

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

Bursa Malaysia Securities Berhad ("Bursa Securities") undertakes limited review on the circular pertaining to the Proposed Bonus Issue (as defined herein) pursuant to Practice Note 18 of the 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.



**CHIN HIN GROUP BERHAD (201401021421 (1097507-W))**  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:**

**PROPOSED BONUS ISSUE OF UP TO 278,194,000 NEW ORDINARY SHARES IN CHIN HIN GROUP BERHAD ("CHIN HIN") ("BONUS SHARES") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 ORDINARY SHARES IN CHIN HIN HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*



**M&A SECURITIES SDN BHD**  
(Registration No.197301001503 (15017-H))  
*(A Wholly-Owned Subsidiary of Insas Berhad)*  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

Last date and time for lodging the Form of Proxy : Monday, 15 March 2021 at 10.00 a.m.

Date and time for the EGM : Wednesday, 17 March 2021 at 10.00 a.m. or at any adjournment thereof

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## DEFINITIONS

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Unless where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:

“Act”	: Companies Act 2016
“Board”	: Board of Directors of Chin Hin
“Bonus Share(s)”	: Up to 278,194,000 new Chin Hin Share(s) to be issued pursuant to the Proposed Bonus Issue
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 (635998-W))
“CHGP”	: Chin Hin Group Property Berhad (200101017677 (553434-U))
“Chin Hin” or “Company”	: Chin Hin Group Berhad (201401021421 (1097507-W))
“Chin Hin Group” or “Group”	: Chin Hin and its subsidiaries, collectively
“Chin Hin Share(s)”	: Ordinary share(s) in Chin Hin
“Circular”	: This circular to the shareholders of Chin Hin in relation to the Proposed Bonus Issue
“CMSA”	: Capital Markets and Services Act 2007
“Covid-19”	: Coronavirus disease 2019, an infectious disease and global pandemic
“EGM”	: Extraordinary General Meeting
“Entitlement Date”	: A date to be determined and announced later by the Board, as at the close of business on which the shareholders of Chin Hin must be registered in the Record of Depositors of the Company in order to be entitled to the Proposed Bonus Issue
“EPS”	: Earnings per share
“FYE”	: Financial year ended/ending, as the case may be
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 15 February 2021, being the latest practicable date prior to the printing of this Circular
“M&A Securities” or “Adviser”	: M&A Securities Sdn Bhd (197301001503 (15017-H))
“NA”	: Net assets
“PAT”	: Profit after taxation
“PBT”	: Profit before taxation
“Proposed Bonus Issue”	: Proposed bonus issue of up to 278,194,000 Bonus Shares on the basis of 1 Bonus Share for every 2 existing Chin Hin Shares held by the entitled shareholders

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**DEFINITIONS** *(cont'd)*

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"Record of Depositors"	: A record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd
"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"VWAP"	: Volume weighted average market price
"5D-VWAP"	: 5-day volume weighted average market price

Any reference in this Circular to any statues, rules, regulations or rules of the stock exchange is a reference to such statues, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

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 day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSED BONUS ISSUE. SHAREHOLDERS OF CHIN HIN ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDIX FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSED BONUS ISSUE BEFORE VOTING AT THE FORTHCOMING EGM.**

The Board is recommending shareholders of Chin Hin to vote **IN FAVOUR** of the resolution in relation to the Proposed Bonus Issue to be tabled at the forthcoming EGM.

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary</b>	<b>: Proposed Bonus Issue</b>  Proposed bonus issue of up to 278,194,000 new Bonus Shares on the basis of 1 Bonus Share for every 2 existing Chin Hin Shares held at the Entitlement Date	Section 2
<b>Rationale</b>	<b>: (i)</b> To reward the shareholders of the Company for their continuous support by enabling them to have greater participation in the equity of the Company in terms of the number of Chin Hin Shares held, while maintaining their percentage of equity interest; and  <b>(ii)</b> To provide the opportunity to increase/encourage the trading liquidity of Chin Hin Shares in the market and greater participation by investors	Section 3
<b>Approvals required</b>	<b>: The Proposed Bonus Issue is subject to the approvals and/or consents being obtained from the following:</b>  <b>(i)</b> Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, which was obtained on 19 February 2021;  <b>(ii)</b> shareholders of Chin Hin at the forthcoming EGM; and  <b>(iii)</b> any other relevant authorities and/or parties, if required.	Section 5



