66
Basic EPS (sen)(3)	(2.67)	2.93	11.92	8.36
Current ratio (times)(4)	1.93	2.32	1.28	1.47
Gearing ratio (times)(5)	0.25	0.19	0.91	0.81

Notes:-

(1) Comprises of bank borrowings, banker's acceptance, lease liabilities and bank overdraft.

(2) Computed based on the total NA over the number of outstanding SIB Shares in issue (excluding treasury shares).

(3) Computed based on the (LAT) / PAT attributable to the owners of the company over the number of outstanding SIB Shares in issue (excluding treasury shares).

(4) Computed based on the total current assets over total current liabilities.

(5) Computed based on the total borrowings over the NA of SIB.

(6) For information purposes, as set out in SIB Group's financial result for the 12-month FPE 31 December 2023, SIB has changed its FYE from June to December for the FYE 2022 in which the FYE 2022 is made up for a cumulative 18-month performance results, i.e. from 1 July 2021 to 31 December 2022. As such, there will be no comparative financial information available for the preceding year's corresponding periods.

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Financial commentaries

FYE 30 June 2021 vs FYE 30 June 2020

SIB Group recorded revenue of RM143.62 million for the FYE 30 June 2021, an increase of RM36.27 million or approximately 33.79% as compared to the previous financial year. The increase in revenue was mainly due to higher project revenue being recognised from both the Kitchen and Wardrobe segment and Glass and Aluminium segment.

Accordingly, SIB Group's PAT has improved from LBT of RM4.63 million in FYE 30 June 2020 to PBT of RM9.97 million which is in line the higher revenue recorded during the financial year.

SIB Group's gearing ratio decreased from 0.25 times in FYE 30 June 2020 to 0.19 times in FYE 30 June 2021 mainly due to the increase in SIB Group's NA from RM177.1 million in FYE 30 June 2020 to RM214.3 million in FYE 30 June 2021. This was mainly attributable to the increase in total assets of SIB Group due to movement in the amount owed by contract customers as projects progressed and additional investment in investment properties.

FYE 31 December 2022 vs FYE 30 June 2021

SIB Group recorded a total revenue of RM432.0 million for the FYE 31 December 2022, an increase of RM288.4 million or approximately 200.8% as compared to the total revenue of RM143.6 million in FYE 30 June 2021. This improved performance on the back of pandemic recovery was mainly due to progressive project revenue from both the Kitchen and Wardrobe segment and the Glass and Aluminium Products segment coupled with a new business unit – Interior Fit-out segment – contributing 28% of group revenue with RM121.5 million for the period.

SIB Group's PAT has increased by RM26.1 million or approximately 307.3% to RM34.5 million in FYE 31 December 2022 as compared to the PAT of RM8.5 million in FYE 30 June 2021 mainly due to the following:-

(i) Gain on disposal of short-term investments totalling approximately RM8.2 million (FYE 30 June 2021: Nil)
(ii) One-off gain on disposal of land/properties totalling approximately RM13.7 million (FYE 30 June 2021: RM0.04 million)
(iii) Inventories written back totalling approximately RM1.4 million (FYE 30 June 2021: Nil)
(iv) Share of profit from an associate totalling RM3.8 million (FYE 30 June 2021: Nil)

The increase in the PAT was offset by the following:-

(i) Higher finance costs in relation to acquisitions / corporate exercises at approximately RM4.9 million (FYE 30 June 2021: RM1.7 million);
(ii) Expenses of RM9.1 million incurred by the Interior Fit-out Works segment in its first year as a new business unit under consolidation (FYE 30 June 2021: N/A). Within this expense are main operating costs arising from staff costs and finance costs; and
(iii) Net allowance for impairment losses on trade receivables and contract assets expenses of approximately RM1.7 million incurred (FYE 30 June 2021: Net reversal of allowance for impairment losses of RM3.01 million)

SIB Group's gearing ratio increased from 0.19 times in FYE 30 June 2021 to 0.91 times in FYE 31 December 2022 mainly due to the increase in SIB Group's total borrowings from RM40.3 million in FYE 30 June 2021 to RM228.1 million in FYE 31 December 2022. The increase in total borrowings was mainly attributed to corporate exercises in relation to acquisition of Fiamma which was completed on 23 September 2022, as well as for working capital purposes.

12-month FPE 31 December 2023

There is no comparative for the 12-month FPE 31 December 2023 due to change in the financial year end of SIB Group from 30 June to 31 December. The Unaudited Condensed Consolidated Statement of Comprehensive Income for the 12-month FPE 31 December 2023 is not comparable with the individual and cumulative quarter previously reported.

SIB Group recorded revenue of RM622.91 million for the 12-month FPE 31 December 2023 which is contributed by its (i) design, manufacture and retail of kitchen and wardrobe systems of RM414.96 million, (ii) interior fit-out segment of RM175.06 million and (iii) manufacture of glass and aluminium products of RM32.73 million.

For the 12-month FPE 31 December 2023, SIB Group reported profit before taxation of RM96.43 million primarily due to the higher profit from kitchen and wardrobe segment (RM78.26 million), profit being recognised from completed projects for interior fit-out works segment (RM18.36 million), and fair value gain on short term investment (RM5.93 million). However, SIB Group's glass and aluminium segment recorded loss before tax of RM3.05 million mainly due to certain projects reporting lower project margin.

SIB Group's gearing ratio and NA per share as at 31 December 2023 has decreased as compared to 31 December 2022 and the NA per share has decreased mainly due to the dilutive effects of the increased number of outstanding shares arising from the bonus issue of share and private placement undertaken by the Company during the period. The current ratio has increased from 1.28 times as at 31 December 2022 to 1.47 times as at 31 December 2023 while the gearing ratio has decreased from 0.91 times as at 31 December 2022 to 0.81 times as at 31 December 2023 mainly due to the increase in current assets arising from SIB Group's increase in inventory, trade receivables and cash and bank balances.

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SIGNATURE INTERNATIONAL BERHAD
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2022

Registered office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Principal place of business:
Lot 24, Jalan Teknologi
Taman Sains Selangor 1
Kota Damansara, PJU 5
47810 Petaling Jaya
Selangor Darul Ehsan

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2022

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SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 December 2022.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

Change of Financial Year End

The financial year end of the Company was changed from 30 June to 31 December. Accordingly, the current financial statements are prepared for eighteen months from 1 July 2021 to 31 December 2022.

Financial Results

	Group RM'000	Company RM'000
Profit for the financial period	37,251	11,921
Attributable to:		
Owners of the parent	34,536	11,921
Non-controlling interests	2,715	-
	37,251	11,921

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial period other than as disclosed in the financial statements.

Dividends

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

Issue of Shares and Debentures

There was no issuance of shares and debentures during the financial period.

Treasury Shares

During the financial period, the Company repurchased 12,995,600 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.98 per share. The total consideration paid for the repurchase, including transaction costs was RM12,760,000. The repurchased transactions were financed by internal generated funds.

As at 31 December 2022, the Company held 5,402,000 treasury shares out of the total 295,248,685 issued ordinary shares. Further relevant details are disclosed in Note 19 to the financial statements.

Options Granted Over Unissued Shares

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

Directors

The Directors in office since the beginning of the current financial period until the date of this report are:

Datuk Seri Chiau Beng Teik, JP	
Dato' Che Halin Bin Mohd Hashim	
Chiau Haw Choon *	
Chee Jee Kong	
Rozahan Bin Osman	
Gu, Jincheng	
Shelly Chiau Yee Wern *	(appointed on 1.3.2022)
Wang, Yongneng (Alternate Director to Gu, Jincheng)	(appointed on 1.6.2022)
Sun Weige	(resigned on 20.12.2021)

* *Director of the Company and its subsidiaries*

Registration No. 200601034359 (754118-K)

Directors (Cont'd)

The Director who held office in subsidiaries (excluding Directors who are also Directors of the Company) since the beginning of the current financial period until the date of this report are:

Ang Chek Peow	
Hwang Young Sang	
Yong Chuan Chin	
Lim Soon Keong	
Ong Kok Wen	
Chang Chung Fei	
Ng Mun Moh	
Karunarathnage Sumudu Jeewan Karunarathne	
Thomas Louis Trog li	(appointed on 18.8.2021)
Khor Kai Fu	(appointed on 15.2.2022)
Lau Kock Sang	(appointed on 1.8.2022)
Leong Kin San	(appointed on 1.8.2022)
Chong Kee Soon	(appointed on 1.8.2022, resigned on 1.12.2022)
Leong Zhi Xiang	(appointed on 12.10.2022)
Low Chin Giap	(appointed on 1.12.2022)
Roger Lim Swee Kiat	(appointed on 9.2.2023)
Siah Kim Eng	(appointed on 9.2.2023)
Tey Kok Lean	(appointed on 9.2.2023)
Lee Chiaw Boon	(resigned on 18.8.2021)
Tan Kee Choong	(resigned on 1.8.2022)

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

Directors' Interests in Shares

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial period end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2021	**Bought**	**Sold**	**At 31.12.2022**
Interests in the Company				
Direct Interests				
Dato' Che Halin Bin Mohd Hashim	3,000,000	-	-	3,000,000
Chiau Haw Choon	5,500,000	-	5,500,000	-
Indirect Interests				
Datuk Seri Chiau Beng Teik, JP *	80,000,000	9,700,000	-	89,700,000
Chiau Haw Choon *	80,000,000	9,700,000	-	89,700,000

Registration No. 200601034359 (754118-K)

Directors' Interests in Shares (Cont'd)

* *Deemed interested by virtue of their direct interests in PP Chin Hin Realty Sdn. Bhd. which in turn hold shares in Divine Inventions Sdn. Bhd. which in turn hold shares in Chin Hin Group Berhad, in accordance with Section 8 of the Companies Act 2016.*

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

Directors' Benefits

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 36(b) to the financial statements.

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

Directors' Remuneration

The details of the Directors' remuneration paid/payable to the Directors of the Company during the financial period are as follows:

	Group RM'000	**Company RM'000**
Directors of the Company		
Executive:		
Salaries and other emoluments	126	126
Defined contribution plans	18	18
	144	144
Non-Executive:		
Fees	423	423
	567	567

Indemnity and Insurance Costs

There was no indemnity given to or insurance affected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

(ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

(iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

(i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

Subsidiaries

The details of the subsidiaries are disclosed in Note 7 to the financial statements.

Significant Events During the Financial Period and Subsequent to the End of the Reporting Period

The significant events during the financial period and subsequent to the end of the reporting period are disclosed in Note 40 to the financial statements.

Auditors' Remuneration

The details of auditors' remuneration for the financial period are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
- Statutory audit - UHY	350	80
- Statutory audit - Other Auditors	23	-
- Non-statutory audit - UHY	5	5
- Non-statutory audit - Other Auditors	20	-
	398	85

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 April 2023.

DATUK SERI CHIAU BENG TEIK, JP

CHIAU HAW CHOON

KUALA LUMPUR

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 4 April 2023.

DATUK SERI CHIAU BENG TEIK, JP

CHIAU HAW CHOON

KUALA LUMPUR

Registration No. 200601034359 (754118-K)

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SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lim Mee Ding (MIA Membership No. 11812), being the officer primarily responsible for the financial management of Signature International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 4 April 2023)

LIM MEE DING

Before me,

PESURUHJAYA SUMPAH
No. W790
Nama: ZAINUL ABIDIN BIN AHMAD
1 JAN 2023 - 31 DIS 2025
MALAYSIA

No. 59, Jalan Telawi
Bangsar Baru
59100 Kuala Lumpur

COMMISSIONER FOR OATHS

UHY

UHY (AF1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Phone +60 3 2279 3088
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Web www.uhy.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Signature International Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 17 to 155.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
1. **Revenue and Cost Recognition for Construction Contracts**	
The revenue from construction contracts is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. We identified revenue and construction costs as key audit matter as significant management judgement and estimates are involved in estimating the total construction costs. Key management judgements include: • estimating the budgeted construction costs to complete each project; • the future profitability of each project; and • the percentage of completion at the end of the reporting period. Changes in these judgements could lead to a material change in the value of revenue recognised.	• We obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for construction contracts and performed procedures to evaluate design and implementation of such controls. • We tested the operating effectiveness of internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements; • We read key contracts and discussed with management to obtain an understanding of the terms and risks to assess our consideration of whether revenue was appropriately recognised; • We reviewed the revenue recognised, on a sample basis, by agreeing to the contracted selling price of the project and multiplied with their respective stage of completion; • In assessing management's assumptions in estimating the costs to completion for project, on a sample basis, we verified the budgeted construction costs to letter of awards, quotations and variation orders with sub-contractors.

UHY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Key audit matters	How our audit addressed the key audit matters
1. **Revenue and Cost Recognition for Construction Contracts (Cont'd)**	• We verified the construction costs incurred to date, on a sample basis, to sub-contractors' claims and invoices from vendors and recalculating the percentage of completion based on actual costs incurred to-date over the estimated total construction costs at the reporting date. • We assessed the management's assumptions in determining the provisions for foreseeable losses, liquidated and ascertained damages.

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIGNATURE INTERNATIONAL BERHAD (CONT'D)
[Registration No.: 200601034359 (754118-K)]
(Incorporated in Malaysia)

Other Matters

(a) The financial statements of the Group and the Company for the financial year ended 30 June 2021 was audited by another auditor who expressed an unmodified opinion on those statements on 25 October 2021.

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

UHY
Firm Number: AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2024 J
Chartered Accountant

KUALA LUMPUR
4 April 2023

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		Group		Company	
		31.12.2022	30.6.2021	31.12.2022	30.6.2021
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	41,222	68,587	27	-
Right-of-use assets	5	17,125	17,311	68	-
Investment properties	6	68,754	67,529	-	-
Investment in subsidiaries	7	-	-	62,072	32,707
Investment in an associate	8	183,854	-	180,000	-
Goodwill on consolidation	9	5,065	-	-	-
Deferred tax assets	10	453	589	-	-
		316,473	154,016	242,167	32,707
Current Assets					
Inventories	11	11,153	10,611	-	-
Contract assets	12	136,001	36,054	-	-
Trade receivables	13	53,238	22,712	-	-
Other receivables	14	51,480	6,518	18,439	54
Amount due from subsidiaries	15	-	-	23,530	46,078
Other investments	16	35,870	47,809	32,885	10,012
Tax recoverable		1,759	1,128	-	-
Fixed deposits with licensed banks	17	5,122	195	1,000	-
Cash and bank balances		25,791	40,991	7,406	25,625
		320,414	166,018	83,260	81,769
Total Assets		636,887	320,034	325,427	114,476

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONT'D)

		Group		Company	
		31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
EQUITY AND LIABILITIES					
Equity					
Share capital	18	101,323	101,323	101,323	101,323
Treasury shares	19	(4,931)	(4,810)	(4,931)	(4,810)
Merger deficit	20	(28,123)	(28,123)	-	-
Foreign currency translation reserve	21	(1,606)	(548)	-	-
Retained earnings		177,093	140,517	34,700	15,036
Equity attributable to the owners of the parent		243,756	208,359	131,092	111,549
Non-controlling interests		8,120	5,981	-	-
Total Equity		251,876	214,340	131,092	111,549
Non-Current Liabilities					
Lease liabilities	22	1,269	1,673	-	-
Bank borrowings	23	132,641	32,290	111,005	-
Deferred tax liabilities	10	71	255	-	-
		133,981	34,218	111,005	-
Current Liabilities					
Contract liabilities	12	24,516	8,286	-	-
Trade payables	24	76,537	36,133	-	-
Other payables	25	52,325	19,132	20,309	228
Amount due to subsidiaries	15	-	-	1,970	2,512
Lease liabilities	22	1,400	1,841	69	-
Bank borrowings	23	92,741	4,535	60,719	-
Tax payable		3,511	1,549	263	187
		251,030	71,476	83,330	2,927
Total Liabilities		385,011	105,694	194,335	2,927
Total Equity and Liabilities		636,887	320,034	325,427	114,476

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

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

		Group		Company	
	Note	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Revenue	26	431,982	143,621	12,569	17,710
Cost of sales		(336,067)	(99,318)	-	-
Gross profit		95,915	44,303	12,569	17,710
Other income		33,328	3,878	12,713	129
Selling and distribution expenses		(3,253)	(1,944)	-	-
Administrative expenses		(59,280)	(27,790)	(11,260)	(2,388)
Other expenses		(13,274)	(9,799)	(77)	(965)
Net (loss)/gain on impairment of financial instruments		(1,895)	3,007	-	-
Finance costs	27	(4,899)	(1,683)	(1,723)	-
Share of profit of an associate, net of tax		3,812	-	-	-
Profit before tax	28	50,454	9,972	12,222	14,486
Taxation	29	(13,203)	(3,708)	(301)	(18)
Profit for the financial period/year		37,251	6,264	11,921	14,468

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	Note	Group 1.7.2021 to 31.12.2022 RM'000	Group 1.7.2020 to 30.6.2021 RM'000	Company 1.7.2021 to 31.12.2022 RM'000	Company 1.7.2020 to 30.6.2021 RM'000
Other comprehensive income					
Items that are or may be reclassified subsequently to profit or loss					
Share of other comprehensive income of an associate		42	-	-	-
Exchange translation differences for foreign operation		(1,100)	(556)	-	-
Total other comprehensive loss for the financial period/ year		(1,058)	(556)	-	-
Total comprehensive income for the financial period/year		36,193	5,708	11,921	14,468
Profit/(Loss) for the financial period/year attributable to:					
Owners of the parent		34,536	8,479	11,921	14,468
Non-controlling interests		2,715	(2,215)	-	-
		37,251	6,264	11,921	14,468
Total comprehensive income/(loss) for the financial period/year attributable to:					
Owners of the parent		33,478	7,923	11,921	14,468
Non-controlling interests		2,715	(2,215)	-	-
		36,193	5,708	11,921	14,468
Earnings per share	30				
Basic earnings per share (sen)		12.3	3.3		
Diluted earnings per share (sen)		12.3	3.3		

