

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad (“Bursa Securities”) has only perused through Part A, Section 2.4(a) of this Circular in respect of the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature on a limited review basis pursuant to the provisions of Practice Note 18 of Bursa Securities Main Market Listing Requirements.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular. Bursa Securities has not perused the contents of this Circular in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature and Proposed Share Buy-Back Authority (as defined herein) prior to the issuance of this Circular.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

PROPOSED NEW SHAREHOLDERS' MANDATE AND RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)

PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES (“PROPOSED SHARE BUY-BACK AUTHORITY”)

The above proposals will be tabled as Special Business at the Fifth (5th) Annual General Meeting of Chin Hin Group Berhad (“CHGB” or “the Company”) to be held 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 Monday, 17 June 2019 at 10.00 a.m., together with a Form of Proxy, are enclosed together with the Annual Report of the Company for the financial year ended 31 December 2018.

The Form of Proxy should be completed and returned in accordance with the instructions therein as soon as possible and should be deposited at the Company's Share Registrar at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor on or before the date and time indicated below in order for it to be valid and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy : Saturday, 15 June 2019 at 10.00 a.m.
Date and time of Fifth (5th) Annual General Meeting : Monday, 17 June 2019 at 10.00 a.m.

This Circular is dated 30 April 2019

DEFINITIONS

For the purposes of this Circular, except where the context otherwise requires, the following definitions shall apply:

- “Ace Logistic” : Ace Logistic Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
- “Act” : The Companies Act 2016 as amended from time to time, and includes every statutory modification or any re-enactment thereof for the time being in force
- “AGM” : Annual General Meeting
- “Audit Committee” : The Audit Committee of CHGB
- “Board” : The Board of Directors of CHGB
- “Chin Hin Group Property” : Chin Hin Group Property Berhad (F.K.A. Boon Koon Group Berhad)
- “Chin Hin Group Property Group” : Chin Hin Group Property and its subsidiaries, collectively (F.K.A. Boon Koon Group)
- “Bursa Securities” : Bursa Malaysia Securities Berhad
- “CDS” : Central Depository System
- “C&H Transport” : C&H Transport Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
- “Chin Hin BIM” : Chin Hin BIM Sdn Bhd (formerly known as Chin Hin Academy Sdn Bhd), a wholly-owned subsidiary of CHGB
- “Chin Hin Concrete Holdings” : Chin Hin Concrete Holdings Sdn Bhd, a wholly-owned subsidiary of CHGB
- “Chin Hin Concrete (KL)” : Chin Hin Concrete (KL) Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
- “Chin Hin Concrete (North)” : Chin Hin Concrete (North) Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
- “CHGB” or “Company” : Chin Hin Group Berhad
- “CHGB Group” or “Group” : Chin Hin and its subsidiaries, collectively
- “CHGB Share(s)” or “Share(s)” : Ordinary Shares in CHGB
- “Circular” : Circular to Shareholders in relation to the Proposals
- “Comet Steel” : Comet Steel Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
- “Director” : Shall have the same meaning given in Section 2(1) of the the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of CHGB or any other company which is a subsidiary of CHGB or a holding of CHGB

DEFINITIONS (CONT'D)

“Divine Inventions”	: Divine Inventions Sdn Bhd
“EGM”	: Extraordinary General Meeting
“EPS”	: Earnings Per Share
“Epic Diversity”	: Epic Diversity Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“G-Cast Concrete”	: G-Cast Concrete Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“G-Cast UHPC”	: G-Cast UHPC Sdn Bhd (formerly known as Diva Victory Sdn Bhd), an indirect subsidiary of CHGB
“Green Cement”	: Green Cement Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“Kempurna”	: Kempurna Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“LPD”	: 1 April 2019, being the latest practicable date prior to the printing of this Circular
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities, including any amendments made in respect thereof from time to time
“Market Day”	: A day which Bursa Securities is open for the trading of securities
“Major Shareholder(s)”	: Means a person who has an interest or interests in one or more voting shares in a company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the Company; or (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company, and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, such major shareholder of the company or any other company which is its subsidiary or holding company For the purpose of this definition, “interest in shares” has the meaning given in Section 8 of the Act
“MI Polymer”	: MI Polymer Concrete Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“Metex Modular”	: Metex Modular Sdn Bhd, an indirect subsidiary of CHGB

DEFINITIONS (CONT'D)

“Metex Steel”	: Metex Steel Sdn Bhd, a wholly-owned subsidiary of CHGB
“Midah Industries”	: Midah Industries Sdn Bhd, a wholly-owned subsidiary of CHGB
“Midah Industries (North)”	: Midah Industries (North) Sdn Bhd, an indirect subsidiary of CHGB
“NA”	: Net assets attributable to ordinary equity holders of CHGB
“Proposed Share Buy-Back Authority”	: Proposed renewal of authority for the purchase by CHGB of up to ten percent (10%) of the issued share capital of the Company
“Proposed Shareholders’ Mandate”	: Proposed new shareholders’ mandate and renewal of the existing shareholders’ mandate for CHGB Group to enter into RRPTs of a revenue or trading nature
“Proposals”	: Proposed Shareholders’ Mandate and Proposed Share Buy-Back Authority, collectively
“PP Chin Hin”	: PP Chin Hin Sdn Bhd, a wholly-owned subsidiary of CHGB
“PP Chin Hin (SG)”	: PP Chin Hin Pte Ltd, an indirect wholly-owned subsidiary of CHGB
“PP Chin Hin Realty”	: PP Chin Hin Realty Sdn Bhd
“Purchased CHGB Shares”	: Shares purchased by CHGB pursuant to Section 127 of the Act
“Related Party(ies)”	: Director(s), major shareholder(s) or person(s) connected with such director(s) or major shareholder(s) of CHGB
“RRPT(s)”	: A transaction entered into by the Company or its subsidiaries which involves the interest, direct or indirect, of a Related Party, which is recurrent, of a revenue or trading nature and which is necessary for day to day operations of the Company or its subsidiaries
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“Sage Evergreen”	: Sage Evergreen Sdn Bhd, an indirect wholly-owned subsidiary of CHGB
“Saujana Vison”	: Saujana Vision Sdn Bhd, an indirect subsidiary of CHGB
“Starken AAC”	: Starken AAC Sdn Bhd, a wholly-owned subsidiary of CHGB
“Starken Drymix”	: Starken Drymix Solutions Sdn Bhd (formerly known as Green Drymix Solutions Sdn Bhd), an indirect wholly-owned subsidiary of CHGB
“Shareholders”	: Shareholders of CHGB

DEFINITIONS (CONT'D)

- “Substantial Shareholder(s)” : A person who has interest or interests in one or more voting Shares in the Company and the nominal amount of that Share, or aggregate of the nominal amount of those shares, is not less than 5% of the aggregate of the nominal amount of all the voting Shares in the Company
- “2018 Annual Report” : Annual Report of CHGB issued for the financial year ended 31 December 2018

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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PART A

PROPOSED NEW SHAREHOLDERS' MANDATE AND RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")


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

Registered Office
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

30 April 2019

Board of Directors

Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	<i>(Independent Non-Executive Chairman)</i>
Datuk Seri Chiau Beng Teik	<i>(Deputy Group Executive Chairman)</i>
Chiau Haw Choon	<i>(Group Managing Director)</i>
Lee Hai Peng	<i>(Executive Director cum Chief Financial Officer)</i>
Yeoh Chin Hoe	<i>(Senior Independent Non-Executive Director)</i>
Datuk Cheng Lai Hock	<i>(Independent Non-Executive Director)</i>
Shelly Chiau Yee Wern	<i>(Alternate Director to Datuk Seri Chiau Beng Teik)</i>

To : The Shareholders of Chin Hin Group Berhad

Dear Sir/Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

At the AGM of the Company held on 31 May 2018, the Company sought and obtained from its shareholders the general mandate for CHGB Group to enter into RRPTs of a revenue or trading nature in the ordinary course of business based on commercial terms which are not more favourable to the Related Parties than those generally available to the public and which are necessary for CHGB Group's day to day operations. The aforesaid mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming Fifth (5th) AGM of the Company unless authority for its renewal is obtained from the Shareholders.