**CHIN HIN GROUP BERHAD**  
(Registration No.: 201401021421 (1097507-W))

**Registered Office:**

Level 5, Block B  
Dataran PHB  
Saujana Resort  
Section U2  
40150 Shah Alam  
Selangor

1 March 2021

**Board of Directors:**

Datuk Seri Chiau Beng Teik, JP (*Executive Chairman*)  
Chiau Haw Choon (*Group Managing Director*)  
Lee Hai Peng (*Executive Director cum Chief Financial Officer*)  
Datuk Cheng Lai Hock (*Independent Non-Executive Director*)  
Yeoh Chin Hoe (*Senior Independent Non-Executive Director*)  
Mohd Yusri Bin Md Yusof (*Independent Non-Executive Director*)  
Shelly Chiau Yee Wern (*Alternate Director to Datuk Seri Chiau Beng Teik, JP*)

Dear Shareholders,

**PROPOSED BONUS ISSUE**

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**1. INTRODUCTION**

On 28 December 2020, on behalf of the Board, M&A Securities announced that the Company proposed to undertake the Proposed Bonus Issue.

Subsequently, M&A Securities announced that Bursa Securities had vide its letter dated 19 February 2021, approved in-principle the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, subject to the following conditions:

<b>No</b>	<b>Conditions</b>	<b>Status of Compliance</b>
(i)	Chin Hin and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue	To be complied
(ii)	Chin Hin and M&A Securities are required to inform Bursa Securities upon the completion of the Proposed Bonus Issue	To be complied
(iii)	M&A Securities is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue are completed	To be complied
(iv)	Chin Hin/M&A Securities is required to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders	To be complied

<b>No</b>	<b>Conditions</b>	<b>Status of Compliance</b>
	at the general meeting for the Proposed Bonus Issue prior to the listing and quotation of the Bonus Shares	
(v)	Chin Hin and M&A Securities are required to make the relevant announcements for the Proposed Bonus Issue pursuant to Rules 6.35(2)(a)&(b) and 6.35(4) of the Main LR	To be complied

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX BEFORE VOTING BY WAY OF POLL ON THE RESOLUTION PERTAINING TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSED BONUS ISSUE**

### **2.1 Basis and quantum**

As at LPD, Chin Hin has an issued share capital of RM325,795,595 comprising 556,388,000 Shares. As at LPD, Chin Hin has 250,100 treasury shares.

The basis of the Proposed Bonus Issue was determined after taking into consideration, amongst others, the following:

- (i) the potential adjustments to the share price of Chin Hin Shares arising from the Proposed Bonus Issue; and
- (ii) the enlarged number of Chin Hin Shares after the Proposed Bonus Issue.

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

Fractional entitlements, arising from the Proposed Bonus Issue, if any, will be disregarded and shall be dealt with by the Board in such manner at its absolute discretion as it may deem fit and expedient in order to minimise the incidence of odd lots and in the best interest of the Company.

Pursuant to Paragraph 6.30(1A) of the Listing Requirements, the share price adjusted for the Proposed Bonus Issue shall not be less than RM0.50 based on the daily VWAP of Chin Hin during the past 3-month period before the application date.

For illustrative purposes, the 5D-VWAP and lowest 3-month daily VWAP of Chin Hin Shares up to LPD, and the theoretical ex-bonus share price of Chin Hin Shares are as follows:

	<b>Before Proposed Bonus Issue</b>	<b>After Proposed Bonus Issue</b>
	<b>Market price</b>	<b>Theoretical ex- bonus share price</b>
5D-VWAP up to LPD	RM1.6232	RM1.0821
Lowest 3-month daily VWAP up to LPD	RM1.3262	RM0.8841

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

## **2.2 No capitalisation of reserves**

The Bonus Shares shall be issued as fully paid, at no consideration and without capitalisation of the Company's reserves. The Proposed Bonus Issue will not raise any funds for the Company.