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

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD

(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

		Attributable to owners of the parent								
		Non-distributable					Distributable			
	Note	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Employees' Share Option Reserve RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Group										
At 1 July 2020		69,774	(12,399)	(28,123)	4,068	8	135,674	169,002	8,081	177,083
Profit/(Loss) for the financial year		-	-	-	-	-	8,479	8,479	(2,215)	6,264
Other comprehensive loss for the financial year		-	-	-	-	(556)	-	(556)	-	(556)
Total comprehensive (loss)/income for the financial year		-	-	-	-	(556)	8,479	7,923	(2,215)	5,708
Transactions with owners:										
Employees share options expired		-	-	-	(4,068)	-	3,953	(115)	115	-
Issuance of shares through exercise of warrants	18	31,549	-	-	-	-	-	31,549	-	31,549
Distribution of treasury shares as share dividends	19, 31	-	7,589	-	-	-	(7,589)	-	-	-
Total transactions with owners		31,549	7,589	-	(4,068)	-	(3,636)	31,434	115	31,549
At 30 June 2021		101,323	(4,810)	(28,123)	-	(548)	140,517	208,359	5,981	214,340

Registration No. 200601034359 (754118-K)

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

		Attributable to owners of the parent							
		Non-distributable				Distributable			
	Note	Share Capital RM'000	Treasury Shares RM'000	Merger Deficit RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
Group									
At 1 July 2021		101,323	(4,810)	(28,123)	(548)	140,517	208,359	5,981	214,340
Profit for the financial period		-	-	-	-	34,536	34,536	2,715	37,251
Other comprehensive loss for the financial period		-	-	-	(1,058)	-	(1,058)	-	(1,058)
Total comprehensive (loss)/income for the financial period		-	-	-	(1,058)	34,536	33,478	2,715	36,193
Transactions with owners:									
Shares repurchased	19	-	(12,760)	-	-	-	(12,760)	-	(12,760)
Disposal of treasury shares	19	-	12,639	-	-	7,743	20,382	-	20,382
Acquisition of subsidiaries	7(d)	-	-	-	-	-	-	8,840	8,840
Capital contribution by non-controlling interests		-	-	-	-	-	-	232	232
Changes in equity interest in subsidiaries	7(e)	-	-	-	-	(5,703)	(5,703)	(9,297)	(15,000)
Disposal of a subsidiary	7(g)	-	-	-	-	-	-	(351)	(351)
Total transactions with owners		-	(121)	-	-	2,040	1,919	(576)	1,343
At 31 December 2022		101,323	(4,931)	(28,123)	(1,606)	177,093	243,756	8,120	251,876

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

		Non-distributable			Distributable	
	Note	Share Capital RM'000	Treasury Shares RM'000	Employees' Share Option Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Company						
At 1 July 2020		69,774	(12,399)	4,068	6,925	68,368
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	14,468	14,468
Transactions with owners:						
Employees share options expired		-	-	(4,068)	1,232	(2,836)
Issuance of shares through exercise of warrants	18	31,549	-	-	-	31,549
Distribution of treasury shares as share dividends	19, 31	-	7,589	-	(7,589)	-
Total transactions with owners		31,549	7,589	(4,068)	(6,357)	28,713
At 30 June 2021		101,323	(4,810)	-	15,036	111,549

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	Note	Non-distributable Share Capital RM'000	Non-distributable Treasury Shares RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
Company					
At 1 July 2021		101,323	(4,810)	15,036	111,549
Profit for the financial period, representing total comprehensive income for the financial period		-	-	11,921	11,921
Transactions with owners:					
Shares repurchased	19	-	(12,760)	-	(12,760)
Disposal of treasury shares	19	-	12,639	7,743	20,382
Total transactions with owners		-	(121)	7,743	7,622
At 31 December 2022		101,323	(4,931)	34,700	131,092

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

SIGNATURE INTERNATIONAL BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Operating Activities				
Profit before tax	50,454	9,972	12,222	14,486
Adjustments for:				
Bad debt written off	-	72	-	-
Contract assets written off	-	1,073	-	-
Deposit written off	6	-	-	-
Depreciation of:				
- Property, plant and equipment	3,347	1,417	6	-
- Right-of-use assets	3,249	2,316	68	-
Fair value losses on:				
- Investment properties	2,571	3,930	-	-
- Other investments	6,975	965	6,975	965
Finance costs	4,899	1,683	1,723	-
Impairment losses on:				
- Goodwill on consolidation	-	395	-	-
- Contract assets	2,181	3,554	-	-
- Trade receivables	3,750	2,406	-	-
- Other receivables	194	-	-	-
Inventories written down to net realisable value	-	392	-	-
Property, plant and equipment written off	958	6	-	-
Dividend income received from:				
- Investment in subsidiaries	-	-	(5,000)	(15,500)
- Other investments	(4,015)	-	(4,015)	-
Gain on strike off of subsidiaries	-	(254)	-	-
Gain on disposal of:				
- Investment in subsidiaries	(84)	-	-	-
- Investment properties	(149)	-	-	-
- Other investments	(8,167)	-	(8,167)	-
- Property, plant and equipment	(13,727)	(43)	-	-
Operating profit/(loss) before working capital changes carried down	52,442	27,884	3,812	(49)

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SIGNATURE INTERNATIONAL BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	**1.7.2021 to 31.12.2022 RM'000**	**1.7.2020 to 30.6.2021 RM'000**
Operating Activities (Cont'd)				
Operating profit/(loss) before working capital changes brought down	52,442	27,884	3,812	(49)
Income from other investments	-	(839)	-	(52)
Interest income	(539)	(156)	(204)	(77)
Reversal of inventories written down	(1,413)	-	-	-
Reversal of impairment losses on:				
- Contract assets	(1,893)	(2,216)	-	-
- Trade receivables	(2,337)	(6,751)	-	-
Unrealised gain on foreign exchange	(63)	(17)	-	-
Share of profit of an associate, net of tax	(3,812)	-	-	-
Operating profit/(loss) before working capital changes	42,385	17,905	3,608	(178)
Changes in working capital:				
Inventories	453	(2,613)	-	-
Contract assets/liabilities	(53,295)	(8,603)	-	-
Trade and other receivables	(75,853)	(1,796)	(18,385)	(29)
Trade and other payables	45,388	1,457	10,156	(148)
Amount due from/(to) subsidiaries	-	-	27,006	2,286
	(83,307)	(11,555)	18,777	2,109
Cash (used in)/generated from operations	(40,922)	6,350	22,385	1,931
Interest paid	(4,899)	(1,683)	(1,723)	-
Tax paid	(12,516)	(3,408)	(250)	(7)
Tax refund	218	2,417	25	-
Net cash (used in)/from operating activities	(58,119)	3,676	20,437	1,924

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Investing Activities				
Acquisition of an associate	(180,000)	-	(180,000)	-
Additions of investment in:				
- Other investments	(62,830)	(8,285)	(62,830)	(8,285)
- Subsidiaries [Note 7(e)]	(5,000)	-	(19,440)	-
Capital contribution by non-controlling interests	232	-	-	-
Income received from other investment	-	839	-	52
Interest received	539	156	204	77
Net cash inflows from disposal of a subsidiary [Note 7(g)]	437	-	-	-
Net cash outflows from acquisition of subsidiaries [Note 7(d)]	(4,833)	-	-	-
Net dividend income received	4,015	-	4,015	-
Proceeds from disposal of:				
- Investment properties	9,663	500	-	-
- Other investments	38,457	-	38,457	-
- Property, plant and equipment	55,047	119	-	-
Purchase of:				
- Investment properties [Note 6(i)]	-	(3,498)	-	-
- Property, plant and equipment	(16,626)	(1,107)	(33)	-
Net cash used in investing activities	(160,899)	(11,276)	(219,627)	(8,156)

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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Financing Activities				
Drawndown of revolving credit	77,000	-	77,000	-
Drawndown of term loans	91,500	-	91,500	-
Increase in fixed deposits pledged with licensed banks	(4,322)	(4)	(1,000)	-
Net proceeds from bankers' acceptance	22,148	(399)	-	-
Proceeds from disposal of treasury shares	20,382	-	20,382	-
Proceeds from issuance of shares	-	31,549	-	31,549
Purchase of treasury shares	(12,760)	-	(12,760)	-
Repayment of lease liabilities	(3,062)	(2,091)	(67)	-
Repayment of term loans	(27,653)	(4,647)	(1,465)	-
Net cash from financing activities	163,233	24,408	173,590	31,549
Net (decrease)/increase in cash and cash equivalents	(55,785)	16,808	(25,600)	25,317
Effects of exchange translation differences	(1,003)	(660)	-	-
Cash and cash equivalents at the beginning of the financial period/year	81,480	65,332	28,317	3,000
Cash and cash equivalents at the end of the financial period/year	24,692	81,480	2,717	28,317
Cash and cash equivalents at the end of the financial period/year comprises:				
Other investments	2,985	40,489	-	2,692
Fixed deposits with licensed banks	5,122	195	1,000	-
Cash and bank balances	25,791	40,991	7,406	25,625
Bank overdraft	(4,689)	-	(4,689)	-
	29,209	81,675	3,717	28,317
Less: Fixed deposits pledged with licensed banks	(4,517)	(195)	(1,000)	-
	24,692	81,480	2,717	28,317

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022 (CONT'D)**

Note to Statements of Cash Flows

Cash flows for leases as a lessee

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Including in operating activities				
Interest paid in relation to lease liabilities (Note 27)	212	147	4	-
Payment relating to short-term leases (Note 28)	846	155	-	-
Including in financing activities				
Payment of lease liabilities	3,062	2,091	67	-
Total cash outflows for leases	4,120	2,393	71	-

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

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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

1. **Corporate Information**

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

The principal place of business of the Company is located at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor Darul Ehsan.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 7. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial period.

2. **Basis of Preparation**

(a) Statement of compliance

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

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

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

The adoption of the amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020: • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
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

2. **Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company: (Cont'd)

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

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

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

(b) Functional and presentation currency

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

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements:

<u>Classification between investment properties and property, plant and equipment</u>

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to assess fair value as at 31 December 2022 for investment properties, except for investment properties under construction in which their fair value are not reliably determinable.

Valuation was based on the comparison approach where the comparison approach entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences. Investment properties under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The key assumptions used to determine the fair value of the investment properties are disclosed in Note 6.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 9.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances, unutilised investment tax allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which unused tax losses, unutilised capital allowances, unutilised investment tax allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 10.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated cost to sell. Demand level and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 11.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstances.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

<u>Revenue from construction contracts</u>

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligations.

The progress towards complete satisfaction of performance obligation is measured by reference to the construction progress using input method, determined based on the proportion of construction costs incurred for work performed to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction activities are disclosed in Note 12.

<u>Provision for expected credit losses of financial assets at amortised cost</u>

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit losses is disclosed in Note 13.

2. **Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2022, the Group and the Company have tax recoverable of RM1,759,000 and Nil (30.6.2021: RM1,128,000 and Nil) and tax payable of RM3,511,000 and RM263,000 (30.6.2021: RM1,549,000 and RM187,000) respectively.

3. **Significant Accounting Policies**

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

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

Subsidiaries are consolidated using the following method of accounting:

(a) Business combination of entities under common control

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger deficit.

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

(b) Business combinations of entities under non-common control

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

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

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

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

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

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

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

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

(iii) Disposal of subsidiaries

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

3. **Significant Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iv) Goodwill on consolidation

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

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

(b) Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

An associate is accounted for either at cost or equity method as described in MFRS 128 from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. **Significant Accounting Policies (Cont'd)**

(b) Investment in an associate (Cont'd)

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

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

The requirements of MFRS 136 *Impairment of Assets* are applied to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

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

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

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. **Significant Accounting Policies (Cont'd)**

(c) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill arising on acquisition, trade and other receivables, and cash and bank balances are translated to RM at the rate of exchange prevailing at the reporting date, which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operations is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(d) Property, plant and equipment

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

(i) Recognition and measurement

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

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

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

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

Buildings	2%
Plant and machineries, tools and factory equipment	10%
Motor vehicles	20%
Furniture, fittings, office renovation and equipment	10%
Showroom and office equipment	10% - 20%
Computers	20% - 40%

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

3. **Significant Accounting Policies (Cont'd)**

(e) Leases

(i) As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(o)(i) on impairment of non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Over the remaining lease period
Buildings	Over the lease term
Motor vehicles	20%

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

3. **Significant Accounting Policies (Cont'd)**

(e) Leases (Cont'd)

(i) As lessee (Cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. **Significant Accounting Policies (Cont'd)**

(f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professional qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets

Recognition and initial measurement

Financial assets are recognised on the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(i) Financial assets at amortised cost (Cont'd)

The Group's financial assets at amortised cost include trade and other receivables, other investments, fixed deposits with licensed banks and cash and bank balances. The Company's financial assets at amortised cost include other receivables, amount due from subsidiaries and cash and bank balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt investment is not designated as at FVTPL. Interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI") (Cont'd)

(b) Equity investments

This category comprises investment in equity investment that is not held for trading. The Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL comprise other investments.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(o)(ii) on impairment of financial assets.

3. **Significant Accounting Policies (Cont'd)**

(g) Financial assets (Cont'd)

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including new asset obtained less any new liability assumed) is recognised in profit or loss.

(h) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

3. **Significant Accounting Policies (Cont'd)**

(h) Financial liabilities (Cont'd)

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's financial liabilities designated at amortised cost comprise trade and other payables, lease liabilities and bank borrowings. The Company's financial liabilities designated at amortised cost comprise other payables, amount due to subsidiaries, lease liabilities and bank borrowings.

(ii) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities at FVTPL.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised, when appropriate, the cumulative amount of the income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers.*

3. **Significant Accounting Policies (Cont'd)**

(j) Offsetting of financial instruments

Financial asset and financial liability are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, parts and accessories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial period/year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(l) Construction contracts (Cont'd)

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

(m) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

3. **Significant Accounting Policies (Cont'd)**

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An Impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(o) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

(p) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3. **Significant Accounting Policies (Cont'd)**

(p) Share capital (Cont'd)

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

3. **Significant Accounting Policies (Cont'd)**

(r) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(s) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

3. **Significant Accounting Policies (Cont'd)**

(s) Revenue and other income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

The Group recognises revenue from the following major sources: (Cont'd)

(b) Rendering of services

Management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(c) Construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

3. **Significant Accounting Policies (Cont'd)**

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(u) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial period/year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. **Significant Accounting Policies (Cont'd)**

(u) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(w) Contingencies

Where it is not probable that an inflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent asset or contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3. **Significant Accounting Policies (Cont'd)**

(x) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1	:	quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2	:	inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	:	unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

	Note	Buildings RM'000	Freehold land RM'000	Plant and machinery, tools and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office renovation and equipment RM'000	Showroom and office equipment RM'000	Computers RM'000	Total RM'000
Group									
31.12.2022									
Cost									
At 1 July 2021		22,379	43,026	7,511	998	3,592	3,421	599	81,526
Acquisition of subsidiaries	7(d)	5,632	-	183	435	456	188	386	7,280
Additions		-	-	1,286	8	12,296	2,294	742	16,626
Disposals		-	(40,938)	(27)	(192)	(4)	(431)	-	(41,592)
Written off		(14)	-	(199)	(32)	(1,929)	(457)	(117)	(2,748)
Disposal of a subsidiary	7(g)	-	-	-	-	(56)	(42)	-	(98)
Transfer to investment properties	6	(1,700)	(2,088)	-	-	-	-	-	(3,788)
Transfer from right-of-use assets	5	-	-	-	470	-	-	-	470
Reclassification		-	-	-	-	6	14	(20)	-
Exchange differences		-	-	(105)	-	-	-	(4)	(109)
At 31 December 2022		26,297	-	8,649	1,687	14,361	4,987	1,586	57,567

4. **Property, Plant and Equipment (Cont'd)**

	Note	Buildings RM'000	Freehold land RM'000	Plant and machinery, tools and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office renovation and equipment RM'000	Showroom and office equipment RM'000	Computers RM'000	Total RM'000
Group									
31.12.2022									
Accumulated depreciation									
At 1 July 2021		3,244	-	4,089	892	1,738	2,474	502	12,939
Acquisition of subsidiaries	7(d)	704	-	168	432	263	94	372	2,033
Charge for the financial period		435	-	960	40	1,220	482	210	3,347
Disposals		-	-	(11)	(184)	(1)	(76)	-	(272)
Written off		(1)	-	(186)	(27)	(1,153)	(306)	(117)	(1,790)
Disposal of a subsidiary	7(g)	-	-	-	-	(56)	(33)	-	(89)
Transfer to investment properties	6	(281)	-	-	-	-	-	-	(281)
Transfer from right-of-use assets	5	-	-	-	470	-	-	-	470
Exchange differences		-	-	(10)	-	-	-	(2)	(12)
At 31 December 2022		4,101	-	5,010	1,623	2,011	2,635	965	16,345
Carrying amount									
At 31 December 2022		22,196	-	3,639	64	12,350	2,352	621	41,222

4. **Property, Plant and Equipment (Cont'd)**

	Buildings RM'000	Freehold land RM'000	Plant and machinery, tools and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office renovation and equipment RM'000	Showroom and office equipment RM'000	Computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
30.6.2021									
Cost									
At 1 July 2020	22,379	43,026	7,056	986	3,339	3,237	498	139	80,660
Additions	-	-	455	12	245	294	101	-	1,107
Disposals	-	-	-	-	(8)	(192)	-	-	(200)
Written off	-	-	-	-	(41)	-	-	-	(41)
Reclassification	-	-	-	-	57	82	-	(139)	-
At 30 June 2021	22,379	43,026	7,511	998	3,592	3,421	599	-	81,526

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4. **Property, Plant and Equipment (Cont'd)**

	Buildings RM'000	Freehold land RM'000	Plant and machinery, tools and factory equipment RM'000	Motor vehicles RM'000	Furniture, fittings, office renovation and equipment RM'000	Showroom and office equipment RM'000	Computers RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
30.6.2021									
Accumulated depreciation									
At 1 July 2020	2,965	-	3,487	862	1,483	2,396	488	-	11,681
Charge for the financial year	279	-	602	30	294	198	14	-	1,417
Disposals	-	-	-	-	(4)	(120)	-	-	(124)
Written off	-	-	-	-	(35)	-	-	-	(35)
At 30 June 2021	3,244	-	4,089	892	1,738	2,474	502	-	12,939
Carrying amount									
At 30 June 2021	19,135	43,026	3,422	106	1,854	947	97	-	68,587

