

Ever Searching for Better Living



COUNTRY HEIGHTS

綠野集團

Country Heights Holdings Berhad

[Registration No.198401006901 (119416-K)]

UPHOLDING EXCELLENCE WITH DIGITALISATION



ANNUAL REPORT
2021

38th

Annual General Meeting of **COUNTRY HEIGHTS HOLDINGS BERHAD**

Venue : Member's Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan

Date : Thursday, 30 June 2022

Time : 11:00 a.m.

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Proxy Form
Corporate Directory

FEATURE IN THIS ANNUAL REPORT

- 01**  Download the "QR Code Reader" on App Store or Google Play
- 02**  Run the QR Code Reader app and point your camera to the QR Code
- 03**  Get access to the soft copy of our reports and contact information

SCAN ME



The softcopy version of Country Heights Holdings Berhad Annual Report 2021 is available from our website. We also welcome your feedback to make sure we are covering the things that matter to you. Go to <http://countryheights.com.my> or scan the code above with your smartphone.

CORPORATE PROFILE

Country Heights Holdings Berhad (“CHHB”) is a public listed conglomerate with subsidiaries in property development and investments, hotel and resort management, healthcare, event planning and exhibitions, and timeshare. CHHB was listed on the Main Market of the Bursa Malaysia Securities Berhad on 18 February 1994.

Our largest development is the Mines Wellness City, where a once deserted opencast tin mining lake was transformed into a sprawling hive of greenery and activities. Many of our award-winning projects, such as Palace of the Golden Horses, MINES Waterfront Business Park (MWBP) and MINES International Exhibition and Convention Centre (MIECC) were developed around this now majestic lake.

In CHHB, we take pride in our people, our company and our developments.



OUR VISION

Ever Searching for Better Living!

OUR MISSION

It's All About Meaningful Innovative Creations!

OUR VALUES



LOVE



QUALITY



STYLE



NATURE



EXCELLENCE

CORPORATE INFORMATION



BOARD OF DIRECTORS

Tan Sri Lee Kim Tiong @ Lee Kim Yew / Executive Chairman

Datuk Jared Lim Chih Li @ Lin Zhili / Managing Director

Ong Tee Chin / Independent Non-Executive Director

Lee Sow Lin / Non Independent Non-Executive Director

Dr Yip Chun Mun / Executive Director

Chong Khing Chung / Independent Non- Executive Director

Hor Siew Leong / Independent Non-Executive Director

AUDIT & RISK MANAGEMENT COMMITTEE

Ong Tee Chin - *Chairman*

Hor Siew Leong

Chong Khing Chung

NOMINATION & REMUNERATION COMMITTEE

Hor Siew Leong - *Chairman*

Ong Tee Chin

Chong Khing Chung

COMPANY SECRETARIES

Fan Kah Seong

(MIA 8584)

(SSM Practising No. 202008003845)

Ong Lu See

(LS 0006228)

SSM Practising No. 201908001450

REGISTERED OFFICE

8th Floor, Block A, Mines Waterfront

Business Park, No. 3, Jalan Tasik,

Mines Wellness City

43300 Seri Kembangan

Selangor Darul Ehsan

Tel: 603-8943 8811

Fax: 603-89411470

REGISTRAR

ShareWorks Sdn. Bhd.

No. 2-1, Jalan Sri Hartamas 8,

Sri Hartamas 50480 Kuala Lumpur

Tel: 603-6201 1120

Fax: 603-6201 3121

Email: sharereg@shareworks.com.my

AUDITORS

UHY

Chartered Accountants

Suite 11.05, Level 11,

The Gardens South Tower,

Mid Valley City,

Lingkaran Syed Putra

59200 Kuala Lumpur

PRINCIPAL BANKERS

CIMB Bank Berhad

Malayan Banking Berhad

RHB Bank Berhad

OCBC Bank (Malaysia) Berhad

Public Bank Berhad

Bank of China (Malaysia) Berhad

Malaysia Building Society Berhad

Bank Pembangunan Malaysia Berhad

CGS Cimb Capital Pte Ltd

Affin Bank Berhad

Bank Kerjasama Rakyat Malaysia Berhad

SOLICITORS

S. Ravichandaran & Anuar

Justin Voon Chooi & Wing

The Law Office of Wong & Ang

Messrs Chellam Wong

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia

Securities Berhad

Stock Name: CHHB

Stock Code: 5738

Listing Date: 18 february 1994

WEBSITE

www.countryheights.com.my

CORPORATE STRUCTURE

Even Searching for Better Living



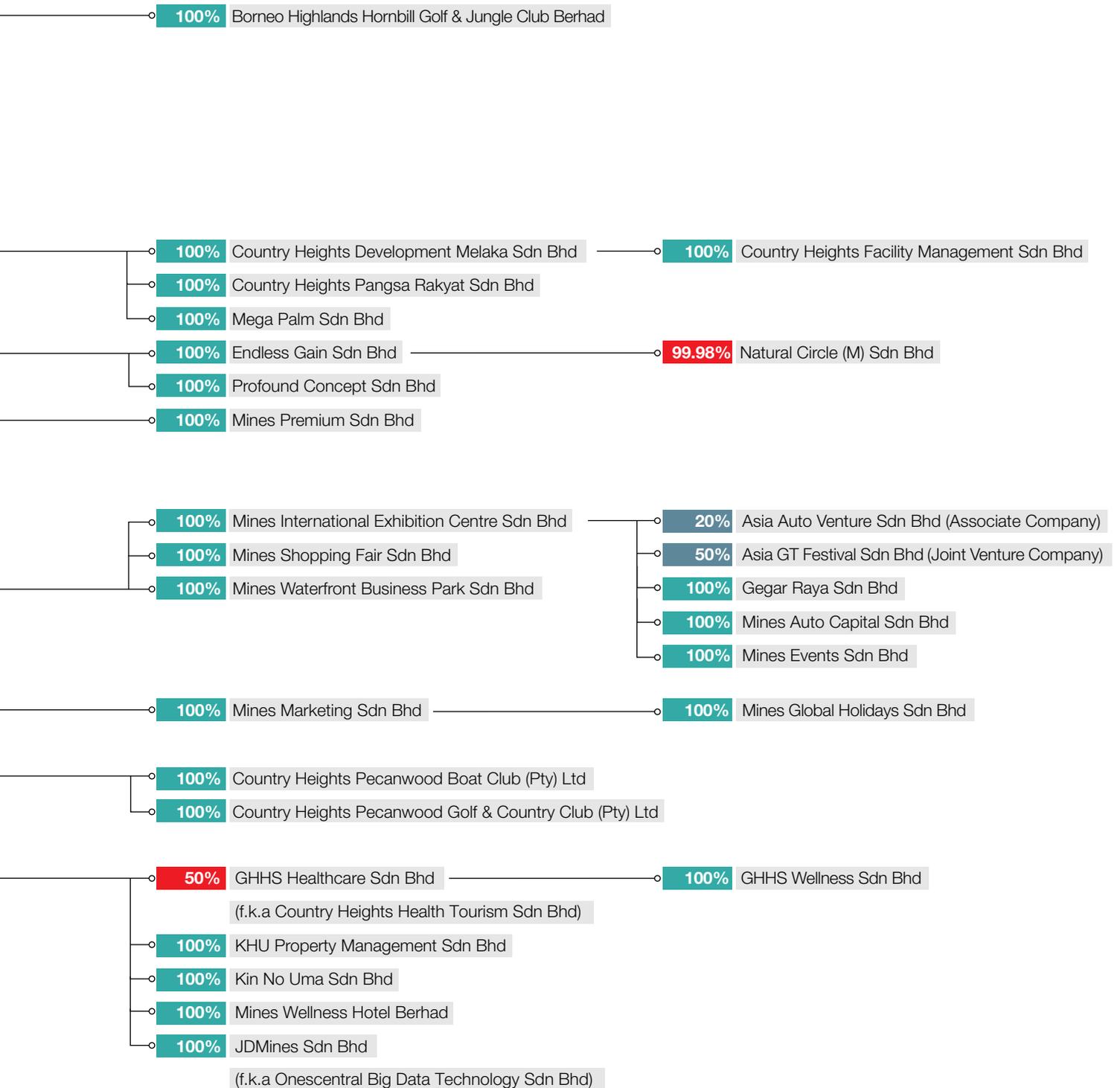
绿野集团

Country Heights Holdings Berhad

[Registration No.198401006901 (119416-K)]



CORPORATE STRUCTURE



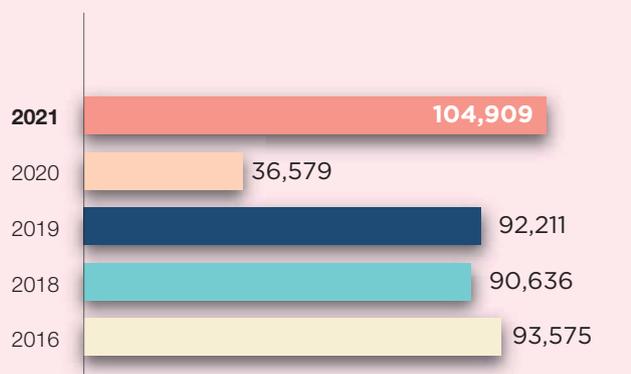
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000	2017 RM'000
Revenue	104,909	36,579	92,211	90,636	93,575
Profit/(Loss) before taxation	11,541	(42,070)	(38,523)	104,937	413
Profit/(Loss) after taxation	3,119	(38,077)	(39,341)	84,328	(2,352)
Net Profit/(Loss) Attributable to Shareholders	2,639	(36,107)	(34,600)	86,653	(2,624)
Total Assets	1,313,435	1,332,819	1,385,611	1,392,236	1,274,108
Total Liabilities	515,308	538,645	553,802	517,039	480,660
Share Capital net of treasury shares RM	349,092	349,092	349,092	349,092	272,793
Share Capital net of treasury shares unit	273,557	273,557	273,557	273,557	273,557
Reserves	436,073	432,932	468,597	507,273	423,814
Shareholders' Funds	785,165	782,024	817,689	856,365	772,906
Basic Earnings/(Loss) Per Share (sen)	0.96	(13.20)	(12.65)	31.77	(0.95)
Net Assets Per Share (RM)	2.87	2.86	2.99	3.13	2.83
Return on Total Assets (%)	0.20	(2.71)	(2.50)	6.22	(0.20)
Return on Equity (%)	0.34	(4.62)	(4.23)	10.12	(0.33)
Gearing (Net Debt/Equity)	0.24	0.24	0.25	0.25	0.27

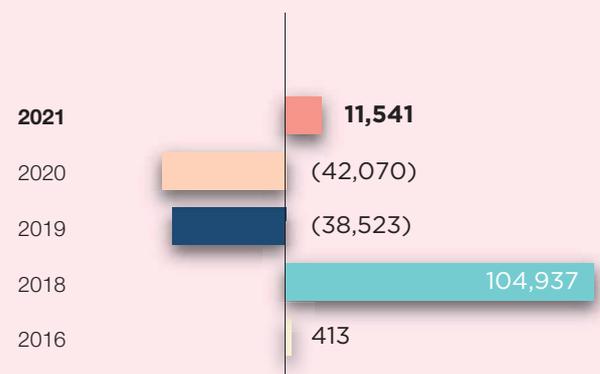
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

REVENUE

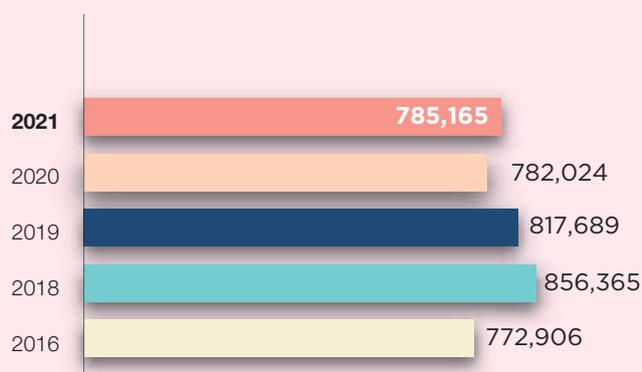
(RM'000)

PROFIT/(LOSS)
BEFORE TAXATION

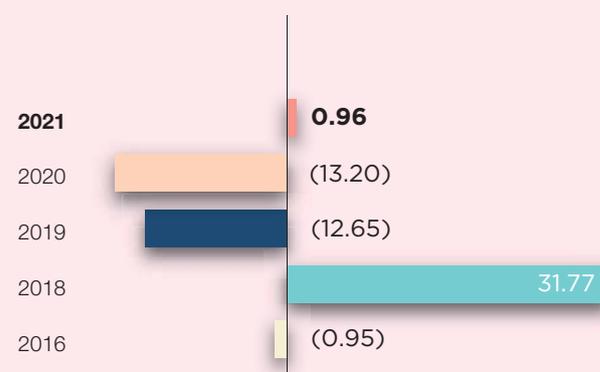
(RM'000)

SHAREHOLDERS'
FUNDS

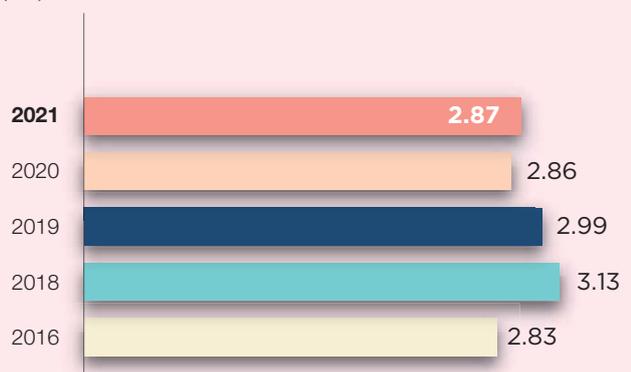
(RM'000)

BASIC EARNINGS/
(LOSS) PER SHARE

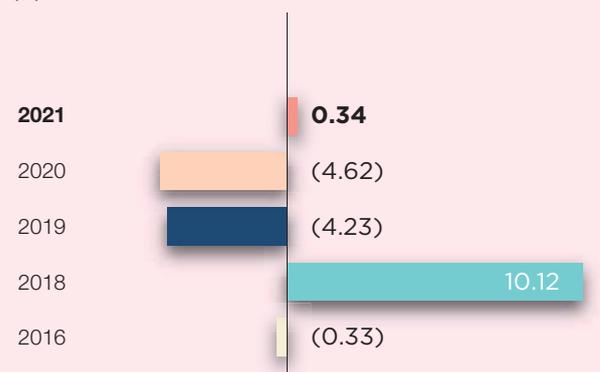
(Sen)

NET ASSETS
PER SHARE

(RM)

RETURN ON
EQUITY

(%)



BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

YBHG TAN SRI LEE KIM TIONG @ LEE KIM YEW

Executive Chairman, Non-Independent Executive Director



Nationality
Malaysian



Gender
Male



Age
67



YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew, the founder of Country Heights Holdings Berhad ("CHHB"), was first appointed to the Board on 1 October 1986. He was redesignated as the Chairman of CHHB on 2 June 2016 and subsequently, re-designated as the Executive Chairman on 1 October 2016.

YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew is an established innovative entrepreneur who has stamped his mark in many industries. He has over 30 years of vast experience in developing residential, industrial parks, hotel and leisure, commercial and recreation projects. His strong business acumen and visionary leadership are the key ingredients which led to the Group's successful completion of several highly acclaimed projects.

Country Heights Damansara and Borneo Highlands Resort have won the 'Highly Commended-Best Development Malaysia' and 'Highly Commended - Best Golf Development Malaysia' Awards respectively in the Asia Pacific Residential Property Awards in association with Bloomberg Television 2010 and the CNBC Award for the Best Golf Development in Malaysia in the year 2008.

CHHB was awarded 'Best Brands Conglomerate Awards 2010-2011'. From the jungles of North Borneo to the hinterland of Mauritius, from the backwaters of Johannesburg to the stand-alone historical Royal Docks of London, Tan Sri Lee has made his mark on property development. The Exhibition Centre in London (ExCel) - Britain's largest stand-alone exhibition centre in the Docklands is a result of his vision and passion.

YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew has magnificently transformed one of the world's largest open cast tin mines into a

flagship development that houses Palace of the Golden Horses, Mines Wellness Hotel, Mines Waterfront Business Park, Mines International Exhibition & Convention Centre, Mines Wonderland and Mines Resort & Golf Club or better known as 'Mines Wellness City'. The Mines Wellness City earned the National Creativity & Innovation Award from the Malaysian Design Technology Centre in 2014.

Apart from property development, Tan Sri Lee has also ventured into the hospitality industry as well as golf course management and tourism. His company owns and manages three state-of-the-art golf courses two in Malaysia and one in South Africa - and several hotels including the magnificent, award-winning Palace of the Golden Horses and the MINES Wellness Hotel in Kuala Lumpur and the Hornbill Golf and Jungle Club in Sarawak. The spectacular Palace of the Golden Horses has held various international events such as NAM Summit, Commonwealth Games, APEX and G15.

With his innovative entrepreneurial acumen and hands-on involvement, Tan Sri Lee has also led the Group toward Health Tourism since 2000, as the first in Asia, to establish a preventive health screening centre within a resort - GHHS Healthcare.

In recognition of his immeasurable contribution to the property development and hospitality industry in Malaysia, YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew has been bestowed with the 'Lifetime Achievement Award' in the 2008 Technology Business Review ASEAN Awards.

Tan Sri Lee's motto of "Ever Searching for Better Living" is dedicated to not only building better homes with unique lifestyle facilities for Malaysians to benefit from; but continued to contribute innovative ideas and

transforming the companies into new areas such as digital innovation - IoT 'Internet of Things' and big data management.

In 2014, YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew was appointed as Advisor to CHHB and its Group of Companies to provide advisory service on the Group's strategic business development, a post which he had resigned from following his appointment as the Executive Chairman of CHHB.

YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew also sits on the Boards of Golden Horse Palace Berhad, Mines Wellness Hotel Berhad and several other private companies. He has no directorship in other public listed companies.

YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew also is the father in law of Datuk Jared Lim Chih Li @ Lin Zhili, the Managing Director of CHHB.

In view of his direct interest in CHHB as well as substantial shareholdings in Country Heights Venture Sdn Bhd and Country Heights International Sdn Bhd, he is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group.

Save as disclosed above, YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew does not have any other conflict of interest with the Company or any family relationship with any other Directors and/or Major Shareholders of the Company. He has not been convicted for offences within the past five years other than traffic offences if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

DATUK JARED LIM CHIH LI

Managing Director



Nationality
Malaysian



Gender
Male



Age
50



Datuk Jared Lim Chih Li was appointed to the Board on 8 September 2020 as Managing Director.

Datuk Jared graduated from the University of Bristol in Economics and Accounts in 1993. He started his professional career as a financial analyst for DBS Securities in Singapore and later moved to Credit Lyonnais Securities. He was the Technology Analyst in both institutions. Datuk Jared obtained his Chartered Financial Analyst qualification and Masters in Finance from the University of Hull during his time as an analyst. He also obtained a Post Graduate Diploma in Digital Business from the EMERITUS Institute of Management.

He moved to investment banking and eventually ended up leading the corporate finance department of a Ministry of Finance-owned Malaysian investment bank called Avenue Securities. At Avenue Securities he was responsible for setting up the corporate finance unit, eventually building a strong track record in Equity Offerings, Restructuring, M&A, and Bond Issues. Datuk Jared built a niche in Malaysia in cross-border equity offerings involving PRC enterprises, which eventually led to him starting an Emerging South East Asian private equity model. He is credited for bringing in the first few foreign companies to list in Malaysia.

In 2007, Datuk Jared co-founded a private equity group called Tremendous Asia Partners (TAP), an Asian-owned and Locally-grown private equity fund focused on the consumers' space in South East Asia with a focus on value add through design and digital marketing. TAP focuses on the consumer industry with an emphasis on the 5 pillars - F&B services and products; Retail, Education, Healthcare, and Media & Entertainment. The Private Equity fund has made roughly US\$100 million in investments. Some recognisable portfolios of Datuk Jared include the privatization of "NVMulti", currently the largest bereavement services operator in South East Asia, and Munchies, the largest local biscuit manufacturer in Malaysia, and the notable international eatery, T.G.I. Fridays.

He is currently the Managing Partner of Tremendous Asia Partners and the Non-Executive Chairman of Tremendous Entertainment Holdings ("TEH"), one of the leading independent entertainment content producers in the region. The Company owns IPs such as the multi-award-winning children's TV show "Hi-5", and reality TV IPs such as "The Apartment" and "The Challenger" and manages the Sands Theatre in Marina Bay Sands. He previously was on the Executive Panel of CENDANA (The Cultural Economic Development Agency of Malaysia) supported by the Ministry of Finance which has been set up to build a vibrant and sustainable cultural economy in Malaysia.

Datuk Jared is an Executive Director of Techna-X Berhad, a company listed on the Main Board of Bursa Malaysia. He has spearheaded the diversification of the group and led the transformation into the Energy Storage and Digital Transformation space.

Datuk Jared is the son-in-law of YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew, the Executive Chairman of CHHB.

Save as disclosed above, Datuk Jared does not have any other conflict of interest with the Company or any family relationship with any other Directors and/or Major Shareholders of the Company. He has not been convicted for offenses within the past five years other than traffic offenses if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

DR YIP CHUN MUN

Executive Director



Nationality
Malaysian



Gender
Male



Age
58



Dr Yip Chun Mun was appointed to the Board on 7 June 2016 as an Executive Director.

Dr Yip Chun Mun holds a Bachelor's Degree in Administrative Studies from York University, Canada and obtained a Master of Business Administration from Lincoln University College. In the year 2022, Dr Yip received his PhD in Public Health from University of Malaya. He is currently the Chief Executive Officer of GHHS Healthcare, GHHS Chinese Medical Centre and Yunohana Wellness & Spa. He is formally the Chief Executive Officer of Palace Vacation Club and Mines Global Holidays Sdn Bhd (inbound travel agency), both are subsidiaries of Country Heights Holdings Bhd.

Dr Yip Chun Mun was the former Chairman of the Malaysian Holiday Timeshare Developers' Federation. He has over 30 years of experience in the Malaysian timeshare industry. Dr Yip Chun Mun started Mines Marketing Sdn Bhd, a marketing agency for Country Heights Group in 1999 as a Director and General Manager and has since marketed a variety of memberships and property products for Country Heights Group, including GHHS Health United, Palace Vacation Club, Mines Golf Club, Hornbill Golf Club, Dignitaries Club and Heritage Serviced Residences. To date, he has recruited more than 40,000 members for these memberships and generated over RM1 billion of sales revenue.

During the height of the pandemic in 2021, Dr Yip operated 2 mega PPVs to conduct vaccination for over 200,000 vaccinees against Covid.

Dr Yip Chun Mun's other accomplishments include conceptualising and marketing the first in Malaysia oil palm farm sharing investment scheme and generated an investment fund of over RM215 million. He had previously marketed and led the Sales and Marketing Division of Palace of the Golden Horses, Mines Wellness Hotel and Borneo Highlands Resort. On the tourism and hospitality business, he has developed and marketed tourism products for golf, education programme, property tourism, Malaysia My Second Home programme, and medical tourism packages specifically targeted at the Middle East, China, Korea, Vietnam and Indonesia markets.

Dr Yip Chun Mun also sits on the Board of Mines Excellence Golf Resort Berhad and several private companies. He has no directorship in other public listed companies.

Dr Yip Chun Mun does not have any conflict of interest with the Company or any family relationship with any Directors and/or Major Shareholders of the Company. He has not been convicted for offences within the past five years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

MS LEE SOW LIN

Non-Executive & Non-Independent Director



Nationality
Malaysian



Gender
Female



Age
62



Ms Lee Sow Lin was appointed to the Board on 7 June 2016 as an Executive Director. She was previously a Director of Country Heights Holdings Berhad (“CHHB”) from 2004 to 2008.

Ms Lee Sow Lin holds a Bachelor of Economics Degree from Monash University, Australia. She brought with her a wealth of experience in the financial and banking industry. She was previously attached to Hong Leong Financial Group for 15 years, holding various senior positions in commercial banking, corporate banking and branch operations. In Hong Leong Finance, Ms Lee Sow Lin was spearheading the overall real estate lending in Malaysia where she led and managed project financing and lending to property companies. In Hong Leong Bank, she was part of the core team that led the commercial banking functions after acquiring MUI Bank.

Ms Lee Sow Lin joined YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew’s private arm business in December 1999 where she was involved in managing his personal companies’ gearing and funding requirements including overseeing his companies’ corporate exercise matters.

During Ms Lee Sow Lin’s directorship tenure in CHHB from 2004 to 2008, she was responsible in steering the restructuring of certain debts of the Group, namely the Cumulative Redeemable Preference Shares which involved the issuance of Redeemable Convertible Secured Loans Stock (“RCSLS Series A & B”). She was also instrumental in getting CapitalLand Singapore to purchase the Mines Shopping Mall for the settlement of the RCSLS Series A & B.

Ms Lee Sow Lin is jointly responsible (together with Mr Matahari Lee) to develop the Car City Centre (CCC) project and also help expand the exhibition business at MIECC building. Ms Lee is also responsible to liaise with bankers and/or arrange financing for the MIECC business and helps to look for strategic business alliances/partnership/ investors for the CCC project.

During the pandemic in 2021, as part of the Corporate Social Responsibility (CSR), Ms Lee together with Mr Matahari spearheaded MIECC to participate in the National Covid-19 Immunisation Programme (PICK) wherein MIECC building was selected to be one of the mega vaccination centre (Pusat Pemberian Vaksin - PPV) in Klang Valley for duration of almost three months from 12th June 2021 to 22nd Aug 2021, where the daily doses administered at the MIECC venue was as high as 15,000 doses vaccine per day. MIECC is proud to partake and played an important role to help the government bumped up vaccination rate and speed up the country’s vaccination programme during the initial roll-out phase.

Ms Lee Sow Lin current position as Non-Executive & Non-Independent Director of CHHB. Ms Lee Sow Lin has no directorship in other public listed companies.

Ms Lee Sow Lin does not have any conflict of interest with the Company or any family relationship with any Directors and/or Major Shareholders of the Company. She has not been convicted for offences within the past five years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

MR ONG TEE CHIN

Independent Non-Executive Director



Nationality
Malaysian



Gender
Male



Age
58



Mr Ong Tee Chin was appointed to the Board on 20 September 2017 as an Independent Non-Executive Director. He is the Chairman of the Audit & Risk Management Committee and a member of the Nomination & Remuneration Committee.

Mr Ong Tee Chin graduated with a Bachelor of Pharmacy from University of Science Malaysia and a Bachelor of Laws from the University of London, United Kingdom.

Mr Ong Tee Chin is a CFA® charterholder, a certified Financial Risk Manager awarded by the Global Association of Risk Professionals and a charterholder of the Chartered Alternative Investment Analyst Association. He is a Chartered Accountant, member of Malaysian Institute of Accountants, Association of Chartered Certified Accountants ("ACCA"), Chartered Institute of Management Accountants and a graduate member of Malaysian Institute of Certified Public Accountants. He was also the prize winner for Advance Taxation, Malaysian variant conducted by ACCA in December 2002. He also holds a Capital Markets Services Representative's Licence from the Securities Commission Malaysia to provide advisory work on corporate finance.

Mr Ong Tee Chin's previous experiences include an attachment with one of the Big Four International Accounting Firms and he was a Finance Director for a number of listed companies with operations in Malaysia and Asia Pacific. His past ten years of experience was in heading a licensed corporate finance company in Malaysia, providing corporate finance advisory functions including producing equity valuation and expert reports, independent advice letters and investment research for a diversified range of industries.

Mr Ong Tee Chin is a Director and shareholder of Asia Equity Research Sdn Bhd, a company specialising in providing advisory in corporate finance and investment advice. He has no directorship in other public listed companies.

Mr Ong does not have any conflict of interest with the Company or any family relationship with any Directors and/or Major Shareholders of the Company. He has not been convicted for offences within the past five years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

MR CHONG KHING CHUNG

Independent Non-Executive Director



Nationality
Malaysian



Gender
Male



Age
55



Mr Chong Khing Chung was appointed to the Board on 11 July 2019 as an Independent Non-Executive Director.

Mr Chong Khing Chung graduated with a Bachelor of Commerce Degree from University of Western Australia, Australia. He is a Fellow Member of Certified Practising Accountant Australia, and a Chartered Member of Malaysian Institute of Accountants.

Mr Chong Khing Chung spent the early part of his career in the accountancy profession. He later worked in the capital market industry holding various positions, including as the Executive Director of a stockbroking company in Sabah. Later on, he held various senior management positions, including as Executive Director, Finance Director and Chief Financial Officer of numerous public listed companies based in Malaysia, Singapore, Hong Kong and the United Kingdom.

Mr Chong Khing Chung also sits on the Board of Wullersdorf Resources Sdn Bhd (a wholly-owned subsidiary of Bahvest Resources Berhad) and Anzo Holdings Berhad. He has no directorship in other public listed companies.

Mr Chong Khing Chung does not have any conflict of interest with the Company or any family relationship with any Directors and/or Major Shareholders of the Company. He has not been convicted for offences within the past five years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

MR HOR SIEW LEONG

Independent Non-Executive Director



Nationality
Malaysian



Gender
Male



Age
53



Mr Hor Siew Leong was appointed to the Board on 11 July 2019 as an Independent Non-Executive Director.