For the avoidance of doubt, the Proposed Bonus Issue will increase the number of Chin Hin Shares but will not increase the value of issued share capital of Chin Hin.

## **2.3 Ranking of the Bonus Share**

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

## **2.4 Listing of and quotation for the Bonus Shares**

Bursa Securities had approved in-principle the listing of and quotation for the Bonus Shares.

## **3. RATIONALE FOR THE PROPOSED BONUS ISSUE**

After taking into consideration various options available to reward shareholders, the Board is of the view that the Proposed Bonus Issue is the most appropriate avenue to reward its shareholders as the Proposed Bonus Issue will:

- (i) enable shareholders to have greater participation in the equity of the Company in terms of the number of Chin Hin Shares held, while maintaining their percentage of equity interest; and
- (ii) provide the opportunity to increase/encourage the trading liquidity of Chin Hin Shares in the market and greater participation by investors.



#### 4. FINANCIAL EFFECTS OF THE PROPOSED BONUS ISSUE

##### 4.1 Issued share capital

The pro forma effects of the Proposed Bonus Issue on the issued share capital of Chin Hin are set out below:

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at LPD	<sup>(1)</sup> 556,388,000	325,795,595
To be issued pursuant to the Proposed Bonus Issue	278,194,000	-
<b>Enlarged share capital</b>	<b>834,582,000</b>	<b>325,795,595</b>

**Note:**

<sup>(1)</sup> As at LPD, Chin Hin has 250,100 treasury shares.

##### 4.2 NA and gearing

The pro forma effects of the Proposed Bonus Issue on the consolidated NA and gearing of the Group are based on its latest audited financial statements for FYE 31 December 2019 and assuming that the Proposed Bonus Issue had been completed on 31 December 2019.

	<u>Audited as at 31 December 2019</u>	<u>I After Proposed Bonus Issue</u>
	<u>RM'000</u>	<u>RM'000</u>
Share capital	325,796	325,796
Non distributable reserves	(141,564)	(141,564)
Retained earnings	238,685	<sup>(1)</sup> 238,585
<b>Equity attributable to the owners of the Company</b>	<b>422,917</b>	<b>422,817</b>
Non-controlling interest	(795)	(795)
<b>Total equity</b>	<b>422,122</b>	<b>422,022</b>
No. of shares ('000)	556,388	834,432
NA per share attributable to owners of the Company (RM)	0.76	0.51
Bank borrowings (RM'000)	513,754	513,754
Gearing (times)	1.22	1.22

**Note:**

<sup>(1)</sup> After deducting estimated expenses of RM100,000 (adjusted for tax effect).

##### 4.3 Earnings and EPS

Upon completion of the Proposed Bonus Issue, the Group's EPS will be diluted as a result of the issuance of Bonus Shares.

#### 4.4 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the substantial shareholders' shareholdings in the Company. The Bonus Shares will be allotted on a pro-rata basis to all the shareholders of the Company. However, the number of Chin Hin Shares held by each substantial shareholder will increase proportionately as a result of the Proposed Bonus Issue.

#### 4.5 Convertible securities

As at LPD, Chin Hin does not have any outstanding convertible securities.

### 5. APPROVALS REQUIRED

The Proposed Bonus Issue is subject to the approvals and/or consents being obtained from the following:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, which was obtained on 19 February 2021;
- (ii) shareholders of Chin Hin at the forthcoming EGM; and
- (iii) any other relevant authorities and/or parties, if required.

The Proposed Bonus Issue is not conditional on any other proposals undertaken or to be undertaken by the Company.