4. **Property, Plant and Equipment (Cont'd)**

	Company	
	31.12.2022	**30.6.2021**
	RM'000	**RM'000**
Computer		
Cost		
At 1 July	-	-
Additions	33	-
At 31 December/30 June	33	-
Accumulated depreciation		
At 1 July	-	-
Charge for the financial period/year	6	-
At 31 December/30 June	6	-
Carrying amount		
At 31 December/30 June	27	-

The carrying amount of property, plant and equipment of the Group pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 23(a) are as follows:

	Group	
	31.12.2022	**30.6.2021**
	RM'000	**RM'000**
Buildings	22,196	19,135
Freehold land	-	43,026
	22,196	62,161

5. Right-of-use Assets

	Note	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group					
31.12.2022					
Cost					
At 1 July 2021		16,686	6,112	2,209	25,007
Acquisition of subsidiaries	7(d)	1,218	-	1,773	2,991
Additions		-	1,637	-	1,637
Lease modification		-	(111)	-	(111)
Expiration of lease contracts		-	(3,183)	-	(3,183)
Transfer to property, plant and equipment	4	-	-	(470)	(470)
Disposal of a subsidiary	7(g)	-	-	(79)	(79)
At 31 December 2022		17,904	4,455	3,433	25,792
Accumulated depreciation					
At 1 July 2021		2,612	3,314	1,770	7,696
Acquisition of subsidiaries	7(d)	76	-	1,399	1,475
Charge for the financial period		279	2,468	502	3,249
Lease modification		-	(55)	-	(55)
Expiration of lease contracts		-	(3,183)	-	(3,183)
Transfer to property, plant and equipment	4	-	-	(470)	(470)
Disposal of a subsidiary	7(g)	-	-	(45)	(45)
At 31 December 2022		2,967	2,544	3,156	8,667
Carrying amount					
At 31 December 2022		14,937	1,911	277	17,125

5. **Right-of-use Assets (Cont'd)**

	Leasehold land RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group				
30.6.2021				
Cost				
At 1 July 2020	16,686	3,814	2,209	22,709
Additions	-	2,341	-	2,341
Expiration of lease contracts	-	(43)	-	(43)
At 30 June 2021	16,686	6,112	2,209	25,007
Accumulated depreciation				
At 1 July 2020	2,434	1,477	1,512	5,423
Charge for the financial year	178	1,880	258	2,316
Expiration of lease contracts	-	(43)	-	(43)
At 30 June 2021	2,612	3,314	1,770	7,696
Carrying amount				
At 30 June 2021	14,074	2,798	439	17,311

	Company	
	31.12.2022 RM'000	**30.6.2021 RM'000**
Building		
Cost		
At 1 July	-	-
Additions	136	-
At 31 December/30 June	136	-
Accumulated depreciation		
At 1 July	-	-
Charge for the financial period/year	68	-
At 31 December/30 June	68	-
Carrying amount		
At 31 December/30 June	68	-

5. **Right-of-use Assets (Cont'd)**

(a) The leasehold land of the Group has been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 23(a).

(b) The carrying amount of right-of-use assets of the Group held under lease liabilities are as follows:

	Group	
	31.12.2022	**30.06.2021**
	RM'000	**RM'000**
Motor vehicles	277	439

(c) The aggregate additional costs for the right-of-use assets of the Group during the financial period/year acquired under leases financing and cash payments are as follows:

	Group	
	31.12.2022	**30.06.2021**
	RM'000	**RM'000**
Aggregate costs	1,637	2,341
Less: Leases financing	(1,637)	(2,341)
Cash payments	-	-

(d) The remaining lease term of the leasehold land range from 84 to 90 years (30.6.2021: 91 years).

6. **Investment Properties**

		Group	
	Note	**31.12.2022 RM'000**	**30.6.2021 RM'000**
At 1 July		67,529	58,843
Acquisition of subsidiaries	7(d)	7,665	-
Additions		2,138	13,116
Transfer from property, plant and equipment	4	3,507	-
Disposals		(9,514)	(500)
Change in fair value recognised in profit or loss		(2,571)	(3,930)
At 31 December/30 June		68,754	67,529
Included in the above are:			
At fair value			
Freehold land		20,035	18,956
Buildings on freehold land		35,755	33,593
Buildings on leasehold land		10,775	12,770
		66,565	65,319
At cost			
Property under construction on freehold land		2,189	2,210
		68,754	67,529

(a) The investment property of the Group with carrying amount of RM43,675,000 (30.6.2021: RM32,920,000) is pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 23(a).

(b) The decrease in fair value of RM2,571,000 (30.6.2021: RM3,930,000) has been recognised in the profit or loss during the financial period/year.

(c) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties:

	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Group				
31.12.2022				
Investment properties	-	64,735	1,830	66,565
30.6.2021				
Investment properties	-	62,334	2,985	65,319

6. **Investment Properties (Cont'd)**

(d) The investment property of the Group with carrying amount of RM64,735,000 (30.6.2021: RM62,334,000) which the fair value is within level 2 of the fair value hierarchy was determined based on the following:

(i) Revalued by an independent firm of professional valuer on 31 December 2022. The independent professional qualified valuer holds recognised relevant professional qualifications and have recent experience in the locations and category of the investment properties being valued. The fair value was determined based on the comparison approach that entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences;

(ii) Making reference to the valuation reports by the independent professional qualified valuer as disclosed in Note 6(d)(i) for properties within the same location; and

(iii) Sales and purchase agreement entered during the current financial period.

(e) The investment property of the Group with carrying amount of RM1,830,000 (30.6.2021: RM2,985,000) which the fair value is within level 3 of the fair value hierarchy was determined by making reference to indicative selling prices of certain properties offered to and agreed by purchasers. The fair value was determined based on the following significant unobservable input:

Property category	**Valuation technique**	**Significant unobservable input**	**Range 31.12.2022**	**Inter-relationship**
Freehold building	Market approach	Discount rate (%)	10%	Higher the discount rate, lower the fair value

(f) Fair value reconciliation of investment properties measured at level 3 are as follows:

	Group	
	31.12.2022 RM'000	**30.6.2021 RM'000**
At 1 July	2,985	3,386
Additions	1,146	2,985
Disposal	(1,211)	-
Transfer to level 2	(1,090)	(3,386)
At 31 December/30 June	1,830	2,985

The investment property of the Group with carrying amount of RM1,090,000 (30.6.2021: RM3,386,000) were transferred from level 3 to level 2 as the Group engaged an independent professional valuer to perform the valuation on the investment properties using the comparison approach.

6. **Investment Properties (Cont'd)**

(g) The following income and expenses are recognised in profit or loss in respect of the investment properties:

	Group	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**
Rental income	1,332	849
Direct operating expenses:		
- Income generating properties	539	224
- Non-income generating properties	409	232

(h) The investment properties under construction are stated at cost. Management concludes that due to the nature and amount of remaining project risks, the fair value of buildings under construction cannot be reliably determined.

(i) The aggregate additional costs for the investment properties of the Group during the financial period/year acquired under cash payments and other methods are as follows:

	Group	
	31.12.2022 RM'000	**30.6.2021 RM'000**
Aggregate cost	2,138	13,116
Add: Payment in respect of previous addition	-	344
Less: Contra against trade receivables	(2,077)	(9,576)
Less: Amount not due for payment	(61)	(386)
Cash payments	-	3,498

7. **Investment in Subsidiaries**

(a) Investment in subsidiaries

	Company 31.12.2022 RM'000	Company 30.6.2021 RM'000
In Malaysia		
Unquoted shares, at cost	62,072	32,707

(b) Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 31.12.2022 %	Effective interest 30.6.2021 %	Principal activities
Direct holding:				
Signature Cabinet Sdn. Bhd.	Malaysia	100	100	Design, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances.
Signature Aluminium Sdn. Bhd. ("SASB")	Malaysia	100	60	Manufacture, supply, fabrication, and installation of aluminium, glass and aluminium related products for the retail and project business.
Signature Obicorp Sdn. Bhd.	Malaysia	70	100	Marketing and distribution of built-in kitchen appliances and white goods.
Kubiq Sdn. Bhd.	Malaysia	100	100	Selling, marketing and distributing kitchen and bedroom cabinets, knockdown furniture and furniture parts, appliances and accessories.
Signature Distribution Sdn. Bhd.	Malaysia	100	100	Distribution of kitchen systems, wardrobe system, worktop and built-in kitchen appliances.
Signature Realty Sdn. Bhd.	Malaysia	100	100	Investment properties holding.

7. **Investment in Subsidiaries (Cont'd)**

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest 31.12.2022 %	Effective interest 30.6.2021 %	Principal activities
Direct holding: (Cont'd)				
Signature Façade Treatment Sdn. Bhd. ("SFTSB") @	Malaysia	75	50.4	Design, supply, fabrication, project management, install and fix glass and wall paneling, curtain walls, cladding, glazing and other aluminium and glass architechtural works for building projects.
Space Alliance Contracts Sdn. Bhd.	Malaysia	51	-	Business of contractors, sub-contract works and renovation works.
Indirect holding:				
Held through Signature Cabinet Sdn. Bhd.				
Signature Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing of kitchen systems and wardrobe systems.
Signature Kitchen Sdn. Bhd.	Malaysia	100	100	Retailing of kitchen systems, wardrobe systems and built-in kitchen appliances.
Fabriano Sdn. Bhd.	Malaysia	100	100	Investment holding.
Held through Signature Manufacturing Sdn. Bhd.				
Signature Kitchen Lanka (Pvt) Ltd *	Malaysia	100	100	Marketing, distribution, import and export of kitchen systems, wardrobe systems and built-in kitchen appliances.
Held through Signature Distribution Sdn. Bhd.				
Signature Contempo Sdn. Bhd.	Malaysia	70	-	Designing, manufacturing, trading and sales of unholstered furniture, fabrication of drapery and other soft furnishings related products.

7. **Investment in Subsidiaries (Cont'd)**

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest 31.12.2022 %	30.6.2021 %	Principal activities
Indirect holding: (Cont'd)				
Held through Fabriano Sdn. Bhd.				
Signature Global Marketing Pte. Ltd. *	The Republic of Singapore	100	100	Marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances.
Signature Surfaces Sdn. Bhd.	Malaysia	100	100	Dormant.
Signature Daehan Co., Ltd. *	Myanmar	85	85	Dormant and its intended principal activities are marketing, distribution, import and export of kitchen systems, wardrobe systems and built-in kitchen appliances.
Fabriano Kitchen Cabinet (Foshan) Pte. Ltd. *^	The People's Republic of China	-	-	Dormant.
Signature Kitchen (UK) Pte. Ltd. *^	United Kingdom	-	-	Dormant.
Held through Signature Aluminium Sdn. Bhd.				
Signature Design & Technology Sdn. Bhd.	Malaysia	100	60	Manufacture, supply, fabrication, and installation of aluminium, glass and aluminium related products for the retail and project business.
Held through Signature Obicorp Sdn. Bhd.				
Addington Sdn. Bhd.	Malaysia	-	51	Trading in water heaters, bathroom accessories and other related equipment.

7. **Investment in Subsidiaries (Cont'd)**

(b) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business/ Country of incorporation	Effective interest 31.12.2022 %	30.6.2021 %	Principal activities
Indirect holding: (Cont'd)				
Held through Signature Façade Treatment Sdn. Bhd.				
Signature Metal Treatment Sdn. Bhd. #	Malaysia	69.75	-	Manufacturing, constructing, processing, fabricating and supplying of steel related products or structurals for building projects.
Held through Space Alliance Contracts Sdn. Bhd.				
Space Alliance Cabinet Sdn. Bhd.	Malaysia	51	-	Contractors and sub-contractors for renovation works and supply of furnishing materials.
Space Alliance Furniture Sdn. Bhd.	Malaysia	51	-	Trading and alteration of furniture.
Space Alliance Resources Sdn. Bhd.	Malaysia	51	-	Trading of furniture hardware, plywood, fancy plywood, high pressure laminate and other building materials.
SAF Manufacturing Sdn. Bhd.	Malaysia	51	-	Manufacturing of semi-furnished customised furniture.

* *Subsidiaries not audited by UHY*

^ *Subsidiaries struck off in the previous financial year*

@ *51% directly owned by the Company and 24% directly owned by SASB (30.6.2021: 36% directly owned by the Company and 24% directly owned by SASB)*

93% directly owned by the SFTSB

7. **Investment in Subsidiaries (Cont'd)**

(c) Incorporation of new subsidiaries

31 December 2022

(i) On 6 January 2022, Signature Façade Treatment Sdn. Bhd. ("SFTSB"), an indirect 50.4%-owned subsidiary of the Company had incorporated a new subsidiary in Malaysia under the name of Signature Metal Treatment Sdn. Bhd. ("SMTSB") with an initial paid-up share capital of RM100 comprising of 100 ordinary shares. SFTSB subscribed 65 ordinary shares in SMTSB for a total cash consideration of RM65. Consequently, SMTSB became an indirect 32.76%-owned subsidiary of the Company.

(ii) On 3 March 2022, Signature Distribution Sdn. Bhd. ("SDSB"), a wholly-owned subsidiary of the Company had incorporated a new subsidiary in Malaysia under the name of Signature Contempo Sdn. Bhd. ("SCTSB") with an initial paid-up share capital of RM10 comprising of 10 ordinary shares. SDSB subscribed 7 ordinary shares in SCTSB for a total cash consideration of RM7. Consequently, SCTSB became an indirect 70%-owned subsidiary of the Company.

30 June 2021

On 25 August 2020, Signature Manufacturing Sdn. Bhd. ("SMSB"), a wholly-owned subsidiary of Signature Cabinet Sdn. Bhd. ("SCSB") had incorporated a new subsidiary in Sri Lanka under the name of Signature Kitchen Lanka (Pvt) Ltd ("SKLPL") with an initial paid-up share capital of USD250,000 comprising of 4,618,165 ordinary shares. SMSB subscribed for the entire issued and paid-up share capital of SKLPL for a total cash consideration of USD250,000. Consequently, SKLPL became an indirect wholly-owned subsidiary of the Company.

(d) Acquisition of subsidiaries

31 December 2022

On 16 December 2021, the Company has entered into a conditional share sale agreement with Chang Chung Fei and Ng Mun Moh (the "Vendors") to acquire 765,000 ordinary shares, representing 51% equity interest in Space Alliance Contract Sdn. Bhd. ("SACSB") for a total cash consideration of RM15,300,000.

Subsequently on 25 March 2022, the Company has entered into a supplemental share sale agreement with the Vendors to reduce the purchase consideration from RM15,300,000 to RM14,611,500, with guarantee net assets value of SACSB and its subsidiaries ("SAC Group") as at 31 December 2021 not lesser than RM27,200,000.

7. **Investment in Subsidiaries (Cont'd)**

(d) Acquisition of subsidiaries (Cont'd)

31 December 2022 (Cont'd)

Due to the guarantee net assets value of SAC Group as at 31 December 2021 are lesser than RM27,200,000, thus there is a refund of RM345,666 by the Vendors. In this respect, the acquisition of SACSB is completed on 25 March 2022 and SAC Group became a 51%-owned subsidiary of the Company.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of identifiable assets acquired and liabilities assumed

	Group 31.12.2022 RM'000
Property, plant and equipment	5,247
Right-of-use assets	1,516
Investment property	7,665
Inventories	4
Contract assets	30,892
Trade receivables	3,485
Other receivables	447
Tax recoverable	2
Cash and bank balances	9,433
Lease liabilities	(681)
Bank borrowings	(20,873)
Deferred tax liabilities	(205)
Contract liabilities	(155)
Trade payables	(17,036)
Other payables	(1,553)
Tax payable	(147)
Total identifiable assets and liabilities	18,041

7. **Investment in Subsidiaries (Cont'd)**

(d) Acquisition of subsidiaries (Cont'd)

31 December 2022 (Cont'd)

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date: (Cont'd)

Net cash outflows arising from acquisition of subsidiaries

	Group 31.12.2022 RM'000
Purchase consideration settled in cash	14,266
Less: Cash and bank balances acquired	(9,433)
Net cash outflows	4,833

Goodwill arising from business combination

	Group 31.12.2022 RM'000
Fair value of consideration transferred	14,266
Non-controlling interests	8,840
Less: Fair value of identifiable assets acquired and liabilities assumed	(18,041)
Goodwill arising from business combination	5,065

7. **Investment in Subsidiaries (Cont'd)**

(e) Changes in equity interest in subsidiaries

(i) On 26 May 2022, the Company entered into a share sale agreement ("SSA") with Ang Chek Peow (the "Vendor") to acquire 400,000 ordinary shares in Signature Aluminium Sdn. Bhd. ("SASB"), representing 40% equity interest in SASB for a total cash consideration of RM15,000,000.

The purchase consideration of RM15,000,000 under the SSA will be settled by way of cash as follows:

(1) Upon execution of SSA, the Company shall pay RM5,000,000 to the Vendor as first payment ("First Payment");
(2) Within twelve (12) months of the date of SSA, the Company shall pay RM5,000,000 to the Vendor being part of the remaining RM10,000,000 ("Balance Sum"); and
(3) Within 24 months from the date of the SSA, the Company shall pay the remaining RM5,000,000 being part of the Balance Sum to the Vendor as the final payment.

The Acquisition was completed on 26 May 2022 upon the Company made the First Payment to the Vendor. Consequently, SASB and its wholly-owned subsidiary, Signature Design & Technology Sdn. Bhd. ("SDTSB") became wholly-owned direct and indirect subsidiary of the Company.