Mr Hor Siew Leong graduated with a Diploma in Electronics Engineering from Linton Technology College, Malaysia and he is currently pursuing the Industrial Engineering at National Productivity Board, Singapore.

Mr Hor Siew Leong has more than 20 years of experience in managing Profit and Loss Account, Operations Management and Leadership in business and manufacturing environments, as well as plants with as many as 2,500 personnel. He is a strong champion of Lean Manufacturing and Six Sigma Culture within USD50 million and USD100 million operational setups and could drive continuous improvements throughout the organisations. He also possesses the skills in utilising performance metrics to accurately gauge the health of an organisation and pinpoint areas for enhancement.

Mr Hor Siew Leong started his career as an Engineer with JVC Electronics Pte Ltd from 1989 to 1995 where he was involved in the productivity and quality improvement project, performing total calibration on equipment and instruments and maintaining the company's ISO 9002 standards. He moved on to helm several business and operational management functions with Kamaya Electric/ Mitsubishi Materials Group, HI-P International Limited for ten years and three years respectively. Subsequently, he was the Operations Director of Stellar Films (Malaysia) Sdn Bhd/ Cardiabioplastics (Malaysia) Sdn Bhd for the next ten years before he assumes his current job.

Mr Hor Siew Leong is currently the Chief Operating Officer at MBits Digital Sdn Bhd where he designs and implements business operation strategies, leads employees to maximum performance and assists its Chief Executive Officer in fund raising ventures, besides ensuring that the company would grow as the first Malaysian Data Bank.

Mr Hor Siew Leong has no directorship in other public listed companies.

Mr Hor Siew Leong does not have any conflict of interest with the Company or any family relationship with any Directors and/or Major Shareholders of the Company. He has not been convicted for offences within the past five years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PROFILE

MR CHOH KIM CHIEW

Chief Financial Officer



Nationality
Malaysian



Gender
Male



Age
46



Choh Kim Chiew, a Malaysian aged 46, was appointed as the Chief Financial Officer of the Country Heights Holdings Berhad on 3 January 2022.

Mr Choh is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants (MIA) and The Chartered Association of Certified Accountants (FCCA) of the UK. Mr Choh launched his career in 1996, he held various positions in finance capacities in the hospitality industry before moving on to management positions in property development companies and has more than 23 years of experience in the accounting field in property development, construction, trading of construction materials, leasing of construction machinery, and property investment companies. Before joining the Company, he had been the Executive Director of Magna Prima Bhd from April, 2012, until June 2014 and the Chief Financial Officer of Parkwood Holdings Berhad from November 2017 until June 2021.

Mr Choh has no family relationship with any of the directors and/or major shareholders of the Company.

Mr Choh does not have any conflict of interest with the Company and has had no conviction for any offenses within the past 10 years

CHAIRMAN'S MESSAGE



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of the Group and Company for the financial year ended 31 December 2021 (“FY2021”).

Tan Sri Lee Kim Tiong @ Lee Kim Yew
Executive Chairman and Founder

CHAIRMAN'S MESSAGE



Digital Transformation and Road to Recovery

As Malaysia's borders reopen, we await the recovery of Malaysia's economy with anticipation and have started planning for a gradual return to normal. Vaccinations for the populace have been mostly successful with more anticipated for the younger and elderly groups. When all communities are vaccinated, a full return to work and travel can happen and reignite the economy.

2021 was a year of exceptional challenges for everyone. The global pandemic fundamentally changed the way we engaged in business and how we lead our lives. Colleagues across the Group had been impacted both personally and professionally over the past year as it tested our resilience and affected our Group's performance.

Financial Statement

The Group recorded total revenue of RM104.91 million and a net profit of RM3.12 million in 2021 compared to losses of RM38.08 million and RM39.34 million respectively for FY 2020 and FY 2019, mainly due to the contributions from Healthcare and Property divisions.

As a result, our net asset per share increased to RM2.87 (FY2020: RM2.86).

This profit, while modest, is an indicator of the Group's turnaround and the beginning of our road to recovery. Of significance is the sales of bungalow land in the property division which recorded a higher than industry margin of 22% indicative of how we have nurtured our property portfolio over the years.



Prospects of CHHB

We have a long track record of successfully navigating changes and challenges throughout our 38-year history. The resilience of the Group demonstrated in 2021 provided the Board with the confidence to continue to take advantage of long-term opportunities and evolve with the changing environment. In the midst of the pandemic, we took the opportunity to bring in new management to chart our course in the Digital Age and appointed Datuk Jared Lim as our Managing Director, Casey Choh as our new Chief Financial Officer and Stanley Wong as our new Project Director.

CHHB has been a pioneer in the residential, commercial, and leisure property industry with major developments such as the Mines Resort City, Mines Resort and Golf Club, Country Heights Damansara and Country Heights Kajang, GHHS Healthcare, Exhibition Centre in London, Palace of the Golden Horses hotel and many more. We are now embarking on the next phase of our journey as we fully embrace technology and begin our transformation into Digital Landlords.

CHAIRMAN'S MESSAGE

“

We have a long track record of successfully navigating changes and challenges throughout our 38-year history.



Corporate Exercise

The Group has undertaken a few corporate exercises to create further value add for the Group. This involves raising funds from the capital market via our first ever private placement and the proposed acquisition of some of my privately held assets. Upon completion, CHHB's share cap will be increased to approximately 737 million and the market capitalisation will be around the RM1 billion range.

The fundamental reason for the acquisitions is to have a clearer delineation between the listco CHHB and my private interests to reduce situations of potential conflicts of interest as much as possible. To this effect, I have transferred some of the most attractive assets under my private holdings to CHHB based on Covid-19 pandemic prices to create immediate value in the group. This will provide the group with a better foundation to take the next step in our initiatives to become Digital Landlords.

In essence, this will transfer all privately held interest in the healthcare operations under the Golden Horses Health Sanctuary brand (GHHS Healthcare) as well as some of the privately owned properties including the commercial space in Mines Waterfront Business Park and jewel of the Mines township - Mines Wonderland to be held by CHHB.

Digital Landlord transformation

The Group's transformation into a Digital Landlord basically involves embracing technology and technology partners to enhance our existing assets and /or to utilize technology and leverage on our infrastructure to directly benefit from growth in digitization.

The best example of this is our partnership with JD.com, the leading e-commerce technology company in China. Under a collaboration and licensing arrangement, CHHB will embark on an omnichannel model in Malaysia using our expertise and property assets to establish a large scale retail store while at the same time using the physical stores to drive traffic to our e-commerce platforms. Other ongoing digital initiatives involve transforming Mines Resort City into a Smart City and connecting all stakeholders via Mines Smart City app. We are also exploring venturing into warehouse and logistics which directly serves the burgeoning e-commerce space as well transforming some of our properties into Crypto Mining hubs.

CHAIRMAN'S MESSAGE



Expansion of Health and Wellness Division

Our wellness division under GHHS performed reasonably well during the Covid-19 pandemic and we have started our expansion plans to develop a TCM Hospital with 200 beds and a 60,000 sq ft confinement centre in our wellness towers, Cloud Life. We also have started on plans for a 5 Star retirement home eco system within the Mines township.

CHHB Sales Programme

The Group is taking the steps to monetize our Country Heights property stocks via a CHHB Sales Programme. We have started upgrading and improving our estates and properties with a target sales of RM300 million over the next three years at an average margin of 50%.

The management discussion and analysis in this report cover more details on our continuity plans and business operations.

With the new injection of the top management, I am confident that the Group's future is in good hands. We are confident that the initiatives such as our JD.com partnership, the transformation of the Mines Resort City into a smart city; the planned expansion of our healthcare division and the introduction of crypto services into our Group will start a cycle of long-term value creation for our Group.

On behalf of the board, I am grateful to our team across the Group for the tremendous dedication and commitment they have shown in serving our customers during these difficult times. I am optimistic in our future and look forward to sharing with you more success stories in the coming years.

Yours sincerely,

Tan Sri Lee Kim Tiong @ Lee Kim Yew
Executive Chairman and Founder

“

We have started upgrading and improving our estates and properties with a target sales of RM300 million over the next three years at an average margin of 50%.

An aerial photograph of a lush green golf course. In the foreground, a large, calm lake reflects the sky. The golf course features several green fairways, sand traps, and clusters of trees. In the background, a dense forest of tall trees surrounds several large, multi-story buildings with red-tiled roofs, set against a backdrop of rolling hills under a clear sky.

SHAPING THE FUTURE WITH INNOVATION

We are constantly embracing technological advances in order to enhance our stakeholders' quality of life. In addition, we are promoting innovation throughout our organisation to create a better tomorrow. Undoubtedly, our visionary corporate spirit is bolstering our strength and spurring our growth.



MANAGEMENT DISCUSSION & ANALYSIS

However, our strong foundation, built up over 38 years of hard work, coupled with the resilience and perseverance of our people, has allowed us to ride through the pandemic. As we enter the new year, the global outlook is one of modest recovery and we expect our group to continue to improve on its modest turnaround in 2021.

Digital Transformation

The Group’s motto of “Ever Searching for Better Living” is dedicated to not only building better homes or properties with unique lifestyle facilities for Malaysians to benefit from but continuously contributing innovative ideas and embracing our businesses into new areas such as digital investment and innovation; IoT - Internet of Things and big data management to remain competitive.

While our property development division experienced delays and the hospitality and convention division faced challenges due to the various movement-controlled orders; our health and wellness division, GHHS Healthcare has remained resilient during the pandemic as wellbeing begins to be more of a priority.

Under the direction of our new management, the Group has begun efforts to enhance our existing properties in order to bolster our recurring income and create new income streams. More significantly, the Group has focused on Digital Transformation strategies by adopting the latest technologies to enhance our existing business model. This includes turning Mines Resort City into a fully enabled smart city; expanding our integrated wellness business under the GHHS Healthcare brand, and entering the e-commerce space via a partnership with one of the leading technology companies in China, JD.com.

In December 2021, the Group entered into a Licensing and Collaboration Agreement with Beijing Wodong Tianjun Information Technology Co. Ltd, a wholly-owned subsidiary of JD.com, a leading technology-driven e-commerce company in China. The collaboration will lead to the development of JD.com’s omnichannel business model using JD.com technologies and our resources for the Malaysian market.



With this collaboration, JDMines will build the first physical store of about 150,000 sq ft of retail space on the ground floor of Mines International Exhibition and Convention Centre (MIECC), located at the Mines Resort City, Selangor. Consumers will be able to enjoy the curation of products by JDMines in a physical store which will also lead them to subsequent purchases online.

With this, the Group is entering the next phase of our journey, by embracing technology and transforming the Group into a Digital Landlord.



Transform Property Assets for the New Economy



Data is key to understanding our business



Embrace Blockchain technology

MANAGEMENT DISCUSSION & ANALYSIS

2021 marked 38 years since Country Heights Holdings Berhad was founded and was also one of the most challenging years for the Group.

The global outbreak of the COVID-19 pandemic has had a profound impact on economies and businesses around the world, and Country Heights Holdings Berhad has not been spared.



Why Digital Transformation?

The pandemic speeds up the adaptation of the Digital transformation.

- To adopt digital and technology to improve processes during the transformation and increase of offerings.
- Companies benefit from improved processes and save costs at the same time. Many processes can be automated with the help of technology. Digital transformation is a process in which constant changes in the company are integrated. The processes of a company are always on the list. There are studies that show how profitable a company can be with the use of blockchain technologies.
- The use of the blockchain includes security technologies, managed services, training, and many other tasks. There are a lot of opportunities. The IT channel can be an advocate for new solutions and help advance the technology.
- A system that can store data in a transparent and unchanging way is what most companies need.
- Trade can help implement the blockchain in the company here.
- Solution providers get a benefit. It's not about introducing the technology for its own sake. The blockchain can help with the problem. In addition to financial transactions, there are smart contracts. Protection against counterfeiting, identity management, and real estate processes are some of the areas in which the blockchain can be applied.

MANAGEMENT DISCUSSION & ANALYSIS

The Group's Business Divisions Performance:

The Group businesses are categorized into:



1. Healthcare Division

GHHS Healthcare, currently offers holistic health screenings and diagnostic center services, alongside traditional Chinese medicine as well as Wellness & Rejuvenation center services.

- GHHS Healthcare's Medical Screening and Specialist Clinic
- GHHS Chinese Medical Centre
- European Wellness Retreat (EWR)



2. Resorts and Hospitality Division

The Hospitality Division carries three international award-winning brands: Palace of the Golden Horses and Mines Wellness Hotel through this Division the Group offers the best in hospitality, fine and casual dining, leisure, recreational activities, health and wellness centers and fitness.



3. Exhibition and Convention Division

This division comprises Mines International Exhibition and Convention Centre. It is the largest column-free exhibition venue with the biggest tonnage capacity per square meter in Malaysia and provides a magnificent venue for multipurpose usage that can cater to large crowds and elaborate events, trade shows, symposiums, expositions, major gatherings, concerts, corporate functions, and dinners.

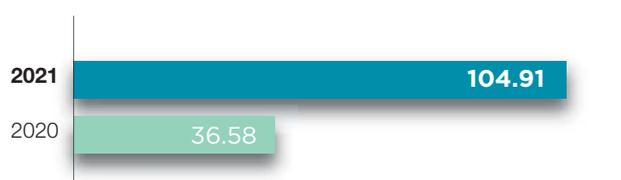


4. Property Division

The Property Division comprises revenues from the leasing of our properties as well as property development sales. We aim to continue delivering a high standard of quality, modernity, and sustainability together with the infusion of environmentally friendly elements. Credited with some of the most successful residential projects in Malaysia, South Africa, and Australia, the Property Division targets to combine the best international practices in urban space making with the most advanced smart technologies to offer a holistic wellbeing lifestyle. Our developments in the Mines Wellness City township will be the first in Malaysia to use the smart city app and will be called the M Smart City App (MSA), with cryptocurrency enablement.

MANAGEMENT DISCUSSION & ANALYSIS

Group Financial Performance



The Group recorded a modest yet significant profit this financial year as it signalled the beginning of our turnaround from the pandemic. CHHB recorded total revenue of RM104.91 million and a net profit of RM3.12 million in 2021 compared to losses of RM38.08 million for the previous years in FYE 2020, mainly due to the contribution from the Healthcare and Property divisions.

For the year 2021, the Healthcare division, Hospitality division, Exhibition and Convention division; and Property division contributed RM26.72 million, RM8.01 million, RM5.80 million, and RM64.38 million respectively to the CHHB Group's total revenue. Going forward, the Group has announced a CHHB Sales Program and has identified RM300 million of completed properties to contribute to profitability.

This will complement the Group's transformation into a Digital Landlord as we leverage our assets to enter the e-commerce space via the collaboration with JD.com, one of the largest e-commerce technology players in China. The RM300 million property sales program comprises various plots of land, ready bungalow units, and apartments in numerous locations in Klang Valley, Negeri Sembilan, and Kedah.

Klang Valley area:

- Prime property of The Mines Bungalow Residents
- Country Heights Kajang
- 40 business and commercial units of newly rebrand Cloud Life at Mines Wellness City
- Sawtelle Suites, a luxury duplex condominium in Cyberjaya
- Low-cost apartments in Selangor

Outside Klang Valley:

- 57 units of double-storey residential of Belleza Garden Homes (phase 3) in Kolej Heights Utara, Kubang Pasu, Kedah
- Bungalows and land at College Heights Estate located in the district of Pajam, Negeri Sembilan

In the hospitality division, the 5-star award-winning hotel, Palace of the Golden Horses is expected to open in Q1 2023 and already has an estimated RM3 million worth of bookings in hand. Our Mines Wellness Hotel will also end the lease with the Philea group and will be transformed into a detox and rehabilitation wellness concept hotel.

MANAGEMENT DISCUSSION & ANALYSIS

A. GHHS Healthcare



REVENUE (RM'000)
80%



NET PROFIT/(LOSS)
(RM'000)
355%



The CHHB Group’s very own brand GHHS Healthcare, currently offers holistic health screenings and diagnostic center services, alongside traditional Chinese medicine as well as Wellness & Rejuvenation center services. GHHS Healthcare offers complementary treatments which combine the best of western scientific detection technologies with eastern natural treatment therapies.

GHHS wellness brand recorded a profit of RM3.23 million on a turnover of RM26.72 million. 2022 will see the expansion into a new wellness building with a TCM hospital targeted to launch in the 2nd half of the year and a confinement center targeted in 2023.

During the pandemic, GHHS Healthcare was part of the larger initiative by the National Vaccination Program and vaccinated over 350,000 vaccines at its own premise at GHHS Healthcare and at one of the mega PPV’s Malaysia International Exhibition and Convention Centre (MIECC).



MANAGEMENT DISCUSSION & ANALYSIS



GHHS TCM HOSPITAL

Vision

To promote Traditional Chinese Medicine as one of the main choices of Preventive Healthcare services in the Malaysia health care system.

Objective

- To develop the first well-equipped private Chinese medical hospital in Malaysia
- To provide Chinese medical treatment and services to all populations in Malaysia
- To drive more international partnerships with foreign TCM specialists
- To collaborate with local TCM University and serve as Malaysia's first Chinese Medical education and training center, as well as a Chinese Medical clinical research center

GHHS HEALTHCARE'S MEDICAL SCREENING AND SPECIALIST CLINIC

GHHS Healthcare provides customers with a wide spectrum of preventive healthcare services established in 2001. Licensed by the Ministry of Health under Private Ambulatory Care, GHHS Healthcare provides Medical Screening Centre with Pathology & Diagnostic Screening to the genetic level that screens genes, cells, and organs to determine current health status and risk factors. 33,000 sq ft screening center now offers state-of-the-art facilities and equipment.

GHHS Healthcare houses the Architect ci8200 PLUS; an integrated state-of-the-art equipment that can conduct up to 1,200 clinical chemistry and 200 immunoassay tests per hour.

Awarded the 'Best Health and Wellness Tourism Award from the Malaysian Tourism Council 2018'.

The centre known as GHHS Healthcare advocates "Prevention Is Better than Cure" and is the first Preventive Healthcare Concept in Malaysia that offers Western Medical Screening Technology and Integrated Wellness Treatment with Traditional Chinese Medicine; Yunohana Wellness & Beauty; Modern European Wellness and German and Swiss Regenerative Medicine.

With professional specialists and highly sophisticated diagnostic equipment, GHHS Healthcare has 40,000 members with a tenure of 10 years.

GHHS Healthcare has conducted over 20,000 medical screening tests in 2021.

Since its inception, GHHS Healthcare has conducted over 200,000 check-ups with over 80,000 health abnormalities detected including cancer resulting in a high members satisfaction rate of above 90%.

A. GHHS Healthcare Specialist Clinic

At GHHS Healthcare Specialist Clinic, we provide services to reduce the likelihood of health emergencies. The services include ENT Screening; Heart Clinic; Gastroenterology & Hepatobiliary Care; Cancer Prevention and Immune System Screening; Internal Medicine Physician; and Metabolic Syndrome and Obesity Management Service.

MANAGEMENT DISCUSSION & ANALYSIS

Milestones:

1. Introduction of specialist consultancy for Diabetes Mellitus at Kidney Disease and Cancer Management Clinic at GHHS Healthcare. This treatment recommends Detoxification, Diet Modification as well working together with the Chinese medical centre on Cupping Therapy, Acupuncture that can treat patients with diabetes and kidney disease (CKD).
2. Exclusive world-leading treatment devices are being brought in to provide treatments to enhance body immunity such as hyperbaric oxygen therapy, systemic hyperthermia, and immune-boosting supplements like MFIII Supplements and a wide range of nutritional natural plants-based products and treatments accustomed according to individual needs with professional prescription by qualified doctors.
3. The team in GHHS Healthcare also had achieved 80% success rates with supporting evidential medical analysis, especially in chronic kidney disorders, joint pains, high cholesterol, and break-through discoveries in reversing insulin under diabetic treatment.
4. The collaboration with Modern Cancer Hospital in Guangzhou has achieved a success rate of good health and accreditation for treating active and post-cancer patients through immunotherapy personalized treatment.
5. Introduced New G-BRCA+ Genetic Screening Tests - this test can screen a patient's DNA for markers that are linked to inherit risk factors for breast and ovarian cancers. Introduction of DNA Test for G-child, G-gardia, G-cardio META, G-onco, G-corporate, G-wellness, and G-pharma.
6. Introduced a new corporate screening package that specialists in cancer screening, heart screening, and corporate annual check-ups. An onsite check-up is available.

B. GHHS Chinese Medical Centre

Revolving around the ancient TCM Philosophy which boasts a long history, an extensive array of TCM and Wellness Care services are provided such as Scoliosis Treatment, Fertility Treatment, Paediatric Care, Post Stroke and so on. A TCM pharmacy is also available where trained consultants dispense herbal prescriptions to promote the restoration of harmony in the body. Our Chinese Physicians; TCM Tuinalogists; TCM Reflexologists; and Herbalists are qualified and approved by the Ministry of Health (MOH) Malaysia.



Milestones:

1. A strategic collaboration was signed with Xiamen University Malaysia, Inti University, and UTAR with GHHS Chinese Medical Centre on the knowledge transfer between university and industry to promote cooperation on industrial training; social services; and employment opportunities.
2. The second collaboration is with Lunan Better Pharmaceutical Co. Ltd. Through this collaboration, the company has donated 'JingFang Granules' to several organizations in Malaysia. Lunan Better Pharmaceutical Co., Ltd. is a pharmaceutical company registered in the People's Republic of China and has obtained a drug production license issued by the Shandong Provincial Drug Administration to develop 'Jingfang Granules' that can be used to relieve the symptoms of Covid-19 patients. This drug has obtained the domestic drug GMP certificate and drug registration approval. Together with GHHS Healthcare, Lunan Better Pharmaceutical Co., Ltd. has donated 100 boxes worth RM500,000 of 'JingFang Granules' to several establishments in Malaysia.
3. GHHS Healthcare and Modern Cancer Hospital Guangzhou have initiated the CSR program by forming the Anti-Cancer & Rehabilitation Club. The objective is to create awareness and promote prevention is better than cure and the importance of yearly check-ups. It is a platform to provide information, knowledge, activities, medical expert advice, and facilities related to integrated western medicine, Chinese medicine, and natural therapy for cancer prevention, rehabilitation, and treatment.

MANAGEMENT DISCUSSION & ANALYSIS

4. Introduction of GHHS Lungshield - herbal remedy as to a preventive formula during this Covid-19 pandemic. It helps to nourish the lung and reinforce the body's immune function, enhance the body's anti-inflammatory system, and received numerous commendable testimonials from post-Covid-19 patients. With that, GHHS Chinese Medical Centre has collaborated with the Malaysian Chinese Medical Society of Epidemic Control and Prevention to give away complimentary GHHS lung shield to Covid-19 patients, and families and Covid-19 closed contact. Collaborated with Golden Horse Digital Bank, Nirwana group, and INTI TCM clinic in Seremban for the distribution of the lung shield. Totally reach out to 5000 Covid & post-Covid patients while 2500 joined our survey and review proven that the GHHS lung shield is more than 90% effective for Covid-19 symptoms relief.
5. GHHS Chinese Medical Centre has introduced TCM Tele-Health Consultation with our team of professional Chinese physicians to provide teleconsultation and medication delivery services.
6. Pre and Post Natal Care and Pediatric Care have been introduced in GHHS Chinese Medical Centre with new and special techniques from China. Introduced a new confinement homecare program which consists of Chinese medical consultation, confinement herbs and treatment, TCM Acu-facial, Japanese Yunohana detox and womb care; Malay massage, herbal compress, tungku, tangas therapies, Korean beauty, and Paediatric Massage.
7. Introduced Womb Care and Acu Face Lifting programme through acupuncture treatments, Yunohana negative ion therapy, and moxibustion therapy for TCM Beauty therapy.
8. Liver Health Retreat programme is specially designed with the combination of Liver Pro Detox product, Chinese medical treatment; diet; and nutrition therapy with the aim to help those having liver problems and detox their digestive system.
9. Introduced a Special New Detox and De-stress workshop for a complete cleansing of body, mind, and soul with detox, slimming, anti-aging, yoga, and Qi-Gong sessions.
10. Introduced Healthmune, a home brand product of GHHS Bio Herbs, which helps to improve the immune system with prebiotics and probiotics.
11. Introduced herbal daily tea with a special formulation for lung detox and liver detox is introduced in GHHS Bio Herbs store.
12. Introduced a Special Rehabilitation Program that integrates Chinese medical treatment with physiotherapy equipment to provide therapies for physiotherapy spine for scoliosis, degenerative spine, post-stroke rehab, senior physical therapy and care, sports injury, and joint and muscle pain.
13. Detox & Slimming program through Yunohana Hokutolite hot stone bed, lymphatic drainage massage introduced in wellness spa and Beauty and aesthetic treatment using advanced Korean technology of thermal suction ultra-vital face lifting with the product of caviar cream. Provide instant face lifting without surgery, injection, and increased skin elasticity.

C. European Wellness Retreat (EWR)

European Wellness Retreat at GHHS Healthcare adopts a holistic approach that captures the four essential pillars in the wellness system: Diagnosis, Detoxification, Repair & Rejuvenation. It is Swiss and German wellness and rejuvenation retreat; and a leading Integrated Healthcare Solutions offering a non-invasive approach for anti-aging, aesthetics, preventive, and holistic treatments of chronic diseases.

Milestones:

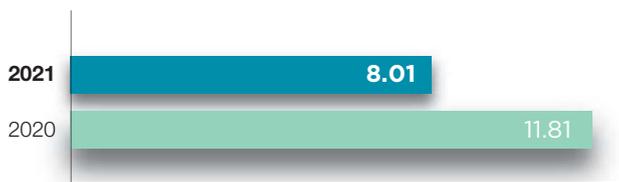
1. Despite the Covid-19 pandemic affecting nationwide, European Wellness Retreat (EWR) has recorded a profitable business growth of five (5) times higher revenue sales for 2021. As part of the business expansion, EWR has planned a Special Corporate Wellness Programme including health maintenance targeting specifically for corporate companies with personalized and customized treatment by EWR qualified doctors and this will boost Health & Wellness Tourism once the international markets resume operating as normal.
2. Introduction of the EWR Swiss and German treatment has been proven to be beneficial in the prevention of diseases and overall health improvement for patients with Metabolic Syndrome Disorders; and Diabetes Mellitus. Additionally, Biological Functional, Integrative and Regenerative Medicine are also being introduced through an individualized therapy approach.
3. Introduced treatments for mental health illnesses and special needs children by using the German and Swiss Biological and Regenerative Medicine revolutionary approach.

MANAGEMENT DISCUSSION & ANALYSIS

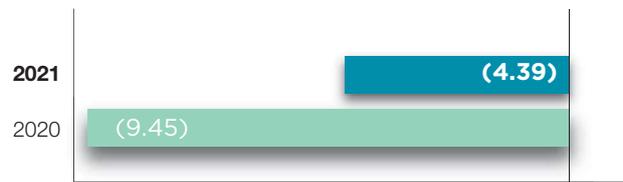
B. Hospitality and Resort Division



REVENUE (RM'000)
-32%



NET PROFIT/(LOSS)
(RM'000)
54%



The Hospitality Division comprises two international award-winning brands namely Palace of the Golden Horses, Philea Mines Beach Resort together with a time-share business - Palace Vacation Club. Through this Division, the CHHB Group continues to offer the best in hospitality, fine and casual dining, leisure, recreational activities and fitness.

The Resorts and Hospitality Division recorded a division revenue of RM8.01 million in 2021 as compared to RM11.81 million in 2020.

The segment loss was recorded at RM4.39 million for 2021 due to the temporary suspension of hotel operations.

Before COVID-19, travel and tourism had become one of the most important sectors in the world economy, accounting for 10 percent of global GDP and more than 320 million jobs worldwide.



MANAGEMENT DISCUSSION & ANALYSIS



In 1950, at the dawn of the jet age, just 25 million people took foreign trips. By 2019, that number had reached 1.5 billion and the travel and tourism sector had grown to almost too big-to-fail proportions for many economies. The global pandemic, the first of its scale in a new era of interconnectedness, has put 100 million jobs at risk, many in micro, small, and medium-sized enterprises that employ a high share of women, who represent 54 percent of the tourism workforce, according to the United Nations World Tourism Organization (UNWTO).

Tourism-dependent industries will likely feel the negative impacts of the crisis for much longer than other economies. Contact-intensive services key to the tourism and travel sectors are disproportionately affected by the pandemic and will continue to struggle until people feel safe to travel en masse again.

Many hotels in Malaysia have either implemented a cost-cutting, retrenchment exercise or are closed completely. More than 200 hotels and tourism operators have shut down operations since March 2020.

Palace of the Golden Horses ("PGH") offers 472 exquisite guestrooms and suites of which 20 are designed for themed suites such as Queen Elizabeth, Nelson Mandela, China President; heads of states, host of nation suite and a golden suite which is now named after the current Raja Permaisuri Agong, Her Royal Highness Tunku Hajah Azizah Aminah Maimunah.

Palace of the Golden Horses recorded revenue of RM0.13 million in 2021 as compared to RM5.68 million in 2020.

Palace of the Golden Horses was assigned as a quarantine hotel during the MCO and successfully completed this national service in mid-2020. The hotel has also been the command center for the Bantu-bantu Malaysia program, a social organization set up to help the unfortunate and underserved during the Covid-19 pandemic.