### 6. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Chin Hin Shares as traded on Bursa Securities for the past 12 months are as follows:

	<u>High</u>	<u>Low</u>
	<u>RM</u>	<u>RM</u>
<b><u>2020</u></b>		
February	0.613	0.540
March	0.570	0.389
April	0.581	0.486
May	0.621	0.521
June	0.660	0.591
July	0.640	0.621
August	1.191	0.655
September	1.420	1.211
October	1.380	1.350
November	1.450	1.330
December	1.640	1.320
<b><u>2021</u></b>		
January	1.530	1.340

*(Source: Bloomberg)*

The last transacted price of Chin Hin Shares on 24 December 2020, being the market day immediately preceding the date of the announcement of the Proposed Bonus Issue is RM1.53 per Share. The last transacted price of Chin Hin Shares as at LPD was RM1.60 per Share.

**7. INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS AND CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM**

None of the Directors and/or major shareholders and/or chief executive of the Company and/or persons connected with them have any interest, direct and/or indirect, in the Proposed Bonus Issue, other than their respective entitlements as shareholders of the Company, the rights of which are also available to all other existing shareholders of the Company as at the Entitlement Date.

**8. IMPACT OF COVID-19**

The recent ongoing Covid-19 outbreak has caused global economic slowdown since early 2020. As the Malaysian Government enforced the movement control order (“MCO”) on 18 March 2020, any travel and social gathering had been restricted as well as closure of non-essential businesses.

The Group’s businesses had also suspended operations during the initial period of the MCO. Notwithstanding the temporary suspension of operations during the MCO, the impact of Covid-19 on the Group's financial performance for FYE 31 December 2020 was not material as the Group had gradually resumed operations since 4 May 2020. Operationally, the Group will continue to comply with the Standard Operating Procedures introduced by Malaysia's Ministry of Health.

However, there can be no assurance that any prolonged Covid-19 outbreak and MCO, and/ or any other external factors will not have material adverse effect on the financial performance and operations of the Group moving forward.

**9. TENTATIVE TIMETABLE**

Barring any unforeseen circumstances, the Board expects the Proposed Bonus Issue to be completed by the first half of 2021.

The tentative timetable for the implementation of the Proposed Bonus Issue is as follows:

<b>Events</b>	<b>Tentative timeline</b>
EGM to approve the Proposed Bonus Issue	Mid March 2021
Announcement of the Entitlement Date	Mid March 2021
Listing of and quotation for the Bonus Shares	Early April 2021

**10. DIRECTORS’ STATEMENT AND RECOMMENDATION**

After considering all aspects of the Proposed Bonus Issue, including but not limited to the rationale and effects of the Proposed Bonus Issue, the Board is of the opinion that the Proposed Bonus Issue is in the best interest of the Group and its shareholders.

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

## **11. OUTSTANDING CORPORATE PROPOSALS**

As at LPD, save for the following, there are no other corporate proposals that have been announced but have yet to be completed:

- (i) the Proposed Bonus Issue;
- (ii) the acquisition of 176,608,435 ordinary shares in CHGP and 37,651,700 warrants in CHGP announced on 28 December 2020;
- (iii) the private placement exercise announced on 29 December 2020; and
- (iv) the proposed subscription of 30.0% equity interest in Starken Philippines Inc, announced on 20 June 2019.

## **12. EGM**

The EGM, the notice of which is enclosed in this Circular, will be held and conducted by way of virtual meeting entirely through live streaming via RPV facilities from the broadcast venue at Chin Hin Culture Centre, F-0-1 & F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, off Jalan Kuchai Lama, 58200 Kuala Lumpur, on Wednesday, 17 March 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modification, the resolution to give effect to the Proposed Bonus Issue.

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

## **13. FURTHER INFORMATION**

Please refer to the appendices of this Circular for further information.

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

**Datuk Seri Chiau Beng Teik, JP**  
Executive Chairman

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**APPENDIX I – FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually 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 misleading.

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS*****Consents***

M&A Securities, being the Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references in the form and context in which they appear in this Circular.

***Declaration of conflict of interests***

M&A Securities is not aware of any situation which would likely to give rise to a possible conflict of interest in relation to their respective roles as the Adviser.