(ii) On 23 June 2022, the Company entered into two (2) Share Sale Agreements ("SSA") with the following vendors, (i) Yong Chuan Chin and (ii) Mok Weng Siong, Tiau Chuan Dut @ Teo Chuan Dut and (iii) Foo Toon Yeong respectively, for the purpose of acquiring 187,500 ordinary shares in the share capital of Signature Façade Treatment Sdn. Bhd. ("SFTSB"), representing 25% equity interest in SFTSB, for a total purchase consideration of RM75,001, subject to the terms and conditions as stipulated in the SSA.

The Company also enter into a SSA with Ang Chek Peow, for the purpose of disposing of 75,000 ordinary shares in SFTSB, representing 10% equity interest in SFTSB, at a total sale consideration of RM75,000, subject to the terms and conditions as stipulated in the SSA.

The above transactions are completed on 30 September 2022. Consequently, together with the effect of acquisition as disclosed in Note 7(e)(i), SFTSB became a direct 51% and indirect 24%-owned subsidiary of the Company.

(iii) On 12 May 2022, SMTSB, a direct 65%-owned subsidiary of SFTSB had increased its paid-up share capital from 100 to 750,000 ordinary shares for a total cash consideration of RM749,900. SFTSB subscribed 697,435 ordinary shares, representing 93% equity interest in SMTSB for a total cash consideration of RM697,435. Consequently, together with the effect of acquisition as disclosed in Notes 7(c)(i), 7(e)(i) and 7(e)(ii), SMTSB became an indirect 69.75%-owned subsidiary of the Company.

7. **Investment in Subsidiaries (Cont'd)**

(e) Changes in equity interest in subsidiaries (Cont'd)

(iv) On 5 May 2022, SCTSB, a direct 70%-owned subsidiary of SDSB had increased its paid-up share capital from 10 to 100,000 ordinary shares for a total cash consideration of RM99,990. SDSB subscribed 69,993 ordinary shares, representing 70% equity interest in SCTSB for a total cash consideration of RM69,993. Consequently, SCTSB remained as an indirect 70%-owned subsidiary of the Company.

(v) On 12 October 2022, Signature Obicorp Sdn. Bhd. ("SOSB"), a wholly-owned subsidiary of the Company had increased its paid-up share capital from 250,000 to 500,000 ordinary shares for a total cash consideration of RM250,000. The Company subscribed 100,000 ordinary shares, representing 70% equity interest in SOSB for a total cash consideration of RM100,000. Consequently, SOSB became a direct 70%-owned subsidiary of the Company.

The effect of changes in the equity interest that is attributable to the owners of the parent is as follows:

	Group 31.12.2022 RM'000
Carrying amount of non-controlling interests acquired	9,297
Net consideration paid to non-controlling interests	(15,000)
Decrease in parent's equity	(5,703)

(f) Struck off of subsidiaries

30 June 2021

(i) In the previous financial year, Fabriano Kitchen Cabinet (Foshan) Pte. Ltd., a wholly-owned subsidiary of the Company received approval and deregistration from the Foshan City Administration of Industry and Commerce.

(ii) In the previous financial year, Signature Kitchen (UK) Pte. Ltd., a wholly-owned subsidiary of the Company received a Final Gazette notice on its dissolution from the Companies House in United Kingdom.

7. **Investment in Subsidiaries (Cont'd)**

(g) Disposal of a subsidiary

31 December 2022

On 1 November 2021, SOSB, a wholly-owned subsidiary of the Company has entered into a share sale agreement with third party for the disposal of its entire equity interest in Addington Sdn. Bhd. ("ASB") for a total disposal consideration of RM449,308. The disposal has been completed during the current financial period and consequently ASB ceased to be an indirect subsidiary of the Company.

The effect of the disposal of ASB on the financial position of the Group as at the date of disposal was as follows:

	Group 31.12.2022 RM'000
Property, plant and equipment	9
Right-of-use assets	34
Inventories	422
Contract assets	27
Trade receivables	595
Other receivables	12
Tax recoverable	28
Cash and bank balances	12
Lease liabilities	(45)
Trade payables	(344)
Other payables	(34)
Total net assets disposed	716
Less: Non-controlling interests	(351)
	365
Gain on disposal	84
Proceeds from disposal	449
Less: Cash and cash equivalents disposed	(12)
Net cash inflows from disposal	437

7. **Investment in Subsidiaries (Cont'd)**

(h) Material partly-owned subsidiaries

The Group's subsidiaries that have material non-controlling interests are as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
			1.7.2021 to	1.7.2020 to		
	31.12.2022	30.6.2021	31.12.2022	30.6.2021	31.12.2022	30.6.2021
	%	%	RM'000	RM'000	RM'000	RM'000
SASB *	-	40	1,690	918	-	9,579
SFTSB	25	49.6	(1,377)	(3,038)	(3,679)	(4,518)
SAC Group ^	49	-	2,267	-	11,107	-
					7,428	5,061
Other individually immaterial subsidiaries with non-controlling interests					692	920
Total non-controlling interests					8,120	5,981

* *SASB became wholly-owned subsidiary during the financial period*
^ *SAC Group represents SACSB and its subsidiaries*

7. **Investment in Subsidiaries (Cont'd)**

(h) Material partly-owned subsidiaries (Cont'd)

Summarised financial information for the subsidiaries that have non-controlling interests that is material to the Group is set below. The summarised financial information below represents amounts before inter-company elimination.

(i) Summarised statement of financial position

	SASB RM'000	SFTSB RM'000	SAC Group RM'000
31.12.2022			
Non-current assets	-	2,399	14,615
Current assets	-	39,024	82,040
Non-current liabilities	-	-	(11,731)
Current liabilities	-	(56,140)	(62,257)
Net (liabilities)/assets	-	(14,717)	22,667
30.6.2021			
Non-current assets	16,078	2,361	-
Current assets	25,580	20,282	-
Non-current liabilities	(4,007)	(905)	-
Current liabilities	(13,703)	(30,846)	-
Net assets/(liabilities)	23,948	(9,108)	-

(ii) Summarised statement of profit or loss and other comprehensive income

	SASB RM'000	SFTSB RM'000	SAC Group RM'000
1.7.2021 to 31.12.2022			
Revenue	-	82,808	121,543
(Loss)/Profit for the financial period, representing total comprehensive (loss)/income for the financial period	-	(5,752)	4,627
1.7.2020 to 30.6.2021			
Revenue	19,203	38,098	-
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	2,295	(6,125)	-

7. **Investment in Subsidiaries (Cont'd)**

(h) Material partly-owned subsidiaries (Cont'd)

Summarised financial information for the subsidiaries that has non-controlling interests that is material to the Group is set below. The summarised financial information below represents amounts before inter-company elimination. (Cont'd)

(iii) Summarised statement of cash flows

	SASB RM'000	SFTSB RM'000	SAC Group RM'000
1.7.2021 to 31.12.2022			
Net cash (used in)/from operating activities	-	(3,262)	3,128
Net cash used in investing activities	-	(2,050)	(2,537)
Net cash from financing activities	-	4,098	858
Net (decrease)/increase in cash and cash equivalents	-	(1,214)	1,449
1.7.2020 to 30.6.2021			
Net cash used in operating activities	(4,855)	(6,216)	-
Net cash from/(used in) investing activities	1,658	(83)	-
Net cash (used in)/from financing activities	(383)	7,791	-
Net (decrease)/increase in cash and cash equivalents	(3,580)	1,492	-

There are no significant restrictions on the ability of the subsidiaries to transfer funds to the Group in the form of cash dividends or repayment of loans and advances. Generally, for all subsidiaries which are not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiaries and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

8. Investment in an Associate

(a) Investment in an associate

	Group		Company	
	31.12.2022 RM'000	30.6.2021 RM'000	31.12.2022 RM'000	30.6.2021 RM'000
In Malaysia				
Quoted shares, at cost	180,000	-	180,000	-
Share of post acquisition reserves	3,854	-	-	-
	183,854	-	180,000	-

(b) Details of the associate are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest 31.12.2022 %	Effective interest 30.6.2021 %	Principal activities
Direct holding:				
Fiamma Holdings Berhad	Malaysia	22.6	-	Investment holding and property development

(c) Acquisition of an associate

On 18 May 2022, the Company has entered into a conditional share sale agreement with a third party to acquire 120,000,000 ordinary shares, representing 23.7% equity interest in Fiamma Holdings Berhad ("Fiamma") for a total cash consideration of RM180,000,000. The acquisition is completed on 26 September 2022 and consequently Fiamma became a 23.7%-owned associate of the Company.

The equity interest of the Company in Fiamma has subsequently diluted from 23.7% to 22.6%, following the issuance of new ordinary shares in Fiamma pursuant to the exercise of its employee's share option scheme on 12 October 2022.

8. **Investment in an Associate (Cont'd)**

(d) Summarised financial information for the associate is as follows:

(i) Summarised statement of financial position

	Fiamma 31.12.2022 RM'000
Non-current assets	328,065
Current assets	447,705
Non-current liabilities	(39,590)
Current liabilities	(138,855)
Net assets	597,325

(ii) Summarised statement of profit or loss and other comprehensive income

	Fiamma 1.7.2021 to 31.12.2022 RM'000
Revenue	87,780
Attributable to owners of the investee:	
Profit for the financial period	16,478
Other comprehensive income for the financial period	898
Total comprehensive income for the financial period	17,376
Group's share of results for the financial period ended 31 December 2022:	
Group's share of profit	3,812
Group's share of other comprehensive income	42
Group's share of total comprehensive income	3,854

9. Goodwill on Consolidation

	Group	
	31.12.2022	**30.6.2021**
	RM'000	**RM'000**
Cost		
At 1 July	395	395
Addition	5,065	-
Disposal of a subsidiary	(395)	-
At 31 December/30 June	5,065	395
Accumulated impairment losses		
At 1 July	395	-
Charge for the financial period/year	-	395
Disposal of a subsisidary	(395)	-
At 31 December/30 June	-	395
Carrying amount		
At 31 December/30 June	5,065	-

This represents goodwill arose from the acquisition of SAC Group. The goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified, which is interior fit-out works segment.

The recoverable amount is determined based on value in use calculations using cash flow projections based on financial budgets approved by management covering a five years period. The key assumptions used for value in use calculations are based on future projection of the SAC Group as follows:

	31.12.2022
Gross margin	7.8%
Revenue growth rate	Average of 16.3%
Pre-tax discount rate	13.3%

(i) Gross margin - Budgeted value based on the average margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and market development.

(ii) Revenue growth rate - The growth rates are based on industry growth forecasts.

(iii) Pre-tax discount rate - Rate that reflect specific risks relating to the CGU.

9. **Goodwill on Consolidation (Cont'd)**

The values assigned to the key assumptions represent the management's assessment of future trends in the industry of the current businesses and are based on both external sources and internal sources.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed its recoverable amount.

Based on the impairment assessment, no impairment is required for goodwill (2021: impairment loss recognised of RM394,792).

10. **Deferred Tax Assets/(Liabilities)**

		Group	
	Note	**31.12.2022 RM'000**	**30.6.2021 RM'000**
At 1 July		334	(775)
Acquisition of subsidiaries	7(d)	(205)	-
Recognised in profit or loss	29	253	1,109
At 31 December/30 June		382	334

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	31.12.2022 RM'000	**30.6.2021 RM'000**
Deferred tax assets	453	589
Deferred tax liabilities	(71)	(255)
	382	334

10. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The components and movements of the deferred tax assets and liabilities of the Group are as follows:

Deferred tax assets

	Right-of-use assets and lease liabilities RM'000	Provisions RM'000	Other temporary differences RM'000	Unutilised capital allowances RM'000	Unutilised industrial building allowances RM'000	Unused tax losses RM'000	Total RM'000
Group							
At 1 July 2021	-	4,217	46	54	-	-	4,317
Acquisition of subsidiaries [Note 7(d)]	-	871	(201)	-	24	-	694
Recognised in profit or loss	52	(609)	648	319	(24)	11	397
Under/(Over) provision in prior year	15	(354)	(40)	35	-	-	(344)
Disposal of subsidiaries	-	-	-	(3)	-	(1)	(4)
At 31 December 2022 (before offsetting)	67	4,125	453	405	-	10	5,060
Offsetting							(4,607)
At 31 December 2022 (after offsetting)							453
At 1 July 2020	-	3,278	4	-	-	-	3,282
Recognised in profit or loss	-	939	42	99	-	-	1,080
Over provision in prior year	-	-	-	(45)	-	-	(45)
At 30 June 2021 (before offsetting)	-	4,217	46	54	-	-	4,317
Offsetting							(3,728)
At 30 June 2021 (after offsetting)							589

10. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax liabilities

	Accelerated capital allowances RM'000	Leasehold land and building at deemed cost RM'000	Fair value adjustment on investment properties RM'000	Other temporary differences RM'000	Total RM'000
Group					
At 1 July 2021	(1,379)	(2,311)	(292)	(1)	(3,983)
Acquisition of subsidiaries [Note 7(d)]	(77)	-	(822)	-	(899)
Recognised in profit or loss	(164)	-	223	93	152
Over provision in prior year	114	-	27	(93)	48
Disposal of subsidiaries	4	-	-	-	4
At 31 December 2022 (before offsetting)	(1,502)	(2,311)	(864)	(1)	(4,678)
Offsetting					4,607
At 31 December 2022 (after offsetting)					(71)
At 1 July 2020	(930)	(2,311)	(800)	(16)	(4,057)
Recognised in profit or loss	(453)	-	508	15	70
Over provision in prior year	4	-	-	-	4
At 30 June 2021 (before offsetting)	(1,379)	(2,311)	(292)	(1)	(3,983)
Offsetting					3,728
At 30 June 2021 (after offsetting)					(255)

10. **Deferred Tax Assets/(Liabilities) (Cont'd)**

The deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	31.12.2022 RM'000	**30.6.2021 RM'000**	**31.12.2022 RM'000**	**30.6.2021 RM'000**
Accelerated capital allowances	25	-	-	-
Right-of-use assets and lease liabilities	7	-	-	-
Provisions	15,470	10,065	363	124
Other temporary differences	2,435	3,353	-	-
Unutilised capital allowances	137	213	-	-
Unutilised industrial building allowances	100	-	-	-
Unused tax losses	21,944	9,845	-	523
	40,118	23,476	363	647

The deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen from subsidiaries that have recent history of losses.

10. **Deferred Tax Assets/(Liabilities) (Cont'd)**

For Malaysian entities, pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (ie: from year of assessment 2019 to 2028) under the current tax legislation.

The recognised and unrecognised unused tax losses shall be disregarded after the end of the year of assessment as follows:

	Group		Company	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
2028	346	586	-	523
2029	65	-	-	-
2030	3,154	2,911	-	-
2031	6,051	5,922	-	-
2032	12,370	-	-	-
Indefinite*	-	426	-	-
	21,986	9,845	-	523

* The recognised and unrecognised unused tax losses of foreign subsidiaries can be carried forward indefinitely. The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the subsidiaries operate.

11. Inventories

	Group	
	31.12.2022	30.6.2021
	RM'000	RM'000
At cost		
Raw materials, parts and accessories	2,267	1,380
Work-in-progress	964	708
Goods-in-transit	-	428
Finished goods	7,922	6,682
	11,153	9,198
At net realisable value		
Finished goods	-	1,413
	11,153	10,611
Recognised in profit or loss		
Inventories recognised as cost of sales	68,264	33,061
Inventories written down to net realisable value	-	392
Reversal of inventories written down	(1,413)	-

12. Contract Assets/(Liabilities)

	Group	
	31.12.2022	30.6.2021
	RM'000	RM'000
Contract assets relating to construction contracts	143,516	42,348
Less: Accumulated impairment losses	(7,515)	(6,294)
	136,001	36,054
Contract liabilities relating to construction contracts	(24,516)	(8,286)
	111,485	27,768

Included in the contract assets are net retention sum receivables amounting to RM34,351,000 (30.6.2021: RM16,047,000). The retention sum receivables are expected to be collected within the period range from 1 to 4 (30.6.2021: 1 to 4) years.

12. **Contract Assets/(Liabilities) (Cont'd)**

	Group	
	31.12.2022	**30.6.2021**
	RM'000	**RM'000**
At 1 July	27,768	21,576
Acquisition of subsidiaries [Note 7(d)]	30,737	-
Contract revenue recognised during the financial period/year	356,189	99,463
Billings during the financial period/year	(302,921)	(91,933)
Impairment losses recognised	(2,181)	(3,554)
Reversal of impairment losses	1,893	2,216
At 31 December/30 June	111,485	27,768
Presented as:		
Contract assets	136,001	36,054
Contract liabilities	(24,516)	(8,286)
	111,485	27,768

Movements in the allowance for impairment losses on contract assets are as follows:

	Lifetime allowance RM'000	**Credit impaired RM'000**	**Loss allowance RM'000**
Group			
At 1 July 2021	79	6,215	6,294
Acquisition of subsidiaries	1,504	-	1,504
Impairment losses recognised	226	1,955	2,181
Reversal of impairment losses	(1,280)	(613)	(1,893)
Written off	-	(571)	(571)
At 31 December 2022	529	6,986	7,515
At 1 July 2020	117	5,511	5,628
Impairment losses recognised	-	3,554	3,554
Reversal of impairment losses	(38)	(2,178)	(2,216)
Written off	-	(672)	(672)
At 30 June 2021	79	6,215	6,294

12. **Contract Assets/(Liabilities) (Cont'd)**

The contract assets represent the unbilled amount for work completed at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

Contract value yet to be recognised as revenue

The revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date is RM631 million (30.6.2021: RM351 million).

The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 to 24 months.