However, with the forecast of the travel and MICE industry being less than favorable, the Group decided to temporarily suspend the hotel's operations taking the opportunity to restructure its overall operations and upgrade before an eventual opening when the pandemic is moved under control.

Mines Wellness Hotel recorded a revenue of RM1.4 million in 2021 as compared to RM2.4 million in 2020.

Nestled amidst the concrete jungle of Kuala Lumpur, MINES Wellness Hotel is an unexpected haven offering a full experience of sophisticated style, comfort, privacy, and tranquillity. Dubbed the only 'beach in the city', it is also the perfect choice not only for health retreats or weekend getaways but also for garden weddings, beach barbeques, family days, team-building events, and other leisure or corporate activities.

A delightful 120-room wellness hotel with a tropical design overlooking a scenic 150-acre lake, MINES Wellness Hotel provides the perfect escape from the hectic city life, just 15 minutes away from the Kuala Lumpur City Centre. It is a place where you look for a little piece of serene nature within the city.

MANAGEMENT DISCUSSION & ANALYSIS



The hotel logo which has a representation of two leaves is derived from a Chinese word, 'Tao'. In Mandarin, the word 'Tao' means a path; to us, a way of living. It strengthens the hotel's concept of a unique way of living, focusing on giving our guests the best in hospitality and health standards.

The leaf of MINES Wellness Hotel sprouts from the ground and spans its leaves while growing towards the sunlight, withering its leaves as the season changes and providing fertilizer to the ground - giving back to where it came from.

In line with the restructuring in the hospitality division, the hotel was leased out effective from 1 August 2015 and has been rebranded as Philea Mines Beach Resort. The Group will be taking over the management of the hotel which will be transformed into a detox and rehabilitation wellness hotel.

Palace Vacation Club ("PVC") recorded a revenue of RM6.42 million in 2021 as compared to RM3.19 million in 2020.

PVC is a membership club designed to provide its members the opportunities to enjoy vacations, creating priceless memories at places beyond the regular destinations with freedom of choices available only with a timeshare network. The membership ensures and maintains the affordability and flexibility of family vacations both at local and international destinations.

PVC principally involved in the timeshare business faced significant challenges during the financial year mainly because the Covid-19 pandemic directly affected PVC's revenue and operations. Implementation of the Movement Control Order which had restricted international and local interstate travel is the main impact of Covid-19 on PVC's business.

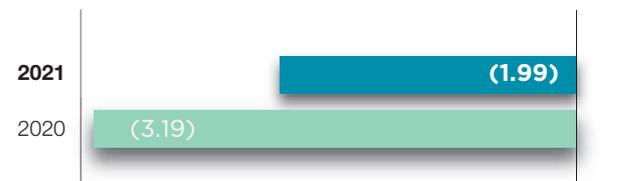
Resort stays at the Palace of Golden Horses Hotel (PGH) and exchange of PGH stays with other timeshare resorts are the main selling points of PVC membership. As PGH remained closed due to international travel restrictions because of the Covid-19 pandemic, the sale of new membership had dropped significantly during the year and directly affected PVC's operational cash flow as well.

Annual maintenance fee collection has also been directly affected because PGH has been closed and PVC has only been able to offer stays at Country Heights Villas, Kajang for PVC members during the year.

For the year 2022, Palace Vacation Club will look into repackaging and enhancing its membership through new technology for better engagement with members and more effective marketing.

MANAGEMENT DISCUSSION & ANALYSIS

C. Exhibition and Convention Division



MIECC recorded a revenue of RM5.80 million in 2021 as compared to RM1.88 million in 2020.

The Exhibition and Convention Division comprises the Malaysia International Exhibition and Convention Centre being the largest column-free exhibition venue with the biggest tonnage capacity per square meter in Malaysia. It provides a great and magnificent venue for multi-purpose usage that can cater to large crowds and elaborate events, trade shows, symposiums, expositions, major gatherings, concerts, corporate functions, and dinners.

Situated within MINES Wellness City and a stone's throw from renowned establishments such as Palace of the Golden Horses, MINES Wellness Hotel, The MINES Shopping Mall, and the exclusive MINES Resort and Golf Club, events at MIECC enjoy the upper hand of convenience by having an array of facilities and amenities at its doorstep.

Being strategically located just 20 minutes from the Kuala Lumpur City Centre or from the administrative capital of Malaysia, Putrajaya, the centre boasts the largest column-free exhibition space in the country with a width of 160 feet, a length of 660 feet, a height of 50 feet, and a floor load of 3 tonnes per square metre.

MIECC faced one of its most challenging periods during 2021, with all events that were planned being either postponed indefinitely or cancelled due to the Covid-19 pandemic. As one of the worst-hit economic sectors, MIECC remains resilient and positive towards the reopening of the event industry. For the year 2021, MIECC's predominant focus is on internal upgrades and improvements while also building relationships with strategic partners for the eventual reopening of the industry.



MIECC assisted Malaysia's government in the National Covid-19 Immunization Programme as one of the mega PPV centers in Klang Valley for almost three months, where the daily doses administered at the MIECC venue reached as high as 15,000 doses of vaccines per day.

MANAGEMENT DISCUSSION & ANALYSIS

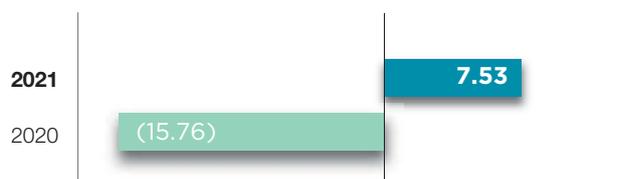
D. Property Division



REVENUE (RM'000)
2136%



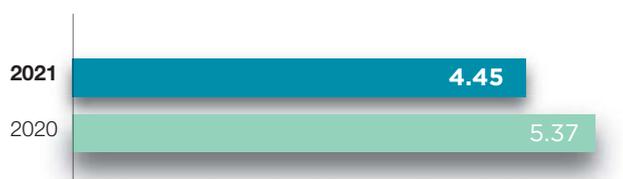
NET PROFIT/(LOSS)
(RM'000)
156%



Property Leasing & Rental



REVENUE (RM'000)
-17%



NET PROFIT/(LOSS)
(RM'000)
88%



The Property Division contributed RM64.38 million of revenue in the year 2021 as compared to RM8.05 million in the year 2020. The segment profit of RM6.28 million was recorded for the current year as compared to the segment of loss RM26.17 million in the preceding year mainly due to the contribution from the sale of land at Country Heights Damansara.

Overall, the property market looks to be stabilizing as we move into 2022, following the disruptive impact of the COVID-19 crisis. Between Q2 2020 and Q2 2021, sharp drops in transactional activity were brought by rising infection rates and government-imposed movement restrictions, resulting in price depressions and fluctuating supply volume.

This is also in line with a generally improved outlook for the Malaysian economy, which is anticipated to perform better in 2022. Furthermore, the move from a “pandemic” to an “endemic” classification of the crisis means the government is adopting sustainable long-term policies in dealing with COVID-19.

This will result in more consistent regulations on economic activity and bring clarity to businesses operations, improving sentiments toward financial security and consumer confidence.

MANAGEMENT DISCUSSION & ANALYSIS



For Country Heights Property Division, the focus going forward is as follows :

a) Digital Transformation

Mines Wellness City will be the first township in Malaysia to use the smart city app and will be called the M Smart City App (MSA), with cryptocurrency enablement. The Mines community will benefit from integrated digital services, cutting-edge community engagement, and smart city management all on one smart city app. With its mobile community platform solution, users can conveniently do multiple things online on their phones and local businesses can better serve and connect with their customers.

This is the first step of the digital transformation plan to focus on integrating the entire Mines township through the adoption of the blockchain technologies platform and will use this technology to link with our ecosystem and all CHHB developments.

b) CHHB Sales Program

The Group recently launched the CHHB Sales Program and has identified RM300 million of the completed properties to contribute to profitability. This will complement the Group's transformation into a Digital Landlord as we leverage our assets to enter the e-commerce space via the collaboration with JD.com, one of the largest e-commerce technology players in China. The RM300 million property sales program comprises various plots of land, ready bungalow units and apartments in numerous locations in Klang Valley, Negeri Sembilan and Kedah.

Klang Valley area:

- Prime property of The Mines Bungalow Residents
- Country Heights Kajang
- 40 business and commercial units of newly rebrand Cloud Life at Mines Wellness City
- Sawtelle Suites, a luxury duplex condominium in Cyberjaya
- Low-cost apartments in Selangor

Outside Klang Valley:

- 57 units of double-storey residential of Belleza Garden Homes (phase 3) in Kolej Heights Utara, Kubang Pasu, Kedah
- Bungalows and land at College Heights Estate located in the district of Pajam, Negeri Sembilan

c) Launch of Cloud Life at Mines Wellness City

Cloud Life is an exclusive development of 268 units of office suites specially designed to meet the needs of health and wellness operators with built-up areas varying from 481 sqft to 1,220 sqft. Selected units come with the view of the prestigious Mines Golf Course and the fascinating view of the Mines Lake. This development will be equipped with great facilities including a fitness center, cafes, and retail spaces for a variety of wellness businesses.

MANAGEMENT DISCUSSION & ANALYSIS



Every unit comes with either the fascinating view of the serene Mines Lakes or the prestigious Mines Golf Course besides being furnished with a dual water source and individual restroom. The building is equipped with safe green infrastructure such as solar panels with smart digital features for smart parking; energy efficiency management; Wifi 6 and 5G enabled and autonomous driving vehicle facilities.

For efficiency and productivity, Cloud Life offers complete high-tech and IoT features such as facial attendance identification; finger-print, and card swiping to improve sign-in efficiency and user experience. Equipped with a signature fitness center; a first-to-market food court concept that promotes a sustainable and healthy-eating concept; a roof terrace for herbs and urban farming; a remedy wellness bar on the 6th floor and a 30,000 sq. ft. unify concept retail spaces, this development is a perfect investment.

Construction work for Wellness 4 of Cloud Life has been completed and the Certificate of Completion and Compliance (CCC) obtained in 2021. 60% of Wellness 4 has been sold while Wellness 5 of Cloud Life is intended for a single investor to purchase the entire block. There is a potential RM120 million of growth development value from Blocks 4 and 5.

The team is preparing for the launch with the following selling points such as guaranteed rentals, tax-free incentives for operators, and Wifi 6 enabled by Huawei.

d) Relaunch of College Heights Garden Resort, Pajam, Negeri Sembilan (College Heights Estate)

College Heights Garden Resort is Malaysia's first academic township and this exclusive Malaysia oasis for living and learning offers the perfect atmosphere for international stimulation with the country living themed with the conveniences of a modern urban lifestyle. The township emphasizes healthy resort living within an academic environment with the luxury of space, garden, and greenery. It is a freehold land of 1,111 acres of a comprehensive self-contained community.

There is a potential growth development value of RM60 million-70 million.

The Group's immediate direction is to enhance the attraction of the estate by investing in a more complete eco-system including creating a retail village and a private parkland for the community.

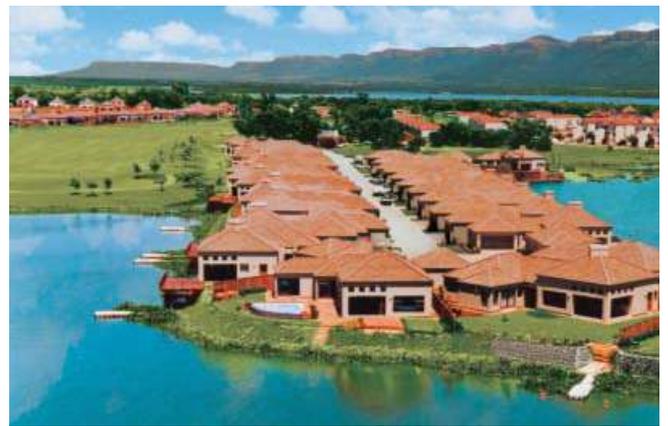
MANAGEMENT DISCUSSION & ANALYSIS



e) **Belleza Garden Homes at Kolej Heights Utara in Jitra, Kedah**

Belleza Garden Homes is located in the peaceful pastures of Kolej Heights Utara in Jitra, Kedah. An exclusive low-density development in the private enclave of Kolej Heights Utara, just 15 minutes away from the Airport in Alor Setar, Belleza Garden Homes is surrounded by lush greenery that truly lives up to its name. With a guarded and gated community, this development represents the pioneer phase of the linear garden concept in the northern region of Malaysia. It comprises two and three-story terraced, garden homes with extensive backyards gardens integrating with an idyllic open-concept environment. This development boasts generous built-up areas starting from 2,000 sqft. Belleza Garden Homes Phase 2 has been completed and handed over.

Belleza Garden Homes Phase 3 is the continuation of the success story of Belleza Garden Homes Phase 1 and 2. It is an exclusive freehold development consisting of 90 units of two-storey linked villas. It has a similar concept as Belleza Garden Homes Phase 1 and 2 with linear gardens and private lawns, the first of its kind in the northern states, a gated and guarded community emphasizing on security and safety of the owners with clubhouse facilities. As of now, 40% of houses have been sold and whereas the balance 60% are reserved for a better market.



Moving Forward

In addition, we will continue to seek opportunities and explore potential partnerships and collaborations to grow our portfolio and strengthen our commercial portfolio in the region. Through this all, we are guided by the principles of good corporate governance, entrepreneurial spirit, and a commitment to sustainability.

These will continue to be the bedrock of our success and will enable us to generate stronger and sustainable returns over time.



SUSTAINABILITY

STATEMENT

We believe that it is our responsibility to care for our planet. Great care is taken to minimize the environmental impact of our business activities and we are constantly encouraging others to join our noble cause.

SUSTAINABILITY STATEMENT

STATEMENT OVERVIEW

Covid-19 pandemic demanded a rethinking of the workplace, as companies struggled to adapt to the new normal. For business development leaders, this change presented numerous challenges.

We've built up a unique kind of resilience and dedication to finding new solutions. We'll continue to get through this year like we did last year by embracing new ways of doing business, staying safe and remembering that we are all in it together.

Guided with our corporate vision and mission "Ever Searching for Better Living" and "It is All About Meaningful Innovative Creations". We recognised the need to operate our business in a responsible and sustainable manner complying with all relevant legislative and regulatory requirements, to maintain the Group's reputation, digital transformation and generate future business.

Frameworks and benchmarks

This Sustainability Statement has been prepared in accordance to international reporting frameworks including the Global Reporting Initiative ("GRI") Standards, in addition to meeting the requirements laid down by Bursa Malaysia Securities Berhad. The Community section adopts the LBG Framework, a recognised global standard used in GRI to measure, manage and benchmark corporate community investment. The United Nations Sustainable Development Goals ("SDGs") define global priorities and aspirations towards resolving economic, social and environmental challenges. We look to the SDGs as a guide to how our business can support the advancement of sustainable development, both by minimising negative impacts and maximising positive impacts on the people and the environment. The SDGs cover a wide spectrum of sustainable development topics such as poverty, health, education, climate change and environmental degradation.



Environment

We are committed to safeguard the environment and strive for continual improvement in our environmental performance in ways that are sustainable, practical, commercial, meaningful, cost-effective, and innovative.

Health and Safety

- To be an environmental steward and strive to conserve the natural resources and biodiversity under our influence and ensure that all potential adverse impacts our operations may have on the environment are identified and appropriately managed.
- We identify, assess and manage the health and safety risks and impacts of our existing and planned operations.
- To operate as far as is reasonably practicable in a manner which safeguards the health and safety of all our employees and stakeholders.

Employee

- We strive to be an employer of choice by providing an environment in which all employees are treated fairly and with respect so that they can realize their full potential.
- To provide the leadership and resources that will enable our employees to meet objectives and targets.
- We promote Character Plus with knowledge in technology and IoT

Business Partners

- We ensure that our team of consultants, contractors and suppliers are aware of our Environmental & Sustainability Policy and its objectives and that they have the necessary skills to implement it.
- To engage consultants, contractors and suppliers who promote sustainable development and encourage our customers to use our products and services responsibly.

SUSTAINABILITY STATEMENT

Local Communities

- To communicate regularly with the communities where we operate to develop and maintain a mutual understanding of goals and expectations.
- To promote good relationship with the authorities and communities of which we are a part of and enhance their capabilities while respecting their culture and heritage.

Customer

- Sustainability is an extension of mankind to sustain and develop customer service offering towards our businesses.
- We continuously look and strive for a strong strategy by focusing on strengths, culture, innovations, data and technologies.
- The Group implements this strategy in order to improve our customer satisfaction measures in our key products and segments. We will continue to invest in exciting transformative initiatives, adopting the change to working culture by using cloud-based system investment, and become more active in capturing attractive opportunities in our markets.
- We started as a pioneer in property development, and we continuously will adapt to the recent changes to strengthen the Group.

Our sustainability value can be seen through our development. We set out to build a place where people could live, learn, work, and play in an environment that they could be proud of.

OUR SUSTAINABILITY IN SUPPORT WITH UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (UNSDG'S)

GOVERNANCE	HUMAN CAPITAL	ENVIRONMENT	THE ECONOMY
			
<ul style="list-style-type: none"> 11 SUSTAINABLE CITIES AND COMMUNITIES 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"> 1 NO POVERTY 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 6 CLEAN WATER AND SANITATION 10 REDUCED INEQUALITIES 	<ul style="list-style-type: none"> 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 14 LIFE BELOW WATER 15 LIFE ON LAND 	<ul style="list-style-type: none"> 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 17 PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY STATEMENT

HUMAN CAPITAL

Our Employee, Our People, Our CHAMPS

Country Heights is dedicated to transform its Human Resource initiatives by formulating systematic programmes for its employees towards a purposeful and effective workforce.

"CHamps!"

It stands for Country Heights Amazing PeopleS! (Plural of people, Def: a body of persons that are united by a common culture, tradition, or a sense of kinship) is to create a common identity among all employees under different business units towards one goal, one culture and one direction.

The primary objective of CHamps! is to provide programmes that resonate with their employees, allowing them to be a proud CHamps!

The programmes also aim to create unity, inclusiveness and a heightened awareness and energy amongst employees. Every employee is recognised as a CHamps! and abides by the common values listed below as a guide in one's individual conduct in the working environment.

Country Heights Amazing PeopleS!

- C** - I am Caring & Committed!
- H** - I am Healthy & Honest!
- A** - I am Appreciative and Assertive!
- M** - I am Mannered & Motivated!
- P** - I am Persistent & Positive!
- S** - I am Sincere & Successful!
- !** - Oomph! (Energy)

Country Heights understands that to be able to gain competitive edge and to maintain sustainability, Human Development is a crucial foundation. Country Heights has dedicated in transforming its Human Resource initiatives in formulating systematic programmes for its employees towards a purposeful and effective workforce. The first initiative was the launch of "CHampS!".

The coining of a name is to create a common identity among all employees under different business units towards one goal, one culture and one direction.

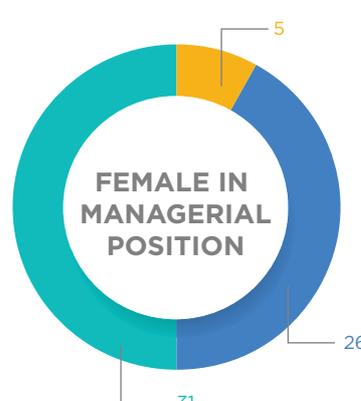
CHampS! aimed to create unity, inclusiveness, and a heightened energy among workforce within the group.

Every CHampS! abides the common values of caring, committed, healthy, honesty, appreciative, assertive, mannered, motivated, persistent, positive, sincere, and successful as a guide in one's individual conduct in the working environment.

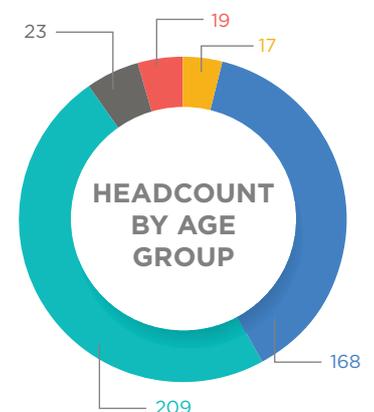
In line with the digital transformation of the company, we promote the importance of having Character Plus with knowledge in technology, IoT (Internet of Things) and social media. This is to ensure that our employees remain competitive and innovative.



Male Female



Female in Managerial Position Female Managers Male Managers



25 & Below 26 - 35 36 - 55 56 - 60 60 & Above

SUSTAINABILITY STATEMENT

Human Development

Group Human Resources took the initiative to transform CHHB employees towards the digital platform. Few steps were taken in order to implement this vision and this is in line with the Founder, Tan Sri Lee Kim Yew's mission to transform the Group towards digitalization which consists of artificial intelligence, blockchain and big data.

INFO TECH - HRIS system being implemented in Country Heights Holding Berhad and subsequently to all the subsidiaries such as GHHS Healthcare, MIECC, Palace Vacation Club, and College Heights Sdn Bhd.

We managed to implement the first digital face recognition attendance in November 2020. This is a clocking system which reads your attendance and punctuality to work by recognition of staff's physical face appearance which will be synced to the mobile app system.

Besides the digital transformation, as the corporate governance and compliance, towards staff developments, we introduced webinar-trainings to staffs and educate them during this MCO period.

Last but not least, as the culture of the company, maintaining the bonds between the employees and employers, the Group has also issued guidelines to remind the Business Units and Functions of their compliance obligations under various competition laws.



EMPLOYEE WELFARE

Leadership support has been fundamental to the success of the company's programmes. With strong support and transparent lines of communication, the company is able to focus its efforts on the following initiatives:



Extended Maternity Leave

Additional 30-day half-day maternity leave with full pay on top of the 60 days paid leave as per the statutory requirement.



Designated Car Park

Allocated car park facilities located closer to the office for mothers-to-be during their pregnancy.



Flexi-work arrangement

Flexi-hours for pregnancy check-ups as and when needed to ease regular doctor's visits. At supervisors' discretion, expecting employees are allowed to start work after their doctor's visits as opposed to taking the full-day off for checkups.



Health and Wellness Programme Qi Gong

We encourage staff to participate in Qi Gong exercise after work will improve both physical and mental health in one gentle activity. It relaxes and re-energises employees, without the pain or strain that can accompany other physically-demanding exercise session.



Medical Checkup

All confirmed Champs are entitled to in-house Traditional Chinese Medicine (TCM) Treatment at GHHS Healthcare. They can experience most premium TCM treatment at our in-house centre and we encourage our staff to in-house stay fit and healthy.

SUSTAINABILITY STATEMENT

Safety Working Environment

Occupational Health, Safety and Health committee had carried out the following during the year 2021 towards improving the safety awareness amongst employees.

- a. Safety awareness on induction of new recruit.
- b. Provided safety gear such as cotton gloves, face mask, ear plugs and safety boots for workers protection.
- c. Zoom Meetings to discuss improving safety in operating and handling equipment.
- d. Emergency fire drills conducted twice a year.

TRAINING & WORKSHOP WERE CONDUCTED THROUGH WEBINAR AND ZOOM

Training Name	Dept
Info Tech HRMS Training	IT / Finance / HR
CME Training	Imaging
UKM-FAHLA Basic Digital Mammo Webinar 2021	Imaging
National COVID-19 Immunisation Programme	Clinical / Call Centre / Nursing / Imaging / IT / Ops / Lab / CS
Microsoft Excel - Intermediate & Advance	Finance
Autopilot Performance Mastery - Online	HR
Advanced Mammography Course 2021	Imaging
Microsoft Excel - Intermediate & Advance	Finance, Sales Admin, HR

**STEP FORWARD TO SUPPORT GOVERNMENT AND PUBLIC**

Our chairman's Tan Sri Lee Kim Yew principle is in line with UN SDG goal number 1 & 2, where we have been practicing for the past 30 years. Tan Sri Lee has launched Bantu-Bantu Malaysia, a non-profit social initiative aimed at helping the country to mitigate the spread of Covid-19 and weather the effects of the lockdown. Under Tan Sri Lee's direction, more than 8 million masks were flown in to be distributed to frontliners, and additional medical supplies such as ventilators, safety goggles, surgical gowns and masks were donated to various government and private hospitals, including the country's Covid-19 crisis centre at Sungai Buloh Hospital. Bantu-bantu Malaysia has distributed more than 200,000 food box hampers to approximately 1,500,000 household in Malaysia.



SUSTAINABILITY STATEMENT



ENVIRONMENTAL SUSTAINABILITY PRACTICES

Country Heights has taken various projects towards energy savings and sustaining “clean environment”. Negative ions’ energy ceiling board, a natural ionizer and air purifier LakeView Residency in Cyberjaya was our first project which has negative ions’ energy ceiling board and also its first development in Malaysia to introduce ‘negative ions’ energy ceiling board. The energy ceiling board works as a natural ionizer and air purifier. This purification process improves air quality by helping to purge airborne particulates such as dust and germs. With the installation of the energy ceiling boards, the homeowners will enjoy fresher, cleaner and healthier environment.

Solar Energy

Through Malaysia Renewable Energy Policy, which includes a measure for promoting the popularization of solar power, the government aims to cover 73% of its electricity by renewable energies by the year 2050. Along with that, we have carried out solar energy exercise at a smaller scale at our hotel and office premises.

Recycle - Useable items

Employees are encouraged to practice the 5 R’s - ‘Refuse, Reuse, Reduce, Repair and Recycle’ in their daily activities both at home as well as at the working place. This practice is encouraged as it supports the segregation of garbage for recycling/ disposal. i.e, minimise paper usage, electric and water. For example, we are using lake water to water the plants and toilets.

REDUCE OF PLASTIC USAGE

Under the Country Height’s core values, NATURE is establishing a harmonious relationship with nature through the preservation and enhancement of nature’s finest gifts. Reducing Bottled Water at Meetings and Events – we are practicing to use glass bottle almost at all our meetings.

AUXILIARY POLICE UNIT

Country Heights Holdings Berhad has launched its Auxiliary Police Unit in 2017 to enhance security in its townships and other developments.

The introduction of the unit is part of our approach to reinforce the security at all current and future Country Heights townships, with the aim of creating a safer environment for the communities.

The first batch has been deployed at selected townships and developments especially in Selangor and Negeri Sembilan’s townships and we plan to expand the unit with more trained personnel being deployed across all our townships in other states respectively in Kedah. The first batch underwent a two-months basic auxiliary police course at Pulapol.

SUSTAINABILITY STATEMENT

STAKEHOLDERS' MANAGEMENT

STAKEHOLDER GROUPS	ENGAGEMENT METHODS	FREQUENCY	ADDRESSING EXPECTATIONS
<p>CUSTOMERS Expectations:</p> <ul style="list-style-type: none"> • Product quality • Timely and transparent information about Country Heights business operations • Loyalty and rewards programme 	<ul style="list-style-type: none"> • Complaints resolution • Customer satisfaction surveys • Events and activities • Focus groups • Loyalty programmes • Roadshows 	Throughout the year	<ul style="list-style-type: none"> • Upholding brand promise and product quality excellence
<p>EMPLOYEES Expectations:</p> <ul style="list-style-type: none"> • Benefits • Career developments • Employment equality • 2-way communication 	<p>Employee engagement programmes, trainings and townhall sessions</p> <ul style="list-style-type: none"> • Employee engagement survey • Champs Club 	Throughout the year	<ul style="list-style-type: none"> • Career development programme • Employee Assistance Programme (EAP) a 24-hour hotline • Fair and safe workplace practices
<p>GOVERNMENT & INDUSTRY AFFILIATES Expectations:</p> <ul style="list-style-type: none"> • Compliance with regulations • Support for policies of national interest including sustainability initiatives and innovation • Private partnerships to drive national agenda • Sharing of best practices for industry progress • Implementation of policies and requirements by relevant agencies or professional bodies 	<p>ESG materiality study</p> <p>Engagement sessions</p> <ul style="list-style-type: none"> • Engagement with Department of Occupational Safety and Health (DOSH) • Report submissions • Site visits and audits • Training, seminars and demonstrations • Dialogues 	Throughout the year	<ul style="list-style-type: none"> • Career development programme • Employee Assistance Programme (EAP) a 24-hour hotline • Fair and safe workplace practices

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of Country Heights Holdings Berhad (“CHHB” or the “Company”) [the Board] acknowledges the importance of practising good corporate governance and is committed in maintaining high standards of corporate governance throughout the Company and its subsidiaries (“CHHB Group” or the “Group”) with integrity, transparency and professionalism to protect and enhance stakeholders’ value and the financial position of CHHB Group.

The Board fully supports the principles and recommendations set out in the Malaysian Code of Corporate Governance 2021 (the “Code”), which was released on 28 April 2021 and is pleased to present the Corporate Governance (“CG”) Overview Statement based on the following three (3) principles:

- (i) Board leadership and effectiveness;
- (ii) Effective audit and risk management; and
- (iii) Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement is prepared in compliance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and is to be read together with the CG Report 2021 of the Company which is available on the Company’s website at www.countryheights.com.my

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Responsibilities and Duties

The responsibilities of the Board, amongst others, are to lead and establish the CHHB Group’s mission and vision and to provide strategic directions for the long-term success of the Group. CHHB’s Board comprises active and experienced Board members, with a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, property development and marketing, corporate finance as well as mergers and acquisitions.