**3. MATERIAL COMMITMENTS**

Save as disclosed below, as at LPD, the Board is not aware of any material commitments contracted or known to be contracted by Chin Hin Group, that is likely to have an impact on Chin Hin Group's profits or NA upon becoming enforceable:

	<b>RM'000</b>
Approved and contracted for:	
Property, plant and equipment	<u>3,262</u>

**4. CONTINGENT LIABILITIES**

Save as disclosed below, as at LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by Chin Hin Group, which upon becoming enforceable, may have a material impact in the ability of the Group to meet the obligations as and when they fall due:

	<b>RM'000</b>
Corporate guarantees for credit facilities granted to subsidiaries	<u>409,541</u>
Bank guarantees in favour of third parties	<u>3,526</u>
	<b><u>413,067</u></b>

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## APPENDIX I – FURTHER INFORMATION

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### 5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed, as at LPD, there are no material litigation, claims or arbitrations, proceedings pending or threatened, against Chin Hin Group, or of any facts likely to give rise to any proceedings which may materially and adversely affect Chin Hin Group.

On 30 June 2017, Chin Hin Concrete (KL) Sdn Bhd ("**CHCKL**"), Chin Hin's wholly owned subsidiary sued Betamusifa Trading Sdn Bhd & Anor ("**BTSB**") for the sum of RM579,568.00 being goods sold and delivered. BTSB counter claimed CHCKL on 5 March 2019 for the following:

- (i) rectification works of approximately RM1.4 million due to understrength concrete; and
- (ii) liquidated ascertained damages for delay caused to the completion of the project/development ("**LAD**") attributable to CHCKL's provision of alleged under-strength cement.

On 3 September 2019, the Kuala Lumpur High Court held as follows:

- (i) BTSB is liable to pay CHCKL for goods sold and delivered of RM579,568.00;
- (ii) CHCKL is liable to pay BTSB rectification costs of approximately RM1.4 million and cost of RM30,000.00; and
- (iii) LAD was dismissed on the ground that the said LAD was not provided for or agreed in writing by the parties.

Both parties made an appeal to the Court of Appeal whereupon BTSB appealed against the payment of RM579,568.00 to CHCKL and dismissal of LAD of approximately RM36.8 million; and CHCKL appealed against the rectification cost of RM1.4million. Trial on the appeal was conducted on 5 January 2021 and the decision for the appeal was originally fixed on 17 February 2021 but was re-scheduled to 20 April 2021.

CHCKL sought the necessary legal advice on the above subject matter and is of the opinion that it has a valid defence against appeal for the LAD by BTSB. In addition, the Board is of the view that the decision by Kuala Lumpur High Court to dismiss the LAD is justified because CHCKL is merely a construction material supplier to BTSB and in the absence of any express LAD contractual clause between CHCKL and BTSB, the claim for LAD is frivolous and it cannot be substantiated at law.

### 6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company at Level 5, Block B, Dataran PHB, Saujana Resort, Seksyen U2, 40150 Shah Alam, Selangor during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to the date of EGM:

- (i) Constitution of the Company;
- (ii) Audited consolidated financial statements of Chin Hin for FYE 31 December 2018 to 2019 and the unaudited consolidated financial statements of Chin Hin for FYE 31 December 2020;

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**APPENDIX I – FURTHER INFORMATION**

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- (iii) The relevant cause papers in respect of material litigation referred to in Section 5 of Appendix I above; and
- (iv) Letters of consent and declaration of conflict of interests referred to in Section 2 of Appendix I above.

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## ADMINISTRATIVE GUIDE FOR SHAREHOLDERS

### Chin Hin Group Berhad (“Company”) – Extraordinary General Meeting

<b>Date</b>	: Wednesday, 17 March 2021
<b>Time</b>	: 10.00 a.m.
<b>Broadcast Venue</b>	: Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur
<b>Virtual Meeting accessible at</b>	: <a href="https://web.vote2u.app">https://web.vote2u.app</a>

In light of the coronavirus outbreak, governmental decrees, and the encouragement of the Securities Commission Malaysia, as well as in the best interest of public health and the health and safety of the board of directors (“**Board**”), employees and shareholders of our Company (“**Shareholders**”), the Extraordinary General Meeting (“**EGM**”) will be held virtually via the Remote Participation and Voting (“**RPV**”) Facilities.