13. **Trade Receivables**

	Group	
	31.12.2022	**30.6.2021**
	RM'000	**RM'000**
Trade receivables	76,501	40,203
Less: Accumulated impairment losses	(23,263)	(17,491)
	53,238	22,712

Trade receivables of the Group are non-interest bearing and are generally on 30 to 90 days (30.6.2021: 30 to 90 days) terms. Other credit terms are assessed and approved on a case by case basis. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

13. **Trade Receivables (Cont'd)**

Movements in the allowance for impairment losses on trade receivables are as follows:

	Lifetime allowance RM'000	Credit impaired RM'000	Loss allowance RM'000
Group			
At 1 July 2021	1,285	16,206	17,491
Acquisition of subsidiaries	202	4,334	4,536
Impairment losses recognised	1,373	2,377	3,750
Reversal of impairment losses	(55)	(2,282)	(2,337)
Written off	-	(64)	(64)
Disposal of a subsidiary	-	(113)	(113)
At 31 December 2022	2,805	20,458	23,263
At 1 July 2020	1,882	20,498	22,380
Impairment losses recognised	527	1,879	2,406
Reversal of impairment losses	(1,149)	(5,602)	(6,751)
Written off	25	(569)	(544)
At 30 June 2021	1,285	16,206	17,491

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

13. **Trade Receivables (Cont'd)**

The ageing analysis of trade receivables at the end of the reporting period are as follows:

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
31.12.2022			
Not past due	43,101	(722)	42,379
Past due			
Less than 3 months	6,723	(681)	6,042
3 to 6 months	5,173	(987)	4,186
More than 6 months	1,046	(415)	631
	12,942	(2,083)	10,859
Credit Impaired			
Individually impaired	20,458	(20,458)	-
	76,501	(23,263)	53,238
Group			
30.6.2021			
Not past due	11,557	(77)	11,480
Past due			
Less than 3 months	3,604	(71)	3,533
3 to 6 months	1,398	(305)	1,093
More than 6 months	7,438	(832)	6,606
	12,440	(1,208)	11,232
Credit Impaired			
Individually impaired	16,206	(16,206)	-
	40,203	(17,491)	22,712

Trade receivables that are not past due nor individually impaired are creditworthy debtors with good payment records with the Group.

As at 31 December 2022, gross trade receivables of RM12,942,000 (30.6.2021: RM12,440,000) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM20,458,000 (30.6.2021: RM16,206,000). These relate to a number of independent customers that are in financial difficulties and have defaulted on payments.

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14. Other Receivables

	Group		Company	
	31.12.2022	30.6.2021	31.12.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Other receivables				
- Related party	31	-	31	-
- Third parties	9,450	2,457	-	16
	9,481	2,457	31	16
Deposits	34,083	820	16,856	1
Prepayments	8,144	3,275	1,552	37
	51,708	6,552	18,439	54
Less: Accumulated impairment losses	(228)	(34)	-	-
	51,480	6,518	18,439	54

Related party represent a subsidiary of the corporate shareholder of the Company.

Included in deposits of the Group and of the Company is an amount of RM16,730,000 (30.6.2021: Nil) paid for the proposed acquisition of subsidiaries as disclosed in Note 39(b). The proposed acquisitions are pending completion as at the date of this report.

Movements in the allowance for impairment losses of other receivables are as follows:

	Group		Company	
	31.12.2022	30.6.2021	31.12.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
At 1 July	34	34	-	-
Impairment losses recognised	194	-	-	-
At 31 December/30 June	228	34	-	-

15. Amount Due from/(to) Subsidiaries

These represent unsecured, non-interest bearing advances and repayable on demand.

16. **Other Investments**

	Group		Company	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value through profit or loss				
In Malaysia				
Unit trust	2,985	40,489	-	2,692
Quoted shares	32,885	7,320	32,885	7,320
	35,870	47,809	32,885	10,012

The fair value of the listed equity securities was determined by reference to the quoted price in an active market, and the fair value of the trust funds was determined by reference to the quoted prices provided by financial intermediaries.

	Group		Company	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Financial assets measured at fair value through profit or loss				
Over the counter trust funds and quoted shares measured at fair value on recurring basis and classified as level 1 of the fair value hierarchy	35,870	47,809	32,885	10,012

17. Fixed Deposits with Licensed Banks

	Group		Company	
	31.12.2022 RM'000	30.6.2021 RM'000	31.12.2022 RM'000	30.6.2021 RM'000
Fixed deposits with licensed banks with maturity less than 3 months	605	-	-	-
Fixed deposits pledged with licensed banks	4,517	195	1,000	-
	5,122	195	1,000	-

The fixed deposits with licensed banks of the Group and of the Company amounting to RM4,517,000 and RM1,000,000 (30.6.2021: RM195,000 and Nil) respectively have been pledged as securities for the banking facilities granted to the Group as disclosed in Note 23(b).

Including in the fixed deposits pledged with licensed banks of the Group amounting to RM198,000 (30.6.2021: RM195,000) is held in trust by a Director of the Company and a Director of the subsidiaries.

The maturity of the fixed deposits of the Group and of the Company are 30 to 365 days and 365 days (30.6.2021: 365 days and Nil) respectively.

The weighted average interest rates per annum of the fixed deposits with licensed banks of the Group and of the Company are 5.13% and 1.80% (30.6.2021: 1.84% and Nil) respectively.

18. Share Capital

	Group and Company			
	Number of shares		Amount	
	31.12.2022 Units ('000)	30.6.2021 Units ('000)	31.12.2022 RM'000	30.6.2021 RM'000
Issued and fully paid ordinary shares				
At 1 July	295,249	262,724	101,323	69,774
Exercise of warrants	-	32,525	-	31,549
At 31 December/30 June	295,249	295,249	101,323	101,323

18. **Share Capital (Cont'd)**

In the previous financial year, the Company increased its issued and paid-up ordinary shares from RM69,773,647 to RM101,322,849 pursuant to the conversion of 32,524,950 warrants at exercise price of RM0.97 per ordinary share for total cash consideration of RM31,549,202.

The new ordinary shares issued in the previous financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

19. **Treasury Shares**

	Group and Company			
	Number of shares		**Amount**	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	Units ('000)	**Units ('000)**	**RM'000**	**RM'000**
At 1 July	6,253	16,117	4,810	12,399
Share repurchased	12,996	-	12,760	-
Disposal of treasury shares	(13,847)	-	(12,639)	-
Distribution as share dividends	-	(9,864)	-	(7,589)
At 31 December/30 June	5,402	6,253	4,931	4,810

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 21 December 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

The Company has the right to cancel, resell these shares and/or distribute these shares as dividends at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

19. Treasury Shares (Cont'd)

During the current financial period, the Company repurchased a total of 12,995,600 ordinary shares of its issued share capital from the open market at an average price of RM0.98 per share. The total consideration paid for the repurchase, including transaction costs was RM12,759,897. The repurchase transactions were financed by internally generated funds. The ordinary shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

During the current financial period, the Company disposed of a total of 13,846,447 ordinary shares of its issued share capital at an average price of RM1.50 per share. The total consideration received from the disposal was RM20,382,194.

In the previous financial year, the Company distributed 9,864,253 treasury shares as share dividends on the basis of 40 treasury shares for every 1,000 existing ordinary shares held in the Company. The distribution of treasury shares as share dividends is in accordance with Section 127(7)(a) of the Companies Act 2016 and are presented as a deduction from retained earnings.

20. Merger Deficit

The merger deficit is related to the subsidiaries which were consolidated under merger accounting principles.

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries upon consolidation using merger accounting principles.

21. Foreign Currency Translation Reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

22. Lease Liabilities

		Group		Company	
		31.12.2022	30.6.2021	31.12.2022	30.6.2021
	Note	RM'000	RM'000	RM'000	RM'000
At 1 January		3,514	3,264	-	-
Acquisition of subsidiaries	7(d)	681	-	-	-
Additions		1,637	2,341	136	-
Accretion of interest		212	147	4	-
Payments		(3,274)	(2,238)	(71)	-
Lease modification		(56)	-	-	-
Disposal of a subsidiary	7(g)	(45)	-	-	-
At 31 December		2,669	3,514	69	-
Presented as:					
Non-current		1,269	1,673	-	-
Current		1,400	1,841	69	-
		2,669	3,514	69	-

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows:

	Group		Company	
	31.12.2022	30.6.2021	31.12.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments				
Within one year	1,543	1,937	71	-
Later than one year but not later than two years	777	1,801	-	-
Later than two years but not later than five years	557	-	-	-
	2,877	3,738	71	-
Less: Future finance charges	(208)	(224)	(2)	-
Present value of lease liabilities	2,669	3,514	69	-

The Group leases various motor vehicles and buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group and of the Company at the reporting date are 3.83% and 4.23% (30.6.2021: 4.28% and 6.53%) respectively.

23. **Bank Borrowings**

	Group		Company	
	31.12.2022 RM'000	**30.6.2021 RM'000**	**31.12.2022 RM'000**	**30.6.2021 RM'000**
Secured				
Bank overdraft	4,689	-	4,689	-
Bankers' acceptance	29,290	-	-	-
Revolving credit	77,000	-	77,000	-
Term loans	114,403	36,825	90,035	-
	225,382	36,825	171,724	-
Non-current				
Secured				
Revolving credit	30,000	-	30,000	-
Term loans	102,641	32,290	81,005	-
	132,641	32,290	111,005	-
Current				
Secured				
Bank overdraft	4,689	-	4,689	-
Bankers' acceptance	29,290	-	-	-
Revolving credit	47,000	-	47,000	-
Term loans	11,762	4,535	9,030	-
	92,741	4,535	60,719	-
	225,382	36,825	171,724	-

The bank overdraft, bankers' acceptance, revolving credit and term loans are secured by the followings:

(a) legal charge over freehold and leasehold land and buildings of certain subsidiaries as disclosed in Notes 4, 5(a) and 6(a) respectively;

(b) pledged of fixed deposits as disclosed in Note 17; and

(c) corporate guarantee by the Company.

23. **Bank Borrowings (Cont'd)**

Maturity of the bank borrowings of the Group and of the Company are as follows:

	Group		Company	
	31.12.2022 RM'000	30.6.2021 RM'000	31.12.2022 RM'000	30.6.2021 RM'000
Within one year	92,741	4,535	60,719	-
Between one and two years	13,177	3,664	10,530	-
Between two and five years	57,950	11,061	51,340	-
After five years	61,514	17,565	49,135	-
	225,382	36,825	171,724	-

The weighted average interest rates per annum of the bank borrowings of the Group and of the Company at the reporting date are as follows:

	Group		Company	
	31.12.2022 %	30.6.2021 %	31.12.2022 %	30.6.2021 %
Bank overdraft	6.50	-	6.50	-
Bankers' acceptance	4.70	-	-	-
Revolving credit	4.79	-	4.79	-
Term loans	4.85	3.00	5.09	-

24. Trade Payables

	Group	
	31.12.2022 RM'000	30.6.2021 RM'000
Trade payables	38,659	20,704
Retention sum payable	27,163	-
Trade accruals	10,715	15,429
	76,537	36,133

The normal trade credit term granted to the Group range from 30 to 90 days (30.6.2021: 30 to 90 days) depending on the terms of the contracts.

25. Other Payables

	Group		Company	
	31.12.2022 RM'000	30.6.2021 RM'000	31.12.2022 RM'000	30.6.2021 RM'000
Other payables				
- Related parties	9,981	810	9,947	-
- Third parties	13,877	2,327	9,514	6
	23,858	3,137	19,461	6
Accruals	10,741	6,352	848	222
Deposits received	17,726	9,643	-	-
	52,325	19,132	20,309	228

Related parties represent a director of a subsidiary and companies in which certain Directors of the Company has substantial financial interest.

Included in other payables of the Group and of the Company is an amount of RM10,000,000 (30.6.2021: Nil) payable to the vendor for the acquisition of 40% equity interest in SASB as disclosed in Note 7(e)(i).

26. **Revenue**

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	**1.7.2021 to 31.12.2022 RM'000**	**1.7.2020 to 30.6.2021 RM'000**
Revenue from contracts with customers				
Sale of goods	75,563	43,963	-	-
Contract revenue	356,189	99,463	-	-
Management fees from subsidiaries	-	-	7,569	2,210
Total revenue from contracts with customers	431,752	143,426	7,569	2,210
Revenue from other sources				
Rental income	230	195	-	-
Dividend income from subsidiaries	-	-	5,000	15,500
Total revenue from other sources	230	195	5,000	15,500
	431,982	143,621	12,569	17,710
Timing of revenue recognition				
At a point in time	75,563	43,963	-	-
Over time	356,189	99,463	7,569	2,210
Total revenue from contracts with customers	431,752	143,426	7,569	2,210

26. **Revenue (Cont'd)**

Disaggregation of the Group's revenue from contracts with customers:

	Design manufacture and retail of kitchen and wardrobe systems RM'000	Manufacture of glass and aluminium products RM'000	Interior fit-out works RM'000	Total RM'000
Group				
1.7.2021 to 31.12.2022				
Major goods and services				
Sale of goods	73,543	1,556	464	75,563
Contract revenue	98,306	141,620	116,263	356,189
Total revenue from contracts with customers	171,849	143,176	116,727	431,752
Geographical market				
Malaysia	161,568	143,176	116,727	421,471
Outside Malaysia	10,281	-	-	10,281
Total revenue from contracts with customers	171,849	143,176	116,727	431,752
Timing of revenue recognition				
At a point in time	73,543	1,556	464	75,563
Over time	98,306	141,620	116,263	356,189
Total revenue from contracts with customers	171,849	143,176	116,727	431,752

26. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers: (Cont'd)

	Design manufacture and retail of kitchen and wardrobe systems RM'000	Marketing and distribution of white goods RM'000	Manufacture of glass and aluminium products RM'000	Total RM'000
Group				
1.7.2020 to 30.6.2021				
Major goods and services				
Sale of goods	39,853	4,110	-	43,963
Contract revenue	42,985	-	56,478	99,463
Total revenue from contracts with customers	82,838	4,110	56,478	143,426
Geographical market				
Malaysia	75,974	4,110	56,478	136,562
Outside Malaysia	6,864	-	-	6,864
Total revenue from contracts with customers	82,838	4,110	56,478	143,426
Timing of revenue recognition				
At a point in time	39,853	4,110	-	43,963
Over time	42,985	-	56,478	99,463
Total revenue from contracts with customers	82,838	4,110	56,478	143,426

27. Finance Costs

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Interest expenses on:				
Bank overdraft	23	-	-	-
Bankers' acceptance	1,174	126	-	-
Term loans	2,939	1,326	1,215	-
Lease liabilities	212	147	4	-
Others	551	84	504	-
	4,899	1,683	1,723	-

28. Profit before Tax

Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Auditors' remuneration:				
- Statutory audit:				
- Current period/year	373	268	80	71
- (Over)/Under provision in prior year	-	(35)	-	23
- Other	25	25	5	6
Bad debt written off	-	72	-	-
Contract assets written off	-	1,073	-	-
Deposit written off	6	-	-	-
Depreciation of:				
- Property, plant and equipment	3,347	1,417	6	-
- Right-of-use assets	3,249	2,316	68	-
Fair value losses on:				
- Investment properties	2,571	3,930	-	-
- Other investments	6,975	965	6,975	965

28. **Profit before Tax (Cont'd)**

Profit before tax is arrived at after charging/(crediting): (Cont'd)

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Impairment losses on:				
- Goodwill on consolidation	-	395	-	-
- Contract assets	2,181	3,554	-	-
- Trade receivables	3,750	2,406	-	-
- Other receivables	194	-	-	-
Incorporation fee	10	-	-	-
Inventories written down to net realisable value	-	392	-	-
Leases expenses relating to short-term leases	846	155	-	-
Loss/(Gain) on foreign exchange:				
- Realised	310	175	2	-
- Unrealised	(63)	(17)	-	-
Non-executive Directors' fee	423	255	423	255
Property, plant and equipment written off	958	6	-	-
Bad debt recovered	-	(22)	-	-
Dividend income from other investments	(4,015)	-	(4,015)	-
Gain on strike off of subsidiaries	-	(254)	-	-
Gain on disposal of:				
- Investment in subsidiaries	(84)	-	-	-
- Investment properties	(149)	-	-	-
- Property, plant and equipment	(13,727)	(43)	-	-
- Other investments	(8,167)	-	(8,167)	-
Income from other investments	-	(839)	-	(52)
Interest income from:				
- Licensed banks	(476)	(156)	(174)	(77)
- Others	(63)	-	(30)	-
Rental income	(1,592)	(947)	-	-
Reversal of inventories written down	(1,413)	-	-	-
Reversal of impairment losses on:				
- Contract assets	(1,893)	(2,216)	-	-
- Trade receivables	(2,337)	(6,751)	-	-

29. Taxation

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Tax expenses recognised in profit or loss				
Current tax provision				
- Malaysian income tax	11,650	4,986	300	18
- Foreign tax	41	-	-	-
Under/(Over) provision in prior years	397	(169)	1	-
	12,088	4,817	301	18
Real property gains tax	1,368	-	-	-
Deferred tax (Note 10)				
Relating to origination and reversal of temporary differences	(549)	(1,150)	-	-
Under provision in prior years	296	41	-	-
	(253)	(1,109)	-	-
	13,203	3,708	301	18

Malaysian income tax is calculated at the statutory tax rate of 24% (30.6.2021: 24%) of the estimated assessable profits for the financial period/year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

29. **Taxation (Cont'd)**

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	**1.7.2021 to 31.12.2022 RM'000**	**1.7.2020 to 30.6.2021 RM'000**
Profit before tax	50,454	9,972	12,222	14,486
At Malaysian statutory tax rate of 24% (30.6.2021: 24%)	12,109	2,393	2,933	3,477
Effect of different tax rate in other jurisdictions	(122)	(3)	-	-
Income not subject to tax	(8,968)	(803)	(4,202)	(3,732)
Expenses not deductible for tax purposes	5,091	2,329	1,637	144
Deferred tax assets not recognised	3,517	1,752	-	129
Utilisation of deferred tax not recognised	(485)	(1,832)	(68)	-
Real property gains tax	1,368	-	-	-
Under/(Over) provision of income tax in prior years	397	(169)	1	-
Over provision of deferred tax in prior years	296	41	-	-
Tax expenses for the financial period/year	13,203	3,708	301	18

29. **Taxation (Cont'd)**

The Group and the Company have the following estimated unutilised capital allowances, unutilised investment tax allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unutilised capital allowances	1,825	584	-	-
Unutilised industrial building allowances	100	-	-	-
Unused tax losses	21,986	9,845	-	523
	23,911	10,429	-	523

30. **Earnings per Share**

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial period/year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	1.7.2021 to 31.12.2022	**1.7.2020 to 30.6.2021**
Profit attributable to the owners of the parent (RM'000)	34,536	8,479
Weighted average number of ordinary shares in issue (in thousand of shares)		
- Ordinary shares in issue as at 1 July	295,249	262,724
- Treasury shares held as at 1 July	(6,253)	(16,117)
- Exercise of warrants	-	6,482
- Distribution of treasury shares as share dividends	-	5,134
- Share repurchased	(12,996)	-
- Disposal of treasury shares	3,783	-
Weighted average number of ordinary shares in issue as at 31 December/30 June (in thousand of shares)	279,783	258,223
Basic earnings per ordinary share (sen)	12.3	3.3

30. **Earnings per Share (Cont'd)**

(b) Diluted earnings per share

The Group has 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 reporting period and before the authorisation of these financial statements.