The Board is responsible for setting the strategic directions of CHHB Group and monitoring the implementation of those strategies by the Management, including:

- oversight of CHHB Group, including its control and accountability systems;
- appointing or removing the Group Chief Executive Officer;
- appointing or removing the Chief Financial Officer;
- appointing or removing the Company Secretary;
- Board and Executive Management development and succession planning;
- providing input and final approval for corporate strategies;
- providing input and final approval for the annual operating budget (including the capital management budget);
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions/divestment;
- monitoring compliance with all relevant legal, tax and regulatory obligations;
- reviewing and monitoring systems of risk management and internal compliance and controls, codes of conduct, continuous disclosures, legal compliance and other significant corporate policies;
- reviewing the effectiveness of CHHB’s implementation of its risk management system and internal control framework at least once a year;
- monitoring the Executive Management’s performance and implementation of strategies and policies, including assessing whether appropriate resources are available;
- approving and monitoring financial and other reporting to the market, shareholders, employees and other stakeholders; and
- appointing, re-appointing or replacing the External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In discharging his/her duties, each Director must:

- exercise care and diligence;
- act in good faith in the best interests of CHHB;
- not improperly use his/her position or misuse information of CHHB; and
- commit the time necessary to discharge his/her role effectively as a Director.

Executive Chairman and Managing Director

The Founder of CHHB, YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew (“Tan Sri Lee”), is the Executive Chairman of the Company. As Executive Chairman, and given his capability, leadership and entrepreneurship skills, business acumen and his vast experience in the industry, Tan Sri Lee undertakes to personally and passionately spearhead the Group to better performance in the near future together with the five (5) Executive Directors, each having separate and clearly defined scope of responsibility and authority. The division of roles and responsibilities ensures that there is no excessive concentration of power in these positions.

The Executive Chairman is responsible for ensuring Board effectiveness and conduct, leading the Board in the oversight of management. The Executive Chairman also oversees the controls of the business through compliance and audit and the direction of the CHHB Group business.

The Company had appointed Datuk Jared Lim Chih Li @ Lin Zhili (“Datuk Jared Lim”) as the Managing Director (“Group MD”) with effect from

8 September 2020, who was responsible for the implementation of the Board policies approved by the Board and reports at Board Meetings, all material matters that potentially affect the Group and its performance, including strategic projects and regulatory developments.

Datuk Jared Lim was specifically appointed to carry out the following:

- To re-organise the human resources structure with staff of ‘good character plus’, while CHHB Group will be venturing back with properties, products, etc. for the high-end market;
- To re-organise and restructure the existing bank loans of RM130 million which are over-collateralised by seven times with high chargeable interest rate;
- To implement blockchain, cryptocurrencies and big data technologies for CHHB Group;
- To ensure that all the vacant properties of CHHB Group are leased out with a targeted rate of 80%;
- To be in-charged and manage the five Strategic Business Divisions (“SBVs”) of CHHB Group; and
- To look for good strategic partners for the five SBVs.

The roles of the Executive Chairman of the Board and the Managing Director are exercised by separate individuals and each has a clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures and advocate adoption of corporate governance best practices. The Company Secretary is responsible to provide clear and professional advice to the Board on all governance matters, to ensure that Board procedures are followed, and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretary attends and ensures that all meetings of the Board, Board Committees and Shareholders are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company. The Board is regularly apprised by the Company Secretary on new regulations issued by the regulatory authorities.

Supply of and Access to Information

The Directors have full and unrestricted access to complete information on a timely basis pertaining to CHHB Group's business and affairs to enable them to discharge their duties. Board Meetings which are scheduled to be held are also presented with relevant reports to facilitate its decision-making process. The Board and its Committees are given the notice and agenda of meetings at least seven (7) days in advance and the meeting papers are delivered at least three (3) days prior to each meeting.

The Directors have access to the advice and services of the Company Secretary. The Directors may seek advice from the Management on matters relating to their areas of responsibility. The Directors may also interact directly with, or request further explanation, information or updates on any aspects of the Company's operations or business concerns from the Management. The Directors may seek independent professional advice, at the Company's expenses, if required, in furtherance of their duties.

All Board decisions are clearly recorded in the minutes, including the rationale for each decision, along with clear actions to be taken and the individuals responsible for their implementation. Relevant urgent Board decisions are communicated to the Management within one working day of the Board meeting and the minutes of Board Meetings are completed for comments by the Board members on a timely basis before the next succeeding Board meeting. Relevant extracts of the minutes are distributed to the Management for action once the Board minutes are completed, depending on the urgency of the matters.

Board Charter

The Company has adopted a Board Charter which clearly defines the respective roles, responsibilities and authorities of the Board (both individually and collectively) and the Management in setting the directions, the management and the controls of the Company as well as Matters Reserved for the Board.

The Board Charter has been uploaded on the Company's website at www.countryheights.com.my. The Board will review the Board Charter of the Company periodically and will update the Board Charter where appropriate, from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Code of Ethics

The Code of Ethics was established to support the Company's vision and core values by instilling, internalising and upholding the value of uncompromising integrity in the behaviour and conduct of the Directors.

The Code of Ethics is reviewed and updated regularly by the Board. It has been uploaded on the Company's website at www.countryheights.com.my.

Whistleblowing Policy

An internal Whistleblowing Policy has been introduced for the employees to channel their concerns about illegal, unethical or improper business conduct affecting the Company and to share business improvement opportunities.

The Board and the Management gave their assurance that employees will not be at risk to any form of victimisation, retribution or retaliation from their superiors or any member of the Management provided that they act in good faith in their reporting.

The Whistleblowing Policy has been uploaded on the Company's website at www.countryheights.com.my.

Environmental & Sustainability Policy

The Board recognises the need to operate its business in a responsible and sustainable manner complying with all relevant legislative and regulatory requirements, to maintain its reputation, and to generate future business. CHHB combines its values of nature, love, quality, style and excellence, together with its vision of 'Ever Searching for Better Living' and set its commitment to sustainable good practice in the context of environment, economic and social consideration.

The Environmental & Sustainability Policy of CHHB Group focuses on corporate sustainability in five main areas, being environment, health and safety, employees, business partners and local communities. The Group's efforts on environmental and social responsibility during the financial year are set out in the Sustainability Statement of this Annual Report.

The Environmental & Sustainability Policy has been uploaded on the Company's website at www.countryheights.com.my.

Board Composition

As at the end of the financial year 2021, the Board comprised nine (9) members, of which three (3) are Non-Executive Directors and six (6) are Executive Directors. Thus fulfilling the requirement for at least one-third of the Board to consist of Independent Directors. A brief profile of each Director are presented on pages 8 to 14 of this Annual Report.

The Board is led by a team of experienced members from different professional backgrounds, all of whom provide CHHB Group with a wealth of professional expertise and experience which are conducive for efficient deliberations at Board meetings, giving rise to effective decision making and providing multi-faceted perspectives to the business operations of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Diversity

The Board acknowledges the importance of boardroom diversity. Despite no specific targets being set in relation to boardroom diversity, the Board is committed to improving boardroom diversity in terms of gender, ethnicity, regional and industry experience, cultural and geographical background, age and perspective.

The Board is supportive of gender diversity in the boardroom as recommended by the Code and has developed a Gender Diversity Policy to promote the representation of women in the composition of the Board. For the purpose of the Code, the Gender Diversity Policy will refer principally to gender diversity in the boardroom, but this approach however, in no means limits the Company's recognition and respect for the value of diversity at all levels of the organisation. A diverse boardroom and workplace include the skills and perspective that people bring to the organisation through, but not limited to, experience, gender, age, culture and beliefs. The Board will consider more female representation when suitable candidates are identified.

The Gender Diversity Policy has been uploaded on the Company's website at www.countryheights.com.my.

As at 31 December 2021, the diversity of the Directors is as follows:

Gender	Male	Female	Total
Number of Directors	8	1	9

Ethnicity	Malay	Chinese	Indian	Total
Number of Directors	0	9	0	9

Age Group (Years)	20 – 29	30 – 39	40 – 49	50 – 59	60 and above	Total
Number of Directors	0	1	1	5	2	9

Board Appointment

All nominees to the Board are first considered by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender before they are recommended to the Board. The NRC may also consider the use of external consultants in the identification of potential Directors.

While the Board is responsible for the appointment of new Directors, the NRC is delegated with the role of screening and conducting an initial selection before making a recommendation to the Board.

Re-election/Re-appointment of Directors

The Constitution of the Company requires a Director appointed during a financial year to retire at the following AGM. All Directors are bound to retire at least once in every three years and would be eligible for re-election at each AGM.

The re-election/re-appointment of Directors at the AGM are subject to prior assessment by the NRC and the recommendations thereafter are submitted to the Board and then for shareholders' approval.

The re-election/re-appointment of Directors at AGM provides the shareholders with a regular opportunity to re-assess the composition of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meetings

The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of CHHB. All Directors have complied with the minimum requirements on attendance at Board Meetings as stipulated in the MMLR, i.e. at least 50%.

During the financial year, the Board held five (5) meetings and details of Directors' attendances are set out below. Besides the Board Meetings, the Board also approved certain matters via Directors' Circular Resolutions during the financial year.

Name of Director	No. of Board Meetings Attended
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Executive Chairman)	5/5
Datuk Jared Lim Chih Li @ Lin Zhili (Managing Director)	5/5
Ong Tee Chin (Independent Non-Executive Director)	5/5
Chong Khing Chung (Independent Non-Executive Director)	5/5
Hor Siew Leong (Independent Non-Executive Director)	5/5
Lee Sow Lin (Executive Director) (Redesignation to Non Independent and Non-Executive Director on 1 March 2022)	5/5
Dr Yip Chun Mun (Executive Director)	5/5
Xu Zijing (Chief Technology Officer) (Resigned on 1 March 2022)	0/5
Chen Kaiyu (Finance Director) (Resigned on 1 March 2022)	1/5
Lee Cheng Wen (Non-Independent Non- Executive Director) (Resigned on 13 August 2021)	3/5
Vincent Chew Chong Eu (Independent Non-Executive Director) (Resigned on 30 June 2021)	3/5
Lee Thai Young Matahari (Executive Director) (Resigned on 13 August 2021)	3/5
Gerard Lim Kim Meng (Independent Non-Executive Director) (Resign on 13 September 2021)	3/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT

At Board meetings, the Chairman encouraged constructive and healthy debates and the Directors were free to express their views. Any Director who had a direct and/or deemed interest in the subject matter to be deliberated/approved had abstained from deliberation and voting on the same during the Board meetings/approval of Directors' Circular Resolutions.

Directors' Training

The Directors were encouraged to attend seminars/courses from time to time to equip themselves with the necessary knowledge to discharge their duties and responsibilities more effectively.

During the financial year, the Directors have attended, individually and/or collectively, various training programmes as follows:

Name of Directors	Training Programmes Attended		
	Date	Organiser	Course Title
Tan Sri Lee Kim Tiong @ Lee Kim Yew	27/07/2021	KSI Strategic Institute for Asia Pacific	Malaysian Housing & Property Summit
	03/08/2021	KSI Strategic Institute for Asia Pacific	Huawei-KSI Digital Leadership Webinar
	16/12/2021	KSI Strategic Institute for Asia Pacific	Global Chinese Economic & Technology Summit
Lee Sow Lin, Michele	07-09/09/2021	Malaysian Association of Convention & Exhibition Organisers & Suppliers (MACEOS)	Kind 2021 Malaysia Virtual
	11&12/09/2021	Alzheimers Disease Foundation Malaysia (ADFM)	Dementia Awareness Talk WAM 2021
Dr Yip Chun Mun, Ricky	03 - 05/12/2021	Asian Wound Care Association	Asian & 3 rd Global Wound Conference 2021
Chong Khing Chung	11/01/2021	Malaysia Institute of Accountants (MIA)	Risk, Strategy & Governance – How Integrated Thinking can Support Boards in Creating Long Term Value
	20/04/2021	CPA Australia	Tax Landscape in Malaysia
	17/06/2021	CPA Australia	The Future of Accountants through Data & Analytics
	26/07/2021	CPA Australia	The Tax Audit Landscape in Malaysia
	21/09/2021	CPA Australia / Deloitte Malaysia	Innovation in Accounting & Finance
	24/11/2021	CPA Australia	How to Benchmark & Document FY2020 Transfer Pricing Report
Datuk Jared Lim Chih Li @ Lin Zhili	Nil	Nil	Nil
Ong Tee Chin	Nil	Nil	Nil
Hor Siew Leong	Nil	Nil	Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the current financial year, Ong Tee Chin, Hor Siew Leong and Datuk Jared Lim Chih Li @ Lin Zhili did not attend any seminars/training programmes due to Covid 19 pandemic and their work commitments. However, they have undertaken to avail themselves for the relevant training courses for the next financial year.

The Company will continuously arrange further training for the Directors as part of their obligations to update and enhance their skills and knowledge which are important for carrying out an effective role as Directors. From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

Board Committees

The Board has delegated specific responsibilities to two Board Committees, namely the ARMC and NRC. The delegation of certain responsibilities of the Board to its Committees is necessary as there is now greater reliance on the Board Committees in response to the complex challenges of the business.

These Committees have the authority to examine particular issues within their Terms of Reference ("TOR") and report back to the Board with their recommendations. The ultimate responsibility for the final decision on most matters remains with the entire Board.

All Board Committees have written TOR, operating procedures and authority delegated and approved by the Board, which are reviewed from time to time to ensure they are relevant and up-to-date.

The Chairman of the various Board Committees report the outcome of their meetings to the Board and the relevant decisions are incorporated into the minutes of the meetings.

ARMC

The ARMC Report is set out on pages 60 to 65 of this Annual Report.

NRC

The NRC comprises All Non-Executive and Independent Directors.

The TOR of the NRC is available on the Company's website at www.countryheights.com.my.

Membership

- Hor Siew Leong (Chairman)
- Chong Khing Chung
- Ong Tee Chin

Objectives

The objectives of the NRC with regard to the nomination role are as follows:

- To identify and recommend new nominees to the Board as well as the Board Committees. However, all decision as to who shall be appointed shall be the responsibility of the Board after considering the recommendations of the NRC.
- To assist the Board in reviewing the required mix of skills, experience and other qualities, including core competencies for which both Executive and Non-Executive Directors should bring to the Board.
- To implement the processes formulated by the Board designed to assess the effectiveness of the Board and the Board Committees as a whole.
- To develop policies, practices and recommend appropriate proposals to facilitate the recruitment, retention and removal of Executive Directors.
- To review the Executive Directors' objectives, goals and the assessment of their performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The objectives of the NRC with regard to the remuneration role are as follows:

- To determine the level and make-up of Executive Directors' remuneration so as to ensure that CHHB attracts and retains Directors of appropriate calibre, experience and quality needed to run the Group successfully. The level and make-up of the remuneration should be structured so as to link rewards with corporate and individual performance.
- To determine the remuneration packages of Non-Executive Directors which shall be a decision of the Board as a whole.

Authority

The NRC is authorised by the Board to:

- seek assistance from the Company Secretary on matters related to the responsibilities of the NRC under the rules and regulations to which it is subject to and how those responsibilities should be discharged.
- have full and unrestricted access to the Company's records, properties and personnel.
- seek independent professional advice and expertise deemed necessary for the performance of its duties.

Responsibilities

The responsibilities in relation to nomination matters are as follows:

- To formulate the nomination, selection and succession policies for the Board and the Board Committees as may be determined by the NRC from time to time.
- To make recommendations to the Board on new candidates for election/appointment, and re-election/re-appointment of the Directors to the Board.
- To make recommendations to the Board for appointment to fill casual vacancies.
- To conduct a review in determining whether a Director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board.
- To review the required mix of skills, experience and other qualities of the Board annually.

The responsibilities in relation to remuneration matters are as follows:

- To formulate and/or review the remuneration policies and packages for the members of the Board and Board Committees and recommend to the Board for approval.
- To approve the utilisation of the provision for annual salary increment, performance bonus and long-term incentives (if any) for each financial year.

The NRC shall consider any other matters referred by the Board to the NRC and, in discharging its duties, the NRC shall at all times be mindful of the provisions of all applicable laws, regulations and guidelines.

Meeting Attendance of the NRC

The NRC met once during the financial year.

Main Activities of the NRC in 2021

During the financial year, the NRC has fulfilled a number of key activities, as follows:

- Evaluated and assessed the performance of Independent Non-Executive Directors (self-assessment) for the year 2020.
- Evaluated and assessed the performance and effectiveness of the Board and Board Committees for the year 2020.
- Reviewed and recommended the re-election of Director due for retirement pursuant to Article 120 of the Constitution of the Company, at the 37th AGM.
- Reviewed and recommended the retention of the Independent Director who had served the Board for more than nine years.
- Reviewed the remuneration of the Directors for the year 2021 and subsequently recommended it to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NRC noted that the Board and Board Committees had met the board structure criteria as to the size, independence, desired skills and qualities of the Board members, as required by the regulations and the results was tabled to the Board for notation.

Directors' Remuneration

The policy and framework for the overall remuneration of the Executive and Non-Executive Directors are reviewed regularly against market practices by the NRC, following which recommendations are submitted to the Board for approval.

The Board as a whole determines the remuneration of the Directors and each individual Director abstains from the Board's decision with regard to his/her own remuneration.

The remuneration of Non-Executive Directors is based on a standard fixed fees. In addition, allowances are also paid in accordance with the number of meetings attended during the year.

The Executive Directors are not entitled to the above Directors' Fees nor are they entitled to receive any meeting allowance for Board or Board Committee meetings that he/she has attended. Their remuneration is based on their Key Performance Indicators (KPIs) which are appraised annually.

Disclosure of each Director's remuneration is set out under Practice 8.1 in the Corporate Governance Report.

The proposed Directors' Fees for the financial year 2021 will be tabled at the forthcoming 38th AGM for shareholders' approval.

Description	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary	2,074	-	2,074
Bonus	-	-	-
Benefits-In-Kind	3.6	-	3.6
EPF	130	-	130
Allowance	-	42	42
Fees	-	49	49
Total	2,207.6	91	2,298.6

The number of Directors whose total remuneration falls into the respective bands is as follows:

Range of Remuneration (RM)	Number of Directors	
	Executive	Non-Executive
Up to RM100,000	-	6
RM100,001 to RM200,000	1	-
RM200,001 to RM300,000	1	-
RM300,001 to RM400,000	-	-
RM400,001 to RM500,000	-	-
RM500,001 to RM1,000,000	1	-
RM1,000,001 to RM1,500,000	1	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC

The ARMC comprises All Non-Executive and Independent Directors.

The TOR of the ARMC is available on the Company's website at www.countryheights.com.my.

Membership

- Ong Tee Chin (Chairman)
- Hor Siew Leong
- Chong Khing Chung

The composition of the ARMC is in compliance with Paragraphs 15.09 and 15.10 of the MMLR. None of the members of the ARMC were former key audit partners and notwithstanding that, in order to uphold the utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The Board regards the members of the ARMC to collectively possess the accounting and related financial and risk management expertise and experience required to discharge their responsibilities and assist the Board in oversight over the financial reporting process. The ARMC assists the Board in reviewing and scrutinising the information in terms of the appropriateness, accuracy and completeness of disclosure and in ensuring that CHHB Group's financial statements comply with the applicable financial reporting standards. The ARMC reviews and monitors the accuracy and integrity of CHHB Group's quarterly and annual financial statements and submits these statements to the Board for approval within the stipulated timeframe.

Relationship with Auditors

The Board, by the establishment of the ARMC, maintains a formal and transparent relationship with the Group's External Auditors. The External Auditors are invited to participate and brief the ARMC on specific issues at ARMC meetings. The roles of both the External and Internal Auditors are further described in the ARMC Report.

CHHB Group has established an in-house Group Internal Audit Department in addition to utilising the services of the External Auditors, which reports significant findings directly to the ARMC with recommended corrective actions. The Management is responsible to ensure that the corrective actions on reported weaknesses are undertaken within an appropriate timeframe.

The ARMC and Board maintain great emphasis on the objectivity and independence of the External Auditors, Messrs UHY, in providing the relevant and transparent reports to shareholders. As a measure of ensuring full disclosures, representatives from Messrs UHY are invited to attend the ARMC meetings to discuss audit issues with the ARMC without the presence of the Management, as well as the AGM.

Risk Management and Internal Controls

The Board recognises and affirms its overall responsibility for CHHB Group's system of internal controls, which includes the establishment of an appropriate control environment and control framework as well as for reviewing its effectiveness, adequacy and integrity. The Board acknowledges that this system is designed to manage, rather than eliminate the risk of non-achievement of CHHB Group's objectives. The Board has an overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls, and risk management to ensure shareholders' investments, customers' interests and CHHB Group's assets are safeguarded.

The Statement on Risk Management and Internal Control is set out on pages 66 to 68 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Shareholders and Investors

The Board values the support of its shareholders and investors. It also recognises the importance of effective communication with the shareholders and the investment community of material corporate and business matters of CHHB Group. Its commitment, both in principle and practice, is to maximise transparency consistent with good corporate governance, except where commercial confidentiality dictates otherwise.

In complying with Paragraph 9.21(3) of the MMLR to improve investor relations between the Company and its stakeholders, CHHB ensures that its website contains the email address(es) of the designated person(s) and contact numbers to enable the public to forward queries to the Company. CHHB also post announcements made to Bursa Securities on its website immediately after such announcements are released on Bursa Securities' website.

Conduct of General Meetings

The Board views shareholders' general meetings as an ideal opportunity to communicate with shareholders.

Since the AGM, the Company has been giving at least 28 days notice for its AGMs. The Board had embedded the 28-day notice period into its Board Charter. All Directors and the external auditors are expected to attend all shareholders' meetings to take questions raised by shareholders.

Shareholders and members of the public can access the company's website at www.countryheights.com.my for the information on CHHB Group.

At the AGM, the Chairman presents a comprehensive review of the CHHB Group's financial performance and value created for the shareholders as well as current developments of the Group. The AGM is the principal forum for dialogue with the shareholders. It provides shareholders and investors with an opportunity to seek clarification on CHHB Group's business strategy, performance and major developments. All Directors of CHHB, including the Chairman of the ARMC and NRC, Senior Management and the External Auditors will attend the AGM to provide meaningful response to questions raised.

Poll Voting

In line with Paragraph 8.29A of the MMLR that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll, the Board shall table all the resolutions at the forthcoming AGM for voting by poll.

COMPLIANCE STATEMENT

The Board is supportive of all the recommendations of the Code and has ensured that the recommendations set out in the Code have been substantially implemented by CHHB Group. The Board will take reasonable steps to review existing policies and procedures from time to time to ensure full compliance thereof.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

Material contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in the Financial Statements.

Contracts Relating to Loan

There were no contracts relating to any loan by the Company in respect of the above said item.

Related Party Transactions

Significant related party transactions of CHHB Group are disclosed in the Financial Statements.

Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred by CHHB Group for the financial year ended 31 December 2021 is disclosed in the Financial Statements.

Share Buy-Back

The existing authority for the Company to purchase up to 10% of its total number of issued shares capital shall expire at the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at the said AGM.

There was no share buy-back during the financial year ended 31 December 2021.

Details of the shares purchased, as at to-date are set out below:

Month	No. of shares purchased and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average price paid per share (RM)	Total consideration* (RM)
June 2014	100,000	1.44	1.50	1.47	147,430.08
June 2015	2,050,000	1.32	1.35	1.35	2,777,170.98

* Inclusive of transaction cost

All the shares purchased by the Company were retained as treasury shares as at 31 December 2021. There was no resale of any treasury share during the financial year.

Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 December 2021.

This Statement is made in accordance with a resolution of the Board passed on 28 April 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board is responsible for ensuring that the financial statements of the Group and of the Company have been drawn up in accordance with the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by International Accounting Standards Board, the provisions of the Companies Act 2016, and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible for ensuring that the financial statements provide a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2021, the Group has adopted the appropriate accounting policies and applied them consistently, and that all applicable approved accounting standards have been followed.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee (“ARMC”) of Country Heights Holdings Berhad was established with the objective of assisting the Board of Directors in the areas of corporate governance, system of internal controls, risk management and financial reporting of the Group. Members of the ARMC are mindful of their dual roles which are clearly reflected in the agendas of each meeting.

COMPOSITION

The ARMC comprises three members, all of whom are Non-Executive Directors, with a majority of them being Independent Directors. This meets the requirement of Paragraph 15.09(1)(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The ARMC consists of the following members:

Name of Director	Designation	Directorship
Ong Tee Chin	Chairman	Independent Non-Executive Director
Chew Chong Eu (Resigned on 30 June 2021)	Member	Independent Non-Executive Director
Lee Cheng Wen (Resigned on 13 August 2021)	Member	Non-Independent Non-Executive Director
Hor Siew Leong (Appointed on 23 August 2021)	Member	Independent Non-Executive Director
Chong Khing Chung (Appointed on 23 August 2021)	Member	Independent Non-Executive Director

ATTENDANCE OF MEETING

The ARMC met five times during the financial year ended 31 December 2020 and the attendances are as follows:

Name of Director	Attendance	%
Ong Tee Chin	5/5	100
Chew Chong Eu	3/5	60
Lee Cheng Wen	3/5	60
Hor Siew Leong	2/5	40
Chong Khing Chung	2/5	40

The Executive Chairman, Executive Directors, Chief Financial Officer, other Senior Management members and the External Auditors attended these meetings upon invitation to brief the ARMC on specific issues.

Prior to some of the ARMC meetings, private sessions were held between the ARMC Chairman and External Auditors without the Management’s presence.

Minutes of meetings of the ARMC were circulated to all members and significant matters reserved for the Board’s approvals were tabled at the Board meetings. The Chairman of the ARMC provides a report on the decisions and recommendations of the ARMC to the Board.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

TERMS OF REFERENCE (“TOR”)

The ARMC has reviewed and endorsed its TOR in line with the MMLR of Bursa Securities and best practices propagated by Bursa Securities Corporate Governance Guide towards Boardroom Excellence.

Composition

The ARMC shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members, the majority of whom shall be Independent Directors. All members of the ARMC shall be Non-Executive Directors.

All members of the ARMC shall be financially literate and at least one member of the ARMC:

- (i) must be a member of the Malaysian Institute of Accountants (“MIA”); or
- (ii) if he is not a member of the MIA, he must have at least three years of working experience and;
 - (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- (iii) fulfills such other requirements as prescribed or approved by Bursa Securities.

No Alternate Director shall be appointed as a member of the ARMC. The members of the ARMC shall elect a Chairman from among themselves, who shall be an Independent Non-Executive Director. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Appointments to the ARMC shall be for a period of up to three years, which may be extended for up to another three years, provided that the Director still meets the criteria for membership of the ARMC.

In the event of any vacancy in the ARMC resulting in the non-compliance with Paragraph 15.09(1) of the MMLR, the Company must fill the vacancy within three months.

Quorum

The quorum shall not be less than two, the majority of whom shall be Independent Directors.

Attendance & Frequency of Meetings

The ARMC shall meet as the Chairman deems necessary but not less than four times a year. The Chairman shall be entitled, where deemed appropriate, to invite any person(s) to meetings of the ARMC.

The ARMC shall meet with the External Auditors, Internal Auditors or both, without Executive Board members and employees present at least twice a year.

Authority

The ARMC is authorised by the Board to:

- (i) seek any information relevant to its activities from employees of the Company.
- (ii) source for the necessary resources required to carry out its duties.
- (iii) obtain independent professional advice it considers necessary.
- (iv) have full and unlimited access to any information and documents pertaining to the Company.
- (v) investigate any matters within its TOR, with explicit authority.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

Functions

(i) Financial Statements, External Audit and Other Information

The duties of the ARMC shall be to:

- (a) make appropriate recommendations to the Board on matters pertaining to the nomination, appointment and dismissal of External Auditors and the fee thereof;
- (b) review and discuss with the External Auditors and Internal Auditors before the commencement of audit, the nature and scope of the audit;
- (c) review the quarterly and year-end financial statements of the Group and Company prior to submission to the Board, focusing particularly on:
 - public announcement of results and dividend payments;
 - any significant changes in accounting policies and practices;
 - significant adjustments and unusual events resulting from the audit;
 - the going concern assumption; and
 - compliance with stock exchange, accounting standards and legal requirements.
- (d) discuss problems and reservations arising from the interim and final audits, and any other matters the External Auditors may wish to discuss (in the absence of the Management where necessary);
- (e) review External Auditors' letter to the Management (if any) and the Management's response;
- (f) review the adequacy of the scope, functions, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
- (g) review the Internal Audit Planning Memorandum and results of the Internal Audit process and where necessary, ensure that appropriate action is taken on the recommendations of the Internal Audit function;
- (h) review any appraisal or assessment of the performance of the Head of Internal Audit function;
- (i) approve any appointment or dismissal of the Head of Internal Audit;
- (j) inform itself of resignation of the Head of Internal Audit and provide him/her an opportunity to submit reason(s) for resigning;
- (k) consider any related party transactions and conflict of interest situation that may arise within the Company or Group that may raise questions over the Management's integrity; and
- (l) consider the findings of Internal Audit investigations and the Management's response.