We strongly encourage our Shareholders whose names appear on the Record of Depositors as at 10 March 2021 and holders of proxy for those Shareholders to participate and vote remotely at the EGM. In line with the Malaysian Code on Corporate Governance Practice 12.3, the virtual EGM will facilitate greater Shareholders’ participation (including posting questions to our Board and/or management of our Company (“**Management**”)) and vote at the EGM without being physically present at the broadcast venue. For Shareholders who are unable to participate in the EGM, you may appoint proxy(ies) or the Chairman of the EGM as your proxy to attend and vote on your behalf at the EGM.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection of the participants (Shareholders and proxies). Hence, you are to ensure your internet connectivity throughout the duration of the EGM is maintained while using RPV Facilities provided by Agmo Digital Solutions Sdn. Bhd. (“**AGMO**”) via its **Vote2U Online** website at <https://web.vote2u.app>

### PROCEDURES TO PARTICIPATE IN RPV FACILITIES

Please follow the Procedure to Participate in RPV Facilities as summarised below:

#### BEFORE EGM DAY

##### A: REGISTRATION

##### Individual Shareholders

	Description	Procedure
i.	Shareholders to register with Vote2U online	<p>The registration will open from the day of notice</p> <ol style="list-style-type: none"><li>Access website at <a href="https://web.vote2u.app">https://web.vote2u.app</a></li><li>Click “<b>Sign Up</b>” to sign up as a user.</li><li>Read the ‘Privacy Policy’ and ‘Terms &amp; Conditions’ and indicate your acceptance of the ‘Privacy Policy’ and ‘Terms &amp; Conditions’ on a small box <input type="checkbox"/>. Then click “<b>Next</b>”.</li><li>*Fill-in your details (note: create your own password). Then click “<b>Continue</b>”.</li><li>Upload softcopy of your identification card (MYKAD) (front only) (for Malaysian) or Passport (for non-Malaysian).</li></ol>



		<p>f. Click "<b>Submit</b>" to complete the registration</p> <p>g. Your registration will be verified and an email notification will be sent to you. Please check your email.</p> <p><u>Note:</u> If you have registered as a user with Vote2U Online previously, you are not required to register again.</p> <p>*Check your email address is keyed in correctly. *Remember the password you have keyed-in.</p>
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**B: REGISTER PROXY**

**Individual Shareholder / Corporate Shareholder / Nominees Company**

	<b>Description</b>	<b>Procedure</b>
i.	Submit Form of Proxy (hardcopy)	<p>The closing time to submit your hardcopy Form of Proxy is at <b>{10.00 a.m., Monday, 15 March 2021}</b>.</p> <p>a. *Fill-in details on the hardcopy Form of Proxy and ensure to provide the following information:</p> <ul style="list-style-type: none"> <li>○ MYKAD (for Malaysian) / Passport (for non-Malaysian) number of the Proxy</li> <li>○ *Email address of the Proxy</li> </ul> <p>b. Submit/Deposit the hardcopy Form of Proxy to {the Company's Share Registrar at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan}</p> <p><u>Note:</u> After verification, an email notification will be sent to the Proxy and will be given a temporary password. The Proxy could use the temporary password to log in to Vote2U.</p> <p>*Check the email address of Proxy is written down correctly.</p>

Shareholders who appoint proxy(ies) to participate in the EGM must ensure that the hardcopy Form of Proxy is submitted not less than 48 hours before the time for holding the EGM or any adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

## ON EGM DAY

### A: WATCH LIVE STREAMING

#### Individual Shareholders & Proxies

	Description	Procedures
i.	Login to virtual meeting portal - Vote2U online & watch Live Streaming.	<p>The Vote2U online portal will open for log in starting from <b>{9.00 a.m., Wednesday, 17 March 2021}</b>, one (1) hour before the commencement of the EGM.</p> <ol style="list-style-type: none"><li>Login with your email and password</li><li>Select the General Meeting event (for example, "Chin Hin EGM").</li><li>Check your details.</li><li>Click "<b>Watch Live</b>" button to view the live streaming.</li></ol>