31. **Dividends**

	Group and Company	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**
Dividends recognised as distribution to ordinary shareholders of the Company		
Distribution of treasury shares as share dividends of RM0.769 per treasury share in respect of the financial year ended 30 June 2021	-	7,589

The Directors do not recommend any dividend in respect of the current financial period.

32. Staff Costs

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Fees	10	-	-	-
Salaries, wages and other emoluments	45,734	16,724	5,249	1,435
Defined contribution plans	4,811	2,225	567	184
Social security contributions	451	184	39	3
Other benefits	2,423	876	351	48
	53,429	20,009	6,206	1,670

Included in the staff costs above is aggregate amount of remuneration received/receivable by the Executive Directors of the Company and its subsidiaries during the financial period/year as below:

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Executive Directors of the Company				
Salaries, other emoluments and benefit	126	1,067	126	1,067
Defined contribution plans	18	126	18	126
	144	1,193	144	1,193
Executive Directors of the subsidiaries				
Fees	10	-	-	-
Salaries, other emoluments and benefit	2,645	927	-	-
Defined contribution plans	327	103	-	-
	2,982	1,030	-	-
	3,126	2,223	144	1,193

33. Reconciliation of Liabilities Arising from Financing Activities

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 July RM'000	Financing cash flows (i) RM'000	Acquisition of subsidiaries [Note 7(d)] RM'000	New lease [Note 5(c)] RM'000	Other changes (ii) RM'000	Disposal of a subsidiary [Note 7(g)] RM'000	At 31 December/ 30 June RM'000
Group								
31.12.2022								
Lease liabilities	22	3,514	(3,062)	681	1,637	(56)	(45)	2,669
Bankers' acceptance	23	-	22,148	7,142	-	-	-	29,290
Revolving credit	23	-	77,000	-	-	-	-	77,000
Term loans	23	36,825	63,847	13,731	-	-	-	114,403
		40,339	159,933	21,554	1,637	(56)	(45)	223,362
30.6.2021								
Lease liabilities	22	3,264	(2,091)	-	2,341	-	-	3,514
Bankers' acceptance	23	399	(399)	-	-	-	-	-
Term loans	23	41,472	(4,647)	-	-	-	-	36,825
		45,135	(7,137)	-	2,341	-	-	40,339

33. **Reconciliation of Liabilities Arising from Financing Activities (Cont'd)**

The table below shows the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Note	At 1 July RM'000	Financing cash flows (i) RM'000	New lease [Note 5(c)] RM'000	At 31 December RM'000
Company					
31.12.2022					
Lease liabilities	22	-	(67)	136	69
Revolving credit	23	-	77,000	-	77,000
Term loans	23	-	90,035	-	90,035
		-	166,968	136	167,104

(i) The financing cash flows include the net amount of proceeds from or repayment of bankers' acceptance, revolving credit and term loans and payment of lease liabilities in the statements of cash flows.

(ii) Other changes include lease modification.

34. **Financial Guarantees**

	Company 31.12.2022 RM'000	Company 30.6.2021 RM'000
Unsecured		
Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries	41,016	57,138

35. **Capital Commitments**

	Group 31.12.2022 RM'000	Group 30.6.2021 RM'000
Approved and contracted for:		
Purchase of property, plant and equipment	2,702	-
Purchase of investment properties	1,455	1,364
Investment in subsidiaries	140,847	-
	145,004	1,364

36. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial period/year:

	1.7.2021 to 31.12.2022 RM'000	1.7.2020 to 30.6.2021 RM'000
Group		
Transactions with companies in which certain Directors of the Company are also the Directors and/or shareholders that have substantial financial interests		
Sales of goods	60,834	-
Lease expenses paid	375	1,437
Purchases	3,968	788
Progress billing paid/payable	-	208
Progress billing received/receivable	-	3,113
Company		
Transactions with subsidiaries		
Dividend income received	5,000	15,500
Management fee received/receivable	7,569	2,210

36. **Related Party Disclosures (Cont'd)**

(c) Compensation of key management personnel

Information regarding compensation of key management personal are as follows:

	Group		Company	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	**1.7.2021 to 31.12.2022 RM'000**	**1.7.2020 to 30.6.2021 RM'000**
Directors of the Company				
Executive Directors				
Salaries, other emoluments and benefit	126	1,067	126	1,067
Defined contribution plans	18	126	18	126
	144	1,193	144	1,193
Non-Executive Directors				
Fees	423	255	423	255
Directors of the subsidiaries				
Executive Directors				
Fees	10	-	-	-
Salaries, other emoluments and benefit	2,645	927	-	-
Defined contribution plans	327	103	-	-
	2,982	1,030	-	-
Other key management personnel				
Short-term employee benefit:				
- Salaries, bonuses and other benefit	2,296	1,321	-	-
- Defined contribution plans	244	163	-	-
	2,540	1,484	-	-
	6,089	3,962	567	1,448

37. **Segment Information**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Directors as its Group operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services, and has five reportable segments as follows:

(i) Design, manufacture and retail of kitchen and wardrobe systems – involved in the designing, manufacturing and retailing of Group core business as in kitchen cabinets and wardrobe from point of design to delivery to the projects, retailers and end consumers.

(ii) Marketing and distribution of white goods – involved in the marketing and distribution of home appliances including white goods (eg. washing machines, hood, hob, oven, fridge, etc.) to projects, retailers and end consumers.

(iii) Manufacture of glass and aluminium products – involved in supplying and distribution of glass and aluminium products to projects and end consumers.

(iv) Interior fit-out works – specialises in interior fit-out and design consultation for commercial projects.

(v) Others – consists of dormant and investment holding companies which are non-core business and for investment holding purposes.

The Group Executive Directors assess the performance of the reportable segments based on their profit before interest expense and taxation. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Borrowings and investment-related activities are management on a group basis by the central treasury function and are not allocated to reportable segments.

Each reportable segment assets is measured based on all the assets (including goodwill) of the segment other than investments in associates and tax-related assets.

Each reportable segment liabilities is measured based on all liabilities of the segment other than borrowings and tax-related liabilities.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer pries between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

Capital expenditure consist of addition of property, plant and equipment and investment properties.

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37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Manufacture of glass and aluminium products RM'000	Interior fit-out works RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.7.2021 to 31.12.2022						
Revenue						
External customers	171,849	143,176	116,727	230	-	431,982
Inter-segment	49,507	20,811	4,816	12,569	(87,703)	-
Total revenue	221,356	163,987	121,543	12,799	(87,703)	431,982
Results						
Segment results	22,990	10,750	7,081	26,367	(9,590)	57,598
Interest income	763	36	136	203	(599)	539
Finance costs	(512)	(1,303)	(1,265)	(2,660)	841	(4,899)
Depreciation	(6,413)	(3,233)	(341)	(82)	3,473	(6,596)
Share of result of an associate, net of tax	-	-	-	3,812	-	3,812
Profit before tax	16,828	6,250	5,611	27,640	(5,875)	50,454
Taxation						(13,203)
Profit for the financial period						37,251
Non-controlling interests						(2,715)
Profit for the financial period attributable to owners of the parent						34,536

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37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Manufacture of glass and aluminium products RM'000	Interior fit-out works RM'000	Others RM'000	Elimination RM'000	Total RM'000
31.12.2022						
Assets						
Capital expenditure	15,182	3,188	136	976	(718)	18,764
Segment assets	250,897	109,644	96,317	171,461	(177,498)	450,821
Unallocated assets	1,697	40	338	183,860	131	186,066
						636,887
Liabilities						
Segment liabilities	115,046	93,284	73,394	227,538	(127,833)	381,429
Unallocated liabilities	1,421	1,303	594	264	-	3,582
						385,011

37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Manufacture of glass and aluminium products RM'000	Interior fit-out works RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.7.2021 to 31.12.2022						
Non-cash expenses/(income)						
Deposit written off	-	6	-	-	-	6
Fair value loss/(gain) on:						
- Investment properties	2,517	90	(70)	34	-	2,571
- Other investments	-	-	-	6,975	-	6,975
Impairment losses on:						
- Contract assets	575	98	1,443	-	65	2,181
- Trade receivables	3,393	188	106	-	63	3,750
- Other receivables	194	-	-	-	-	194
Property, plant and equipment written off	913	-	-	45	-	958
Gain on disposal of:						
- Investment in subsidiaries	-	-	-	-	(84)	(84)
- Investment properties	-	(86)	-	(63)	-	(149)
- Other investments	-	-	-	(8,167)	-	(8,167)
- Property, plant and equipment	(23)	-	(75)	(13,629)	-	(13,727)
Reversal of inventories written down	(1,413)	-	-	-	-	(1,413)
Reversal of impairment losses on:						
- Contract assets	(613)	-	(1,216)	-	(64)	(1,893)
- Trade receivables	(1,034)	(13)	(1,290)	-	-	(2,337)
Unrealised gain on foreign exchange	(63)	-	-	-	-	(63)

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37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Marketing and distribution of white goods RM'000	Manufacture of glass and aluminium products RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.7.2020 to 30.6.2021						
Revenue						
External customers	82,838	4,110	56,478	195	-	143,621
Inter-segment	22,053	1,818	12,238	17,710	(53,819)	-
Total revenue	104,891	5,928	68,716	17,905	(53,819)	143,621
Results						
Segment results	19,916	(375)	572	11,408	(16,289)	15,232
Interest income	1,026	3	18	77	(968)	156
Finance costs	(272)	(23)	(1,303)	(1,124)	1,039	(1,683)
Depreciation	(3,171)	(194)	(2,577)	(5)	2,214	(3,733)
Profit/(Loss) before tax	17,499	(589)	(3,290)	10,356	(14,004)	9,972
Taxation						(3,708)
Profit for the financial year						6,264
Non-controlling interests						2,215
Profit for the financial year attributable to owners of the parent						8,479

37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Marketing and distribution of white goods RM'000	Manufacture of glass and aluminium products RM'000	Others RM'000	Elimination RM'000	Total RM'000
30.6.2021						
Assets						
Capital expenditure	1,152	12	936	12,123	-	14,223
Segment assets	263,218	7,766	67,643	192,510	(212,820)	318,317
Unallocated assets	1,289	333	71	24	-	1,717
						320,034
Liabilities						
Segment liabilities	137,626	6,218	51,441	94,593	(185,988)	103,890
Unallocated liabilities	1,471	25	202	203	(97)	1,804
						105,694

37. **Segment Information (Cont'd)**

	Design, manufacture and retail of kitchen and wardrobe systems RM'000	Marketing and distribution of white goods RM'000	Manufacture of glass and aluminium products RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.7.2020 to 30.6.2021						
Non-cash expenses/(income)						
Bad debt written off	67	-	5	-	-	72
Contract asset written off	1,073	-	-	-	-	1,073
Fair value losses on:						
- Investment properties	435	-	368	3,127	-	3,930
- Other investments	-	-	-	965	-	965
Impairment losses on:						
- Goodwill on consolidation	-	395	-	-	-	395
- Contract assets	3,523	-	31	-	-	3,554
- Trade receivables	2,063	118	225	-	-	2,406
Inventories written down to net realisable value	-	392	-	-	-	392
Property, plant and equipment writte off	6	-	-	-	-	6
Gain on strike off of subsidiaries	-	-	-	-	(254)	(254)
Gain on disposal of property, plant and equipme	(43)	-	-	-	-	(43)
Income from other investments	(491)	(3)	(294)	(51)	-	(839)
Reversal of impairment losses on:						
- Contract assets	(2,216)	-	-	-	-	(2,216)
- Trade receivables	(6,605)	(47)	(99)	-	-	(6,751)
Unrealised gain on foreign exchange	(14)	(3)	-	-	-	(17)

37. **Segment Information (Cont'd)**

Elimination

Inter-segment revenue are eliminated on consolidation.

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment non-current assets are based on geographical location of the assets. The amount of non-current assets does not include financial instruments and deferred tax assets:

	Revenue		**Non-current assets**	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	**31.12.2022 RM'000**	**30.6.2021 RM'000**
Malaysia	421,701	136,757	315,894	153,178
Outside Malaysia	10,281	6,864	126	249
	431,982	143,621	316,020	153,427

Major customers

The Group has large and diversified customers base which consists of individuals and corporations. The following is the major customer with revenue equal of more than 10% of the Group's revenue:

	Revenue		**Segment**
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**	
Customer A	44,129	14,556	Manufacture of glass and aluminium products

38. **Financial Instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at FVTPL RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
31.12.2022				
Financial assets				
Trade receivables	-	53,238	-	53,238
Other receivables	-	43,336	-	43,336
Other investments	35,870	-	-	35,870
Fixed deposits with licensed banks	-	5,122	-	5,122
Cash and bank balances	-	25,791	-	25,791
	35,870	127,487	-	163,357
Financial liabilities				
Trade payables	-	-	76,537	76,537
Other payables	-	-	52,325	52,325
Lease liabilities	-	-	2,669	2,669
Bank borrowings	-	-	225,382	225,382
	-	-	356,913	356,913

38. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at FVTPL RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group				
30.6.2021				
Financial assets				
Trade receivables	-	22,712	-	22,712
Other receivables	-	3,243	-	3,243
Other investments	47,809	-	-	47,809
Fixed deposits with licensed banks	-	195	-	195
Cash and bank balances	-	40,991	-	40,991
	47,809	67,141	-	114,950
Financial liabilities				
Trade payables	-	-	36,133	36,133
Other payables	-	-	19,132	19,132
Lease liabilities	-	-	3,514	3,514
Bank borrowings	-	-	36,825	36,825
	-	-	95,604	95,604

38. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at FVTPL RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company				
31.12.2022				
Financial assets				
Other receivables	-	16,887	-	16,887
Amount due from subsidiaries	-	23,530	-	23,530
Other investments	32,885	-	-	32,885
Fixed deposits with licensed banks	-	1,000	-	1,000
Cash and bank balances	-	7,406	-	7,406
	32,885	48,823	-	81,708
Financial liabilities				
Other payables	-	-	20,309	20,309
Amount due to subsidiaries	-	-	1,970	1,970
Lease liabilities	-	-	69	69
Bank borrowings	-	-	171,724	171,724
	-	-	194,072	194,072
30.6.2021				
Financial assets				
Other receivables	-	17	-	17
Amount due from subsidiaries	-	46,078	-	46,078
Other investments	10,012	-	-	10,012
Cash and bank balances	-	25,625	-	25,625
	10,012	71,720	-	81,732
Financial liabilities				
Other payables	-	-	228	228
Amount due to subsidiaries	-	-	2,512	2,512
	-	-	2,740	2,740

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from deposits with banks, amount due from subsidiaries and financial guarantees given to licensed banks for banking facilities granted to certain subsidiaries. There are no significant changes as compared to prior year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to its subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk.

The Group's credit exposures are concentrated mainly on 2 (30.6.2021: 1) debtors, which accounted for 39% (30.6.2021: 10%) of total trade receivables balance at the end of the reporting period. There are no other customers which individually represents more than 10% of the total trade receivables balance. The Company has no significant concentration of credit risks except for advances to its subsidiaries where risks of default have been assessed to be low.

Financial guarantees

The Company provides unsecured financial guarantees to licensed banks for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The Company's maximum exposure to credit risk is RM41,016,000 (30.6.2021: RM57,138,000), representing the outstanding credit facilities of the subsidiaries at the end of the reporting period. There was no indication that any subsidiary would default on repayment at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
31.12.2022						
Non-derivative financial liabilities						
Trade payables	76,537	-	-	-	76,537	76,537
Other payables	52,325	-	-	-	52,325	52,325
Lease liabilities	1,543	777	557	-	2,877	2,669
Bank borrowings	94,928	19,419	71,931	66,499	252,777	225,382
	225,333	20,196	72,488	66,499	384,516	356,913

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
30.6.2021						
Non-derivative financial liabilities						
Trade payables	36,133	-	-	-	36,133	36,133
Other payables	19,132	-	-	-	19,132	19,132
Lease liabilities	1,937	1,801	-	-	3,738	3,514
Bank borrowings	5,605	4,577	13,142	18,839	42,163	36,825
	62,807	6,378	13,142	18,839	101,166	95,604

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company						
31.12.2022						
Non-derivative financial liabilities						
Other payables	20,309	-	-	-	20,309	20,309
Amount due to subsidiaries	1,970	-	-	-	1,970	1,970
Lease liabilities	71	-	-	-	71	69
Bank borrowing	61,845	15,852	63,211	51,968	192,876	171,724
Financial guarantee*	41,016	-	-	-	41,016	-
	125,211	15,852	63,211	51,968	256,242	194,072

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company			
30.6.2021			
Non-derivative financial liabilities			
Other payables	228	228	228
Amount due to subsidiaries	2,512	2,512	2,512
Financial guarantee*	57,138	57,138	-
	59,878	59,878	2,740

* Based on the maximum amount that can be called for under the financial guarantee contract.