On 18 April 2019, the Board of Directors of CHGB had announced that the Company has proposed to seek its shareholders' approval for the Proposed Shareholders' Mandate pursuant to Paragraph 10.09 of the Listing Requirements.

The purpose of this Circular is to provide you with the relevant information of the Proposed Shareholders' Mandate and to seek your approval on the ordinary resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM, which will be held 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 Monday, 17 June 2019 at 10.00 a.m. The notice of the AGM together with the Form of Proxy is enclosed in the Annual Report of the Company for the financial year ended 31 December 2018.

SHAREHOLDERS OF CHGB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF PROPOSED SHAREHOLDERS' MANDATE

2.1 The Listing Requirements

Pursuant to Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek a mandate from its shareholders in respect of RRPTs subject to the following :

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of the transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the threshold below in relation to a listed issuer with an issued and paid-up capital of RM60.0 million and above :
 - (i) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1.0 million or more; or
 - (ii) the percentage ratio of such RRPT is 1% or more,whichever is the higher.
- (c) the listed issuers' circular to shareholders for the shareholder mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (d) in a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such directors or major shareholder, must not vote on the resolution to approve the RRPT. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the RRPT; and
- (e) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Principal Activities of CHGB Group

The principal activity of CHGB is investment holding while its subsidiary companies are involved in the distribution of building materials and provision of logistics, supply of ready-mixed concrete, manufacturing of autoclaved aerated concrete ("AAC") and precast concrete products, wire mesh and fire-rated door, ultra-high performance concrete products, drymix products, construction and fabricating modular building. The details of CHGB's subsidiaries as well as their principal activities as at the LPD are set out in the table below :

Name of company	Effective equity interest (%)	Principal Activities
(i) Direct Subsidiary of CHGB		
Chin Hin BIM	100	Design, develop and provision of training
Chin Hin Concrete Holdings	100	Provision of management services
Metex Steel	100	Manufacturing and sales of steel welded mesh and wire products
Midah Industries	100	Manufacturing of fire doorsets
PP Chin Hin	100	Distribution of building materials, letting of properties and hire purchase financing
Starken AAC	100	Manufacturing and sales of AAC products
(ii) Indirect Subsidiary of CHGB		
<i>*Subsidiary of Chin Hin Concrete</i>		
Chin Hin Concrete (KL)	100	Selling and distribution of ready-mixed concrete
Chin Hin Concrete (North)	100	Processing and trading in ready-mixed concrete
<i>*Subsidiary of PP Chin Hin</i>		
C&H Transport	100	Transportation
PP Chin Hin (SG)	100	Trading and distribution of building materials in Singapore
<i>*Subsidiary of Metex Steel</i>		
Ace Logistic	100	Property investment holding
Comet Steel	100	Currently dormant, the intended principal activity is sales and trading of steel wire mesh, wire rods and other steel products
Metex Modular	70	Provision of design, engineering, manufacturing & construction of modular unit and Prefabricated, Prefinished Volumetric Construction (PPVC) Solutions

Name of company	Effective equity interest (%)	Principal Activities
<i>*Subsidiary of Metex Modular</i>		
Saujana Vision	70	Builder and contractor
<i>*Subsidiary of Midah Industries</i>		
Epic Diversity	100	Dealing in consumer products including lock set, alarm system and other related business
Kempurna	100	Manufacturing of metal doors window frames
Midah Industries (North)	51	Manufacturing and marketing of door sets and dealing in consumery product including lock sets, alarm systems and other related business.
<i>*Subsidiary of Starken AAC</i>		
G-Cast Concrete	100	Manufacturing and sales of precast concrete products
Green Cement	100	Currently dormant, the intended principal activity is processing of building materials
MI Polymer	100	Manufacturing and supply of pipes
Sage Evergreen	100	Manufacturing and sales of AAC blocks
Starken Drymix	100	Manufacturing and sales of drymix products
G-Cast UHPC	70	Engaged in the business of lease and sublease of land

Due to the diversity of CHGB Group, it is anticipated that CHGB Group would, in the normal course of business, continue to enter into transactions with the Related Parties, details of which are set out in Section 2.4 below. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

The Board proposes to seek the shareholders' approval for the Proposed Shareholders' Mandate for the CHGB Group to enter into transactions in the normal course of business within the classes of Related Parties set out in Section 2.4 below, provided such transactions are entered into at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. Such mandate will enable the Group to enter into the RRPTs without the necessity, in most instances, to make the otherwise required announcement or to convene meetings in order to procure specific prior approval of its shareholders. The RRPTs will also be subject to the review procedures set out in Section 2.5 below.

2.3 Validity Period of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved by the shareholders, shall take effect from the passing of the ordinary resolution proposed at the forthcoming AGM and shall continue to be in force until :

- (a) the conclusion of the next AGM of CHGB following the general meeting at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the general meeting, the mandate is renewed;
 - (b) the expiration of the period within which the next AGM of the Company after the date is required to be held pursuant to Section 340 (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or
 - (c) revoked or varied by resolution passed by the shareholders in general meeting,
- whichever is earlier.

Thereafter, approval from shareholders will be sought for the renewal of the Proposed Shareholders' Mandate.

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2.4 Classes of Related Parties and Nature of RRPTs

The Proposed Shareholders' Mandate will apply to the transactions with the following Companies:

(a) Proposed New Shareholders Mandate

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated value for the period from the forthcoming EGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Midas Prosperity Sdn Bhd	<ul style="list-style-type: none"> PP Chin Hin 	<ul style="list-style-type: none"> Renting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis ⁽ⁱ⁾. 	250	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors of Midas Prosperity Sdn Bhd, which in turn is a indirect wholly-owned subsidiary of PP Chin Hin Realty, a Major Shareholder of CHGB.