### B: ASK QUESTION

#### Individual Shareholders & Proxies

	Description	Procedures
i.	Ask Question during EGM (real-time)	<p>Questions submitted online using <u>typed text</u> will be moderated before being forwarded to the Chairman of the EGM to avoid repetition. Every question and message will be presented with the full name of the Shareholder or proxy raising the question.</p> <ol style="list-style-type: none"><li>Click "<b>Ask Question</b>" button to post question(s).</li><li>Type in your question and click "<b>Submit</b>".</li></ol> <p>The Chairman of the EGM/ Board will endeavor to respond to questions submitted by remote Shareholders and proxies during the EGM.</p>

### C: VOTING REMOTELY

#### Individual Shareholders & Proxies

	Description	Procedures
i.	Online Remote Voting	<p>Once the Chairman of the EGM announces the opening of remote voting:</p> <ol style="list-style-type: none"><li>Click "<b>Confirm Details &amp; Start Voting</b>".</li><li>To vote, select your voting choice from the options provided. A confirmation screen will appear to show your selected vote. Click "<b>Next</b>" to continue voting for all resolutions.</li><li>To change your vote, click "<b>Back</b>" and select another voting choice.</li><li>After you have completed voting, a Voting Summary page appears to show all the resolutions with your voting choices. Click "<b>Confirm</b>" to submit your vote.</li></ol> <p>[Please note that you are <u>not able</u> to change your voting choices after you have confirmed and submitted your votes.]</p>

## **ADDITIONAL INFORMATION**

### **Voting Procedure**

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the EGM will be conducted by poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

### **Broadcast Venue**

Broadcast venue means the place where the broadcasting is taken place to transmit or to air the EGM online. It could be a studio or a meeting room.

Shareholders and proxies are not advisable to go to the broadcast venue as it is only a place where the EGM is broadcasted for transmission online in the presence of the Chairman of the EGM, Board, Chief Executive Officer, auditors, company secretary and senior management of our Company. No seating and refreshments will be arranged for Shareholders and proxies at the broadcast venue when it is an EGM held virtually fully.

If Shareholders and proxies arrive at the broadcast venue, our Management has the right to ask you to leave the broadcast venue in order to comply with the government decrees and standard operating procedures.

### **No Door Gift or e-Voucher or Food Voucher**

There will be no door gift or e-Voucher or food voucher given at the EGM.

### **Enquiry**

- a. If you have enquiry relating to the EGM Administrative Guide for Shareholders, please contact our **Investor Relation** during office hours:

Email: [info@chinhingroup.com](mailto:info@chinhingroup.com)

- b. If you have enquiry relating to the RPV Facilities or encounters issues with the log in, steps to connect to live streaming and online voting:

Email: [vote2u@agmostudio.com](mailto:vote2u@agmostudio.com)



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

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of Chin Hin Group Berhad ("Chin Hin" or the "Company") will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur on Wednesday, 17 March 2021 at 10.00 a.m. or at any adjournment thereof, for the purpose of transacting the following resolutions:

### **ORDINARY RESOLUTION 1**

**PROPOSED BONUS ISSUE OF UP TO 278,194,000 NEW ORDINARY SHARES IN CHIN HIN ("BONUS SHARES"), ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 ORDINARY SHARES IN CHIN HIN ("CHIN HIN SHARES OR "SHARES") HELD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED BONUS ISSUE")**

"**THAT**, subject to the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to the Board of Directors of the Company ("**Board**") to issue up to 278,194,000 Bonus Shares, to be credited as fully paid-up, on the basis of 1 Bonus Share for every 2 existing Chin Hin Shares held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on an entitlement date to be determined later ("**Entitled Shareholders**");

**THAT** fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue, if any, shall be dealt with in such manner as the Board in its absolute discretion deems fit and expedient and in the best interest of the Company;

**THAT** the Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Chin Hin Shares, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the entitlement date;

**AND THAT** the Directors of the Company be and are authorised to do all acts, deeds and things and execute all documents as they may deem fit or expedient in order to carry out, finalise and give effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or permitted by any relevant authorities and to take all steps as they may consider necessary or expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Bonus Issue."

