

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. Investment in Subsidiary Companies (cont'd)

Details of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Effective Interest		Principal Activities
		2016 %	2015 %	
Direct interest:				
PP Chin Hin Sdn. Bhd.	Malaysia	100	100	Dealing in cement, hardware and general trading, letting of properties, hire purchase financing and property development
Chin Hin Concrete Holdings Sdn. Bhd.	Malaysia	100	100	Management Company
Metex Steel Sdn. Bhd.	Malaysia	100	100	Manufacturing and sales of welded mesh and wire products, metal roofing and light weight trusses system
Starken AAC Sdn. Bhd.	Malaysia	100	100	Manufacturing and sales of AAC blocks
Indirect interest: Held through PP Chin Hin Sdn. Bhd.				
- PP Chin Hin Pte Ltd*	Singapore	100	100	Trading and distribution of building materials in Singapore
- C&H Transport Sdn. Bhd.	Malaysia	100	100	Transportation of cement
Held through Starken AAC Sdn. Bhd.				
- G-Cast Polymer Concrete Sdn. Bhd. (Formerly known as Pintar Sinar Sdn. Bhd.)	Malaysia	100	100	Property investment and contract worker provider
- G-Cast Concrete Sdn. Bhd.	Malaysia	100	100	Manufacturing and sales of precast concrete products
- Green Cement Sdn. Bhd.	Malaysia	100	100	Dormant
- Sage Evergreen Sdn. Bhd.	Malaysia	100	-	Dormant
Held through Metex Steel Sdn Bhd.				
- Formino Metal Sdn. Bhd. (Formerly known as Metal Sphere Sdn. Bhd.)	Malaysia	100	100	Manufacturing and supplies of metal roof and structural steel system
- Comet Steel Sdn. Bhd.	Malaysia	100	100	Dormant
- Ace Logistic Sdn. Bhd.	Malaysia	100	100	Investment holding

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6. Investment in Subsidiary Companies (cont'd)

Details of the subsidiary companies are as follows: (cont'd)

Name of Company	Country of Incorporation	Effective Interest		Principal Activities
		2016 %	2015 %	
Held through Chin Hin Concrete Holdings Sdn. Bhd.				
- Chin Hin Concrete (North) Sdn. Bhd.	Malaysia	100	100	Processing and trading in mixed concrete
- Chin Hin Concrete (KL) Sdn. Bhd.	Malaysia	100	100	Selling and distribution of ready-mixed concrete

* Subsidiary company not audited by UHY

On 9 September 2016, Starken AAC Sdn. Bhd. a wholly-owned subsidiary company of the Company acquired two (2) ordinary shares of RM1.00 each in Sage Evergreen Sdn. Bhd. ("SESB") at a total consideration of RM2. Subsequently, SESB has become an indirect wholly-owned subsidiary company of the Company.

The merger method of accounting was adopted for consolidation of in which the results of the subsidiary are presented as if the merger had been effected throughout the current period and previous financial periods. The assets and liabilities combined are accounted for based on the carrying amount from the perspective of the common control shareholders at the date of transfer.

There are no significant restrictions on the ability of the Group to access or use the assets and settle the liabilities of the subsidiary companies.

7. Hire Purchase Receivables

	Group	
	2016 RM	2015 RM
Minimum lease received		
Within once year	6,273,061	592,305
Later than one year and not later than two years	97,086	277,707
Later than two years and not later than five years	12,849	93,164
	6,382,996	963,176
Less: Future finance receive	(899,087)	(253,575)
Present value of minimum lease payments	5,483,909	709,601
Present value of minimum lease received		
Within once year	5,401,756	459,541
Later than one year and not later than two years	73,986	218,083
Later than two years and not later than five years	8,167	31,977
	5,483,909	709,601

Hire purchase facilities granted to customer are based on credit procedures and policies set by the Group in accordance with Hire-Purchase Act 1967.

The hire purchase receivables of the Group is bearing interest rate ranging from 5% to 18% (2015: 5% to 18%) per annum.