(b) Proposed Renewal of Existing Shareholders' Mandate

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
AS Chin Hin Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Supply and/or purchase of building materials based on prevailing market price. 	10,000	2,883	10,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Beng Soo and Ng Peng Peng, the brother and sister-in-law of Datuk Seri Chiau Beng Teik, are the directors and substantial shareholders of AS Chin Hin Sdn Bhd.
		<ul style="list-style-type: none"> Provision and/of receipt of transportation services based on prevailing market price. 	500	Nil	500	
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	
Italia Ceramics Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Supply and/or purchase of building materials based on prevailing market price. 	5,000	5	5,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Yeoh Hock Seng, the brother-in-law of Datuk Seri Chiau Beng Teik, is a director and substantial shareholder of Italia Ceramics Sdn Bhd.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
CH Hardware & Transport Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of transportation services based on prevailing market price. 	10,000	Nil	10,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	<ul style="list-style-type: none"> Chiau Thean Bee, the brother of Datuk Seri Chiau Beng Teik, is the director and substantial shareholder of CH Hardware & Transport Sdn Bhd.
		<ul style="list-style-type: none"> Supply and/or purchase of building materials based on prevailing market price. 	10,000	Nil	10,000	
Pintar Muda Development Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Sale of building materials based on prevailing market price. 	3,000	Nil	3,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	4	500	<ul style="list-style-type: none"> Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors of Pintar Muda Development Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty, a Major Shareholder of CHGB.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
GA Hotel Management Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Sale of building materials based on prevailing market price. 	1,000	Nil	1,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	<ul style="list-style-type: none"> Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of hotel accommodations by GA Hotel Management Sdn Bhd based on prevailing market price 	500	Nil	500	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors of GA Hotel Management Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty, a Major Shareholder of CHGB.
Chip Hin Trading Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision and/or receipt of transportation services based on prevailing market price. 	5,000	Nil	5,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	<ul style="list-style-type: none"> Chiau Beng Sun, the brother of Datuk Seri Chiau Beng Teik, is the director and substantial shareholder of Chip Hin Trading Sdn Bhd.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
CHL Logistic Sdn Bhd	• CHGB Group	• Provision and/or receipt of transportation services based on prevailing market price.	20,000	989	20,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datin Seri Wong Mee Leng is a Major Shareholder of CHGB. Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng, and brother of Chiau Haw Choon, is the director and substantial shareholder of CHL Logistic Sdn Bhd.
		• Sales and/or purchase of building materials based on prevailing market price.	25,000	7,195	25,000	
		• Sale of vehicle insurance premium and road tax to CHL Logistic Sdn Bhd (as agent of the insurance company).	2,000	8	2,000	
		• Rental income received by Chin Hin Concrete (KL) for office space rented to CHL Logistic Sdn Bhd ⁽ⁱⁱ⁾ .	40	18	40	
		• Rental income received for motor vehicles rented out to CHL Logistic Sdn Bhd.	1,000	Nil	1,000	
		• Sale of building materials based on prevailing market price.	5,000	Nil	5,000	
		• Provision of insurance and other administrative services by CHGB Group based on prevailing market price.	500	Nil	500	
Teras Maju Sdn Bhd	• CHGB Group	• Sale of building materials based on prevailing market price.	5,000	Nil	5,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Yeoh Hock Seng, the brother-in-law of Datuk Seri Chiau Beng Teik is the director and substantial shareholder of Teras Maju Sdn Bhd.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Chin Hin Gypsum Sdn Bhd	• CHGB Group	• Purchase of raw materials based on prevailing market price.	5,000	1,425	5,000	• Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		• Provision of insurance and other administrative services by CHGB Group based on prevailing market price.	500	Nil	500	• Datuk Seri Chiau Beng Teik is the director and substantial shareholder of Chin Hin Gypsum Sdn Bhd.
		• Renting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis.	110	42	110	
Primore Sdn Bhd	• CHGB Group	• Provision of insurance and other administrative services by CHGB Group based on prevailing market price.	1,000	Nil	1,000	<ul style="list-style-type: none"> • Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. • Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. • Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors of Primore Sdn Bhd, which in turn is a wholly-owned subsidiary of PP Chin Hin Realty, a Major Shareholder of CHGB.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Sens Hotel Sdn Bhd	<ul style="list-style-type: none"> PP Chin Hin 	<ul style="list-style-type: none"> Rental income received from Sens Hotel Sdn Bhd for renting of shop houses belonging to PP Chin Hin ⁽ⁱⁱⁱ⁾. 	220	135	220	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datin Seri Wong Mee Leng is a Major Shareholder of CHGB. Chiau Haw Loon, the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng and brother of Chia Haw Choon, is the director and substantial shareholder of Sens Hotel Sdn Bhd.
		<ul style="list-style-type: none"> Rental income received from Sens Hotel Sdn Bhd for renting parking lot belonging to PP Chin Hin ^(iv). 	25	10	25	
	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	1,000	Nil	1,000	
		<ul style="list-style-type: none"> Provision of hotel accommodations by Sens Hotel Sdn Bhd based on prevailing market price. 	500	6	500	
Chiau Beng Sun	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	4	500	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Beng Sun is the brother of Datuk Seri Chiau Beng Teik.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the L/PD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Laksana Saujana Sdn Bhd	• CHGB Group	• Rental expenses paid to Laksana Saujana Sdn Bhd for renting of warehouse-cum office ^(v) .	200	100	200	• Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		• Provision of insurance and other administrative services by CHGB Group based on prevailing market price.	500	Nil	500	• Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. • Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors and substantial shareholders of Laksana Saujana Sdn Bhd.
Chin Hin Hotel Sdn Bhd	• CHGB Group	• Rental income received from Chin Hin Hotel Sdn Bhd for renting of shop houses belonging to PP Chin Hin ^(vi) .	750	551	750	• Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB.
		• Sale of building materials based on prevailing market price. • Provision of insurance and other administrative services by/to CHGB Group based on prevailing market price.	500	1	500	• Chiau Haw Choon is the director of Chin Hin Hotel Sdn Bhd, which is turn is substantially owned by PP Chin Hin Realty, a Major Shareholder of CHGB.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the L/PD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Chin Concrete Sdn Bhd	<ul style="list-style-type: none"> PP Chin Hin 	<ul style="list-style-type: none"> Rental paid for renting of office space by PP Chin Hin ^(vi). 	25	8	25	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors and substantial shareholders of Chin Hin Concrete Mix Sdn Bhd.
	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Renting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis. 	30	Nil	30	
Murni Jaya Enterprise Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of transportation services based on prevailing market price. 	7,000	2,186	7,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Beng Sun, the brother of Datuk Seri Chiau Beng Teik, is the director and substantial shareholder of Murni Jaya Enterprise Sdn Bhd.
		<ul style="list-style-type: none"> Rental income received from Murni Jaya Enterprise Sdn Bhd for the renting of motor vehicles. 	1,000	85	1,000	
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the L/PD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
PP Chin Hin Realty	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Sale of building materials based on prevailing market price. 	5,100	Nil	5,100	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Rental income received from PP Chin Hin Realty for renting parking lot belonging to PP Chin Hin ^(viii). 	20	8	20	<ul style="list-style-type: none"> Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Rental paid to PP Chin Hin Realty for rental of office space by Chin Hin Concrete (KL) ^(ix). 	30	16	30	<ul style="list-style-type: none"> Datin Seri Wong Mee Leng is a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Rental paid to PP Chin Hin Realty for rental of office space by CHGB ^(x). 	35	20	35	<ul style="list-style-type: none"> PP Chin Hin Realty is a Major Shareholder of CHGB.
		<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	1,000	73	1,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng and Chiau Haw Choon are the directors and substantial shareholders of PP Chin Hin Realty.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Chin Hin Group Property Group (F.K.A. Boon Koon Group)	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Rental paid for motor vehicles rented Purchase of motor vehicles based on prevailing market price Supply and/or purchase of materials based on prevailing market price. Provision of insurance and other administrative services by Chin Hin Group based on prevailing market price. Provision of construction services based on prevailing market price Renting of office premises to and/or from Chin Hin Group based on market value and is payable on an equal pro-rated monthly basis. 	121,050	273	121,500	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. He is also a Non Executive Chairman and a Major Shareholder of Chin Hin Group Property. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. He is also a Non Independent Non Executive Director of Chin Hin Group Property.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Chin Hin Plywood Co. Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	500	Nil	500	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Chiau Haw Choon is the Group Managing Director and a Major Shareholder of CHGB. Datin Seri Wong Mee Leng is a Major Shareholder of CHGB. Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng are the directors and substantial shareholders of Chin Hin Plywood Co. Sdn Bhd. Chiau Haw Choon is a director of Chin Hin Plywood Co. Sdn Bhd.

Related Party	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018* (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)	Estimated aggregate value of transaction for the period from the forthcoming AGM to the next AGM * (RM'000)	Nature of relationship between CHGB Group and the Related Party
Asthetik Property Group Sdn Bhd	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Provision of insurance and other administrative services by CHGB Group based on prevailing market price. 	1,000	Nil	1,000	<ul style="list-style-type: none"> Datuk Seri Chiau Beng Teik is the Deputy Group Executive Chairman and a Major Shareholder of CHGB. Datuk Seri Chiau Beng Teik and Chiau Haw Choon are the directors and substantial shareholders of Asthetik Property Group Sdn Bhd.

Notes on Nature of Transactions

* The estimated values are calculated based on historical date and best estimates by the management. Accordingly, the actual value of the transactions may be varying from the estimated value disclosed above and subject to changes.