**BY ORDER OF THE BOARD OF  
CHIN HIN GROUP BERHAD**

**TAN TONG LANG** (MAICSA 7045482 / SSM PC No. 20198002253)  
**THIEN LEE MEE** (LS0009760 / SSM PC No. 20198002254)  
Company Secretaries

Selangor  
1 March 2021

**Notes:**

1. Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual EGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at <https://web.vote2u.app>.
2. A member entitled to participate and vote at the general meeting may appoint up to 2 proxies to participate and vote in his stead. A proxy may but need not be a member of the Company.
3. The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its officer, attorney or other person duly authorised in writing.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The Form of Proxy or other instruments of appointment must be deposited at the office of the Company's Share Registrar at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
7. For the purpose of determining a member who shall be entitled to participate the meeting, only a member whose name appear in the Record of Depositors as at 10 March 2021 will be entitled to participate speak and vote at the said meeting or appoint proxies to participate, speak and vote on his stead.
8. Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Securities, the resolutions set out above will be put to vote by way of poll.



**CHIN HIN GROUP BERHAD** (Registration No.: 201401021421 (1097507-W))

NUMBER OF ORDINARY SHARES HELD	CDS ACCOUNT NO.

**FORM OF PROXY**

I/We (Full Name in Block Letters).....  
 NRIC No. /Passport No. /Company No. ....of.....  
 .....email address..... Mobile No.....  
 being a member / members of CHIN HIN GROUP BERHAD hereby appoint: .....  
 .....NRIC No. /Passport No. ....of.....  
 .....email address..... Mobile No.....  
 And/or , ..... NRIC No. /Passport No. ....of.....  
 .....email address..... Mobile No.....  
 # You are required to fill in the contact no. and email address to participate the Extraordinary General Meeting, otherwise, we are unable to register you as the participant of the meeting.

or failing \*him/her, the Chairman of the meeting as my / our proxy to vote and act on my / our behalf at the Extraordinary General Meeting of Chin Hin Group Berhad ("Chin Hin" or "the Company") will be held and conducted by way of virtual meeting entirely through live streaming via Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Chin Hin Culture Centre, No. F-0-1 and F-0-2, Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur, on Wednesday, 17 March 2021 at 10.00 a.m. at any adjournment thereof.

No.	Resolutions	For	Against
1.	Proposed Bonus Issue		

**(Please indicate with an "X" how you wish to cast your vote. In the absence of specific directions, the proxy may vote or abstain from voting on the resolutions as he/she may think fit.)**

Signed this ..... day of .....  
 2021

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

**First Proxy**  
 No. of Shares: .....  
 Percentage: .....%

Signature :  
 (if shareholder is a corporation, this form should be executed under seal)

**Second Proxy**  
 No. of Shares: .....  
 Percentage: .....%

**Notes:**

- Please refer to the Administrative Guide for the procedures to register, participate and vote remotely at this virtual EGM using RPV Facilities provided by Agmo Digital Solutions Sdn Bhd via its Vote2U online website at <https://web.vote2u.app>.
- A member entitled to participate and vote at the general meeting may appoint up to two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company.
- The Form of Proxy must be signed by the appointor or his attorney duly authorised in writing or in the case of a corporation, be executed under its common seal or under the hand of its officer, attorney or other person duly authorised in writing.
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provision of subsection 25A(1) of the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The Form of Proxy or other instruments of appointment must be deposited at the office of the Company's Share Registrar at 11<sup>th</sup> Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.
- For the purpose of determining a member who shall be entitled to participate the meeting, only a member whose name appear in the Record of Depositors as at 10 March 2021 will be entitled to participate, speak and vote at the said meeting or appoint proxies to participate, speak and vote on his stead.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, the resolutions set out above will be put to vote by way of poll.



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AFFIX  
STAMP

**THE SHARE REGISTRAR OF  
CHIN HIN GROUP BERHAD**  
**Boardroom Share Registrars Sdn Bhd**  
11<sup>th</sup> Floor, Menara Symphony  
No.5, Jalan Prof. Khoo Kay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

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