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Chinese Renminbi ("RMB") and Euro ("EUR").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Denominated in				
	USD RM'000	**RMB RM'000**	**EUR RM'000**	**Others RM'000**	**Total RM'000**
Group					
31.12.2022					
Monetary assets					
Trade receivables	17	-	-	-	17
Other receivables	1,002	7,321	50	-	8,373
Cash and bank balances	2,951	2	14	23	2,990
Monetary liabilities					
Trade payables	(246)	-	(72)	-	(318)
Other payables	(451)	-	-	-	(451)
	3,273	7,323	(8)	23	10,611

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: (Cont'd)

	Denominated in					
	SGD RM'000	**USD RM'000**	**RMB RM'000**	**EUR RM'000**	**Others RM'000**	**Total RM'000**
Group						
30.6.2021						
Monetary assets						
Trade receivables	-	873	-	-	-	873
Other receivables	-	668	15	-	-	683
Cash and bank balances	-	2,874	2	6	23	2,905
Monetary liabilities						
Trade payables	(22)	(35)	-	(59)	-	(116)
Other payables	-	(395)	-	-	-	(395)
	(22)	3,985	17	(53)	23	3,950

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency risk sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the SGD, USD, RMB and EUR exchange rates against RM with all other variables held constant.

	Effects on profit before tax	
	1.7.2021 to 31.12.2022 RM'000	**1.7.2020 to 30.6.2021 RM'000**
Group		
Change in currency rate		
SGD		
- Strengthened by 5% (2021: 5%)	-	(1)
- Weakened by 5% (2021: 5%)	-	1
USD		
- Strengthened by 5% (2021: 5%)	164	199
- Weakened by 5% (2021: 5%)	(164)	(199)
RMB		
- Strengthened by 5% (2021: 5%)	366	1
- Weakened by 5% (2021: 5%)	(366)	(1)
EUR		
- Strengthened by 5% (2021: 5%)	-	(3)
- Weakened by 5% (2021: 5%)	-	3
Others		
- Strengthened by 5% (2021: 5%)	1	1
- Weakened by 5% (2021: 5%)	(1)	(1)

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	31.12.2022	**30.6.2021**	**31.12.2022**	**30.6.2021**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Fixed rate instruments:				
Financial assets				
Fixed deposits with licensed banks	5,122	195	1,000	-
Financial liabilities				
Lease liabilities	(2,669)	(3,514)	(69)	-
Floating rate instruments:				
Financial liabilities				
Bank overdraft	(4,689)	-	(4,689)	-
Bankers' acceptance	(29,290)	-	-	-
Revolving credit	(77,000)	-	(77,000)	-
Term loans	(114,403)	(36,825)	(90,035)	-
	(225,382)	(36,825)	(171,724)	-

38. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (decreased)/increased the Group's and the Company's profit before tax by RM2,254,000 and RM1,717,000 (1.7.2020 to 30.6.2021: RM368,000 and Nil) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia Securities Berhad and are classified as financial assets measured at fair value through profit or loss or financial assets measured at fair value through other comprehensive income.

Management of the Group monitors investments in quoted instruments on a portfolio basis. Material investments within the portfolio are managed on an individual basis.

Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 1% higher/lower, with all other variables held constant, the Group and the Company's profit before tax would have been RM1,644,000 (1.7.2020 to 30.6.2021: RM366,000), higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

38. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate borrowings approximate their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value, together with their fair value and carrying amount shown in the statements of financial position.

	Fair value of financial instruments carried at fair value				**Carrying amount**
	Level 1	**Level 2**	**Level 3**	**Total**	
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Group					
31.12.2022					
Financial asset					
Other investments	35,870	-	-	35,870	35,870
30.6.2021					
Financial asset					
Other investments	47,809	-	-	47,809	47,809
Company					
31.12.2022					
Financial asset					
Other investments	32,885	-	-	32,885	32,885
30.6.2021					
Financial asset					
Other investments	10,012	-	-	10,012	10,012

38. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

The fair value above has been determined using the following basis:

- The fair value of other investments was determined by reference to the quoted market price in an active market and/or provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial period.

39. **Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total equity. The Group and the Company include within net debt, lease liabilities and bank borrowings less cash and cash equivalents. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at the end of the reporting period are as follows:

	Group		**Company**	
	31.12.2022 RM'000	**30.6.2021 RM'000**	**31.12.2022 RM'000**	**30.6.2021 RM'000**
Lease liabilities	2,669	3,514	69	-
Bank borrowings (exclude bank overdraft)	220,693	36,825	167,035	-
	223,362	40,339	167,104	-
Less: Cash and cash equivalents	(24,692)	(81,480)	(2,717)	(28,317)
Net debt/(Excess fund)	198,670	(41,141)	164,387	(28,317)
Equity attributable to owners of the parent	243,756	208,359	131,092	111,549
Gearing ratio (times)	0.82	*	1.25	#

39. **Capital Management (Cont'd)**

* The gearing ratio of the Group and of the Company is not applicable as its cash and cash equivalents is sufficient to cover the entire obligation.

\# The gearing ratio is not applicable as the Company has no borrowings as at 30 June 2021.

There was no changes in the Group's approach to capital management during the financial period.

40. **Significant Events During the Financial Period and Subsequent to the End of the Reporting Period**

(a) Disposal of vacant freehold land

On 13 September 2021, Signature Realty Sdn. Bhd. ("Signature Realty"), a wholly-owned subsidiary of the Company, entered into conditional sale and purchase agreements with Ace Logistic Sdn. Bhd., a related party for the proposed disposal of three (3) pieces of vacant freehold land located at Bandar Baru Enstek, Tempat Bandar Baru Enstek, Daerah Seremban, Negeri Sembilan for a total cash consideration of RM54,567,000.

The disposals have been completed during the financial period.

(b) Proposed Acquisition of 75.0% equity interest in Corten Interior Solutions Pte Ltd and the entire equity interest in Areal Interior Solutions Pte Ltd

On 3 November 2022, the Company entered into the following conditional share sale agreements ("SSA"):

(i) SSA with Lim Leng Foo for the acquisition of 1,500,001 ordinary shares in Corten Interior Solutions Pte Ltd ("Corten") ("Corten Share(s)"), representing 75% equity interest in Corten, for a cash consideration of SGD45.00 million (equivalent to RM151.08 million) ("SSA I") ("Proposed Acquisition of Corten"); and

(ii) SSA with Lim Leng Foo and Chua Wei Ping for the acquisition of 1,000,001 ordinary shares in Areal Interior Solutions Pte Ltd ("Areal") ("Areal Share(s)"), representing the entire equity interest in Areal, for a cash consideration of SGD2.80 million (equivalent to RM9.40 million) ("SSA II") ("Proposed Acquisition of Areal").

(the Proposed Acquisition of Corten and Proposed Acquisition of Areal are collectively known as the "Proposed Acquisitions")

40. Significant Events During the Financial Period and Subsequent to the End of the Reporting Period (Cont'd)

(b) Proposed Acquisition of 75.0% equity interest in Corten Interior Solutions Pte Ltd and the entire equity interest in Areal Interior Solutions Pte Ltd (Cont'd)

Upon completion of the Proposed Acquisitions, Corten and Areal will become a 75%-owned subsidiary and a wholly-owned subsidiary of the Company respectively. Subject to the terms and conditions of the SSA in respect of the Proposed Acquisitions, the issued shares in Corten and Areal will be acquired free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto.

As part of the terms of the SSA I in respect of the Proposed Acquisition of Corten, the vendor of Corten guarantees that Corten shall achieve:

(i) a profit after taxation ("PAT") of not less than SGD10.00 million (equivalent to RM33.57 million) for the financial year ending 28 February 2023; and
(ii) a net asset value of not less than SGD25.00 million (equivalent to RM83.94 million) as at 28 February 2023.

The completion of SSA I is conditional upon the completion of SSA II, and vice versa.

Shareholders' approval for the Proposed Acquisitions was obtained on 23 March 2023. The Proposed Acquisition is expected to be completed by the second half of 2023.

(c) Proposed bonus issue

On 14 November 2022, the Company proposed to undertake a bonus issue of 295,248,685 new ordinary shares in the Company ("Bonus Share(s)"), on the basis of 1 Bonus Share for every 1 existing Signature Share held on the entitlement date to be determined and announced later ("Proposed Bonus Issue").

The Company has obtained approval from Bursa Malaysia Securities Berhad via its letter dated 13 January 2023 for the listing and quotation of 295,248,685 new ordinary shares to be issued pursuant to the Proposed Bonus Issue. Shareholders' approval for the Proposed Bonus Issue was obtained on 23 March 2023. The Bonus Shares will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 7 April 2023, being the next market day immediately after the Entitlement Date on 6 April 2023.

40. **Significant Events During the Financial Period and Subsequent to the End of the Reporting Period (Cont'd)**

(d) On 18 January 2023, the Company announced that it proposes to undertake a private placement up to 10% of the issued shares of the Company pursuant to the general mandate obtained from its shareholders at the annual general meeting convened on 21 December 2021, where the Board had been authorised to issue and allot new Signature Shares not exceeding 10% of the total number of issued shares in the Company (excluding treasury shares) at the time of issue ("Proposed Private Placement").

The Proposed Private Placement will only be implemented after the entitlement date of the Proposed Bonus Issue as disclosed in Note 40(c). Upon completion of the Proposed Bonus Issue, the enlarged issued share capital in the Company will comprise 590,497,370 Signature Shares.

The Proposed Private Placement will therefore involve the issuance of up to 57,969,337 new Signature Shares ("Placement Shares"), representing not more than 10% of the enlarged issued ordinary shares of the Company after the Proposed Bonus Issue (excluding treasury shares). However, the actual number of Placement Shares to be issued will be determined at a later date, after obtaining the relevant approvals.

The Proposed Private Placement is pending completion as at the date of this report.

(e) On 9 February 2023, SACSB, a 51%-owned subsidiary of the Company had subscribed 60 ordinary shares in Signature Stone Solutions Sdn. Bhd. ("SSS"), representing 60% of the total issued share capital of SSS.

41. **Comparative Information**

(a) The financial statements of the Group and of the Company as at 30 June 2021 were audited by another firm of chartered accountants.

(b) The comparative figures for the financial statements of previous financial year are from 1 July 2020 to 30 June 2021. As they reflect the results for 12 months, these are not comparable to current period results.

(c) The following reclassification were made to the financial statements of prior year to be consistent with current period presentation.

Statements of Financial Position

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Group			
Current Liabilities			
Other payables	18,322	810	19,132
Amount due to related party	810	(810)	-

Statements of Profit or Loss and Other Comprehensive Income

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Company			
Administrative expenses	(3,353)	965	(2,388)
Other expenses	-	(965)	(965)

41. **Comparative Information (Cont'd)**

(c) The following reclassification were made to the financial statements of prior year to be consistent with current period presentation. (Cont'd)

Statements of Cash Flows

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Group			
Operating Activities			
Adjustments for:			
Interest expenses on lease liabilities	147	(147)	-
Finance costs	1,329	354	1,683
Bad debt recovered	(22)	22	-
Gain on strike off of subsidiaries	-	(254)	(254)
Changes in working capital:			
Increase in contract assets	(3,162)	3,162	-
Decrease in contract liabilities	(5,441)	5,441	-
(Increase)/Decrease in inventories	(2,613)	2,613	-
(Increase)/Decrease in trade and other receivables	(1,774)	1,774	-
Increase/(Decrease) in trade and other payables	393	(393)	-
Inventories	-	(2,613)	(2,613)
Contract assets/liabilities	-	(8,603)	(8,603)
Trade and other receivables	-	(1,796)	(1,796)
Trade and other payables	-	1,457	1,457
Cash generated from operations			
Net income tax paid	(991)	991	-
Interest paid	(1,476)	(207)	(1,683)
Tax paid	-	(3,408)	(3,408)
Tax refund	-	2,417	2,417

41. **Comparative Information (Cont'd)**

(c) The following reclassification were made to the financial statements of prior year to be consistent with current period presentation. (Cont'd)

Statements of Cash Flows (Cont'd)

	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Group			
Investing Activities			
Placement of fixed deposits pledged with licensed banks	(4)	4	-
Financing Activities			
Advances from a related party	810	(810)	-
Increase in fixed deposits pledged with licensed banks	-	(4)	(4)
Company			
Operating Activities			
Adjustments for:			
Dividend income received from investment in subsidiaries	-	(15,500)	(15,500)
Changes in working capital:			
Amount due from subsidiaries	480	1,806	2,286
Investing Activities			
Net advances to subsidiaries	(13,694)	13,694	-

42. **Date of Authorisation for Issue of Financial Statements**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 4 April 2023.

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and they collectively and individually accept full responsibility for the completeness and accuracy of the information contained in this Circular. The Board hereby confirms that after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts contained in this Circular, the omission of which would make any statement in this Circular false or misleading.

All information relating to the SIB Group in this Circular has been obtained from public sources and/or the SIB Management. The responsibility of our Board with respect to such information is limited to ensuring that such information has been accurately reproduced in this Circular.

2. CONSENTS AND DECLARATION OF CONFLICT OF INTEREST

2.1 AmInvestment Bank

AmInvestment Bank has given and has not subsequently withdrawn its consent to the inclusion in this Circular of its name and all references thereto in the form and context in which it appears in this Circular.

AmInvestment Bank is a wholly-owned subsidiary of AMMB Holdings Berhad. AMMB Holdings Berhad and its group of companies ("**AmBank Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, commercial banking, private banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. AmBank Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

In the ordinary course of their businesses, any member of AmBank Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. Accordingly, there may be situations where parts of the AmBank Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of the Chin Hin Group.

As at the LPD, Chin Hin Group has an outstanding borrowing to the AmBank Group of approximately RM420.0 million. In addition, the Company has accepted a financing facility amounting to RM250.0 million from AmBank Group to fund the Proposed Offer. The said facilities represent less than 1% of the audited consolidated loans, advances and financing of AMMB Holdings Berhad as at 31 March 2023.

Notwithstanding the above, AmInvestment Bank is of the opinion that its role as the Principal Adviser for the Proposals does not give rise to a conflict of interest situation in view that:-

(i) the AmBank Group form a diversified financial group and is engaged in a wide range of transactions as highlighted above. AmInvestment Bank is a licensed investment bank and its appointment as the Principal Adviser in respect of the Proposals is in the ordinary course of business; and

(ii) each of the entities and departments of the AmBank Group are also subject to internal control and checks, which regulate the sharing of information between entities and departments. Additionally, each departments and entities within AmBank Group has separate and distinct operations and decisions are made independent of each other. In addition, the conduct of AmInvestment Bank is regulated by Bank Negara Malaysia.

(iii) For information purposes, the appointment of AmInvestment Bank as the Principal Adviser to Chin Hin for the Proposals and the funding from AmBank for the Proposed Offer is not inter-conditional upon each other. The Company, in determining the appointment of AmInvestment Bank as its Principal Adviser has the discretion to decide on who it may wish to procure the requisite funding for the Proposals.

2.2 Protégé

Protégé has, prior to the issue of this Circular, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references in the form and context in which they appear in this Circular.

Protégé is not aware of any existing conflict nor of any circumstances which would or is likely to give rise to a possible conflict of interest by virtue of its appointment as the Independent Market Researcher for the Proposals.

3. MATERIAL COMMITMENTS

Saved as disclosed below, the Board is not aware of any material commitments incurred or known to be incurred which upon becoming enforceable may have a material impact on the financial position or the business of the Chin Hin Group:-

Description	As at 31 December 2023 RM'000
• Acquisition of land held for property development	5,172
• Acquisition of property, plant and equipment	7,486
Total	**12,658**

4. CONTINGENT LIABILITIES

Saved as disclosed below, the Board is not aware of any contingent liabilities incurred or known to be incurred by the Chin Hin Group which, upon becoming due or enforceable, may have a material impact on the Chin Hin Group's financial position:-

Description	As at 31 December 2023 RM'000
• Corporate guarantees given to the licensed banks	906,164
• Bank guarantee issued to third parties	22,729
Total	**928,893**

5. MATERIAL LITIGATION

As at the LPD, there is no material litigation, claims or arbitration, either as plaintiff or defendant, which will have a material and/or adverse effect on the financial position or business of the Chin Hin Group, and the Board is not aware of any proceedings pending or threatened against the Chin Hin Group, or of any facts likely to give rise to any proceedings which may materially or adversely affect the financial position or business of the Group.

6. MATERIAL CONTRACTS

Save as disclosed below, the Chin Hin Group has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past two (2) years immediately preceding and up to the date of this Circular:-

(i) The SSAs as referred to in this Circular. The SSAs are pending completion as at the LPD and is expected to be completed by 2nd quarter of 2024;

(ii) Conditional share sale agreement dated 22 September 2023 entered between the Company and How Lian Yeong and Ong Hang Ping to acquire 6,218,200 ordinary shares in Ajiya, representing approximately 2.11% equity interest (excluding treasury shares) in Ajiya, for total cash consideration of RM9.51 million. This transaction was completed on 22 November 2023;

(iii) Conditional share sale agreement dated 10 December 2021 entered between Kayangan Kemas Sdn Bhd, a subsidiary of CHGPB, and Liew Jor Ho, Chai Yan Min and Yap Seng Hee ("**MSSB Vendors**") for the proposed acquisition of 1,500,000 shares in Makna Setia Sdn Bhd ("**Makna Setia**"), representing 60% equity interest in Makna Setia, for a purchase consideration of RM9.00 million, which will be satisfied fully via cash ("**CSSA**").

Kayangan Kemas Sdn Bhd had on 15 April 2022 entered into a supplemental share sale agreement with the MSSB Vendors ("**Supplemental SSA**") as well as a novation agreement with the MSSB Vendors and Chin Hin Construction Engineering Sdn Bhd (formerly known as Chin Hin Construction Sdn Bhd), a wholly owned subsidiary of CHGPB to novate the CSSA and the Supplemental SSA with immediate effect.