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(c) Existing mandates on RRPTs which approval have been obtained at the last AGM and the renewal of mandate is not being sought during the forthcoming AGM are as follows:

Related Party and its Principal Activities	CHGB Group - Transacting Party	Nature of Transaction with CHGB Group	Estimated aggregate value as disclosed in the previous Circular to Shareholders dated 30 April 2018 (RM'000)	Actual value transacted (from date of AGM on 31 May 2018 to the LPD) (RM'000)
PP Chin Hin Realty	<ul style="list-style-type: none"> CHGB Group 	<ul style="list-style-type: none"> Rental income received from PP Chin Hin Realty for renting of office space belonging to PP Chin Hin. 	250	Nil

Description of Properties

Notes	Description	Postal Address	Total Areas (Sq. Ft.)	Rental Value per annum (RM)	Period of Tenancy	Ownership
(i)	3 lots of ground floor 3 storey shop house/office premise	A-0-8, A-0-9 & A-0-10, Pusat Perdagangan Kuchai, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	4,305	250,000	1 April 2019 to 31 March 2021	PP Chin Hin
(ii)	First floor of a 2 storey shop house/ Office Premise	F-1-2, Kuchai Business Park, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,351	21,600	1 November 2017 to 31 October 2019	Chin Hin Concrete (KL)

Notes	Description	Postal Address	Total Areas (Sq. Ft.)	Rental Value per annum (RM)	Period of Tenancy	Ownership
(iii)	3 storey shop house/office premise	J-1-6, J-2-6, J-1-7, J-2-7, J-0-8, J-1-8 & J-2-8, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	9,391	162,000	1 November 2018 to 31 October 2020	PP Chin Hin
(iv)	5 car parking lot	Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	620	12,000	N/A	PP Chin Hin
(v)	Single storey open sided factory/warehouse and office unit	PT 1493, Kawasan Perindustrian Pengkalan Chepa II, Jalan Chepa II, 16100 Pengkalan Chepa, Kota Bharu, Kelantan.	27,473	120,000	1 November 2018 to 30 October 2020	Laksana Saujana Sdn Bhd
(vi)	3 storey shop house 3 storey shop house	No. 48 (First & Second floor) No. 49 (First & Second floor) & No. 50 (Ground, First & Second floor) Taman Gunung Indah, 05050 Alor Setar, Kedah. Ground floor - No. 10,11,12 & 13, First floor - No. 10,11,12,13,15,16,17&18, Second floor - No. 10,11,12,13,15,16,17 & 18, Taman Perindustrian 2010, Jalan Lencong Barat, 06250 Alor Setar, Kedah.	13,917 23,516	111,600 290,400	1 January 2018 to 31 December 2020 1 May 2018 to 30 April 2020	PP Chin Hin PP Chin Hin
	3 storey shop house/office premise	A-23, A-23A, A-25, A-26 & A-27 Jalan Reef 1/1, Pusat Perniagaan Reef, 48000 Rawang, Selangor Darul Ehsan.	18,150	257,400	1 June 2018 to 31 May 2020	PP Chin Hin
(vii)	First floor of a 2 storey shop house/office premise	F-1-3 Kuchai Business Park, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,351	9,600	1 January 2018 to 31 December 2019	Chin Hin Concrete Mix Sdn Bhd

Notes	Description	Postal Address	Total Areas (Sq. Ft.)	Rental Value per annum (RM)	Period of Tenancy	Ownership
(viii)	5 car parking lot	Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur	620	9,000	N/A	PP Chin Hin
(ix)	One storey of a 3 storey shop house/office premises	No. A-2-11, Pusat Perdagangan Kuchai, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,464	19,200	15 May 2017 to 14 May 2019	PP Chin Hin Realty
(x)	One storey of a 3 storey shop house/office premises	No. A-1-11, Pusat Perdagangan Kuchai, No. 2 Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur.	1,464	24,000	1 May 2017 to 30 April 2019	PP Chin Hin Realty

Note

All the rental for the properties involves payments of rental are payable on an equal pro-rated monthly basis.

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2.5 Review Methods or Procedures for the Recurrent Related Party Transactions

CHGB Group has established various methods and procedures to ensure the RRPTs are undertaken on arms' length and on normal commercial terms, which are consistent with CHGB Group's usual business practices and policies, on terms which are not more favourable to the Related Parties than those extended to the public and are not detrimental to the minority shareholders.

The review and disclosure procedures are as follows :

- (i) the Related Parties, interested Directors and persons connected will be advised that they are subject to the shareholders mandate and will also be advised of the review and disclosure procedures;
- (ii) The transaction prices, terms and conditions which are market driven are to be determined at arms' length on a customer/supplier relationship basis at mutually agreed rates after due consideration of benefits to be derived from the transaction, under similar commercial terms for transactions with unrelated third parties, which depend on demand and supply, quality, level of service and other related factors;
- (iii) Some transactions may be on a cost recovery basis, being recovery of part of the costs for sharing or provision of some services or on a negotiated basis where both parties would contract on terms which are mutually acceptable and beneficial;
- (iv) The management of the CHGB Group is cognisant that all RRPTs are required to be undertaken on an arm's length basis and on normal commercial terms. Where practicable and feasible, quotation and/or tenders will be obtained from at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of produces/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPTs are not detrimental to the CHGB Group;
- (v) Where RRPT is one with a value equal to or in excess of RM1.0 million, it will be reviewed and approved by the Directors of the Company who has no interest in the transaction. Where the RRPT is one with a value below RM1.0 million, it will be reviewed and approved by the Group Managing Director or Executive Director or the Board who has no interest in the transaction;
- (vi) If a member of the Board or of the Audit Committee has an interest, as the case may be, he/she shall declare their interest in transaction and abstain from any decision making by the Board or Audit Committee in respect of the said transactions;
- (vii) The Audit Committee shall amongst others, review any RRPT and conflict of interest situation that may arise within the Group including any transaction procedures or course of conduct that raises questions of management integrity;
- (viii) Records will be maintained by the respective companies to capture all RRPTs which are entered pursuant to the shareholders' mandate;
- (ix) The annual internal audit plan shall incorporate a review of all RRPTs entered into pursuant to the shareholders' mandate to ensure that relevant approvals are obtained and the procedures in respect of such transactions are adhered to;

- (x) The Board and Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures to monitor RRPTs have been complied with; and
- (xi) The Board shall have overall responsibility for the determination of the review procedures. If a member of the Board and Audit Committee has an interest in the transaction to be reviewed by the Board and Audit Committee, as the case may be, he will abstain from any decision making by the Board or Audit Committee in respect of the said transaction.

2.6 Amount Due and Owing Under Recurrent Related Party Transactions

As at the financial year ended 31 December 2018, there is no amount due and owing to CHGB Group which has exceeded the credit term given arising from the RRPT(s) as per Section 2.4.

2.7 Statement by Audit Committee

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all RRPTs are appropriate. The Audit Committee will review and ascertain at least once a year whether the procedures established to monitor RRPTs have been complied with. If it is determined that the procedures stated in Section 2.5 are inadequate to ensure that (i) the RRPTs will be conducted at arms' length and on normal commercial terms and (ii) such transactions are not prejudicial to the interest of the shareholders, the Company will obtain a fresh shareholders' mandate based on the new procedures.

The Audit Committee will also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such requests to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures.

The Audit Committee of the Company has seen and reviewed the procedures set out in Section 2.5 above and is of the view that CHGB has in place adequate procedures and processes to monitor, track and identify RRPT(s) in a timely and orderly manner and is of the opinion that review procedures are satisfactory and the RRPTs will be carried out at arms' length and in accordance with CHGB Group's normal commercial terms, and hence, will not be prejudicial to the shareholders or disadvantageous to CHGB and not more favourable to the Related Parties than those generally available to the public and not detrimental to minority shareholders of CHGB. The review of these procedures and processes is carried out at least once a year or when deemed necessary by the Audit Committee.

2.8 Disclosure of Recurrent Related Party Transactions

Disclosure will be made in the annual report of the Company in accordance with Paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPTs entered into during the financial year based on the following information :

- (a) the type of the RRPTs made; and
- (b) the names of the Related Parties involved in each type of the RRPTs made and their relationships with CHGB Group.

The above disclosure will be made in the Company's annual report for each subsequent financial year after the Proposed Shareholders' Mandate had been obtained.

3. RATIONALE FOR THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will enable the CHGB Group to carry out RRPTs necessary for the Group's day-to-day operations, which are time sensitive in nature, and will eliminate the need to announce and convene separate general meetings (if applicable) from time to time to seek shareholders' mandate for such transaction. This will substantially reduce the expenses, time and other resources associated with convening of general meetings on an ad hoc basis, improve administrative efficiency and allow financial and manpower resources to be channeled towards attaining other corporate objectives.

The RRPTs carried out within the CHGB's Group creates mutual benefits for the companies in the Group, such as expediency and increased efficiency necessary for day-to-day operations.