(ii) Risk Management, Internal Control and Information Systems

The ARMC will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes the following:

- (a) advise the Board on the Group's overall risk appetite, tolerance and strategy, taking into account the current and prospective macro-economic and financial environment drawing on financial stability assessments and other authoritative sources that may be relevant for the Group's risk policies;
- (b) champion and promote the Enterprise Risk Management to ensure that the risk management process and culture are embedded throughout the Group;
- (c) provide routine monthly and quarterly reporting and update the Board on key risk management issues and potential loss events;
- (d) review the Risk Management Framework, Policy and Guide annually;
- (e) oversee and advise the Board on the current risk exposures of the Group and future risk strategy to ensure development and growth of the Group on a sustainable basis;

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- (f) in relation to risk assessment:
- keep under review the Group's overall risk assessment processes that inform the Board's decision making, ensuring both qualitative and quantitative metrics are used;
 - review regularly and approve the parameters used in these measures and the methodology adopted;
 - set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance; and
 - consider whether the Group has effective management systems in place to identify, assess, monitor and manage its key risk areas.
- (g) review the Group's capability to identify and manage new risk types;
- (h) review reports on any material breaches of risk limits and the adequacy of proposed action;
- (i) follow-up on management action plans based on the status of implementation compiled by the Management;
- (j) review the Business Risk Analysis & Evaluation and Mitigation Plans to be escalated to the Board on an annual basis and to report any major breach of Risk policies and tolerance limits and ensure risk mitigants are in place;
- (k) give a view on proposal/feasibility studies prepared by project sponsor or project consultants which meet the requisite threshold before recommending to the Board for final decision;
- (l) keep under review the effectiveness of the Group's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
- (m) review the Group's procedures for preventing fraud; and
- (n) consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

The ARMC shall also ensure the function has adequate independence and is free from the Management or other restrictions.

Minutes

The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the ARMC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated. Minutes of each meeting shall also be distributed to the members of the ARMC prior to each meeting.

Summary of Activities of the ARMC

During the financial year, the ARMC carried out its duties as set out in its TOR, including but not limited to:

- (i) review audit plans prepared by both Internal and External Auditors;
- (ii) review unaudited quarterly financial statements during the financial year prior to submission to the Board for consideration and approval, and the review and discussion were conducted with the Group Chief Financial Officer;
- (iii) review and evaluate the policies for risk management and systems of internal control;
- (iv) review internal audit reports presented by Internal Auditors and consider the major findings by the Internal Auditors and the Management's responses thereto;
- (v) review the audited financial statements and discuss significant audit issues and findings with the External Auditors;
- (vi) review the procedures for identification of related party transactions for compliance with the Listing Requirements of Bursa Securities and the appropriateness of such transaction, if any, before recommending to the Board for approval; and
- (vii) meet and discuss with the External Auditors without the presence of the Management staff.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

External Audit

- (i) The External Auditors presented the Interim Report for the financial year ended 31 December 2020 at its meeting on 25 February 2021 with regard to the relevant disclosures in the annual audited financial statements. The ARMC also considered suggestions to improve the accounting procedures and internal control measures.
- (ii) On 26 April 2021, the External Auditors tabled the Final Report and the Audit Financial Statements for the year ended 31 December 2020.
- (iii) On 25 November 2021, the ARMC reviewed the External Auditors' Professional Services Planning Memorandum for the financial year ending 31 December 2021, outlining their scope of work and proposed fees of RM292,000 for the statutory audit and review of the Statement of Risk Management and Internal Control for 2021. The ARMC resolved to recommend the proposed fees to the Board for approval.
- (iv) The new standard in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants requires External Auditors to communicate in writing to the ARMC all breaches of independence requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics.

Summary of Activities of the Internal Audit Function

The ARMC is aware that an independent and adequately resourced Internal Audit function is essential to assist it in obtaining the assurance it requires with regard to the effectiveness of the system of internal controls.

The Internal Audit function is undertaken by an in-house Group Internal Audit Department ("GIAD"). The GIAD reports independently to the ARMC and its role encompasses the examination and evaluation of the adequacy and effectiveness of the Group's system of internal controls to provide reasonable assurance to the members of the ARMC. During the financial year under review, GIAD was operated by three staff, whom were free from any relationships or conflicts of interest with any employees of the Company.

The Internal Audit function performs internal audits with strict adherence to the Professional Practices Framework of the Institute of Internal Auditors, USA ("IIA") and conformance with the IIA's International Standards for the Professional Practice of Internal Auditing (the "Standards") in meeting the responsibilities of Internal Auditors and the internal audit activity.

The purpose of the Standards is to:

- (i) delineate basic principles that represent the practice of internal auditing.
- (ii) provide a framework for performing and promoting a broad range of value-added internal auditing.
- (iii) establish the basis for the evaluation of internal audit performance.
- (iv) foster improved organisational processes and operations.

The Standards are principles-focused, mandatory requirements consisting of:

- (i) statements of basic requirements for the professional practice of internal auditing and for evaluating the effectiveness of performance, which are internationally applicable at organisational and individual levels.
- (ii) interpretations which clarify terms or concepts within the Statements.

The structure of the Standards is divided between Attribute and Performance Standards. Attribute Standards address the attributes of organisations and individuals performing internal auditing; The Performance Standards describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured. The Attribute and Performance Standards are applied to all internal audit services.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The internal audit activities carried out, under a risk-based approach, for the financial year included inter-alia, the following:

- (i) Formulated annual risk-based audit plan and reviewed the resource requirements for audit executions;
- (ii) Executed internal audit reviews in accordance with the approved annual audit plan;
- (iii) Issued reports on the internal audit findings identifying weaknesses and highlighting recommendations for improvements on a periodic basis;
- (iv) Followed-up on the implementation of corrective action plans or best practices agreed with the Management; and
- (v) Attended ARMC meetings to table and discuss the audit reports and followed up on issues raised.

The internal audit reviews conducted did not reveal weaknesses that have resulted in material losses, contingencies or uncertainties that would require separate disclosure in the Annual Report. The total cost incurred for the Internal Audit function of the Group for the financial year ended 31 December 2021 was RM166,635.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility and Accountability

The Board of Country Heights Holdings Berhad affirms its overall responsibility for the Group's system of internal controls to safeguard shareholders' investments and the assets of the Group as well as reviewing the adequacy, integrity and effectiveness of the system. Internal control systems are primarily designed to cater for the business needs and manage the potential business risks of the Group.

However, such systems are designed to manage, rather than to eliminate the risk of failure to achieve the Group's corporate objectives. In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement, operational failures and fraudulent activities.

The Board is assisted by the Management to implement approved policies and procedures on risk and control. Management identifies and evaluates the risks faced by the Group and designs, implements and monitors an appropriate system of internal controls in line with policies approved by the Board.

KEY FEATURE OF THE GROUP'S INTERNAL CONTROL SYSTEM

Key elements of the Group's internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below.

1. Control Environment

- **Organisation Structure & Authorisation Procedures**

The Group maintains a formal structure with well-defined delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures in order to enhance the internal control system of the Company's various operations.

Key functions such as finance, tax, treasury, corporate, legal matters and contract awarding are controlled centrally.

- **Monitoring and Reporting Procedures**

The Executive Chairman / Managing Director / Executive Director and the Management Committee meets on a regular basis with all divisional heads to consider the Group's financial performance, business developments, management and corporate issues.

The Divisional Heads and Business Unit Heads are responsible to ensure that the Standard Operating Procedures which include policies and procedures are continuously reviewed and update promptly.

The Divisional Heads and Business Unit Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.

- **Human Resource Policy**

Comprehensive and rigorous guidelines are in place, to ensure that the Company has a team of employees who are equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively. Corporate values, which emphasize ethical behaviors, are set out in the Group's HR Portal.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2. Risk Management

The Board acknowledges that all areas of the Group's business activities involve some degree of risk. The Group is committed to ensuring and to manage risks within defined parameters and standards, and promotes profitability of the Group's operations in order to enhance shareholder value.

The Audit & Risk Management Committee continuously review the on-going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the financial year under review.

The risk management process involves the senior management as well as the Executive Directors through direct participation in periodic management meetings. These meetings are held to assess and monitor the Group's risk as well as deliberate and consider the Group's financial performance, business development, management and corporate issue.

The Board determines the Company's level of risk tolerance and actively identifies, assess, and monitor key business risks to safeguard shareholders' investments and company's assets.

The Company Officer responsible for managing internal controls and legal and regulatory compliance at the company is the Head of Group Finance.

3. Internal Audit Function.

The Group has an in-house Group Internal Audit Department to carry out its internal audit function. The internal audit function has undertaken detailed assessments of the risks and reviews of the internal control systems of CHHB's operating environment. The areas of assessments and reviews were set out in an internal audit plan which has been approved by the Audit & Risk Management Committee.

The Group Internal Audit Department (GIAD) reports directly to the Audit & Risk Management Committee. Periodic testing of the effectiveness and efficiency of the internal control procedures and processes are conducted to ensure that the system is viable and robust. For 2021, all the internal audits were performed by the in-house Group Internal Audit Department. Arising from these assessments and reviews, the Group Internal Audit Department presented their reports to the Audit & Risk Management Committee on their findings, recommendations for improvements and the response from management for the Committee's deliberation and consideration.

The internal audit function performs internal audits with strict adherence to the Professional Practices Framework of The Institute of Internal Auditors, USA ("IIA") and conformance with the IIA's International Standards for The Professional Practice of Internal Auditing ("Standards") in meeting the responsibilities of internal auditors and the internal audit activity.

The responsibilities of GIAD include developing the annual audit plan execution and reporting the audit results for the Group. For such purposes, the GIAD:

- Prepared a detailed Annual Audit Plan for submission to the ARMC for approval,
- Carried out activities to conduct the audits in accordance with the audit plan,
- Shared its findings with the auditee upon completion of each audit, and
- Submitted quarterly audit reports to the ARMC.

4. Information and Communication

Information critical to the achievement of the Company's business objectives are communicated through established reporting lines across the Company. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

A whistleblowing policy has been established together with the detailed processes of the policy. The policy is made known to all employees on the Group's website, with a dedicated channel being formed where whistleblowers may direct their grouses and complaints directly to the - Chairman of the ARMC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

5. Review & Monitoring Process

Regular management meetings are held to discuss and monitor the Group's operations and performance, including meetings to discuss deviation of results against performance targets, with significant variances explained for and corrective management action formulated, where necessary. In addition to the above, schedule and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary.

6. Assurance From Executive Chairman & Management

According to the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, the Board has received assurance from the Executive Chairman, Managing Director, Executive Directors and Management regarding the adequacy and effectiveness of the Group's risk management and internal control operation in all material aspect. It is therefore of the view that risk management and internal control system is satisfactory and no material internal control failures was noted.

7. Review of The Statement on Risk Management & Internal Control

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

The Group's system of internal controls does not apply to associate companies, which the Group does not have full management control.

The Board is of the view that the system of internal controls was generally satisfactory. There were no material losses incurred during the financial year as a result of weaknesses in the system of internal controls that would require disclosure in the annual report.

Nevertheless, the Group will continue to take measures to strengthen the internal control environment. This statement is made in accordance with the Board's resolution dated 28 April 2022.

FINANCIAL

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DIRECTORS' REPORT

The Directors of Country Heights Holdings Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal Activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

Financial Results

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	3,119	(3,919)
Attributable to:		
Owners of the Parent	2,639	(3,919)
Non-controlling interests	480	-
	3,119	(3,919)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements, significant events during the year as disclosed in Note 38 and subsequent events as disclosed in Note 39 to the financial statements.

Reserves and Provisions

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

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

Issue of Shares and Debentures

There was no issuance of shares or debentures during the financial year.

Treasury Shares

As at 31 December 2021, the Company held 2,150,000 treasury shares out of the total 275,707,403 issued ordinary shares. The treasury shares are held at a carrying amount of RM2,914,000. Further relevant details are disclosed in Note 19 to the financial statements.

DIRECTORS' REPORT

Warrants 2018/2023

On 21 December 2018, the Company issued 136,778,701 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 1 free warrant for every 2 ordinary shares held in the Company.

The warrants were constituted under the Deed Poll dated 3 December 2018 as disclosed in the Note 20(c) to the financial statements.

As at 31 December 2021, the total number of the warrants that remain unexercised were 136,778,701.

Share Options

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

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Lee Kim Tiong @ Lee Kim Yew*	
Lee Cheng Wen*	(Resigned on 13 August 2021)
Chew Chong Eu	(Resigned on 30 June 2021)
Lee Thai Young Matahari*	(Resigned on 13 August 2021)
Lee Sow Lin	
Dr Yip Chun Mun*	
Ong Tee Chin	
Chong Khing Chung	
Hor Siew Leong	
Chen Kai Yu	(Resigned on 1 March 2022)
Datuk Jared Lim Chih Li @ Lin Zhili	
Gerard Lim Kim Meng	(Resigned on 13 September 2021)
Xu Zijing	(Resigned on 1 March 2022)

* *Director of the Company and of its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report:

Datuk Wan Addul Kadir @ Wan Ali bin Wan Yubi @ Tuanku Yubi	
Datuk Sudarsono Osman	
Ooi Ghee Kiong	
Ng Cheng Sinn	
Kang Kian Keong	(Alternative Director to Ng Cheng Sinn)
Abdullah bin Julaihi	
Monaliza binti Zaidel	
Stephanie Ann Sardar	

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

DIRECTORS' REPORT

Directors' Interests in Shares

The interests and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2021	Bought	Sold	At 31.12.2021
Interest in the Company				
Direct interests				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	76,500,000	1,597,200	-	78,097,200
Lee Cheng Wen	12,389,831	-	-	12,389,831
Dr Yip Chun Mun	11,000	-	-	11,000
Lee Sow Lin	10,000	-	-	10,000
Indirect interests				
Tan Sri Lee Kim Tiong @ Lee Kim Yew #	99,873,831	1,654,100	-	101,527,931
Number of warrants				
	At 1.1.2021	Bought	Sold	At 31.12.2021
Interest in the Company				
Direct interests				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	20,289,415	-	-	20,289,415
Lee Cheng Wen	6,994,915	-	-	6,994,915
Dr Yip Chun Mun	5,500	-	-	5,500
Lee Sow Lin	5,000	-	-	5,000
Indirect interests				
Tan Sri Lee Kim Tiong @ Lee Kim Yew #	74,620,323	-	1,954,050	72,666,273
Number of ordinary shares				
	At 1.1.2021	Bought	Sold	At 31.12.2021
Shares in subsidiary company				
Golden Horse Palace Berhad				
Direct interests				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	50,000,000	133,000	-	50,133,000
Dr Yip Chun Mun	30,000	-	-	30,000

Deemed interest by virtue of shares held by his daughter and spouse and deemed interests under Section 8 of the Companies Act 2016 by virtue of his shareholdings in Country Heights International Sdn Bhd and Country Heights Ventures Sdn Bhd.

By virtue of his interests in the shares of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew has also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

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

DIRECTORS' REPORT

Directors' Benefits

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 33(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or others has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 8 to the financial statements.

Significant Events

The details of the significant events are disclosed in Note 38 to the financial statements.

Subsequent Event

The details of the subsequent event are disclosed in Note 39 to the financial statements.

Material Litigations

The details of the material litigations are disclosed in Note 40 to the financial statements.

Auditors

The auditors, UHY have indicated their willingness to continue in office.

Auditors' remuneration

The amount paid as remuneration of the auditors for the financial year ended 31 December 2021 is as disclosed in Note 28 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors

TAN SRI LEE KIM TIONG @ LEE KIM YEW

KUALA LUMPUR

28 April 2022

DATUK JARED LIM CHIH LI @ LIN ZHILI

STATEMENT BY DIRECTORS

The Directors of Country Heights Holdings Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors,

TAN SRI LEE KIM TIONG @ LEE KIM YEW

DATUK JARED LIM CHIH LI @ LIN ZHILI

KUALA LUMPUR

28 April 2022

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, Choh Kim Chiew (MIA Membership No.: 29057), being the officer primarily responsible for the financial management of Country Heights Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

CHOH KIM CHIEW

Subscribed and solemnly declared by the abovenamed Choh Kim Chiew at Kuala Lumpur in the Federal Territory, this 28 April 2022.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Country Heights Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 80 to 175.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
<p><u>Revenue recognition on the sale of properties under development</u></p> <p>Revenue from the sale of properties under development is accounted for using the percentage of completion method where the outcome of development can be reliably estimated and is in respect of sales where the agreements have been finalised by the end of the reporting period. The percentage of completion is measured by reference to the cost incurred to date compared to the estimated total cost of the development.</p> <p>Significant judgement is required in determining the percentage of completion, the extent of the property development costs incurred, the estimated total property development costs, as well as the outcome of the development projects. In making the judgement, the Group evaluates past experiences and relies on the work of specialists.</p> <p>The Group has made disclosure relating to sales of properties under development on Note 3(s)(i)(a) to the financial statements.</p>	<p>Our audit procedures included as following:</p> <ol style="list-style-type: none"> Evaluated property development revenue recognition in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>; Assessed the reasonableness of the management prepared budgets for property development projects and challenged management assumptions used in the preparation of the respective budget; Checked actual development costs incurred to determine their appropriateness and that they have been recorded in the correct accounting period; Checked sales and purchase agreements entered into between the Group and the property purchasers to determine that they had been recorded in the correct accounting period; and Evaluated the accounting treatment for the borrowing costs incurred on property development projects in accordance with the requirements of MFRS15 <i>Revenue from Contracts with Customers</i>.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p><u>Allowance for impairment losses on receivables</u></p> <p>Significant management judgement is required in determining the appropriate level of allowance to be made in respect of irrecoverable receivables.</p> <p>The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired, by considering the factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments; and expectations of future cash flows arising from the receivable.</p> <p>The key sources of estimation uncertainty relating to impairment of receivables are disclosed in Note 2(d) to the financial statements.</p>	<p>We have evaluated management's assumptions used in calculating the allowance for doubtful debts and checked the calculations supporting the allowance, testing the accuracy and completeness of the ageing reports used as basis to calculate the allowance.</p> <p>In order to assess the reasonableness of the allowance, we reviewed the ageing of receivables in comparison to previous years, reviewed the level of bad debt written off in the current and prior years as well as checking the recoverability of outstanding receivables through examination of subsequent collections.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary companies of which we have not acted as auditors are disclosed in Note 8 to the financial statements.

Other Matters

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

UHY

Firm Number: AF 1411
Chartered Accountants

TIO SHIN YOUNG

Approved Number: 03355/02/2024 J
Chartered Accountant

KUALA LUMPUR

28 April 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		31.12.2021	Group 31.12.2020	1.1.2020
	Note	RM'000	RM'000	RM'000
			(Restated)	(Restated)
Non-Current Assets				
Property, plant and equipment	4	48,515	52,944	55,523
Right-of-use assets	5	542,570	546,746	553,727
Investment properties	6	260,360	259,370	271,140
Inventories	7	159,633	201,442	201,199
Investment in associates	9	-	-	-
Investment in joint venture	10	-	-	-
Other investments	11	2,337	2,387	2,718
Trade receivables	12	7,595	7,276	7,138
Deferred tax assets	13	196	196	22,211
		1,021,206	1,070,361	1,113,656
Current Assets				
Inventories	7	232,522	219,214	219,432
Trade receivables	12	13,711	16,230	18,112
Other receivables	14	31,665	16,928	20,926
Tax recoverable		608	760	741
Fixed deposits with licensed banks	16	2,130	2,120	2,098
Cash and bank balances	17	11,593	7,206	10,646
		292,229	262,458	271,955
Total Assets		1,313,435	1,332,819	1,385,611
Equity				
Share capital	18	352,006	352,006	352,006
Treasury shares	19	(2,914)	(2,914)	(2,914)
Reserves	20	436,073	432,932	468,597
Equity attributable to owners of the parent		785,165	782,024	817,689
Non-controlling interests		12,962	12,150	14,120
Total Equity		798,127	794,174	831,809
Non-Current Liabilities				
Contract liabilities	21	34,906	38,259	39,664
Other payables	22	2,322	2,224	2,122
Loans and borrowings	23	167,938	107,887	143,334
Lease liabilities	24	5,005	3,652	3,282
Deferred tax liabilities	13	101,339	98,137	124,931
		311,510	250,159	313,333

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		31.12.2021	Group 31.12.2020	1.1.2020
		RM'000	RM'000	RM'000
	Note		(Restated)	(Restated)
Current Liabilities				
Trade payables	25	45,067	42,946	42,399
Contract liabilities	21	1,977	6,322	3,544
Other payables	22	109,439	142,194	113,910
Loans and borrowings	23	37,535	91,833	74,433
Lease liabilities	24	3,360	2,307	3,250
Tax payable		6,420	2,884	2,933
		203,798	288,486	240,469
Total Liabilities		515,308	538,645	553,802
Total Equity and Liabilities		1,313,435	1,332,819	1,385,611

			Company 2021	2020
			RM'000	RM'000
	Note			
Non-Current Assets				
Property, plant and equipment	4		75	119
Investment in subsidiary companies	8		60,314	60,669
Other investments	11		337	387
			60,726	61,175
Current Assets				
Other receivables	14		4,176	637
Amount due from subsidiary companies	15		31,666	23,341
Cash and bank balances	17		221	33
			36,063	24,011
Total Assets			96,789	85,186

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Company	
		2021 RM'000	2020 RM'000
Equity			
Share capital	18	352,006	352,006
Treasury shares	19	(2,914)	(2,914)
Reserves	20	(550,408)	(546,489)
Total Equity		(201,316)	(197,397)
Non-Current Liability			
Loans and borrowings	23	84,510	32,887
		84,510	32,887
Current Liabilities			
Other payables	22	15,636	13,591
Amount due to subsidiary companies	15	162,623	148,870
Loans and borrowings	23	35,000	87,235
Tax payable		336	-
		213,595	249,696
Total Liabilities		298,105	282,583
Total Equity and Liabilities		96,789	85,186

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Revenue	26	104,909	36,579	-	-
Cost of sales		(44,151)	(8,959)	-	-
Gross profit		60,758	27,620	-	-
Other income		7,934	5,244	-	-
Selling and marketing expenses		(4,636)	(4,006)	-	(1)
Administrative expenses		(11,107)	(12,948)	(376)	(348)
Net gain/(loss) on impairment of financial instruments		145	(4,638)	577	(1,457)
Net (loss)/gain on impairment of non-financial asset		(50)	(331)	(405)	(454)
Other expenses		(31,273)	(42,941)	(1,530)	(909)
Profit/(Loss) from operations		21,771	(32,000)	(1,734)	(3,169)
Finance costs	27	(10,230)	(10,020)	(1,850)	(1,131)
Share of result of an associate		-	(50)	-	-
Profit/(Loss) before tax	28	11,541	(42,070)	(3,584)	(4,300)
Taxation	29	(8,422)	3,993	(335)	(2)
Profit/(Loss) for the financial year		3,119	(38,077)	(3,919)	(4,302)
Other comprehensive income					
Item that is or may be reclassified subsequently to profit or loss					
Exchange translation differences for the foreign operations		502	442	-	-
Total comprehensive profit/(loss) for the financial year		3,621	(37,635)	(3,919)	(4,302)
Profit/(Loss) for the financial year attributable to:					
Owners of the parent		2,639	(36,107)	(3,919)	(4,302)
Non-controlling interests		480	(1,970)	-	-
		3,119	(38,077)	(3,919)	(4,302)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the parent		3,141	(35,665)	(3,919)	(4,302)
Non-controlling interests		480	(1,970)	-	-
		3,621	(37,635)	(3,919)	(4,302)
Earnings/(Loss) per share (sen)					
Basic	30(a)	0.96	(13.20)		
Diluted	30(b)	1.02	(13.95)		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Parent					Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Warrant reserve RM'000	Other reserves RM'000	Distributable Retained earnings RM'000	
Group						
At 1 January 2021	352,006	(2,914)	62,645	65,422	304,865	782,024
Net profit for the financial year	-	-	-	-	2,639	2,639
Other comprehensive income	-	-	-	502	-	502
Total comprehensive income for the financial year	-	-	-	502	2,639	3,141
Transfer to retained earnings	-	-	-	(1,663)	1,663	-
Changes in ownership interest in a subsidiary company	-	-	-	-	-	332
At 31 December 2021	352,006	(2,914)	62,645	64,261	309,167	785,165
						12,962
Group						
At 1 January 2020, as previously reported	352,006	(2,914)	62,645	66,644	343,539	821,920
Effect of adopting agenda decision	-	-	-	-	(396)	(396)
Prior year adjustments	-	-	-	-	(3,835)	(3,835)
At 1 January 2020 as restated	352,006	(2,914)	62,645	66,644	339,308	817,689
Net loss for the financial year	-	-	-	-	(36,107)	(36,107)
Other comprehensive income	-	-	-	442	-	442
Total comprehensive income/(loss) for the financial year	-	-	-	442	(36,107)	(35,665)
Transfer to retained earnings	-	-	-	(1,664)	1,664	-
At 31 December 2020	352,006	(2,914)	62,645	65,422	304,865	782,024
						12,150
						794,174

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Parent					Total Equity RM'000
	Non-Distributable		Distributable		Accumulated losses RM'000	
	Share Capital RM'000	Treasury shares RM'000	Warrant reserve RM'000	Other reserve RM'000		
Company						
At 1 January 2021	352,006	(2,914)	62,645	(62,645)	(546,489)	(197,397)
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(3,919)	(3,919)
At 31 December 2021	352,006	(2,914)	62,645	(62,645)	(550,408)	(201,316)
At 1 January 2020	352,006	(2,914)	62,645	(62,645)	(542,187)	(193,095)
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(4,302)	(4,302)
At 31 December 2020	352,006	(2,914)	62,645	(62,645)	(546,489)	(197,397)

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows from Operating Activities				
Profit/(Loss) before tax	11,541	(42,070)	(3,584)	(4,300)
Adjustments for:				
Amortisation of:				
- deferred income	(3,884)	(1,195)	-	-
- right-of-use assets	6,995	6,933	-	-
Bad debts recovered	(185)	(135)	-	-
Bad debts written off	732	624	-	-
Depreciation of property, plant and equipment	4,861	4,458	44	90
Dividend income	(300)	(250)	-	-
Fair value (gain)/loss on investment properties	(990)	11,770	-	-
Fair value adjustment on trade receivables	(403)	9	-	-
Interest expenses	10,230	10,020	1,850	1,131
Interest income	(161)	(103)	-	-
Inventories written off	8	21	-	-
Property, plant and equipment written off	4	2	-	-
Share of result of an associate	-	50	-	-
Unrealised loss on foreign exchange	742	788	-	-
Gain on disposal on property, plant and equipment	(82)	(16)	-	-
Gain on disposal on right-of use assets	(9)	-	-	-
Loss on modification lease	-	27	-	-
Reversal of impairment loss on:				
- trade receivables	(1,607)	(1,789)	-	-
- other receivables	(521)	(38)	-	(36)
- amount due from subsidiary companies	-	-	(577)	-
Impairment loss on inventory	-	271	-	-
Impairment loss on:				
- investment in subsidiary companies	-	-	355	123
- other investments	50	331	50	331
- trade receivables	1,467	5,391	-	-
- other receivables	516	1,074	-	316
- amount due from subsidiary companies	-	-	-	1,177
Operating profit/(loss) before working capital changes	29,004	(3,827)	(1,862)	(1,168)
Changes in working capital:				
Inventories	(13,820)	(317)	-	-
Receivables	(12,363)	606	(3,539)	370
Deferred income	(3,814)	(95)	-	-
Contract liabilities	-	2,663	-	-
Payables	11,075	28,933	2,046	163
Cash generated from/(used in) operations	10,082	27,963	(3,355)	(635)
Interest paid	(10,230)	(10,020)	(1,850)	(1,131)
Tax paid	(1,531)	(854)	-	-
Tax refunded	2	-	-	(2)
Net cash (used in)/from operating activities	(1,677)	17,089	(5,205)	(1,768)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows from Investing Activities				
Acquisition of investment in an associate	-	(50)	-	-
Dividend received	300	250	-	-
Interest received	161	103	-	-
Proceeds from disposal of property, plant and equipment	737	16	-	-
Proceeds from disposal of right-of-use-assets	174	-	-	-
Purchase of property, plant and equipment	(1,472)	(2,244)	-	(40)
Proceeds from partial disposal of stakes in a subsidiary company	332	-	-	-
Repayment to subsidiary company	-	-	(7,748)	(2,707)
Net cash from/(used in) investing activities	232	(1,925)	(7,748)	(2,747)
Cash Flows from Financing Activities				
Advance from subsidiary companies	-	-	13,753	20,471
(Decrease)/increase in bank overdrafts	(9,983)	93	(9,983)	93
Drawdown of term loans	15,280	-	9,371	-
Drawdown of revolving credit	2,000	-	-	-
Payment of lease liabilities	(577)	(552)	-	-
Repayment of term loans	(1,544)	(18,140)	-	(17,748)
Net cash from/(used in) financing activities	5,176	(18,599)	13,141	2,816
Net increase/(decrease) in cash and cash equivalents	3,731	(3,435)	188	(1,699)
Cash and cash equivalents at the beginning of the financial year	9,326	12,744	33	1,732
Effect of exchange translation differences on cash and cash equivalents	666	17	-	-
Cash and cash equivalents at the end of the financial year	13,723	9,326	221	33
Cash and cash equivalents at the end of the financial year comprise:				
Fixed deposits with licensed banks	2,130	2,120	-	-
Cash and bank balances	11,593	7,206	221	33
	13,723	9,326	221	33

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1. Corporate Information

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

The principal place of business and registered office of the Company is located at 8th Floor, Block A, Mines Waterfront Business Park, No. 3 Jalan Tasik, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary companies are disclosed in Note 8. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

- (a) Statement of compliance

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

Adoption of new and amended standards

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

Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest rate benchmark reform – Phase 2
IFRIC Agenda Decision on MFRS 123	Borrowing Costs

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company, except for:

IFRIC Agenda Decision on MFRS 123 Borrowing Costs ("Agenda Decision")

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 Borrowing Costs ("IAS 23") relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRSs, which are word for word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements of annual periods beginning on or after 1 July 2020.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)**IFRIC Agenda Decision on MFRS 123 Borrowing Costs ("Agenda Decision") (Cont'd)**

Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision and comparative figures have been restated as a result of transition requirement under Agenda Decision.