On 12 July 2022, the condition precedent of the CSSA have been fulfilled and the CSSA had been rendered unconditional on 22 July 2022. The purchase consideration was adjusted to RM7,916,977.20 based on the audited net assets value as at financial period ended 31 December 2021. The completion period falls on 12 August 2022. On 12 August 2022, CHGPB had announced that the said transaction has been completed;

(iv) Conditional share sale agreement dated 16 February 2022 entered between Chin Hin Construction Engineering Sdn Bhd (formerly known as Chin Hin Construction Sdn Bhd), a subsidiary of CHGPB, and Dato' Ong Boon Hai, Low Siang Tim, Goh Bee Tin, Pan Heng Seong, Teoh Teik Leong and Law & Loo Development Sdn. Bhd. for the proposed acquisition of 15,000,000 ordinary shares in Asia Baru Construction Sdn Bhd ("**ABC**"), representing 60% equity interest in ABC, for a purchase consideration of RM30.00 million, which will be satisfied fully via cash. On 17 May 2022, CHGPB had announced that the parties agreed to extend the conditional period of the said conditional sales sale agreement to 16 June 2022. On 16 June 2022, CHGPB further announced that the conditions precedent of the said conditional sales sale agreement have failed to be satisfied within the extended conditional period. As such, said conditional share sale agreement has ceased to have any effect;

(v) Conditional share sale agreement dated 18 March 2022 entered between the Company and Dato' Chan Wah Kiang and Avia Kapital Sdn Bhd to acquire 72,000,000 ordinary shares in Ajiya, representing approximately 24.68% equity interest (excluding treasury shares) in Ajiya, for total cash consideration of RM104.40 million. This transaction was completed on 28 April 2022;

(vi) Share sale agreement dated 30 April 2022 entered between the Company and a third party for the disposal of 100% equity interest in Midah Industries Sdn Bhd to the third party for a total consideration of RM21,624,000. This transaction was completed on 29 April 2022;

(vii) Conditional share sale agreement dated 17 May 2022 entered between the Company and DISB for the disposal of 129,100,000 ordinary shares in Solarvest Holdings Berhad ("**Solarvest**"), representing 19.34% equity interest in Solarvest to DISB for a cash consideration of RM103,280,000. This transaction was completed on 3 October 2022;

(viii) Share sale agreement dated 25 August 2022 entered between CHGPB and Chan Kin Keong ("**CKK**") for the acquisition of 3,000,000 ordinary shares in Kayangan Kemas Sdn Bhd, a subsidiary of CHGPB, representing 30% equity interest in Kayangan Kemas Sdn Bhd for a cash consideration of RM16.70 million. On 20 December 2022, CHGPB had announced that CHGPB and CKK agreed to extend the conditional period of the said agreement to 30 December 2022. On 22 December 2022, CHGPB further announced that the extension of the conditional period of the said agreement is to accommodate the time required to fulfil the last condition precedent, being the approval from shareholders which is expected to be obtained during the extraordinary general meeting to be convened on 30 December 2022. On 30 December 2022, CHGPB had announced that the conditions precedent of the said agreement for the acquisition has been fulfilled. Accordingly, the agreement for the acquisition has become unconditional on even date and was completed on 11 August 2023;

(ix) CHGPB on 23 March 2023 accepted the offer letter from AmInvestment Bank Berhad, the placement agent appointed by NCT to subscribe 75,405,000 NCT Shares via private placement at RM0.32 per NCT Share, representing 5.61% voting shares in NCT for a total cash consideration of RM24,129,600.00 only. NCT had on 27 March 2023 allotted the Placement Shares to CHGPB;

(x) On 31 May 2023, Chin Hin Concrete Holdings Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a share sale agreement with Fivestar Salute Sdn. Bhd ("**Fivestar**") for the disposal of entire equity interest in Chin Hin Concrete (KL) Sdn. Bhd. comprising 8,500,000 ordinary shares to Fivestar for a total cash consideration of RM26,924,212.00 only. This transaction was deemed completed on the even date;

(xi) Conditional joint development agreement dated 3 May 2023 entered between Stellar Platinum Sdn Bhd, a wholly owned subsidiary of CHGPB, and Ivory Meadows Sdn. Bhd. The agreement has been rendered unconditional on 5 January 2024 and is pending completion;

(xii) Sale and purchase agreement dated 10 January 2024 entered between Chin Hin Property (Penang) Sdn Bhd and Ivory Gleneary Sdn Bhd to acquire a plot of freehold land, for total cash consideration of RM40,000,000.00. The agreement has not been rendered unconditional and is pending completion;

(xiii) Sale and purchase agreements dated 16 January 2024 entered between Chin Hin Property (Melaka) Sdn Bhd and MDS Developments Management Sdn Bhd, Aim Development Worldwide Sdn Bhd and Aim Holdings Worldwide Sdn Bhd to acquire 6 parcels of 99 years leasehold lands, for total cash consideration of RM41,936,800.00. The agreements have not been rendered unconditional and is pending completion;

(xiv) On 29 February 2024, the Company had entered into a conditional share sale agreement with CHGPB for the acquisition of entire equity interest in Chin Hin Construction Engineering Sdn Bhd comprising 2 ordinary shares from CHGPB for a cash consideration of RM16,500,000.00. The agreement has not been rendered unconditional and is pending completion;

(xv) On 29 February 2024, the Company had entered into a conditional share sale agreement with CHGPB for the acquisition of 95% equity interest in Kayangan Kemas Sdn Bhd comprising 9,500,000 ordinary shares from CHGPB for a cash consideration of RM93,500,000.00. The agreement has not been rendered unconditional and is pending completion;

(xvi) On 29 February 2024, BKG Development Sdn Bhd ("**BKGD**"), a wholly owned subsidiary of the CHGPB, had entered into a shareholders agreement with Fiamma Holding Berhad ("**FHB**") and Fiamma Properties Sdn Bhd ("**FPSB**"), a wholly owned subsidiary of FHB for the proposed subscription of 5,833,334 ordinary shares in FPSB by BKGD, representing 70% enlarged ordinary share capital of FPSB at an issue price of RM1.00 per share. The agreement has not been rendered unconditional.

(xvii) On 29 February 2024, BKGD had entered into a shareholders agreement with FHB and Fiamma Land Sdn Bhd ("**FLSB**"), a wholly owned subsidiary of FHB for the proposed subscription of 1,166,667 ordinary shares in FLSB, representing 70% enlarged ordinary share capital of FLSB at an issue price of RM1.00 per share. The agreement has not been rendered unconditional.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Chin Hin Shares traded on the Main Market of Bursa Securities for the past 12 months preceding the date of the Circular are set out as below:-

	High RM	**Low RM**
<u>2023</u>		
February	4.35	3.48
March	4.80	3.73
April	4.80	4.15
May	4.43	4.12
June	4.74	4.12
July	4.59	4.18
August	4.40	4.22
September	4.31	4.02
October	4.04	3.78
November	4.02	3.61
December	3.77	3.37
<u>2024</u>		
January	3.68	3.40
February (up to the LPD)	4.09	3.45
Last transacted market price on 2 February 2024 (being the last market day prior to the announcement of the Proposals)		3.54
Last transacted market price as at the LPD		3.88

(Source: Bloomberg)

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of Chin Hin at 22-09, Menara 1MK, No.1 Jalan Kiara, Mont Kiara, 50480 Kuala Lumpur during normal office hours from Mondays to Fridays (except public holidays) following the date of this Circular up to and including the date of the EGM:-

(i) the SSAs;

(ii) the Undertakings;

(iii) the Constitution of Chin Hin and SIB;

(iv) the audited consolidated financial statements of Chin Hin Group for the past two FYEs 31 December 2021 and 31 December 2022 and the latest unaudited quarterly results of Chin Hin Group for the 12 months FPE 31 December 2023;

(v) the audited consolidated financial statements of SIB Group for the past two FYEs 31 December 2021 and 31 December 2022 and the latest unaudited quarterly results of SIB Group for the 12 months FPE 31 December 2023;

(vi) the letters of consent and declaration of conflict of interest referred to in Section 2 of Appendix III of this Circular;

(vii) the material contracts referred to in Section 6 of Appendix III of this Circular; and

(viii) the IMR Report on the furniture industry in Malaysia and in Singapore referred to in Section 5.3 of this Circular.

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CHIN HIN GROUP BERHAD
Registration No. 201401021421 (1097507-W)
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

EXTRAORDINARY GENERAL MEETING

Date	:	Friday, 29 March 2024
Time	:	10.00 a.m.
Virtual Meeting accessible at	:	https://web.vote2u.my
Domain Registration Numbers with MYNIC	:	D6A471702

The Extraordinary General Meeting ("**EGM**") will be held virtually and online remote voting using the Remote Participation and Voting Facilities ("**RPV**").

We strongly encourage our shareholders whose names appear on the Record of Depositors as at **22 March 2024** and holders of proxy for those shareholders to participate in the virtual EGM and vote remotely at this EGM. In line with the Malaysian Code on Corporate Governance Practice 13.3, this virtual EGM will facilitate greater shareholder's participation (including posting questions to the Board of Directors and/or Management of the Company) and vote at the EGM without being physically present at the venue. For shareholders who are unable to participate in this virtual EGM, you may appoint proxy(ies) *or* the Chairman of the Meeting as your proxy to attend and vote on your behalf at the EGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (shareholders and proxies). Hence, you are to ensure that internet connectivity throughout the duration of the meeting is maintained while using RPV provided by Agmo Digital Solutions Sdn. Bhd. ("**AGMO**") via its **Vote2U Online** website at https://web.vote2u.my.

PROCEDURES TO PARTICIPATE IN RPV

Please follow the Procedure to Participate in RPV as summarised below:-

BEFORE EGM DAY

A: REGISTRATION

Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	The registration will open from the day of notice a. Access website at https://web.vote2u.my b. Click "***Sign Up***" to sign up as a user. c. Read the 'Privacy Policy' and 'Terms & Conditions' and indicate your acceptance of the 'Privacy Policy' and 'Terms & Conditions' on a small box ◻. Then click "***Next***". d. *Fill-in your details (note: create your own password). Then click "***Continue***". e. Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian). f. Click ***"Submit"*** to complete the registration

	Description	Procedure
		g. Your registration will be verified and an email notification will be sent to you. Please check your email. Note: If you have registered as a user with Vote2U Online previously, you are not required to register again. *Check your email address is keyed in correctly. *Remember the password you have keyed-in.

B: REGISTER PROXY

Individual Shareholder / Corporate Shareholder / Nominees Company

	Description	Procedure
i.	Submit Form of Proxy (hardcopy)	The closing time to submit your hardcopy Form of Proxy is at **10.00 a.m. on Thursday, 28 March 2024.** a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information: o MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy o *Email address of the Proxy b. Submit/Deposit the hardcopy Form of Proxy to the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Note: After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U. *Check the email address of Proxy is written down correctly.

Shareholders who appoint Proxy(ies) to participate the virtual EGM must ensure that the hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

ON EGM DAY

A: WATCH LIVE STREAMING

Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	The Vote2U online portal will open for log in starting from **9.00 a.m. on Friday, 29 March 2024**, one (1) hour before the commencement of the EGM. a. Login with your email and password b. Select the General Meeting event (for example, "EGM"). c. Check your details. d. Click "***Watch Live***" button to view the live streaming.

B: ASK QUESTIONS
Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during EGM (real-time)	Questions submitted online using typed text will be moderated before being forwarded to the Chairman to avoid repetition. Every question and message will be presented with the full name of the shareholder or proxy raising the question. a. Click "***Ask Question***" button to post question(s). b. Type in your question and click "***Submit***". The Chairperson / Board of Director will endeavor to respond to questions submitted by remote shareholders and proxies during the EGM.

C: VOTING REMOTELY
Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	Once the Chairman announces the opening of remote voting: a. Click "***Confirm Details & Start Voting***". b. To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "***Next***" to continue voting for all resolutions. c. To change your vote, click "***Back***" and select another voting choice. d. After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "***Confirm***" to submit your vote. Please note that you are not able to change your voting choices after you have confirmed and submitted your votes.

ADDITIONAL INFORMATION

Voting Procedure

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

No Door Gift or e-Voucher or Food Voucher

There will be no door gift or e-Voucher or food voucher given at this EGM.

Enquiry

(a) For enquiries relating to the general meeting, please contact our **Investor Relation** during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:-

Email: info@chinhingroup.com

(b) For enquiries relating to RPV facilities or issues encountered during registration, log in, connecting to the live streaming and online voting facilities, please contact Vote2U helpdesk during office hours (9:00 a.m. to 5:00 p.m.) on Mondays to Fridays (except public holidays) as follows:-

Telephone Number: 03-7664 8520 / 03-7664 8521
Email: vote2u@agmostudio.com

CHIN HIN GROUP BERHAD
Registration No. 201401021421 (1097507-W)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of Chin Hin Group Berhad ("**Chin Hin**" or "**the Company**") will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Friday, 29 March 2024 at 10.00 a.m. or any adjournment thereof, for the purpose of transacting the following businesses:

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 30,291,700 ORDINARY SHARES IN SIGNATURE INTERNATIONAL BERHAD ("SIB") ("SIB SHARE(S)"), REPRESENTING AN EQUITY INTEREST OF APPROXIMATELY 4.77% IN SIB FOR A TOTAL CASH CONSIDERATION OF RM25,445,028 OR RM0.84 PER SIB SHARE ("PROPOSED ACQUISITION") AND THE RESULTANT PROPOSED MANDATORY GENERAL OFFER TO ACQUIRE ALL THE REMAINING SIB SHARES NOT ALREADY OWNED BY CHIN HIN AFTER THE PROPOSED ACQUISITION AT AN OFFER PRICE OF RM0.84 PER SIB SHARE ("PROPOSED OFFER")

(THE PROPOSED ACQUISITION AND PROPOSED OFFER ARE COLLECTIVELY REFERRED TO AS THE "SIB PROPOSALS")

"THAT subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given for the Company to acquire:

(a) 30,291,700 SIB Shares, representing an equity interest of approximately 4.77% in SIB from Teoh Hai Hin and Por Teong Eng (collectively referred to as "**Vendors**") for a total cash consideration of RM25,445,028 or RM0.84 per SIB Share, subject to the terms and conditions as stipulated in the conditional share sale agreements dated 5 February 2024 entered into between Chin Hin and the Vendors for the Proposed Acquisition; and

(b) all the remaining SIB Shares not already owned by Chin Hin after the Proposed Acquisition at a cash offer price of RM0.84 per SIB Share pursuant to a mandatory general offer in accordance with Section 218(2) of the Capital Markets and Services Act 2007 and Paragraph 4.01(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia;

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or arrangements (including without limitations, the affixing of the Company's common seal) as may be necessary or expedient in order to implement, finalise, give effect and complete the SIB Proposals and with full powers to assent to or introduce any condition, modification, variation and/or amendment in any manner as may be required or imposed or approved by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF 1,770,163,992 NEW ORDINARY SHARES IN CHIN HIN ("CHIN HIN SHARE(S)" OR "BONUS SHARE(S)") ON THE BASIS OF ONE (1) BONUS SHARE FOR EVERY ONE (1) EXISTING CHIN HIN SHARE (INCLUDING TREASURY SHARES) HELD BY THE SHAREHOLDERS OF CHIN HIN WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF CHIN HIN ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE")

"THAT, subject to the approvals of all relevant authorities or parties, including but not limited to the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for 1,770,163,992 Bonus Shares on the Main Market of Bursa Securities, approval be and is hereby given to the Board of Directors of Chin Hin ("**Board**") to allot and issue 1,770,163,992 Bonus Shares in the share capital of the Company on the basis of one (1) Bonus Share for every one (1) existing Chin Hin Share (including treasury shares) held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the entitlement date to be determined and announced later by the Board;

THAT the Board be and is hereby authorised to allot and issue the Bonus Shares in respect of the Proposed Bonus Issue as fully paid, at nil consideration and without capitalisation of the Company's reserves;

THAT fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company;

THAT the Bonus Shares shall, upon allotment and issuance, rank pari passu in all respects with the then existing Chin Hin Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the entitlement date;

AND THAT, the Board be and is hereby authorised to do all such acts, deeds, and things and enter, sign, execute and deliver all documents as may be necessary or expedient in order to implement, give effect to and complete the Proposed Bonus Issue with full power to assent to any condition, modification, variation and/or amendment as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the said conditions, modifications, variations and/or amendments."

BY ORDER OF THE BOARD

Chong Voon Wah
(SSM PC No. 202008001343) (MAICSA 7055003)

Thai Kian Yau
(SSM PC No. 202008001515) (MIA 36921)
Company Secretaries

Kuala Lumpur
Date: 14 March 2024

NOTES ON APPOINTMENT OF PROXY

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual AGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at https://web.vote2u.my.

2. A member entitled to participate and vote at the general meeting may appoint up to two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company.

3. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its officer, attorney or other person duly authorised in writing.

4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

5. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Company's Share Registrar at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

7. For the purpose of determining a member who shall be entitled to attend the meeting, only a member whose name appear in the Record of Depositors as at 22 March 2024 will be entitled to participate, speak and vote at the said meeting or appoint proxies to participate, speak and vote on his stead.

8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the ordinary resolution set out above will be put to vote by way of poll.

CHIN HIN GROUP BERHAD
Registration No. 201401021421 (1097507-W)

NUMBER OF SHARES HELD	CDS ACCOUNT NO.

Form of Proxy

I / We (*Full Name in Block Letters)*____ __________________

NRIC No. / Passport No. / Company Registration No. ____

of____

email address ____ Mobile No. __________________________

being a member / members of **CHIN HIN GROUP BERHAD** hereby appoint :

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address : Contact No. : Email Address :			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address Contact No. : Email Address :			

 # You are required to fill in the contact no. and email address to participate in the Extraordinary General Meeting, otherwise, we are unable to register you as the participant in the meeting.

or failing *him/her, the Chairman of the meeting as my/our proxy to vote and act on my/our behalf at the Extraordinary General Meeting of Chin Hin Group Berhad ("**Chin Hin**" or "**the Company**") will to be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("**RPV**") Facilities from the broadcast venue at Chin Hin Culture Centre, F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Friday, 29 March 2024 at 10.00 a.m. and at any adjournment thereof.

Resolutions	For	Against
Ordinary Resolution 1 - To approve the SIB Proposals		
Ordinary Resolution 2 – To approve the Proposed Bonus Issue		

(Please indicate with 'X' how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolution as he/she may think fit.)

Signed this ___________ day of ______________________, 2024.

Signature : ____
(If shareholder is a corporation, this form should be executed under seal)

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Fold this flap for sealing

Then fold here

AFFIX
STAMP

THE SHARE REGISTRAR OF
CHIN HIN GROUP BERHAD
REGISTRATION NO. 201401021421 (1097507-W)
Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor

1st fold here