In addition, CHGB Group has a long standing business relationship with the Related Parties. The Board of CHGB is of the view that the close co-operation and strong working relationship that exist between CHGB Group and the Related Parties have over the years enabled CHGB Group to benefit from better services and attention that would otherwise be derived from third parties. These close relationships have allowed for better control of supplies, quality and timeliness of completion of work done / services rendered.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate will not have any material effect on the share capital of the Company as well as the consolidated NA, gearing, EPS and the shareholdings of the substantial shareholders of CHGB.

5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS

As at LPD, the direct and indirect interests of the Directors and/or Major Shareholders of CHGB who are interested and/or do not consider themselves independent in the RRPTs are as follows:

Interested Directors	Direct	%	Indirect	%
Datuk Seri Chiau Beng Teik	143,831,100	26.15	193,432,800 ^(a)	35.17
Chiau Haw Choon	10,750,000	1.95	193,432,800 ^(a)	35.17

Major Shareholders	Direct	%	Indirect	%
Datuk Seri Chiau Beng Teik	143,831,100	26.15	193,432,800 ^(a)	35.17
Chiau Haw Choon	10,750,000	1.95	193,432,800 ^(a)	35.17
Datin Seri Wong Mee Leng	-	-	193,432,800 ^(a)	35.17
Divine Inventions	193,432,800	35.17	-	-
PP Chin Hin Realty	-	-	193,432,800 ^(a)	35.17

Note:

(a) Deemed interest in shares held by Divine Inventions pursuant to Section 8 of the Act.

Accordingly, Datuk Seri Chiau Beng Teik and Chiau Haw Choon (collectively referred to as "Interested Directors") have and will continue to abstain from all deliberations and voting on matters relating to the Proposed Shareholders' Mandate at Board meetings and will abstain from voting in respect of their direct and/or indirect shareholdings in CHGB at the forthcoming AGM on the resolution pertaining to the Proposed Shareholders' Mandate.

The Interested Major Shareholders, namely Datuk Seri Chiau Beng Teik, Datin Seri Wong Mee Leng, Chiau Haw Choon, Divine Inventions and PP Chin Hin Realty (collectively referred to as “Interested Major Shareholders”) will abstain from voting in respect of their direct and/or indirect shareholdings in CHGB at the forthcoming AGM on the resolution pertaining to the Proposed Shareholders’ Mandate.

The above Interested Directors and Interested Major Shareholders have undertaken that they shall ensure that persons connected to them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution, deliberating or approving the Proposed Shareholders’ Mandate at the forthcoming AGM.

Save as disclosed above, none of the other Directors and/or Major Shareholders or persons connected with a Director or Major Shareholders have any interest, directly or indirectly in the Proposed Shareholders’ Mandate.

6. APPROVALS REQUIRED

The Proposed Shareholders’ Mandate is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. DIRECTORS’ RECOMMENDATION

The Directors of CHGB (save for Datuk Seri Chiau Beng Teik and Chiau Haw Choon) having considered all aspects of the Proposed Shareholders’ Mandate and after careful deliberation, are of the opinion that the Proposed Shareholders’ Mandate is in the best interest of the Company and accordingly, the Board (save for Datuk Seri Chiau Beng Teik and Chiau Haw Choon) recommended that the shareholders of CHGB vote in favour of the ordinary resolution pertaining to the Proposed Shareholders’ Mandate to be tabled at the forthcoming AGM.

8. ANNUAL GENERAL MEETING

The ordinary resolution to vote on the Proposed Shareholders’ Mandate is set out in the Notice of Fifth (5th) AGM contained in the Annual Report of the Company for the financial year ended 31 December 2018, which is dispatched together with this Circular. The Fifth (5th) AGM will be held 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 Monday, 17 June 2019 at 10.00 a.m.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report of the Company for the financial year ended 31 December 2018 in accordance with the instructions printed therein as soon as possible so as to arrive at the Company’s Share Registrar at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than 48 hours before the time appointed for holding the AGM 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 AGM and voting in person should you subsequently wish to do so.

9. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

Datuk Seri Dr Nik Norzrul Thani
Bin Nik Hassan Thani
Independent Non-Executive Chairman

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PART B

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE PURCHASE OF ITS OWN ORDINARY SHARES (“PROPOSED SHARE BUY-BACK AUTHORITY”)


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

Registered Office
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

30 April 2019

Board of Directors

Datuk Seri Dr Nik Norzrul Thani Bin Nik Hassan Thani	<i>(Independent Non-Executive Chairman)</i>
Datuk Seri Chiau Beng Teik	<i>(Deputy Group Executive Chairman)</i>
Chiau Haw Choon	<i>(Group Managing Director)</i>
Lee Hai Peng	<i>(Executive Director cum Chief Financial Officer)</i>
Yeoh Chin Hoe	<i>(Senior Independent Non-Executive Director)</i>
Datuk Cheng Lai Hock	<i>(Independent Non-Executive Director)</i>
Shelly Chiau Yee Wern	<i>(Alternate Director to Datuk Seri Chiau Beng Teik)</i>

To : The Shareholders of Chin Hin Group Berhad

Dear Sir/Madam,

PROPOSED SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

At the AGM of the Company held on 31 May 2018, the Company had obtained the approval of its shareholder to purchase up to ten percent (10%) of the total number of issued shares of the Company at any point in time. The aforesaid shareholders' approval for the Company to purchase its own shares is subject to the annual renewal and will lapse at the conclusion of the forthcoming AGM unless such authority is renewed by an ordinary resolution passed at the general meeting.

On 18 April 2019, the Board had announced that CHGB proposed to seek the approval of its shareholders for the renewal of the authority for the Company to purchase up to 10% of the total number of issued shares of the Company. The Proposed Share Buy-Back Authority is subject to compliance with Section 127 of the Act and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by any relevant authorities at the time of purchase.

The purpose of this Circular is to provide you with the relevant information of the Proposed Share Buy-Back Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM, which will be held 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 Monday, 17 June 2019 at 10.00 a.m. The notice of the AGM together with the Form of Proxy is enclosed in the Annual Report of the Company for the financial year ended 31 December 2018.

SHAREHOLDERS OF CHGB ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

2.1 Proposed Share Buy-Back Authority

The Board is proposing to seek the shareholders' approval for the renewal of the authority for the Company to purchase its own Shares for an aggregate amount of up to ten percent (10%) of the total number of issued shares at any point in time.

For illustrative purposes, as at LPD, the issued share capital of CHGB stood at 556,388,000 ordinary shares (including the 6,320,000 CHGB Shares held as treasury shares as at LPD). Assuming no further CHGB Shares are issued, the maximum number of shares that can be purchased pursuant to the Proposed Share Buy-Back Authority is 55,638,800 CHGB Shares which would include the 6,320,000 CHGB Shares already held as treasury shares.

The Proposed Share Buy-Back Authority, once approved by the shareholders, shall take effect from the passing of the ordinary resolution pertaining thereto at the forthcoming AGM and shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which such resolution is passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first.

The Proposed Share Buy-Back Authority does not impose an obligation on the Company to purchase its own Shares. Rather, it will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period.

2.2 Maximum Amount of Funds to be Allocated and the Source of Funds

The Listing Requirements stipulate that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. Therefore, the maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority shall not exceed the amount stated in the retained profits of the Company. Based on the latest audited financial statements of the Company, the retained profits of CHGB are as follows:

	Retained Profits (RM)
Audited financial statement as at 31 December 2018	7,656,907

The Proposed Share Buy-Back Authority will be funded by internally generated funds and/or external borrowings. The amount of internally generated funds and/or external borrowings to be utilised will only be determined later depending on, amongst others, the availability of internally generated funds, actual number of CHGB Shares to be purchased and other relevant factors. The actual number of CHGB Shares to be purchased and/or held, and the timing of such purchases will depend on, amongst others, the market conditions and sentiments of the stock markets as well as the retained profits and financial resources available to the Company. In the event that the Proposed Share Buy-Back Authority is to be partly financed by external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the cash flow of the Group.