Group	As previously stated RM'000	Effect of adoption of Agenda Decisions RM'000	As restated RM'000
<u>As at 31 December 2020</u>			
Non-Current Assets			
Inventories	159,197	(68)	159,129
Current Assets			
Inventories	219,682	(468)	219,214
Equity			
Retained earnings	311,319	(396)	310,923
Non-Controlling Interests	12,290	(140)	12,150
<hr/>			
<u>As at 1 January 2020</u>			
Non-Current Assets			
Inventories	158,954	(68)	158,886
Current Assets			
Inventories	219,900	(468)	219,432
Equity			
Retained earnings	343,539	(396)	343,143
Non-Controlling Interests	14,260	(140)	14,120
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NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

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

		Effective dates for financial periods <u>beginning on or after</u>
Amendments to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standard 2018 - 2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ("RM'000") except when otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

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

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

Judgements

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

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Satisfaction of performance obligations in relation to contracts with customers

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

The Group recognises revenue over time in the following circumstances:

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

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

Classification between investment properties and property, plant and equipment

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

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

Judgements (Cont'd)Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

Revenue recognition

The Group recognised revenue from the sale of membership relating to Golden Horses Health Sanctuary Programme (“GHHS”), Traditional Chinese Medicine Programme (“TCM”) and Palace Vacation Club (“PVC”). GHHS, TCM and PVC are membership programmes involving the provision of vacation and preventive healthcare services to its members. The memberships are valid for a duration ranging from 5 to 37 years.

The membership fees comprise participation and rejoining fees. Participation fees represent upfront payment (which are allowed to be settled by customers by interest-free instalments) upon execution of membership agreements whereas rejoining fees are due and payable on a yearly basis (except for the first year where no rejoining fees are charged) pursuant to the membership agreements. The Group recognises revenue from participation fee, or a portion thereof, upon signing of membership agreement and collectability of the contract sum is reasonably assured. When a significant amount of the contracted participation fee has been collected, and the collectability of the remaining amount is reasonably assured, the Group records the participation fee, or a portion thereof, as revenue and any unsettled sum is recognised as trade receivables.

When determining the point of revenue recognition, the Group exercised significant judgement in evaluating whether revenue recognition criteria were met. In making their judgement, the Group considered the detailed revenue recognition criteria and, in particular, whether it is probable that the economic benefits associated with the transactions will flow to the Group. Following the consideration of the terms and conditions underlying the membership agreements, the facts that all other services in subsequent years are paid for separately through rejoining fees, the limitation on the members’ abilities for refund of the participation fees, the requirement for the payment of the rejoining fees for continuation of the membership, the history of membership sales, the historical rate of default on the instalment payments by customers and the possibility of such transaction being terminated due to non-payment, the Group satisfied that when 30% of the participation fees are received, the collectability of the remaining contract sum is reasonably assured and the recognition of the participation fees, or a portion thereof, as revenue is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty

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

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

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets.

The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2021 for investment properties. The fair values have been derived using sales comparison approach. Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

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

Impairment of investments in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 8.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 13.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7.

Determination of transaction prices

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

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

Revenue from property development contracts

Revenue is recognised when the control of the asset is transferred to the customers and, depending on the terms of the contract and the applicable laws governing the contract control of the asset may transfer over time or at a point in time.

If control of the asset transfers over time, the Group recognises property development revenue and costs over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measure based on the proportion of property development costs incurred for work performed up to end of the reporting period as a percentage of the estimated total property development costs of the contract.

Significant judgement are used to estimate these total property development costs to complete the contracts. In making these estimates, management relies on past experience, the work of specialists and a continuous monitoring mechanism.

The carrying amount of assets and liabilities of the Group arising from property development activities are disclosed in Notes 7 and 21.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, amount due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 12, 14 and 15 respectively.

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)Discount rate used in leases

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

Income taxes

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

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has tax recoverable of RM608,000 (2020: RM760,000) and tax payable of RM6,420,000 (2020: RM2,884,000) respectively; the Company has tax payable of RM336,000 (2020: RM Nil).

3. Significant Accounting Policies

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

- (a) Basis of consolidation

- (i) Subsidiary companies

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

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

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

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

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

(ii) Changes in ownership interests in subsidiary companies without change of control

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

(iii) Disposal of subsidiary companies

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

(iv) Goodwill on consolidation

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates and joint venture

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(c) Foreign currency translation

(i) Foreign currency transactions and balances

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

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

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

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2017 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment

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

(i) Recognition and measurement

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

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

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

Hotel properties, exhibition centre and showroom consists of hotels, an exhibition centre and showroom building. The land on which the properties are situated is leasehold and is classified as prepaid land lease payments. The properties are stated at their deemed cost, which is the revalued amount at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. They, together with certain freehold land and buildings were revalued based on independent valuations on an open market value basis in 1994 and have not been revalued since then. The Directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of International Accounting Standard 16 (Revised), Property, Plant and Equipment, as approved by the Malaysian Accounting Standards Board, these assets continued to be stated on the basis of their 1994 valuations less accumulated depreciation and any accumulated impairment.

An annual transfer from the asset revaluation reserve presented as other reserve to retained earnings is made for the difference between the depreciation based on the revalued carrying amount of the assets and the depreciation based on the assets' original cost. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

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

(ii) Subsequent costs

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Depreciation of hotel properties, exhibition centre and showroom is provided over the leasehold period of the land of 76 years. Leased assets are depreciated over the shorter of the lease term and their useful lives.

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

Freehold buildings	2%
Golf clubhouse	2% - 10%
- Freehold	
Irrigation system and equipment included in golf courses and boat clubs	10%
Office furniture and fittings, office equipment and renovation	10% - 20%
Plant, machinery and equipment	10% - 33%
Motor vehicles	10% - 20%

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

(e) Prepaid land lease payments

Leasehold land that has an indefinite economic life and title is not expected to pass to the Group by the end of the lease period is classified as operating lease. The upfront payments for the right to use the leasehold land over a predetermined period are accounted for as prepaid land lease payments and are stated at cost less amount amortised. The prepaid land lease payments are amortised on a straight-line basis over the remaining lease terms ranging from 69 to 173 years (2020: 70 to 174 years).

The leasehold land was depreciated over the remaining lease period.

Following the adoption of MFRS 16 *Leases*, the Group has reclassified the carrying amount of the leasehold land to ROU assets. The policy of recognition and measurement of the right-of-use assets is in accordance with Note 3(f) to the financial statements.

(f) Leases

As lessee

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(f) Leases (Cont'd)

As lessee (Cont'd)

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

Long term leasehold land	Over the lease period ranging from 20 to 999 years
Leasehold building	2 to 50 years, or over the lease term, if shorter
Office furniture and fittings, office equipment	20%
Plant and machineries	10 to 20 years
Motor vehicles	20% - 33%

The ROU assets are subject to impairment.

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

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

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

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

As lessor

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)**(g) Investment properties**

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

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

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

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

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

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

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

(h) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(h) Financial assets (Cont'd)

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables, cash and bank balances and amount due from subsidiary companies.

(i) Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Fair value through other comprehensive income

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

Financial assets categorised as FVOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in OCI and accumulated under fair value reserve in equity. For equity instruments, the gains or losses are never reclassified to profit or loss.

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

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at FVTPL. This includes derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

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

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(i) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(j) Financial guarantee contracts

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

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

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

(k) Offsetting of financial instruments

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

(l) Inventories

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

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value costs to see. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(l) Inventories (Cont'd)

(i) Land held for property development (Cont'd)

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis.

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

(m) Contract assets and contract liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(n) Statements of cash flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents are short-term, highly liquid investments and are readily convertible to cash with insignificant risks of changes in value.

(o) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets, investment property measured at fair value and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(o) Impairment of assets (Cont'd)

(ii) Financial assets

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

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

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

(p) Share capital

(i) Ordinary shares

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

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

(ii) Treasury shares

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(q) Provisions

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

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

(r) Employee benefits

(i) Short term employee benefits

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

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

(ii) Defined contribution plans

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

(s) Revenue recognition

(i) Revenue from contracts with customers

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

The Group recognises revenue from the following major sources:

(a) Revenue from property development

The Group recognises revenue from property development over time when control over the property has been transferred to the customers. The properties have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from property development is measured at the fixed transaction price agreed under the sales and purchase agreement.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(s) Revenue recognition (Cont'd)

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

(a) Revenue from property development (Cont'd)

Revenue is recognised over the period of the contract using input method (or cost-to-cost method) to measure the progress towards complete satisfaction of the performance obligations under the sale and purchase agreement, i.e. based on the proportion of property development costs incurred for work performed up to the end of the reporting period as a percentage of the estimated total costs of development of the contract.

The Group becomes entitled to invoice customers for construction of promised properties based on achieving a series of performance-related milestones (i.e. progress billing). The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

Revenue from sales of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

(b) Rendering of services

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

(c) Revenue from hotel operations

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(d) Initial membership fees

Healthcare

Revenue from initial membership fees (participation fees) is recognised when the membership agreement is signed and a significant amount of the contracted membership fees is received.

Timeshare

A significant portion of initial membership fees (participation fees) is recognised as revenue when the membership agreement is signed and a significant amount of the contracted membership fees is received. The revenue from the remaining initial membership fees is deferred and recorded as deferred income and amortised on a straight-line basis over the remaining membership period.

(e) Subscription fees

Subscription fees are recognised as revenue when due and payable pursuant to membership agreements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(s) Revenue recognition (Cont'd)

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

(f) Annual maintenance fees

Annual maintenance fees (rejoining fees) are recognised on an accrual basis based on fees chargeable to members upon execution and renewal of the membership agreements, unless recoverability is in doubt, in which case, they are recognised on receipt basis.

(g) Deferred income

The portion of the membership fees from timeshare membership sales, which is deferred and recorded as deferred income, is recognised over the membership period.

(ii) Rental income

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

(iii) Dividend income

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

(iv) Interest income

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

(v) Revenue from rental of promotion space

Revenue from rental of promotion spaces is recognised on an accrual basis.

(t) Borrowing costs

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)**(u) Income taxes**

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

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

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

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

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

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

Unutilised investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(v) Segments reporting

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

(w) Contingencies

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3. Significant Accounting Policies (Cont'd)

(x) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

(y) Fair value measurement

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

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

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

The Group recognises transfer between levels of the fair value hierarchy as of the data of the event or change in circumstances that caused the transfers.

4. Property, Plant and Equipment

	Note	Group 2021 RM'000	2020 RM'000
Net carrying amount			
Group			
Other property, plant and equipment	(a)	48,515	52,944
Company			
Other property, plant and equipment	(a)	75	119

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

(a) Other property, plant and equipment

	Freehold land and buildings RM'000	Golf clubs, courses and boats clubs RM'000	Office furniture and fittings, office equipment and renovation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
Group						
2021						
Cost						
At 1 January	2,437	49,954	112,474	77,426	4,980	247,271
Additions	-	-	556	916	-	1,472
Disposals	-	-	(693)	(44)	-	(737)
Written off	-	-	(125)	(12)	-	(137)
Foreign currency translation differences	-	(478)	-	-	-	(478)
At 31 December	2,437	49,476	112,212	78,286	4,980	247,391
Group						
2021						
Accumulated depreciation						
At 1 January	420	13,510	99,981	75,514	4,902	194,327
Charge for the financial year	64	493	3,406	872	26	4,861
Disposal	-	-	(81)	(1)	-	(82)
Written off	-	-	(125)	(8)	-	(133)
Foreign currency translation differences	-	(97)	-	-	-	(97)
At 31 December	484	13,906	103,181	76,377	4,928	198,876
Net carrying amount	1,953	35,570	9,031	1,909	52	48,515

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

(a) Other property, plant and equipment

	Freehold land and buildings RM'000	Golf clubs, courses and boats clubs RM'000	Office furniture and fittings, office equipment and renovation RM'000	Plant, machinery and equipment RM'000	Motor vehicles RM'000	Total RM'000
Group						
2020						
Cost						
At 1 January	2,437	50,383	119,481	78,617	5,481	256,399
Additions	-	-	1,787	457	-	2,244
Disposals	-	-	(14)	-	(79)	(93)
Written off	-	-	(8,787)	(1,641)	(422)	(10,850)
Reclassification	-	-	7	(7)	-	-
Foreign currency translation differences	-	(429)	-	-	-	(429)
At 31 December	2,437	49,954	112,474	77,426	4,980	247,271
Group						
2020						
Accumulated depreciation						
At 1 January	361	13,093	107,027	75,004	5,391	200,876
Charge for the financial year	59	483	3,360	544	12	4,458
Disposal	-	-	(14)	-	(79)	(93)
Written off	-	-	(10,392)	(34)	(422)	(10,848)
Foreign currency translation differences	-	(66)	-	-	-	(66)
At 31 December	420	13,510	99,981	75,514	4,902	194,327
Net carrying amount	2,017	36,444	12,493	1,912	78	52,944

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

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

	Office furniture and fittings RM'000
Company	
2021	
Cost	
At 1 January / 31 December	393
Accumulated depreciation	
At 1 January	274
Charge for the financial year	44
At 31 December	318
Net carrying amount	75
2020	
Cost	
At 1 January	353
Additions	40
At 31 December	393
Accumulated depreciation	
At 1 January	184
Charge for the financial year	90
At 31 December	274
Net carrying amount	119

(a) In the previous financial year, certain subsidiary companies were in the process of obtaining the strata titles for certain apartment units included in freehold buildings from the respective developers. The net carrying amounts of those apartment units amounting to RM1,651,000.

(b) Assets pledged as securities to financial institutions

The net carrying amounts of property, plant and equipment of the Group pledged as securities for bank borrowings granted to the Group as disclosed in Note 23, details as follows:

	Group	
	2021 RM'000	2020 RM'000
Freehold land and buildings	6,762	7,003

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

5. Right-of-Use Assets

Group 2021	Hotel properties RM'000	Long term leasehold land RM'000	Leasehold building RM'000	Office furniture and fittings, office equipment RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
At 1 January	377,976	330,590	16,795	3,194	1,788	500	730,843
Additions	-	-	2,984	-	-	-	2,984
Disposals	-	-	(329)	-	-	-	(329)
At 31 December	377,976	330,590	19,450	3,194	1,788	500	733,498
Accumulated depreciation							
At 1 January	51,248	38,106	7,339	876	418	403	98,390
Charge for the financial year	4,184	881	1,283	265	358	24	6,995
Disposals	-	-	(164)	-	-	-	(164)
At 31 December	55,432	38,987	8,458	1,141	776	427	105,221
Accumulated impairment							
At 1 January/ At 31 December	85,707	-	-	-	-	-	85,707
Net carrying amount	236,837	291,603	10,992	2,053	1,012	73	542,570

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

5. Right-of-Use Assets (Cont'd)

Group 2020 Cost	Hotel properties		Long term leasehold land		Leasehold building		Office furniture and fittings, office equipment		Plant and machinery		Motor vehicles		Total RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January	377,976	330,590	16,780	4,157	1,788	500	731,791						
Additions	-	-	329	-	-	-	-	329					329
Modification to lease term	-	-	(314)	(963)	-	-	-	(1,277)					(1,277)
At 31 December	377,976	330,590	16,795	3,194	1,788	500	730,843						
Accumulated depreciation													
At 1 January	47,849	36,437	6,172	1,140	358	401	92,357						
Charge for the financial year	3,399	1,669	1,372	431	60	2	6,933						
Modification to lease term	-	-	(205)	(695)	-	-	(900)						
At 31 December	51,248	38,106	7,339	876	418	403	98,390						
Accumulated impairment													
At 1 January/ At 31 December	85,707	-	-	-	-	-	-	85,707					
Net carrying amount	241,021	292,484	9,456	2,318	1,370	97	546,746						

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

5. Right-of-Use Assets (Cont'd)

- (a) The hotel properties, exhibition centre and showroom with an aggregate net carrying amount of RM237,064,000 (2020: RM60,512,000) are pledged as security for borrowings as disclosed in Note 23.
- (b) The land and buildings, furniture and fittings, motor vehicle, plant and machinery, and office equipment with an aggregate net carrying amount of RM3,040,000 (2020: RM3,362,000) are pledged as security for the related lease liabilities.
- (c) As at 31 December 2021, the long term leasehold land have unexpired lease period that are within the range from 68 to 172 years (2020: 69 to 173 years). The long term leasehold land with an aggregate carrying amount of RM115,366,000 (2020: RM116,218,000) are pledged as securities for borrowings as disclosed in Note 23.

6. Investment Properties

	Group	
	2021	2020
	RM'000	RM'000
At fair value		
At 1 January	259,370	271,140
Changes in fair value recognised in profit and loss	990	(11,770)
At 31 December	260,360	259,370
Included in the above are:		
At fair value		
Freehold land	24,360	23,370
Leasehold land	120,005	120,005
Buildings	115,995	115,995
	260,360	259,370

- (a) Investment properties under leases

Investment properties comprise a number of freehold land, leasehold land and buildings that are leased to third parties. Each of the leases contains a cancellable period ranging from 1 to 3 years. No contingent rents are charged.

- (b) Fair value of investment properties

The investment properties are valued annually at fair value based on market values determined by independent qualified valuers amounting to RM260,360,000 (2020: RM259,370,000). The independent professionally qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

6. Investment Properties (Cont'd)

(b) Fair value of investment properties (Cont'd)

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

	Group Level 2	
	31.12.2021 RM'000	31.12.2020 RM'000
Investment properties	260,360	259,370

The increase in the fair values of RM990,000 (2020: decrease of RM11,770,000) has been recognised in the profit or loss during the financial year.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	31.12.2021 RM'000	31.12.2020 RM'000
Rental income	5,167	7,372

(d) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to RM100,478,000 (2020: RM100,478,000) have been pledged to secure the borrowings granted to the Group as disclosed in Note 23.

7. Inventories

	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
Non-current			
Land held for property development (Note a)	159,633	201,442	201,199
Current			
Property development cost (Note b)	137,554	124,438	123,646
Other inventories (Note c)	94,968	94,776	95,786
	232,522	219,214	219,432
	392,155	420,656	420,631

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

7. Inventories (Cont'd)

(a) Land held for property development

	Freehold land RM'000 (Restated)	Leasehold land RM'000 (Restated)	Total RM'000 (Restated)
Group			
Cost			
31.12.2021			
At 1 January	110,248	91,194	201,442
Additions	43	-	43
Disposals	(26,088)	(16,225)	(42,313)
Transfer from property development cost (Note 7(b))	461	-	461
At 31 December	84,664	74,969	159,633
31.12.2020			
At 1 January	110,005	91,194	201,199
Additions	69	-	69
Transfer from property development cost (Note 7(b))	174	-	174
At 31 December	110,248	91,194	201,442
1.1.2020			
At 1 January	109,244	92,360	201,604
Additions	761	20	781
Transfer to other inventories	-	(1,186)	(1,186)
At 31 December	110,005	91,194	201,199

(i) Included in land held for property development are certain parcels of land with an aggregate carrying amount of RM16,752,641 (2020: RM16,098,000) for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

(ii) The leasehold land held by the Group in Lot 48, 49 and 51 of Block 11, Pangkalan Ampat Land, Gunong Penrissen, Padawan, Kuching with the carrying amount RM31,886,679 is currently under legal dispute with Land Custody Development Authority of Sarawak Government as disclosed in Note 38(iii) and 40(iii). In the event that the final judgement is unfavorable to the Group, the carrying amount of the leasehold land will be written off.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

7. Inventories (Cont'd)

(b) Property development cost

	31.12.2021	Group 31.12.2020	1.1.2020
	RM'000	RM'000	RM'000
Cumulative property development costs			
At 1 January			
Land costs	117,215	117,389	123,799
Development expenditure	499,724	498,298	489,705
	616,939	615,687	613,504
Transfer from/(to):			
Land held for property development (Note 7(a))	(461)	(174)	-
Other inventories	-	-	(6,410)
	(461)	(174)	(6,410)
Cost incurred during the year:			
Development expenditure	2,177	1,426	8,593
At 31 December			
Land costs	116,754	117,215	117,389
Development expenditure	501,901	499,724	498,298
	618,655	616,939	615,687
Less: Cumulative costs recognised in profit or loss			
At 1 January	(492,501)	(492,041)	(481,406)
Recognised during the financial year	11,400	(460)	(10,635)
At 31 December	(481,101)	(492,501)	(492,041)
Carrying amount			
At 31 December	137,554	124,438	123,646

- (i) Property development cost of the Group amounting to RM82,759,000 (2020: RM82,759,000) have been pledged to secure the borrowings granted to the Group as disclosed in Note 23.
- (ii) Included in the property development cost are property development costs amounting to RM12,089,398, incurred in relation to leasehold land held by the Group in Lot 48, 49 and 51 of Block 11, Pangkalan Ampat Land, Gunong Penrissen, Padawan, Kuching which is currently under legal dispute with Land Custody Development Authority of Sarawak Government as disclosed in Note 38(iii) and 40(iii). In the event that the final judgement is unfavorable to the Group, the carrying amount of the property development cost will be written off.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

7. Inventories (Cont'd)

(c) Other inventories

	31.12.2021 RM'000	Group 31.12.2020 RM'000 (Restated)	1.1.2020 RM'000 (Restated)
At Cost			
Completed property units held for sale	63,929	62,252	63,016
Consumable materials	432	1,917	1,892
	64,361	64,169	64,908
Less: Accumulated impairment losses	(271)	(271)	-
	64,090	63,898	64,908
At net realisable value	30,878	30,878	30,878
	94,968	94,776	95,786
Recognised in profit or loss:			
Inventories recognised as cost of sales	-	1,167	9,312
Inventories written down	8	21	595

- (i) Other inventories of the Group at a carrying amount of RM36,007,000 (2020: RM37,197,000) are charged to a licensed bank as security for borrowings granted to the Group as disclosed in Note 23.
- (ii) In the previous financial year, the subsidiary company of the Company, conducted a review of the net realisable value of its land held for sale in South Africa. An impairment loss amounting to RM271,000 was recognised in statements of profit or loss and other comprehensive income and as a result. The realisable value was determined using the expected sales value less the cost to sell.

8. Investment in Subsidiary Companies

	Company	
	2021 RM'000	2020 RM'000
In Malaysia:		
At cost		
Unquoted shares	220,202	220,202
Redeemable cumulative preference shares	407,282	407,282
	627,484	627,484
Accumulated impairment losses		
At 1 January	(566,815)	(566,692)
Impairment losses recognised	(355)	(123)
At 31 December	(567,170)	(566,815)
	60,314	60,669

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

During the financial year, the Company conducted a review of the recoverable amounts of its investment in subsidiary companies. The recoverable amount of investment was estimated based on fair value less the cost of disposal. An impairment loss amounting to RM355,000 (2020: RM123,000) was recognised in statements of profit or loss and other comprehensive income and as a result, the investment is fully impaired as at 31 December 2021. The recoverable amounts are determined using the fair value less cost of disposal approach, and this is derived using adjusted net assets of the respective subsidiary companies as at the end of the reporting period. The fair values are within level 3 of the fair value hierarchy.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Direct Holding:				
Borneo Heights Sdn. Bhd.	Malaysia	70	70	Property development and property investment
College Heights Utara Sdn. Bhd.	Malaysia	100	100	Property development
Country Heights Commercial Development Sdn. Bhd.	Malaysia	100	100	Property development
Country Heights Development Sdn. Bhd.	Malaysia	100	100	Property investment
Country Heights eMarketing Services Sdn. Bhd.	Malaysia	100	100	Provision of marketing services
Country Heights Global Ltd. #	Labuan	100	100	Dormant
Country Heights Industries Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Country Heights Properties Sdn. Bhd.	Malaysia	100	100	Investment holding
Country Heights Property Development Berhad	Malaysia	100	100	Property development
Country Heights Resorts & Leisure Sdn. Bhd.	Malaysia	100	100	Resort management and investment holding
Country Heights Resources Management (M) Sdn. Bhd.	Malaysia	100	100	Provision of management services
Country Heights Sdn. Bhd.	Malaysia	100	100	Property development

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Direct Holding: (Cont'd)				
Country Heights Sea Resort Sdn. Bhd.	Malaysia	100	100	Property investment
Country Heights W.T.C Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Golden Horse Palace Berhad	Malaysia	81	81	Owner and operator of a hotel known as the Palace of Golden Horses and is also in the business of selling private healthcare packages and timeshare memberships
Grand Wellness Hub Sdn. Bhd.	Malaysia	100	100	Investment holding
Hasil Cermat Sdn. Bhd.	Malaysia	100	100	Ownership of land held for property development
Magnitude Knight (M) Sdn. Bhd.	Malaysia	100	100	Investment holding
Malaysia Trade & Distribution Centre (Rotterdam) Sdn. Bhd.	Malaysia	100	100	Provision of trade directory and marketing services
Mines Global Holidays & Travel Sdn. Bhd.	Malaysia	60	60	Provision of visa application processing services
Mines Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
Stallion Management Sdn. Bhd.	Malaysia	69	69	Provision of management services
Tadika Sri Moral Sdn. Bhd.	Malaysia	100	100	Provision of pre-school education and related services
Tindak Murni Sdn. Bhd.	Malaysia	100	100	Property development
Versatile Champion Sdn. Bhd.	Malaysia	100	100	Property trading
Walum Enterprise Sdn. Bhd.	Malaysia	100	100	Ownership of land held for property development

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Indirect Holding:				
Subsidiary company of Borneo Heights Sdn. Bhd.				
Borneo Highlands Hornbill Golf & Jungle Club Berhad	Malaysia	100	100	Ownership and operation of a golf course and club hotel
Subsidiary companies of Country Heights Properties Sdn. Bhd.				
Country Heights Development Melaka Sdn. Bhd.	Malaysia	100	100	Investment holding and property development
Country Heights Pangsa Rakyat Sdn. Bhd.	Malaysia	100	100	Property investment
Mega Palm Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiary company of Country Heights Development Melaka Sdn. Bhd.				
Country Heights Facility Management Sdn. Bhd.	Malaysia	100	100	Provision of management services
Subsidiary companies of Mines Holdings Sdn. Bhd.				
GHHS Healthcare Sdn. Bhd. (formerly known as Country Heights Health Tourism Sdn. Bhd.)	Malaysia	53	57	Provision of private medical care facilities and services and medical related facilities and services to the public
KHU Property Management Sdn. Bhd.	Malaysia	100	100	Meeting, incentive, convention, exhibition, (MICE), event / food caterers, organization, promotions and/or management of event
Kin No Uma Sdn. Bhd.	Malaysia	100	100	Management and operation of a Japanese restaurant

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Indirect Holding: (Cont'd)				
Subsidiary companies of Mines Holdings Sdn. Bhd. (Cont'd)				
Mines Wellness Hotel Berhad	Malaysia	100	100	Owner and operator of a hotel known as Mines Wellness Hotel and also in the business of selling private healthcare memberships
OnesCentral Big Data Technology Sdn. Bhd.	Malaysia	100	100	Big data and IT related
Subsidiary companies of Grand Wellness Hub Sdn. Bhd.				
Mines International Exhibition Centre Sdn. Bhd.	Malaysia	100	100	Investment holding, operator and manager of exhibition, convention and conference centre and provision of catering services
Mines Shopping Fair Sdn. Bhd.	Malaysia	100	100	Letting of promotion space
Mines Waterfront Business Park Sdn. Bhd.	Malaysia	100	100	Letting of office space and property development
Subsidiary companies of Mines International Exhibition Centre Sdn. Bhd.				
Mines Events Sdn. Bhd.	Malaysia	100	100	Provision of exhibition space
Gegar Raya Sdn. Bhd.	Malaysia	100	100	Warehousing and storage services, wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles
Mines Auto Capital Sdn. Bhd.	Malaysia	100	100	Plan, prepare, manage, advise, organise and perform all kind of events and function management services

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Indirect Holding: (Cont'd)				
Subsidiary company of Country Heights Resorts & Leisure Sdn. Bhd.				
Mines Premium Sdn. Bhd.	Malaysia	100	100	Solutions provider and promotion activities
Subsidiary company of Golden Horse Palace Berhad				
Mines Marketing Sdn. Bhd.	Malaysia	100	100	Marketer in all aspects of health screening, timeshare memberships and palm oil memberships
Subsidiary company of Mines Marketing Sdn. Bhd.				
Mines Global Holidays Sdn. Bhd.	Malaysia	100	100	Travel agents and tour operators and to provide facilities in travelling and touring to travellers and tourist
Subsidiary company of GHHS Healthcare Sdn. Bhd. (formerly known as Country Heights Health Tourism Sdn. Bhd.)				
GHHS Wellness Sdn. Bhd.	Malaysia	100	100	Provision of medical and healthcare services
Subsidiary companies of Country Heights Property Development Berhad				
Endless Gain Sdn. Bhd.	Malaysia	100	100	Ownership of property held for rental purposes
Profound Concept Sdn. Bhd.	Malaysia	100	100	Property investment
Subsidiary company of Endless Gain Sdn. Bhd.				
Natural Circle (M) Sdn. Bhd.	Malaysia	99.98	99.98	Letting of properties and property development