2.3 Treatment of the Purchased CHGB Shares

The Purchased CHGB Shares will be dealt by the Board in accordance with Section 127 of the Act, in the following manner:

- (i) cancel the CHGB Shares so purchased; or
- (ii) retain the CHGB Shares so purchased as treasury shares and held by the Company; or
- (iii) retain part of the CHGB Shares so purchased as treasury shares and cancel the remainder; or,
- (iv) distribute the treasury shares as dividends to shareholders and/or resell on Bursa Securities and/or cancel all or part of them; or
- (v) transfer all or part of the treasury shares for purposes of an employees' share scheme, and/or as purchase consideration; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act, the Listing Requirements and other relevant guidelines issued by Bursa Securities and any other relevant authority for the time being in force.

The decision whether to retain the Purchased CHGB Shares as treasury shares, to cancel the Purchased CHGB Shares, to distribute the treasury shares as share dividends or to resell the treasury shares on Bursa Securities will be made by the Board at the appropriate time. The distribution of treasury shares as share dividends may be applied as a reduction of the retained profits of the Company.

If such Purchased CHGB Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in rights, allotments and/or other distributions are suspended and the Purchased CHGB Shares shall not be taken into account in calculating the number or percentage of shares or a class of shares in the Company for any purpose including determination of Substantial Shareholders, takeovers, notices, the requisitioning of meetings, the quorum for meetings and the result of a vote on a resolution at meetings of the shareholders.

2.4 Purchase/Resale Price

Pursuant to the Listing Requirements, the Company may only purchase CHGB Shares at a price which is not more than fifteen percent (15%) above the weighted average share price for the five (5) Market Days immediately preceding the date of the purchase(s). The Company may only resell the Purchased CHGB Shares held as treasury shares at a price which is:

- (a) not less than the weighted average share price of CHGB Shares for the five (5) Market Days immediately prior to the resale; or
- (b) at a discount of not more than 5% to the weighted average share price of CHGB Shares for the five (5) Market Days immediately prior to the resale provided that:
 - (i) the resale takes place no earlier than thirty (30) days from the date of the purchase; and
 - (ii) the resale price is not less than the cost of purchase of the shares being resold.

The Proposed Share Buy-Back Authority and/or resale of the Purchased CHGB Shares shall only be effected on the market of Bursa Securities via its automated trading system and shall exclude any direct business transactions as defined in accordance with the rules of Bursa Securities. The Company shall ensure that all dealing(s) in its own Shares/Purchased CHGB Shares are made through stock broker(s) appointed by the Company.

2.5 Potential Advantages and Disadvantages of the Proposed Share Buy-Back Authority

The potential advantages of the Proposed Share Buy-Back Authority are as follows:

- (a) The Proposed Share Buy-Back Authority would enable the Company to utilise its financial resources more efficiently especially where there is no immediate use and it may strengthen the consolidated EPS of the Group.
- (b) The Proposed Share Buy-Back Authority will also provide the Company with opportunities for potential gains if the Purchased CHGB Shares which are retained as treasury shares are resold at prices higher than their cost of purchase.
- (c) In any event, the treasury shares may also be distributed as share dividends to the shareholders as a reward.
- (d) The Proposed Share Buy-Back Authority may also stabilise the supply and demand of CHGB Shares traded on Bursa Securities and reduce the volatility of the share prices. The stability of CHGB Shares price is important to maintain investors' confidence and may also assist in facilitating future fund raising via the equity market.

The potential disadvantages of the Proposed Share Buy-Back Authority are as follows:

- (a) The Proposed Share Buy-Back Authority if implemented is expected to temporarily reduce the immediate financial resources of CHGB Group.
- (b) The Proposed Share Buy-Back Authority may also result in the Group foregoing better investment opportunities which may emerge in the future and/or any income that may be derived from other alternative uses of such funds such as deposit in interest bearing instruments.

- (c) The Proposed Share Buy-Back Authority may also reduce the amount of resources available for distribution to the shareholders of the Company in the form of dividends as funds are utilised to purchase its own Shares.

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact. The Board is mindful of the interest of the Company and the shareholders and will be prudent with respect to the above exercise.

2.6 Public Shareholding Spread

The Proposed Share Buy-Back Authority is subject to the compliance with Section 127 of the Act and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities (“Prevailing Law”) at the time of the purchase. As at LPD, the public shareholding spread of the Company was approximately 36.25%. Assuming the Proposed Share Buy-Back Authority is carried out in full, and the number of CHGB Shares held by the substantial shareholders, Directors and persons connected to the substantial shareholders and/or Directors remain unchanged and all the CHGB Shares so purchased are cancelled, the public shareholding spread of the Company would reduce to approximately 29.97%. The Board will endeavor to ensure that the Proposed Share Buy-Back Authority will be in accordance with the Prevailing Law at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required by the Listing Requirements.

2.7 Implication Relating to the Code

Pursuant to the Code, a person and any parties acting in concert with him will be required to make a mandatory offer for the remaining CHGB Shares not already owned by him/her/them if his/her/their stake in the Company is increased to beyond 33.0% or if his/her/their shareholdings is between 33.0% and 50.0% and increases by another 2.0% in any six (6) months period.

However, an exemption from mandatory offer obligation may be granted by the SC under the Code subject to the parties acting in concern complying with the conditions stipulated in the Code.

The Company intends to implement the Proposed Share Buy-Back Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Share Buy-Back Authority.

2.8 Purchase, Resale and Cancellation of Shares Made in Previous Twelve (12) Months

The details of the CHGB Shares purchased by the Company in the preceding Twelve (12) months are as follows:

Date of Purchase	No. of Shares Purchased	Purchase Price		Average Price (RM)	Total Consideration (RM)
		Minumum (RM)	Maximum (RM)		
21.06.2018	1,991,000	0.797	0.797	0.797	1,586,892.70
20.06.2018	612,700	0.800	0.800	0.800	490,160.00
25.06.2018	334,600	0.795	0.795	0.795	266,007.00

26.06.2018	151,000	0.790	0.795	0.793	119,942.00
02.07.2018	365,000	0.765	0.765	0.765	279,225.00
08.07.2018	203,400	0.745	0.750	0.748	151,638.00
11.07.2018	324,000	0.745	0.745	0.745	241,383.50
12.07.2018	99,100	0.745	0.755	0.750	74,029.50
13.07.2018	61,600	0.750	0.750	0.750	46,200.00
18.07.2018	148,000	0.800	0.810	0.805	118,689.00
23.07.2018	250,000	0.815	0.810	0.813	203,500.00
25.07.2018	85,000	0.840	0.842	0.841	71,469.00
26.07.2018	100,000	0.825	0.830	0.828	82,678.50
27.07.2018	212,000	0.805	0.825	0.815	172,560.00
31.07.2018	150,000	0.800	0.800	0.800	120,000.00
01.08.2018	337,000	0.785	0.810	0.796	269,878.00
02.08.2018	98,000	0.775	0.790	0.783	76,917.00
03.08.2018	250,000	0.780	0.780	0.780	195,000.00
06.08.2018	150,000	0.780	0.780	0.780	117,000.00
07.08.2018	280,000	0.775	0.780	0.778	217,400.00
08.08.2018	117,600	0.775	0.775	0.775	91,140.00

As at LPD, the Company had purchased a total number of 6,320,000 CHGB Shares. The Company has neither made any resale nor any cancellation of its treasury shares. None of the treasury shares were sold or transfer or cancelled during the financial year.

3. RATIONALE FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The implementation of the Proposed Share Buy-Back Authority is envisaged to benefit the Company and its shareholders as follows:

- (i) the Company is able to utilise its surplus financial resources more efficiently. If implemented, this may help to stabilise the supply and demand of the CHGB Shares traded on Bursa Securities and thereby support its fundamental value;
- (ii) the EPS of CHGB Shares and the return on equity of the Company is expected to improve as a result of a reduced share capital base;
- (iii) the Purchased CHGB Shares retained as treasury shares provide the Board with an option to resell the treasury shares at a higher price and generate capital gains for the Company;
- (iv) the Purchased CHGB Shares retained as treasury shares can be distributed as share dividends to the shareholders as a reward; and
- (v) the financial resources of the Company will increase if the Purchased CHGB Shares held as treasury shares are resold at prices higher than the purchase price.

4. EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The effects of the Proposed Share Buy-Back Authority on share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:

4.1 Share Capital

The effect of the Proposed Share Buy-Back Authority on the issued share capital of the Company will depend on whether the Purchased CHGB Shares are cancelled or retained as treasury shares. The Proposed Share Buy-Back Authority will result in a reduction of the issued share capital of the Company if the Purchased CHGB Shares are cancelled.

Based on the Company's issued share capital as at LPD, the effect of the Proposed Share Buy-Back Authority, assuming that the Purchased CHGB Shares will be cancelled, are as follows:

	No. of Shares
Number of CHGB Shares as at LPD	556,388,000 *
Less:- Maximum number of ordinary shares which may be purchased and cancelled pursuant to the Proposed Share Buy-Back Authority (assuming all Purchased CHGB Shares are fully cancelled)	55,638,800 *
Resultant number of CHGB Shares	500,749,200

** Including a total of 6,320,000 CHGB Shares bought back by CHGB and retained as treasury shares as at LPD.*

However, the Proposed Share Buy-Back Authority will have no effect on the issued share capital of the Company if all the Purchased CHGB Shares are to be retained as treasury shares, resold or distributed to the shareholders.

4.2 NA

When the Company purchases its own shares, regardless of whether they are retained as treasury shares or subsequently cancelled, the NA per Share of CHGB Group will decrease if the cost per Share purchased exceeds the NA per Share of CHGB Group at the relevant point in time. However, if the cost per Share purchased is below the NA per Share of CHGB Group at the relevant point in time, the NA per Share of CHGB Group will increase.

In the case where the Purchased CHGB Shares are treated as treasury shares and subsequently resold on Bursa Securities, the NA per Share of CHGB Group upon the resale will increase if the Company realises a gain from the resale and vice-versa. If the treasury shares are distributed as share dividends, the NA of CHGB Group will decrease by the cost of the treasury shares at the point of purchase.

4.3 Working Capital

The Proposed Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of CHGB Group, the quantum of which depends on, amongst others, the number of CHGB Shares purchased and the purchase price(s) of the CHGB Shares.

For CHGB Shares so purchased which are kept as treasury shares, upon their resale, the working capital and the cash flow of the Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the treasury shares and the number of treasury shares resold.

4.4 Earnings

The effects of the Proposed Share Buy-Back Authority on the earnings of CHGB Group are dependent on the number CHGB Shares purchased, the effective funding cost to finance such purchases and/or loss in interest income to CHGB Group if internally generated funds are utilised. Further, the purchase of the CHGB Shares will result in a lower number of shares being taken into account for purposes of EPS computation.

4.5 Dividends

Assuming the Proposed Share Buy-Back Authority is implemented in full, the Proposed Share Buy-Back Authority will have an effect of increasing the dividend rate per ordinary share of the Company as a result of the reduction in the issued share capital of the Company.

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4.6

Directors' and Substantial Shareholders' Shareholdings

The effect of the Proposed Share Buy-Back Authority on the shareholdings of the Directors and the substantial shareholders of CHGB based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the LPD assuming the Proposed Share Buy-Back Authority is undertaken in full by the Company, are as follows:

(a) Directors of CHGB

No.	Director	As at the LPD ^(a)				After the Proposed Share Buy-Back Authority ^(b)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Datuk Seri Dr Nik Norzrul Thani bin Nik Hassan Thani	100,000	0.02	-	-	100,000	0.02	-	-
2.	Datuk Seri Chiau Beng Teik	143,831,100	26.15	193,432,800	35.17 ^(c)	143,831,100	28.72	193,432,800	38.63 ^(c)
3.	Chiau Haw Choon	10,750,000	1.95	193,432,800	35.17 ^(c)	10,750,000	2.15	193,432,800	38.63 ^(c)
4.	Lee Hai Peng	2,374,000	0.43	-	-	2,374,000	0.47	-	-
5.	Yeoh Chin Hoe	100,000	0.02	-	-	100,000	0.02	-	-
6.	Datuk Cheng Lai Hock	100,000	0.02	-	-	100,000	0.02	-	-
7.	Shelly Chiau Yee Wern	-	-	-	-	-	-	-	-

Notes:

- (a) Excluding a total of 6,320,000 Shares bought-back by the Company and retained as treasury shares as at LPD.
- (b) Assuming the maximum of 55,638,800 Shares are bought-back by the Company and cancelled pursuant to the Proposed Share Buy-Back Authority.
- (c) Deemed interested interest in the shares held by Divine Inventions Sdn. Bhd. pursuant to Section 8 of the Act.

(b) Substantial Shareholders of CHGB

No.	Substantial Shareholders	As at the LPD ^(a)				After the Proposed Share Buy-Back Authority ^(b)			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	Divine Inventions Sdn. Bhd.	193,432,800	35.17	-	-	193,432,800	38.63	-	-
2.	PP Chin Hin Realty Sdn. Bhd.	-	-	193,432,800	35.17 ^(c)	-	-	193,432,800	38.63 ^(c)
3.	Datuk Seri Chiau Beng Teik	143,831,100	26.15	193,432,800	35.17 ^(c)	143,831,100	28.72	193,432,800	38.63 ^(c)
4.	Datin Seri Wong Mee Leng	-	-	193,432,800	35.17 ^(c)	-	-	193,432,800	38.63 ^(c)
5.	Chiau Haw Choon	10,750,000	1.95	193,432,800	35.17 ^(c)	10,750,000	2.15	193,432,800	38.63 ^(c)

Notes:

(a) Excluding a total of 6,320,000 Shares bought-back by the Company and retained as treasury shares as at LPD.

(b) Assuming the maximum of 55,638,800 Shares are bought-back by the Company and cancelled pursuant to the Proposed Share Buy-Back Authority.

(c) Deemed interested interest in the shares held by Divine Inventions Sdn. Bhd. pursuant to Section 8 of the Act.

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5. INTEREST OF DIRECTORS / MAJOR SHAREHOLDERS

Save for the proportionate increase in percentage of shareholdings and/or voting rights of shareholders of the Company as a result of the Proposed Share Buy-Back Authority, none of the Directors and Substantial Shareholders of the Company and/or persons connected with them have any interests, direct or indirect, in the proposed purchase of shares or resale of treasury shares, if any, in the future.

6. APPROVALS REQUIRED

The Proposed Share Buy-Back Authority is conditional upon the approval of the shareholders of the Company being obtained at the forthcoming AGM to be convened.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of CHGB Shares traded on Bursa Securities for the past twelve (12) months from April 2018 to March 2019 are as follows:

	Highest RM	Lowest RM
2018		
April	1.12	1.04
May	1.10	0.84
June	0.89	0.73
July	0.85	0.74
August	0.81	0.75
September	0.78	0.74
October	0.76	0.70
November	0.73	0.70
December	0.78	0.63
2019		
January	0.74	0.68
February	0.83	0.71
March	0.81	0.79

The last transacted price of CHGB Shares on 1 April 2019, being the LPD, was RM0.79.

8. DIRECTORS' RECOMMENDATION

The Board after having considered all aspects of the Proposed Share Buy-Back Authority is of the opinion that the Proposed Share Buy-Back Authority is fair, reasonable and in the best interests of the Company and accordingly recommended that the shareholders of the Company to vote in favour of the ordinary resolution for the Proposed Share Buy-Back Authority to be tabled at the forthcoming AGM.

9. ANNUAL GENERAL MEETING

The ordinary resolution to vote on the Proposed Share Buy-Back Authority is set out in the Notice of Fifth (5th) AGM contained in the Annual Report of the Company for the financial year ended 31 December 2018, which is dispatched together with this Circular. The Fifth (5th) AGM will be held 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 Monday, 17 June 2019 at 10.00 a.m.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign and return the Form of Proxy enclosed in the Annual Report of the Company for the financial year ended 31 December 2018 in accordance with the instructions printed therein as soon as possible so as to arrive at the Company's Share Registrar at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not less than 48 hours before the time appointed for holding the AGM 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 AGM and voting in person should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I contained in this Circular for further information.

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

Datuk Seri Dr Nik Norzrul Thani
Bin Nik Hassan Thani
Independent Non-Executive Chairman

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APPENDIX I – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Directors of CHGB who individually and collectively accept full responsibility for the accuracy of the information contained in this Circular and confirm that after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading or incorrect.

2. MATERIAL CONTRACTS

Save as disclosed below, CHGB and its subsidiaries have not entered into any material contracts (including contracts not reduced into writing), not being contracts entered into in the ordinary course of business, within the two (2) years immediately preceding the date of this Circular:

- (a) Conditional Shares Sale Agreement dated 3 April 2017 entered into between Starken AAC with the vendors of MI Polymer Concrete Pipes Sdn. Bhd. ("MIPCP") for the proposed acquisition of the entire issued and paid up share capital of MIPCP which comprises of 1,000,000 ordinary shares in MIPCP for a total of RM35,000,000.00. This transaction was completed on 7 April 2017.
- (b) Conditional Share Sale Agreement dated 18 July 2017 entered into between CHGB with the vendors of Atlantic Blue Sdn Bhd ("Atlantic Blue"), for the proposed acquisition of 45% equity interest in Atlantic Blue comprising 450,000 ordinary shares in Atlantic Blue for a total cash consideration of RM24,750,000. This transaction was completed on 24 August 2017.
- (c) Shareholders Agreement dated 25 September 2017 entered into between Starken AAC with Chan Wai Heng, to subscribe for 2,100,000 million new ordinary shares at RM1.00 each in Diva Victory Sdn. Bhd., for a total consideration of RM2,100,000 only. This transaction was completed on 11 October 2017.
- (d) Assets Purchase Agreement dated 12 October 2017 entered into between Diva Victory with FRUHPC Concept Sdn. Bhd. for the acquisition of assets relating to the manufacturing of the high and ultra-high performance concrete for a total cash consideration of RM3,000,000.00 only. This transaction was completed on 3 November 2017.
- (e) Share Sale Agreement dated 30 March 2018 entered into between Metex Steel with Frontscape Sdn. Bhd. for the proposed disposal of the entire equity interest in Formino Metal Sdn. Bhd., an indirect-wholly owned subsidiary of the Company, for a total cash consideration of RM10,971,550.00 only. This transaction was completed on 24 April 2018.
- (f) 17 Conditional Sale and Purchase Agreements dated 6 June 2018 ("SPAs") entered into between PP Chin Hin with Chin Hin Building Materials Supply (JB) Sdn. Bhd. ("CHBMS") for the proposed disposal of 5 units of 3-storey shop office located at No. A-23, A-23A, A-25, A-26 and A-27, Jalan Reef 1/1, Pusat Perniagaan Reef, 48000 Rawang, Selangor Darul Ehsan, 3 units of 3-storey shop office located at No. 48, 49 and 50, Jalan Kuala Kedah, Taman Gunung Indah, 05400 Alor Setar, Kedah Darul Aman and 9 units of 3-storey shop office located at No. 10, 11, 12, 13, 15, 16,

17, 18 and 19, Taman Bandar Baru Mergong, 05150 Alor Setar, Kedah Darul Aman, for a total cash consideration of RM21,150,000.00 only. On 13 March 2019, the Company has announced that PP Chin Hin and CHBMS have mutually agreed to extend the conditional period for Rawang Units up to 5 June 2019 and extend the completion period for Mergong Units and Gunung Indah Units up to 5 September 2019 or 3 months from the unconditional date of the SPAs for the Rawang Units, whichever is earlier.

(g) Share Sale Agreement dated 23 October 2018 entered into between Midah Industries with the vendors of Kempurna, namely Cheong Nam, Wong Tuck Fock and Ng Moy Ying for the proposed acquisition of entire equity interest in Kempurna for a total cash consideration of RM4,144,668.60 only. This transaction has completed on 14 December 2018.

(h) Share Sale Agreement dated 12 December 2018 entered into between Metex Modular with the vendors of Saujana Vision, namely Lau See Hua and Margaret Voon Lee Ching for the proposed acquisition of 70% equity interest in Saujana Vision for a total consideration of RM5,000,000.00 only. This transaction has completed on 31 December 2018.

3. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

The Board has confirmed that as at the LPD, neither CHGB nor its subsidiaries is engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board has no knowledge of any proceeding pending or threatened against CHGB Group or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of the CHGB Group.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

Save as disclosed below, as at LPD, the Board is not aware of any material commitments and contingent liabilities incurred or known to be incurred which may have a material impact on the profits or NA of CHGB Group upon becoming enforceable:

(i) Contingent Liabilities

	RM
Corporate guarantees for credit facilities granted to subsidiaries	522,039,617
Banker guarantees in favour of third parties	3,913,610
Total	525,953,227

(ii) Material Commitments

	RM
Acquisition of property, plant and equipment	14,557,663

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by the shareholders of CHGB at the Registered Office of CHGB at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur during normal office hours between Monday and Friday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) The Constitution of CHGB;
- (ii) The material contracts referred to in Section 2 of this Appendix I;
- (iii) The audited financial statements of CHGB Group for the past two (2) financial years ended 31 December 2017 and 31 December 2018; and
- (iv) The unaudited consolidated financial results of CHGB for the quarter ended 31 December 2018.

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

EXTRACT OF THE NOTICE OF FIFTH (5TH) ANNUAL GENERAL MEETING

6.	<p>Proposed New Shareholders' Mandate and Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")</p> <p>THAT, subject to compliance with all applicable laws, regulations and guidelines, approval be and is hereby given to the Company to enter into Recurrent Related Party Transactions of a revenue or trading nature with related parties as set out in Section 2.4 of the Circular to Shareholders dated 30 April 2019 for the purposes of Paragraph 10.09, Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), subject to the following:</p> <ul style="list-style-type: none">(i) the transactions are necessary for the day to day operations of the Company's subsidiary in the ordinary course of business, at arm's length, on normal commercial terms and are on terms not more favourable to the related party than those generally available to the public and not detrimental to minority shareholders of the Company;(ii) the mandate is subject to annual renewal. In this respect, any authority conferred by a mandate shall only continue to be in force until:<ul style="list-style-type: none">(a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340 (2) of the Companies Act, 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340 (4) of the Act); or(c) revoked or varied by resolution passed by the shareholders in a general meeting, <p>whichever is the earlier.</p> <ul style="list-style-type: none">(iii) disclosure is made in the annual report of the Company of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the mandate during the current financial year, and in the annual reports for the subsequent financial years during which a shareholder's mandate is in force, where:<ul style="list-style-type: none">(a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1.0 million; or(b) any one of the percentage ratios of such aggregated transactions is equal to or exceeds 1%,	(Ordinary Resolution 6)
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	<p>whichever is the higher;</p> <p>and amongst other, based on the following information:</p> <p>(a) the type of the Recurrent Related Party Transactions made; and</p> <p>(b) the names of the related parties involved in each type of the Recurrent Related Party Transactions made and their relationships with Chin Hin Group.</p> <p>AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.</p>	
7.	<p>Proposed Renewal of Share Buy-Back Authority for the Purchase of its Own Ordinary Shares (“Proposed Share Buy-Back Authority”)</p> <p>THAT subject to the compliance with Section 127 of the Companies Act, 2016 (“the Act”) and all other applicable laws, rules and regulations, approval be and is hereby given to the Company, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad (“Bursa Securities”) as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased and held pursuant to this resolution does not exceed 10% of the existing issued share capital of the Company including the shares previously purchased and retained as treasury shares (if any) and the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company, upon such terms and conditions as set out in the Circular to Shareholders dated 30 April 2019.</p> <p>AND THAT such authority shall commence immediately upon the passing of this Ordinary Resolution and until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM is required by law to be held unless revoked or varied by Ordinary Resolution in the general meeting of the Company but so as not to prejudice the completion of a purchase made before such expiry date, in any event in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities (“Listing Requirements”) and any other relevant authorities.</p> <p>AND THAT authority be and is hereby given to the Directors of the Company to decide in their absolute discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell them and/or to distribute them as share dividends in such manner as may be permitted and prescribed by the provisions of the Listing Requirements and any other relevant authorities.</p> <p>AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the interests of the Company.</p>	(Ordinary Resolution 7)