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

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

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Indirect Holding: (Cont'd)				
Subsidiary companies of Magnitude Knight (M) Sdn. Bhd.				
Country Heights Pecanwood Boat Club (Pty) Ltd*	South Africa	100	100	Ownership and operator of boat club
Country Heights Pecanwood Golf & Country Club (Pty) Ltd*	South Africa	100	100	Ownership and operator of golf estate club

* Subsidiary companies not audited by UHY

No auditors are required to be appointed for this dormant company

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interest:

Name of company 31.12.2021	Proportion of ownership interest and voting interest held by non-controlling interest %	(Loss)/Profit allocated to non-controlling interest RM'000	Accumulated non-controlling interest RM'000
Borneo Heights Sdn. Bhd. ("BHSB")	30.00	(72)	(11,544)
Golden Horse Palace Berhad ("GHPB")	19.10	(833)	22,183
Stallion Management Sdn. Bhd. ("SMSB")	31.00	(2)	(350)
GHHS Healthcare Sdn. Bhd. ("GHHS") (formerly known as Country Heights Health Tourism) Sdn. Bhd.)	46.54	1,201	3,321
Individually immaterial subsidiary companies with non-controlling interest			(648)
Total non-controlling interest			12,962

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Set out below are the Group's subsidiary companies that have material non- controlling interest: (Cont'd)

Name of company	Proportion of ownership interest and voting interest held by non-controlling interest %	(Loss)/Profit allocated to non-controlling interest RM'000 (Restated)	Accumulated non-controlling interest RM'000 (Restated)
31.12.2020			
Borneo Heights Sdn. Bhd. ("BHSB")	30.00	(127)	(11,472)
Golden Horse Palace Berhad ("GHPB")	19.10	(1,990)	23,016
Stallion Management Sdn. Bhd. ("SMSB")	31.00	(1)	(348)
GHHS Healthcare Sdn. Bhd. ("GHHS") (formerly known as Country Heights Health Tourism) Sdn. Bhd.)	42.98	358	2,120
Individually immaterial subsidiary companies with non-controlling interest			(1,166)
Total non-controlling interest			<u>12,150</u>
1.1.2020			
Borneo Heights Sdn. Bhd. ("BHSB")	30.00	(898)	(11,345)
Golden Horse Palace Berhad ("GHPB")	19.10	(5,152)	25,006
Stallion Management Sdn. Bhd. ("SMSB")	31.00	(2)	(347)
GHHS Healthcare Sdn. Bhd. ("GHHS") (formerly known as Country Heights Health Tourism) Sdn. Bhd.)	42.98	2,026	1,762
Individually immaterial subsidiary companies with non-controlling interest			(956)
Total non-controlling interest			<u>14,120</u>

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below:

(i) Summarised statements of financial position

	Group					
	31.12.2021	BHSB 31.12.2020	1.1.2020	31.12.2021	GHPB 31.12.2020	1.1.2020
	RM'000	RM'000 (Restated)	RM'000 (Restated)	RM'000	RM'000	RM'000
Non-current assets	32,386	32,367	61,520	198,958	204,754	210,493
Current assets	15,909	15,859	16,433	25,673	24,834	42,713
Non-current liabilities	(21)	(9)	(15)	(180,314)	(183,992)	(185,069)
Current liabilities	(55,767)	(55,451)	(118,942)	(58,773)	(55,690)	(74,468)
Net liabilities	(7,493)	(7,234)	(41,004)	(14,456)	(10,094)	(6,331)

	Group					
	31.12.2021	SMSB 31.12.2020	1.1.2020	31.12.2021	GHHS 31.12.2020	1.1.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	-	-	-	6,961	5,164	5,862
Current assets	-	-	-	9,379	7,416	7,237
Non-current liabilities	-	-	-	(8,055)	(7,145)	(8,444)
Current liabilities	(1,139)	(1,132)	(1,127)	(5,146)	(5,210)	(5,609)
Net (liabilities)/assets	(1,139)	(1,132)	(1,127)	3,139	225	(954)

(ii) Summarised statements of profit or loss and other comprehensive income

	Group					
	31.12.2021	BHSB 31.12.2020	1.1.2020	31.12.2021	GHPB 31.12.2020	1.1.2020
	RM'000	RM'000	RM'000 (Restated)	RM'000	RM'000	RM'000
Revenue	-	-	1,392	7,542	9,907	37,832
Loss for the financial year, representing total comprehensive loss for the financial year	(239)	(425)	(2,995)	(4,362)	(10,422)	(26,974)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below: (Cont'd)

(ii) Summarised statements of profit or loss and other comprehensive income (Cont'd)

	Group					
	SMSB	Group		GHHS		
	31.12.2021	31.12.2020	1.1.2020	31.12.2021	31.12.2020	1.1.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	23,383	13,923	21,541
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	(7)	(3)	(6)	2,581	834	4,713

(iii) Summarised statements of cash flows

	Group					
	BHSB	Group		GHPB		
	31.12.2021	31.12.2020	1.1.2020	31.12.2021	31.12.2020	1.1.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
		(Restated)	(Restated)			
Net cash (used in)/generated from operating activities	(106)	(10)	(635)	878	(1,523)	2,859
Net cash (used in)/generated from investing activities	(50)	(13)	(66)	-	16,052	(21,255)
Net cash generated from/ (used in) financing activities	215	12	652	(74)	(15,097)	17,949
Net increase/(decrease) in cash and cash equivalents	59	11	(50)	804	(568)	(446)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below: (Cont'd)

(iii) Summarised statements of cash flows (Cont'd)

	Group					
	31.12.2021	SMSB 31.12.2020	1.1.2020	31.12.2021	GHHS 31.12.2020	1.1.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/generated from operating activities	(2)	(4)	(3)	1,875	3,048	2,608
Net cash used in investing activities	-	-	-	(527)	(1,582)	(1,874)
Net cash generated from/ (used in) financing activities	2	4	3	(566)	(1,181)	(2,043)
Net increase/(decrease) in cash and cash equivalents	-	-	-	782	285	(1,309)

(b) Changes in non-controlling interest

On 1 April 2021, GHHS Healthcare Sdn. Bhd. ("GHHS") (formerly known as Country Heights Health Tourism Sdn. Bhd.) in relation to the issuance of shares by the Directors of the Company pursuant to Section 75 and 76 of the Companies Act 2016, approval be and is hereby given for the Directors to issue and allot 179,442 ordinary shares via cash credited as fully paid-up in the capital of the company at RM1.8519 per share.

9. Investment in Associates

	Group	
	2021 RM'000	2020 RM'000
At cost		
Unquoted shares in Malaysia	299	299
Share of post-acquisition loss	(50)	(50)
	249	249
Less: Accumulated impairment losses	(249)	(249)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

9. Investment in Associates (Cont'd)

Details of the associate companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Simplex Design Sdn. Bhd. ("SDSB") **	Malaysia	47.5	47.5	Interior designing, renovation, construction and other related services
AsiaAuto Venture Sdn. Bhd. ("AAVSB") *	Malaysia	20	20	Dormant
Breo International Sdn. Bhd. ("BISB") *	Malaysia	5	5	Distribute of healthy portable devices and retail business

* Associate company not audited by UHY

Simplex Design Sdn. Bhd. has a financial year end at 30 June. For the purpose of applying the equity method of accounting, audited financial statements of Simplex Design Sdn. Bhd. for the year ended 30 June 2021 have been used and appropriate adjustments have been made for the effects of the significant transaction between 1 July 2021 and 31 December 2021.

Summarised financial information of the Group's associates, SDSB, AAVSB and BISB are set out below:

(a) Summarised statements of financial position

	SDSB		Group AAVSB		BISB	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
As at 31 December						
Non-current assets	18	24	4	4	240	321
Current assets	1,337	1,409	3	1	359	261
Current liabilities	(2,188)	(2,176)	(225)	(218)	(628)	(275)
Net (liabilities)/assets	(833)	(743)	(218)	(213)	(29)	307
Group's share of net (liabilities)/assets	(396)	(353)	(44)	(43)	(1)	15
Unrecognised share of loss/(income)	396	353	44	43	1	(15)
Carrying value of Group's interest in associates	-	-	-	-	-	-

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9. Investment in Associates (Cont'd)

(b) Summarised statements of profit or loss and other comprehensive income

	SDSB		Group AAVSB		BISB	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loss for the financial year, representing total comprehensive loss for the financial year	(43)	(33)	(28)	(33)	(356)	(477)

10. Investment in a Joint Venture

Details of the joint venture company are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2021	(%) 2020	
Asia GT Festival Sdn. Bhd.	Malaysia	50	50	Engaged in business as professional event management services providers, producers, organisers, advisers and consultants
European Wellness Retreat (KL) Sdn. Bhd.	Malaysia	40	-	Medical wellness centre

On 1 July 2021, GHHS Wellness Sdn. Bhd., an indirect interest subsidiary company of the Company, subscribed shares in a new joint venture, European Wellness Retreat (KL) Sdn. Bhd. at equity interest of 40% for the cash consideration of RM1.

The financial statements of the joint venture have been amalgamated with the financial statements of GHHS Wellness Sdn. Bhd. for the year ended 31 December 2021 under their respective categories of income, expenses, assets and liabilities.

(a) Summarised statement of financial position

	Group AGFSB	
	2021 RM'000	2020 RM'000
As at 31 December		
Non-current assets	9	24
Current assets	90	1,409
Current liabilities	(3,243)	(2,176)
Net liabilities	(3,144)	(743)

NOTES TO THE FINANCIAL STATEMENTS

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10. Investment in a Joint Venture (Cont'd)

(a) Summarised statement of financial position

	Group AGFSB	
	2021 RM'000	2020 RM'000
Group's share of net liabilities	(1,572)	(372)
Elimination of unrealised profits	(5)	-
Unrecognised share of loss	1,577	372
<hr/>		
Carrying value of Group's interest in joint ventures	-	-

(b) Summarised statement of profit or loss and other comprehensive income

	2021 RM'000	2020 RM'000
Loss for the financial year, representing total comprehensive loss for the financial year	(9)	(130)

11. Other Investments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Financial assets measured at fair value through other comprehensive income				
Unquoted shares in Malaysia				
At 1 January/31 December	2,000	2,000	-	-
<hr/>				
Membership, at cost				
At 1 January	734	734	718	718
Less: Impairment losses	(397)	(347)	(381)	(331)
<hr/>				
At 31 December	337	387	337	387
<hr/>				
Carrying amount				
At 31 December	2,337	2,387	337	387

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

11. Other Investments (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	347	16	331	-
Impairment losses recognised	50	331	50	331
At 31 December	397	347	381	331

12. Trade Receivables

	Group	
	2021 RM'000	2020 RM'000
Non-current asset		
Trade receivables	7,595	7,276
Current asset		
Trade receivables	48,803	51,950
Less: Accumulated impairment losses	(35,092)	(35,720)
At 31 December	13,711	16,230

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2020: 14 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables:

- (i) Trade receivables – current

Trade receivables, which are non-interest bearing, are due within one year except for those relating to the instalment scheme mentioned in trade receivables - non current.

- (ii) Trade receivables - non-current

Trade receivables - non-current represent amounts that are expected to be collected after twelve months from the end of the reporting period, pursuant to instalment plans of 12 months to 60 months granted in respect of timeshare program memberships and health program memberships.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

12. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	35,720	34,017
Impairment losses recognised	1,467	5,391
Amounts written off	(488)	(1,899)
Impairment losses reversed	(1,607)	(1,789)
	<hr/>	<hr/>
At 31 December	35,092	35,720

Impairment losses reversed during the financial year amounting to RM1,607,000 (2020: 1,789,000) pertain to previously impaired receivables recovered during the financial year.

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
2021			
Neither past due nor impaired	7,575	(135)	7,440
Past due not impaired:			
Less than 30 days	347	(1)	346
31 to 60 days	233	(1)	232
61 to 90 days	255	(16)	239
More than 90 days	5,649	(195)	5,454
	<hr/>	<hr/>	<hr/>
	6,484	(213)	6,271
	<hr/>	<hr/>	<hr/>
	14,059	(348)	13,711
Credit impaired:			
Individual impaired	34,744	(34,744)	-
	<hr/>	<hr/>	<hr/>
	48,803	(35,092)	13,711

NOTES TO THE FINANCIAL STATEMENTS

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12. Trade Receivables (Cont'd)

The aged analysis of trade receivables as at the end of the reporting period: (Cont'd)

	Gross amount RM'000	Loss allowance RM'000	Net amount RM'000
Group			
2020			
Neither past due nor impaired	9,508	(167)	9,341
Past due not impaired:			
Less than 30 days	292	(15)	277
31 to 60 days	380	(16)	364
61 to 90 days	1,085	(15)	1,070
More than 90 days	5,596	(418)	5,178
	7,353	(464)	6,889
	16,861	(631)	16,230
Credit impaired:			
Individual impaired	35,089	(35,089)	-
	51,950	(35,720)	16,230

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2021, trade receivables of RM6,271,000 (2020: RM6,889,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM34,744,000 (2020: RM35,089,000), are related to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debt recovery process.

13. Deferred Tax (Assets)/Liabilities

The following are the deferred tax balances in the statements of financial position:

	Group	
	2021 RM'000	2020 RM'000 (Restated)
Deferred tax assets	(196)	(196)
Deferred tax liabilities	101,339	98,137
	101,143	97,941
At 1 January	97,941	102,720
Recognised in profit or loss	3,196	(1,236)
Under/(Over) provision in prior year	6	(3,543)
At 31 December	101,143	97,941

NOTES TO THE FINANCIAL STATEMENTS

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13. Deferred Tax (Assets)/Liabilities

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Deferred tax assets:		
Unutilised tax losses		
At 1 January	(196)	(22,211)
Over provision in prior year	-	22,015
At 31 December	(196)	(196)
	(196)	(196)
Deferred tax liabilities:		
Investment properties		
At 1 January	20,692	27,635
Recognised in profit or loss	100	(1,172)
Over provision in prior year	-	(5,771)
At 31 December	20,792	20,692
Revaluation of assets		
At 1 January/31 December	75,914	75,914
Land held for property development		
At 1 January	1,028	1,028
Recognised in profit or loss	3,180	-
At 31 December	4,208	1,028
Accelerated capital allowances		
At 1 January	503	20,354
Recognised in profit or loss	(84)	(64)
Under/(Over) provision in prior year	6	(19,787)
At 31 December	425	503
	101,339	98,137

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	231,328	209,013	-	-
Unutilised capital allowances	249,180	248,202	10	10
Other deductible temporary difference	120	232	-	-
	480,628	457,447	10	10

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13. Deferred Tax (Assets)/Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses of the Group and of the Company will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward can be carried forward for a maximum period of 7 consecutive years of assessment. With effect from the year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years were extended to a maximum of ten consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

14. Other Receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other receivables Less : Accumulated impairment losses	26,565	22,261	2,022	988
Less : Accumulated impairment losses	(9,780)	(9,785)	(977)	(977)
	16,785	12,476	1,045	11
Deposits	12,713	2,481	2,519	12
Prepayments	2,167	1,971	612	614
	31,665	16,928	4,176	637

Movements in allowance for impairment losses are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	9,785	8,835	977	697
Impairment losses recognised	516	1,074	-	316
Impairment losses reversed	(521)	(38)	-	(36)
Amounts written off	-	(86)	-	-
At 31 December	9,780	9,785	977	977

Impairment losses reversed during the financial year for the Group and for the Company amounting to RM521,000 (2020: RM38,000) and RM Nil (2020: RM36,000) respectively retain to previously impaired receivables recovered during the financial year.

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments.

NOTES TO THE FINANCIAL STATEMENTS

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15. Amount Due from/(to) Subsidiary Companies

	Company	
	2021	2020
	RM'000	RM'000
Amount due from subsidiary companies:		
Non-trade related	84,765	77,017
Less : Accumulated impairment losses	(53,099)	(53,676)
	31,666	23,341
Amount due to subsidiary companies:		
Non-trade related	(162,623)	(148,870)

Movements in the allowance for impairment losses of the amount due from subsidiary companies are as follows:

At 1 January	53,676	52,499
Impairment losses recognised	-	1,177
Impairment losses reversed	(577)	-
	53,099	53,676
At 31 December	53,099	53,676

During the financial year, due to declining business operations of the subsidiary companies, the Company carried out a review of the recoverable amounts. The recoverable amounts are determined using the fair value less cost of disposal approach. The fair values are within level 3 of the fair value hierarchy. Reversal of impairment losses amounting to RM577,000 (2020: impairment loss of RM1,177,000) was recognised during the financial year.

Non-trade balances are unsecured, non-interest bearing, and are repayable on demand.

16. Fixed Deposits with Licensed Banks

The interest rates of fixed deposits of the Group range from 1.50% to 2.82% (2020: 2.26% to 3.00%) per annum and the maturities of deposits are ranging from 30 to 365 days (2020: 30 to 365 days).

The fixed deposits of the Group at the amount of RM2,129,000 (2020: RM2,046,000) have been pledged to licensed banks as security for bankers' guarantees issued.

17. Cash and Bank Balances

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
- Housing Development Accounts	892	2,120	-	-
- Others	10,701	5,086	221	33
	11,593	7,206	221	33

Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act 1966 and is restricted from use in other operations.

Included in the cash and bank balances of the Company is an amount of RM3,267,000 (2020: RM3,258,000) held under trust account pursuant to trust deeds in relation to a timeshare membership scheme of a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

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18. Share Capital

	Group and Company			
	Number of shares		Amount	
	2021 Units'000	2020 Units'000	2021 RM'000	2020 RM'000
Ordinary shares with no par value				
Issued and fully paid:				
At 1 January/At 31 December	275,707	275,707	352,006	352,006

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by Group, all rights are suspended until those shares are reissued.

19. Treasury Shares

	Group and Company	
	2021 RM'000	2020 RM'000
Treasury shares		
At 1 January/31 December	2,914	2,914

Treasury shares represent ordinary shares of the Company that held by the Company. The amount consists of the acquisition cost of treasury shares net of the proceeds received on their subsequent sales or issuance.

20. Reserves

	Note	Group		
		31.12.2021 RM'000	31.12.2020 RM'000 (Restated)	1.1.2021 RM'000 (Restated)
Non distributable				
Revaluation reserve	(a)	133,968	135,632	137,296
Investment revaluation reserve	(b)	57	57	57
Warrant reserve	(c)	62,645	62,645	62,645
Other reserve	(d)	(62,645)	(62,645)	(62,645)
Foreign currency translation reserve	(e)	(7,119)	(7,622)	(8,064)
		126,906	128,067	129,289
Distributable				
Retained earnings		309,167	304,865	339,308
		436,073	432,932	468,597

NOTES TO THE FINANCIAL STATEMENTS

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20. Reserves (Cont'd)

	Note	Company	
		2021 RM'000	2020 RM'000
Non distributable			
Warrant reserve	(c)	62,645	62,645
Other reserve	(d)	(62,645)	(62,645)
		-	-
Distributable			
Retained earnings		(550,408)	(546,489)
		(550,408)	(546,489)

The nature of reserves of the Group and of the Company are as follows:

(a) Revaluation reserve

The revaluation reserve represents increases in the fair value of land and buildings, and decreases to the extent that such decreases relate to an increase in the same asset previously recognised in other comprehensive income.

(b) Investment revaluation reserve

Investment revaluation reserve represents the cumulative changes in the fair value of financial assets measured at fair value through other comprehensive income until they are derecognised or impaired.

(c) Warrant reserve

Warrant reserve represents reserve allocated to free warrants issued pursuant to a bonus issue of Warrants.

On 21 December 2018, the Company issued 136,778,701 free Warrants pursuant to the bonus issue of Warrants undertaken by the Company on the basis of one free Warrant for every 2 Ordinary Shares held in the Company.

The salient features of the Warrant are as follows:

- (i) The Company executed a Deed Poll constituting the Warrants and the exercise price of the Warrants has been fixed at RM1.20 each. The Warrants may be exercised at any time within 5 years commencing on and including the date of issuance and expiring on 20 December 2023. Any Warrants which have not been exercised at the date of maturity will lapse and cease to be valid for any purpose.
- (ii) The Warrants shall upon allotment and issue, rank pari passu in all respects with each other and the Warrants will not entitle the Warrant Holders to any voting rights in any general meeting of the Company or participate in any other forms of distribution and/or offer of further securities in the Company unless otherwise resolved by the shareholders of the Company.

As at 31 December 2021, the total number of the Warrants that remain unexercised were 136,778,701.

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20. Reserves (Cont'd)

The nature of reserves of the Group and of the Company are as follows: (Cont'd)

(d) Other reserve

This represents fair value allocated to the free warrants issued pursuant to the bonus issue of Warrants refer to Note 20(c).

(e) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

21. Contract Liabilities

	Group	
	2021	2020
	RM'000	RM'000
Non-current		
Contract liabilities		
Deferred income	34,906	38,259
Current		
Contract liabilities		
Property development activities	-	4,131
Deferred income	1,977	2,191
	1,977	6,322
Contract liabilities	36,883	44,581

(a) Deferred income represents the deferred portion of membership fees of a timeshare scheme operated by the Group which is recognised over the membership period of the scheme.

(b) Property development activities

Contract liabilities consist of billings in excess of revenue recognised, this amount is expected to be recognised as revenue over a period of 180 days.

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22. Other Payables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities				
Other payables	2,322	2,224	-	-
Current liabilities				
Other payables	72,729	62,101	14,225	13,019
Accruals	28,773	30,380	1,411	572
Deposits	7,937	49,713	-	-
	109,439	142,194	15,636	13,591

Included in other payables is an amount of RM16,330,000 (2020: RM24,003,000) due to companies in which certain Directors of the Company have an interest are inclusive of:

- (i) Cash payment portion of the purchase consideration amounting to RM11,214,000 (2020: RM11,214,000) constituting a tax retention sum payable by the Company pursuant to the terms of acquisition of various property and leisure related interests and assets from companies in which Tan Sri Lee Kim Tiong @ Lee Kim Yew, a Director of the Company, has controlling interest;
- (ii) An amount of RM590,000 (2020: RM590,000) due to Tan Sri Lee Kim Tiong @ Lee Kim Yew and Puan Sri Tan Bee Hong, spouse of a Director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew.

23. Loans and Borrowings

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Secured				
Term loans (Note a)	113,195	105,550	44,280	35,000
Revolving credit (Note b)	2,000	-	-	-
Bank overdrafts	-	9,983	-	9,983
	115,195	115,533	44,280	44,983
Unsecured				
Term loans (Note a)	90,278	84,187	75,230	75,139
	205,473	199,720	119,510	120,122

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23. Loans and Borrowings (Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Term loans (Note a)	166,489	107,887	84,510	32,887
Revolving credit (Note b)	1,449	-	-	-
	167,938	107,887	84,510	32,887
Current				
Term loans (Note a)	36,984	81,850	35,000	77,252
Revolving credit (Note b)	551	-	-	-
Bank overdrafts	-	9,983	-	9,983
	37,535	91,833	35,000	87,235
	205,473	199,720	119,510	120,122

The average effective interest rates per annum are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Term loans	7.00 - 18.00	4.60 - 8.10	7.00 - 18.00	7.00
Bank overdrafts	-	8.60	-	8.60
Revolving credit	4.00	-	-	-

(a) Term loans

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current liabilities				
<u>Secured</u>				
RM35,000,000 facility	35,000	35,000	35,000	35,000
RM1,733,000 facility	242	150	-	-
RM82,700,000 facility	1,742	4,448	-	-
	36,984	39,598	35,000	35,000
<u>Unsecured</u>				
RM84,452,000 facility	-	42,252	-	42,252
Total secured and unsecured current term loans	36,984	81,850	35,000	77,252

NOTES TO THE FINANCIAL STATEMENTS

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23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities				
<u>Secured</u>				
RM3,500,000 facility	-	-	-	-
RM1,733,000 facility	505	700	-	-
RM82,700,000 facility	66,426	65,252	-	-
RM1,750,000 facility	1,750	-	1,750	-
RM2,012,500 facility	2,013	-	2,013	-
RM5,517,540 facility	5,517	-	5,517	-
	76,211	65,952	9,280	-
<u>Non-current liabilities</u>				
<u>Unsecured</u>				
RM5,700,000 facility	5,700	5,700	-	-
RM1,700,000 facility	1,700	1,700	-	-
RM1,648,000 facility	1,648	1,648	-	-
RM6,000,000 facility	6,000	-	-	-
RM84,452,000 facility	75,230	32,887	75,230	32,887
	90,278	41,935	75,230	32,887
Total secured and unsecured non-current term loans	166,489	107,887	84,510	32,887
Total term loans	203,473	189,737	119,510	110,139

(i) A term loan facility of RM1,733,000 granted to a subsidiary company, Golden Horse Palace Berhad, is secured by a first party charge over a property in London, England known as (Plot 4.03) Flat 41, Bezier Apartment, 91 City Road, London EC1Y 1AF held under title no. NGL886853, with carrying value of RM1,799,000 (2020: RM1,845,000).

(ii) An Islamic term financing of RM82,700,000 and an Islamic bridging financing of RM17,300,000 granted to a subsidiary, Mines Waterfront Business Park Sdn. Bhd., is secured by the following:

(a) First party legal charge over a leasehold land located in Mukim and District Petaling and State of Selangor ("the Project Land") together with the unsold portion of 5 office blocks in Phase 1, two blocks of partially completed podium parking together with retail area and vacant commercial land all forming part of the Project Land, with carrying value of RM6,762,000, RM100,478,000 and RM82,759,000 (2020: RM7,003,000, RM100,478,000 and RM82,759,000) as disclosed in Notes 4, 6 and 8; and

(b) Third party first legal charge over a leasehold land and building known as Malaysia International Exhibition & Convention Centre, held under title HSD 59893, P.T. No 16721, Mukim of Petaling, District of Petaling, Selangor, with carrying value of RM58,875,000 and RM115,366,000 (2020: RM60,512,000 and RM116,218,000).

NOTES TO THE FINANCIAL STATEMENTS

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23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

- (iii) A foreign term loan facility of SGD11,500,000 which is equivalent to RM35,000,000 to the Company, is secured by the following:
- (a) Personal Guarantee in favour of the Company to be executed by Tan Sri Lee Kim Tiong @ Lee Kim Yew in such form and substance acceptable to the Company to inter-alia guarantee and secure repayment of the principal sum of up to RM35,000,000 only together with the interest thereon; and
 - (b) Third party 1st legal charge under the National Land Code created in favour of the Company by Country Heights Commercial Development Sdn. Bhd. over all that place of freehold land held under Geran 122934, Lot 37653 Bandar Country Height, Daerah Ulu Langat, Negeri Selangor with carrying value of RM33,937,000 (2020: RM33,937,000) as disclosed in Notes 7(c); and
 - (c) Third party legal charge under the National Land Code over 12 pieces of leasehold land located at Pekan Baru Sungai Besi held by a subsidiary company, Walum Enterprise Sdn. Bhd. with carrying value of RM1,204,000 (2020: RM1,204,000) as disclosed in Note 7(c); and
 - (d) First legal charge under the National Land Code over 10 pieces of freehold land located at Daerah Hulu Langat, Negeri Selangor held by a subsidiary company, Country Heights Sdn. Bhd. with a carrying value of RM658,000 (2020: RM658,000) as disclosed in Note 7(c).
- (iv) Tan Sri Lee Kim Tiong @ Lee Kim Yew granted to the Company a short-term interest-free loan of RM84,451,795, of which RM75,000,000 was used to partially redeem RM150,000,000 3% to 8% Redeemable Secured Bonds.

The repayment of the balance loan shall by the following:

- (i) The sum of RM42,303,143 is to be extended for two years from 6 January 2022 until 5 January 2024, with an option to renew subject to an agreement between the Lender and the Company.
 - (ii) The sum of RM32,887,896 is to be extended for another 24 months from 6 March 2021 until 5 March 2024.
- (v) A loan facility of RM5,700,000, RM1,700,000 and RM1,648,000 from a licensed money lender, details as follows:
- (a) The loan is borrowed from a licensed money lender in which certain Directors of the Company have substantial interest; and
 - (b) The loans are unsecured and repayable at a lump sum by end of 12 months period from the date of money lending agreement, and all the loans were rescheduled as stated below:
 - i. The RM5,700,000 term loan bears interest at a rate of 8% (2020: 8%) per annum. On 14 April 2022, the loan rescheduled for another 12 months, which will be due on 15 March 2023; and
 - ii. The RM1,700,000 term loan bears interest at a rate of 8% (2020: 8%) per annum. On 25 March 2022, the loan rescheduled for another 12 months, which will be due on 26 March 2023; and
 - iii. The RM1,648,000 term loan bears interest at a rate of 7% (2020: 7%) per annum. On 18 July 2022, the loan rescheduled for another 12 months, which will be due on 19 July 2023.

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23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

(vi) A loan facility of RM1,750,000 (USD 436,000) from a licensed moneylender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain Directors of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1.00% (2020: Nil) per annum. The loan is repayable at a lump sum by end of 12 months period from the money lending agreement dated 25 February 2021. On 24 February 2021 the loan was rescheduled for another 12 months which will due on 25 February 2022 based on the same interest rate of 1% per annum; and
- (c) First legal charge for 2,850,000 ordinary shares of College Heights Utara Sdn. Bhd..

(vii) A loan facility of RM2,012,500 (USD500,000) from a licensed money lender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain Directors of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1.00% (2020: Nil) per annum. The loan is repayable at a lump sum by end of 12 months period from the money lending agreement dated 29 March 2021. On 28 March 2021 the loan was rescheduled for another 12 months which will due on 29 March 2022 based on the same interest rate of 1% per annum.

(viii) A loan facility of RM5,517,540 (CNY 8,700,000) from a licensed money lender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain Directors of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1.50% (2020: Nil) per annum. The loan is repayable at lump sum by end of 12 months period from the money lending agreement dated 4 May 2021. On 3 May 2021 the loan was rescheduled for another 12 months which due on 4 May 2022 based on the same interest rate of 1.50% per annum; and
- (c) First legal charge for Third Party Open Monies Charge for CNY21,750,000 is to be created over the Palace of Golden Horses, a multi storey hotel complex bearing address Jalan Kuda Emas, Mines Resort City, 43300 Seri Kembangan, Selangor, Malaysia held under Title HSD 59885, P.T. No. 16713, Mukim of Petaling, District of Petaling, State of Selangor, Malaysia with carrying value RM178,174,000 (2020: Nil) disclosed in Note 5.

(ix) A loan facility of RM6,000,000 from a licensed money lender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain Directors of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 18% (2020: Nil) per annum. The loan is repayable at a lump sum by end of 12 months period from the money lending agreement dated 30 November 2021. On 29 November 2021 the loan was rescheduled for another 12 months which will due on 30 November 2022 based on the same interest rate of 18% per annum.

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23. Loans and Borrowings (Cont'd)

(b) Revolving credit

The revolving credit include the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<u>Secured</u>				
RM10,000,000 facility	2,000	-	-	-
	2,000	-	-	-

Salient features of the revolving credit granted to subsidiary companies are as follows:

- (i) Revolving credit facility of RM2,000,000 granted to the Company, was secured by an open 'all monies' third party, first legal charge over two vacant bungalows located at Pekan Sungai Besi held by a subsidiary company, Walum Enterprise Sdn Bhd, with carrying value of RM208,000 (2020: RMNil), as disclosed in Note 7; and
- (ii) A Corporate Guarantee from Country Heights Holdings Berhad for RM2,000,000 in form and substance acceptable to the Bank.

24. Lease Liabilities

	Group	
	2021 RM'000	2020 RM'000
At 1 January	5,959	6,532
Additions	2,983	329
Modification to lease term	-	(350)
Payments	(577)	(552)
At 31 December	8,365	5,959
Presented as:		
Non-current	5,005	3,652
Current	3,360	2,307
	8,365	5,959

NOTES TO THE FINANCIAL STATEMENTS

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24. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	31.12.2021	31.12.2020
	RM'000	RM'000
Within one year	3,593	2,363
Later than one year and not later than two years	2,641	2,322
Later than two years and not later than five years	3,011	2,314
	9,245	6,999
Less: Future finance charges	(880)	(1,040)
Present value of lease liabilities	8,365	5,959

The Group leases various land and buildings, office furniture and fittings, plant, machinery and equipment and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

25. Trade Payables

Credit terms of trade payables of the Group ranged from 30 to 45 days (2020: 30 to 45 days). Other credit terms are approved on case-by-case basis.

Included in trade payables are retention sum of RM5,216,000 (2020: RM5,216,000).

26. Revenue

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customers:				
- Property development	59,930	2,675	-	-
- Hospitality and health	34,728	26,653	-	-
	94,658	29,328	-	-
Revenue from other sources:				
- Property investment	10,251	7,251	-	-
	10,251	7,251	-	-
	104,909	36,579	-	-

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26. Revenue (Cont'd)

	Property development RM'000	Hospitality and health RM'000	Property investment RM'000	Total RM'000
2021				
Timing of revenue recognition:				
At a point in time	-	-	10,251	10,251
Over time	59,930	34,728	-	94,658
Total revenue from with customers	59,930	34,728	10,251	104,909
2020				
Timing of revenue recognition:				
At a point in time	-	-	7,251	7,251
Over time	2,675	26,653	-	29,328
Total revenue from with customers	2,675	26,653	7,251	36,579

27. Finance Costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- Bank overdraft	377	805	11	21
- Term loans	9,308	8,641	1,834	1,059
- Revolving credit	70	-	-	-
- Lease liabilities	204	320	-	-
- Others	271	254	5	51
	10,230	10,020	1,850	1,131

28. Profit/(Loss) Before Tax

(Profit)/Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Amortisation of:				
- deferred income	(3,884)	(1,195)	-	-
- right-of-use assets	6,995	6,933	-	-
Auditors' remuneration:				
- statutory audit	303	281	58	58
- non-audit services	21	23	5	5
Bad debts written off	732	624	-	-
Depreciation of property, plant and equipment	4,861	4,458	44	90
Fair value adjustments on trade receivables	(403)	9	-	-
Fair value (gain)/loss on investment properties	(990)	11,770	-	-

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28. Profit/(Loss) Before Tax (Cont'd)

(Profit)/Loss before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment loss on:				
- investment in subsidiary companies	-	-	355	123
- other investments	50	331	50	331
- trade receivables	1,467	5,391	-	-
- other receivables	516	1,074	-	316
- amount due from subsidiary companies	-	-	-	1,177
- inventory	-	271	-	-
Inventory written off	8	21	-	-
Lease expenses relating to short-term leases	8	26	-	-
Lease expenses relating to low-value assets	74	158	-	-
Non-executive directors' remuneration:				
- fees	42	64	42	64
- other emoluments	49	39	49	39
Property, plant and equipment written off	4	2	-	-
Share of result of an associate	-	50	-	-
Unrealised loss on foreign exchange	742	788	-	-
Bad debt recovered	(185)	(135)	-	-
Dividend income	(300)	(250)	-	-
Gain on disposal of property, plant and equipment	(82)	(16)	-	-
Gain on disposal of right-of-use-assets	(9)	-	-	-
Loss on lease modification	-	27	-	-
Interest income:				
- short-term deposits	(121)	(97)	-	-
- other	(40)	(6)	-	-
Rental income	(2,459)	(2,357)	-	-
Reversal of impairment loss on:				
- trade receivables	(1,607)	(1,789)	-	-
- other receivables	(521)	(38)	-	(36)
- amount due from subsidiaries	-	-	(577)	-

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29. Taxation

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Current income tax				
Current year tax provision	2,164	476	-	-
Under provision in prior years	3,056	310	335	2
	5,220	786	335	2
Deferred taxation				
Origination and reversal of temporary differences	3,196	(1,236)	-	-
Under/(over) provision in prior years	6	(3,543)	-	-
	3,202	(4,779)	-	-
Tax expenses/(credit) for the financial year	8,422	(3,993)	335	2

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits/(losses) for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Profit/(Loss) before tax	11,541	(42,070)	(3,584)	(4,300)
At Malaysia statutory tax rate of 24% (2020: 24%)	2,770	(10,097)	(860)	(1,032)
Income not subject to tax	(7,134)	(1,893)	(138)	-
Expenses not deductible for tax purposes	4,161	6,685	998	1,032
Utilisation of previously unrecognised deferred tax assets	(317)	(744)	-	-
Deferred tax assets not recognised	5,880	5,289	-	-
Underprovision of taxation in previous years	3,056	310	335	2
Under/(Over) provision of deferred tax in previous years	6	(3,543)	-	-
Tax expense/(credit) for the financial year	8,422	(3,993)	335	2

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29. Taxation (Cont'd)

The Group and the Company have the following estimated unutilised capital allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	232,145	209,830	-	-
Unutilised capital allowances	249,180	248,202	10	10
Other deductible temporary differences	120	6	-	-
	481,445	458,038	10	10

With effect from the year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years were extended to a maximum of ten consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax loss expiring:				
- YA 2028	188,400	189,930	-	-
- YA 2029	5,912	5,919	-	-
- YA 2030	13,981	13,981	-	-
- YA 2031	23,852	-	-	-
	232,145	209,830	-	-

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30. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the consolidated profit/(loss) for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021	2020
	RM'000	RM'000
		(Restated)
Profit/(Loss) attributable to owners of the parent	2,639	(36,107)
Weighted average number of ordinary shares in issue (in thousand of shares)		
- As at 1 January	275,707	275,707
- Effect of treasury shares held	(2,150)	(2,150)
	273,557	273,557
Basic earnings/(loss) per ordinary share (in sen)	0.96	(13.20)

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share are calculated based on the adjusted consolidated profit/(loss) for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effects of all potential ordinary shares as follows:

	Group	
	2021	2020
	RM'000	RM'000
		(Restated)
Profit/(Loss) attributable to owners of the parent	2,639	(36,107)
Weighted average number of ordinary shares used in the calculation of basic earnings per share (in thousand of shares)	273,557	273,557
Effect of conversion of free warrants	(14,672)	(14,672)
Weighted average number of ordinary shares at 31 December (diluted)	258,885	258,885
Diluted earnings/(loss) per share (in sen)	1.02	(13.95)

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31. Staff Costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages and other emoluments	12,118	16,612	42	64
Defined contribution plans	1,335	1,403	-	-
Social security contributions	139	146	-	-
Other benefits	502	1,057	49	39
	14,094	19,218	91	103

Included in staff costs is the aggregate amount of remuneration received and receivable by the Directors of the Company and of the subsidiary companies during the financial year as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive Directors of the subsidiary companies				
Salaries and other emoluments	2,074	1,855	-	-
Benefit-in-kind	4	7	-	-
Defined contribution plan	130	159	-	-
	2,208	2,021	-	-
Non-Executive Directors				
Fees	49	64	49	64
Allowances	42	39	42	39
	91	103	91	103

32. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM'000	Financing cash flows (i) RM'000	New lease (Note 24) RM'000	Modification of lease term (Note 24) RM'000	At 31 December RM'000
2021					
Group					
Term loans	189,737	13,736	-	-	203,473
Revolving credit	-	2,000	-	-	2,000
Bank overdrafts	9,983	(9,983)	-	-	-
Lease liabilities	5,959	(577)	2,983	-	8,365
	205,679	5,176	2,983	-	213,838

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32. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

	At 1 January RM'000	Financing cash flows (i) RM'000	New lease (Note 24) RM'000	Modification of lease term (Note 24) RM'000	At 31 December RM'000
2020					
Term loans	207,877	(18,140)	-	-	189,737
Bank overdrafts	9,890	93	-	-	9,983
Lease liabilities	6,532	(552)	329	(350)	5,959
	224,299	(18,599)	329	(350)	205,679

	At 1 January RM'000	Financing cash flows (i) RM'000	At 31 December RM'000
2021			
Company			
Amount due to subsidiary companies	148,870	13,753	162,623
Term loans	110,139	9,371	119,510
Bank overdrafts	9,983	(9,983)	-
	268,992	13,141	282,133

2020			
Amount due to subsidiary companies	128,399	20,471	148,870
Term loans	127,887	(17,748)	110,139
Bank overdrafts	9,890	93	9,983
	266,176	2,816	268,992

- (i) The cash flows from loans and borrowings make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

33. Related Party Disclosures

- (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

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33. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed in Notes 15, 22 and 25, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Transaction with companies in which certain Directors of the Company have interest		
Rental income received/receivable	57	57
Proceeds from loan borrowings	24,336	9,048
Interest charged	1,557	679
Rental paid/payable	-	(45)
Secretarial fees paid/payable	-	(104)
	<hr/>	<hr/>

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Salary and other emoluments	2,165	1,958
Defined contribution plan	130	159
Benefits-in-kind	4	7
	<hr/>	<hr/>
	2,299	2,124
	<hr/>	<hr/>

34. Contingent Liabilities

	Group	
	2021	2020
	RM'000	RM'000
<u>Unsecured</u>		
Bank guarantees given to suppliers for the purpose of hotel utilities	1,091	1,091
Bank guarantees given to related parties for the purpose of utilities	400	400
	<hr/>	<hr/>
	1,491	1,491
	<hr/>	<hr/>

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34. Contingent Liabilities (Cont'd)

	Company	
	2021	2020
	RM'000	RM'000
<u>Secured</u>		
Corporate guarantees and letters of undertaking given to financial institutions in respect of borrowing facilities granted to subsidiaries, the amount of which is utilised by the subsidiary companies	68,951	79,684

35. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable segments as follows:

Property development	Development of residential and commercial properties
Property investment	Investment holding and provision of management services
Hospitality and health	Hospitality, fine and casual dining, leisure, recreational, health and wellness centres

Management monitors the operating results of its business units separately to decide on resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The total segment assets and liabilities are measured based on all assets and liabilities of a segment, as included in the internal management reports that are reviewed by the chief operating decision maker.

Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Total revenue from external customers RM'000	Segment Assets RM'000	Capital expenditure RM'000
Group			
31.12.2021			
Malaysia	104,282	1,303,272	4,286
South Africa	627	10,163	-
	104,909	1,313,435	4,286
31.12.2020			
Malaysia	35,996	1,323,028	2,244
South Africa	583	9,791	-
	36,579	1,332,819	2,244

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35. Segment Information (Cont'd)

Non-current assets information presented above consist of the following items as presented in the statements of financial position:

	Property development RM'000	Property investment RM'000	Hospitality & health RM'000	Others RM'000	Elimination RM'000	Total operations RM'000
Group						
31.12.2021						
Revenue						
External sales	59,930	10,251	34,728	-	-	104,909
Inter-segment revenue	-	-	998	-	(998)	-
Total revenue	59,930	10,251	35,726	-	(998)	104,909
Results						
Segment results	11,154	2,788	1,417	(1,731)	8,143	21,771
Finance costs	(1,887)	(6,077)	(641)	(1,916)	291	(10,230)
Share of result of an associate	-	-	-	-	-	-
Profit/(Loss) before tax	9,267	(3,289)	776	(3,647)	8,434	11,541
Income tax expense	(3,935)	-	(972)	(335)	(3,180)	(8,422)
Profit/(Loss) for the financial year	5,332	(3,289)	(196)	(3,982)	5,254	3,119
Assets						
Segment assets	508,331	287,262	512,146	4,892	-	1,312,631
Deferred tax assets	196	-	-	-	-	196
Tax recoverable	7	547	54	-	-	608
	508,534	287,809	512,200	4,892	-	1,313,435
Liabilities						
Segment liabilities	74,210	100,279	88,771	144,289	-	407,549
Deferred tax liabilities	22,218	30,593	48,528	-	-	101,339
Tax payables	5,038	-	1,047	335	-	6,420
	101,466	130,872	138,346	144,624	-	515,308
Other information						
Amortisation of:						
- deferred income	-	-	(3,884)	-	-	(3,884)
- right-of-use assets	107	2,749	4,139	-	-	6,995
Bad debts recovered	-	-	(185)	-	-	(185)
Reversal of impairments loss						
on trade and other receivables	(334)	(282)	(1,504)	(8)	-	(2,128)
Impairment loss on:						
- other investments	-	-	-	50	-	50
- trade receivables	244	57	1,166	-	-	1,467
- other receivables	516	-	-	-	-	516
Bad debts written off	-	-	732	-	-	732
Capital expenditure	52	90	4,144	-	-	4,286
Depreciation of property, plant and equipment						
	170	788	3,856	47	-	4,861

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35. Segment Information (Cont'd)

	Property development RM'000 (Restated)	Property investment RM'000	Hospitality & health RM'000	Others RM'000	Elimination RM'000	Total operations RM'000
Group						
31.12.2020						
Revenue						
External sales	2,675	7,251	26,653	-	-	36,579
Inter-segment revenue	-	-	852	-	(852)	-
Total revenue	2,675	7,251	27,505	-	(852)	36,579
Results						
Segment results	(6,842)	(17,460)	(7,483)	29,385	(29,600)	(32,000)
Finance costs	(1,983)	(6,359)	(725)	(1,250)	297	(10,020)
Share of result of an associate	-	-	(50)	-	-	(50)
(Loss)/Profit before tax	(8,825)	(23,819)	(8,258)	28,135	(29,303)	(42,070)
Income tax (expense)/credit	(861)	7,133	(54)	(2)	(2,223)	3,993
(Loss)/Profit for the financial year	(9,686)	(16,686)	(8,312)	28,133	(31,526)	(38,077)
Assets						
Segment assets	575,513	297,431	340,039	1,263	117,617	1,331,863
Deferred tax assets	196	-	-	-	-	196
Tax recoverable	196	542	22	-	-	760
	575,905	297,973	340,061	1,263	117,617	1,332,819
Liabilities						
Segment liabilities	115,496	281,764	309,598	135,789	(405,023)	437,624
Deferred tax liabilities	18,377	3,350	183	-	76,227	98,137
Tax payables	1,850	-	1,034	-	-	2,884
	135,723	285,114	310,815	135,789	(328,796)	538,645
Other information						
Amortisation of:						
- deferred income	-	-	(1,195)	-	-	(1,195)
- right-of-use assets	111	2,823	3,999	-	-	6,933
Bad debts recovered	-	-	(135)	-	-	(135)
Reversal of impairment loss on trade and other receivables	(157)	(465)	(1,168)	(37)	-	(1,827)
Impairment loss on:						
- other investments	-	-	-	331	-	331
- trade receivables	110	1,367	3,914	-	-	5,391
- other receivables	352	32	369	321	-	1,074
- inventory	271	-	-	-	-	271
Bad debts written off	-	77	204	343	-	624
Capital expenditure	5	750	1,449	40	-	2,244
Depreciation of property, plant and equipment	168	773	3,423	94	-	4,458

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36. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	2021	2020
	RM'000	RM'000
Group		
Financial assets		
At fair value through profit or loss		
Other investments	2,000	2,000
At amortised cost		
Other investments	337	387
Trade receivables	21,306	23,506
Other receivables	29,498	14,957
Deposits with licensed banks	2,130	2,120
Cash and bank balances	11,593	7,206
	66,864	50,176
Financial liabilities		
At amortised cost		
Trade payables	45,067	42,946
Other payables	111,761	144,418
Loans and borrowings	205,473	199,720
Lease liabilities	8,365	5,959
	370,666	393,043
Company		
Financial assets		
At amortised cost		
Other investments	337	387
Other receivables	3,564	23
Amount due from subsidiary companies	31,666	23,341
Cash and bank balances	221	33
	35,788	23,784
Financial liabilities		
At amortised cost		
Other payables	15,636	13,591
Amount due to subsidiary companies	162,623	148,870
Loans and borrowings	119,510	120,122
	297,769	282,583

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36. Financial Instruments (Cont'd)

(b) Net gain/(loss) arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net gain/(loss) on impairment of financial instruments:				
- Financial assets at amortised cost	145	(4,638)	577	(1,457)

(c) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies.

The Company's maximum exposure in this respect is RM68,951,000 (2020: RM79,684,000), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks.

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36. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk is managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	After 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
2021						
Non-derivative financial liabilities						
Trade payables	45,067	-	-	-	45,067	45,067
Other payables	109,439	2,322	-	-	111,761	111,761
Loans and borrowings	37,535	94,745	7,695	65,741	205,716	205,473
Lease liabilities	3,593	2,641	3,011	-	9,245	8,365
	195,634	99,708	10,706	65,741	371,789	370,666
Group						
2020						
Non-derivative financial liabilities						
Trade payables	42,946	-	-	-	42,946	42,946
Other payables	142,194	2,224	-	-	144,418	144,418
Loans and borrowings	85,800	94,181	50,146	23,700	253,827	199,720
Lease Liabilities	2,363	2,322	2,314	-	6,999	5,959
	273,303	98,727	52,460	23,700	448,190	393,043

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

36. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM'000	1 to 2 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company				
2021				
Non-derivative financial liabilities				
Other payables	15,636	-	15,636	15,636
Amount due to subsidiary companies	162,623	-	162,623	162,623
Loans and borrowings	35,000	84,510	119,510	119,510
Financial guarantee *	68,951	-	68,951	-
	282,210	84,510	366,720	297,769
2020				
Non-derivative financial liabilities				
Other payables	13,591	-	13,591	13,591
Amount due to subsidiary companies	148,870	-	148,870	148,870
Loans and borrowings	87,235	32,887	120,122	120,122
Financial guarantee *	79,684	-	79,684	-
	329,380	32,887	362,267	282,583

* Being corporate guarantee granted for banking facilities of certain subsidiary companies which will only be encashed in the event of default by the subsidiary companies.

(iii) Market risks

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

36. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2021 RM'000	2020 RM'000
Group		
Floating rate instruments		
Bank overdrafts	-	9,983
Term loans	203,473	189,737
Revolving credit	2,000	-
Lease liabilities	8,365	5,959
	213,838	205,679
Company		
Floating rate instruments		
Bank overdrafts	-	9,983
Term loans	119,510	110,139
	119,510	120,122

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.25% interest rate at the end of the reporting period would have increased the Group's and the Company's profit before tax by RM534,595 (2020: RM514,198) and RM298,775 (2020: RM300,305) respectively, arising mainly as a result of higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

39. Financial Instrument (Cont'd)

(d) Fair value of financial instruments (Cont'd)

	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Total Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
Group								
2021								
Financial assets								
Other investment	-	-	2,000	-	-	-	2,000	2,000
- Unquoted shares	-	-	-	-	-	337	337	337
- Memberships	-	-	-	-	-	-	-	-
- Trade receivables	-	-	-	-	-	7,595	7,595	7,595
- non-current	-	-	-	-	-	-	-	-
	-	-	2,000	-	-	7,932	7,932	9,932
Group								
2020								
Financial assets								
Other investment	-	-	2,000	-	-	-	2,000	2,000
- Unquoted shares	-	-	-	-	-	387	387	387
- Memberships	-	-	-	-	-	-	-	-
- Trade receivables	-	-	-	-	-	7,276	7,276	7,276
- non-current	-	-	-	-	-	-	-	-
	-	-	2,000	-	-	7,663	7,663	9,663
Company								
2021								
Financial assets								
Other investment	-	-	-	-	-	337	337	337
- Memberships	-	-	-	-	-	-	-	-
2020								
Financial assets								
Other investment	-	-	-	-	-	387	387	387
- Memberships	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

36. Financial Instruments (Cont'd)

(d) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

37. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

37. Capital Management (Cont'd)

The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Total loans and borrowings				
Less: Deposits, cash and bank balances	205,473 (13,723)	199,720 (9,326)	119,510 (221)	120,122 (33)
Net debt	191,750	190,394	119,289	120,089
Shareholders' equity	785,165	782,024	(201,316)	(197,397)
Gearing ratio	0.24	0.24	N/A	N/A

N/A – the gearing ratio may not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's approach to capital management during the financial year.

38. Significant Events**(i) Licensing and Collaboration Agreement**

On 28 December 2021, Country Heights Holdings Berhad ("CHHB") entered into a Licensing and Collaboration Agreement with Beijing Wodong Tianjun Information Technology Co. Ltd, a wholly-owned subsidiary of JD.com, a leading technology-driven e-commerce company in China.

The collaboration will lead to the development of JD.com's Omnichannel business model using JD.com technologies and CHHB's resources for the Malaysian market.

JDMines Sdn Bhd will be set up to operate this initiative and it will be 70% owned by CHHB with the remaining 30% owned by Star Pulse Sdn. Bhd., a technology incubator who will be working with CHHB on the implementation and execution of the omnichannel business model.

With this collaboration, JDMines will build the first physical store of about 100,000 sq ft of retail space on the ground floor of Mines International Exhibition and Convention Centre (MIECC), located at the Mines Resort City, Selangor.

(ii) Private Placement

On 8th November 2021, Country Heights Holdings Berhad ("CHHB") proposed to undertake a private placement of up to 54,711,400 new ordinary shares in CHHB, representing approximately 20% of the existing issued shares. The proposed private placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") and the "Additional Temporary Relief Measures to Listed Issuers" announced by Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

38. Significant Events (Cont'd)

(iii) Termination of Joint Venture Agreement

On 2nd November 2020, Country Heights Holdings Bhd (“CHHB”) received a notice of termination from Land Custody and Development Authority (“LCDA”) stating the intention of LCDA to terminate a Joint Venture Agreement (“JVA”) dated 20 September 1994 entered between CHHB and LCDA. The letter of termination was unilaterally sent by LCDA on the allegation that CHHB had failed, neglected or refused to remedy the breaches stipulated in the notice dated 17th September 2020 (“Termination”). On 10th May 2021, CHHB received an order of forfeiture of land from Director of Land and Surveys Department Sarawak. The said order affect lot 48,49 and 51 block 11 Pangkalan Ampat Land District.

CHHB has sought legal opinion to recover losses and/or damages from the LCDA due to LCDA’s unilateral termination (Note 40 (i) and 40(iii)).

(iv) Disposal of Non-current assets held for sale

On 6 November 2019, Mega Palm Sdn. Bhd., an indirect interest subsidiary company of the Company, entered into a Sale and Purchase Agreement (“SPA”) with a third party to dispose of certain land held for property development for a total cash consideration of RM54,250,000. On 27 July 2021, the condition precedent as set out in the SPA has been fulfilled by the purchaser and the land held for property development has been sold.

(v) Effect of the outbreak of coronavirus pandemic

The emergence of the novel Coronavirus (“Covid-19”) since early 2020 that caused travel restrictions and lockdown to be effectuated in Malaysia and other precautionary measures being imposed by the government has brought disruption in the Group’s and in the Company’s business operations.

The Covid-19 pandemic has continued to depress the performance of the Group and of the Company’s operation and performance. The Directors expect the Group’s performance to continue to be suppressed for the remainder of the year 2022.

The main division that continues to operate is the healthcare division. The high vaccination rate and the gradual removal of the restrictions have resulted in an increase in the performance of the healthcare division.

The exhibition and convention division has cancelled all of its events due to the pandemic. Except for being part of the national vaccination centre programme from June to August 2021.

Barring any unforeseen circumstances, the Group expects the operations level to resume to pre-MCO levels at the beginning of the financial year ending 2023.

39. Subsequent Event**Scheme of arrangement between Golden Horse Palace Berhad (“GHPB”) and its scheme creditors**

On 18 February 2022, GHPB a subsidiary company of Country Heights Holding Berhad held a Court Convened Meeting (“CCM”) for Scheme Creditors. The proposed scheme of arrangement by GHPB has been approved by the Scheme Creditors of GHPB by the requisite majority in number representing 95.53% in value of the Scheme Creditors present and voting either in person or by proxy at the CCM in accordance to Section 366(3) of the Act.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

40. Material Litigation

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following:

(i) **ARBITRATION BETWEEN COUNTRY HEIGHTS HOLDINGS BERHAD (CLAIMANT) AND LAND CUSTODY DEVELOPMENT AUTHORITY (LCDA) (RESPONDENT)**

A Joint Venture Agreement (JVA) was entered into between LCDA and CHHB on 20.09.1994 for the development of the Project Land into a hill resort with tourism related infrastructure, recreational and leisure facilities and horticulture. Pursuant to the JVA, a JV company known as Borneo Heights Sdn. Bhd. (BHSB) was incorporated.

The dispute arose in June 2020 when LCDA issued a letter making various allegations as to the management of the project by CHHB. LCDA intended to carry out a due diligence exercise and discover documents. On November 2020, LCDA purportedly gave the notice to terminate the JVA and required CHHB to sell its shares in BHSB to LCDA.

LCDA issued notices of requisition of meeting to pass various resolutions including the commencement of legal proceedings against CHHB. CHHB objected to the notices and had through its solicitors given notice to LCDA to withdraw the notices of requisition of meeting.

Pursuant to Clause 22 of the JVA, the parties agreed to refer all disputes or claim arising out of or in relation to the JVA to arbitration. Notice of Arbitration has been issued on 20.05.2021. The issuance of the Notice of Arbitration signifies the commencement of the arbitration process. On 26.07.2021, the Asian International Arbitration Centre (AIAC) appointed Mr. Nandakumar Ponniya as the sole arbitrator for the arbitration. The arbitration hearing is tentatively scheduled on 15th – 25th November 2022.

(ii) **COURT OF APPEAL CASE NO.: B-02(IM)(NCC)-1133-06/2021 & SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-137-12/2020 BETWEEN CHHB (PLAINTIFF) AND MONALIZA BINTI ZAIDEL, DATU HAJI SUDARSONO BIN OSMAN & BHSB (DEFENDANTS).**

This suit is for declaration and injunction against 2 directors of Borneo Heights Sdn. Bhd. (BHSB). The Directors from Land Custody Development Authority (LCDA) issued a letter to the Directors from Country Heights Holdings Berhad (CHHB) to challenge the appointment of 3 other Directors nominated by CHHB. On 18.12.2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28.12.2020. This notice was only issued to 2 out of the 5 directors nominated by CHHB and had disregarded the 3 new directors nominated/appointed by CHHB. The Defendants proceed to convene the meeting on 25.01.2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. It was for this reason that CHHB felt compelled to move the Court for an injunction to prevent the meeting from taking place.

On 23.12.2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restraint the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28.12.2020. The meeting scheduled for 28.12.2020 did not happen. The Defendants proceed to convene the meeting on 25.01.2021 despite notice and demand was given by CHHB for the Defendants not to proceed with the meeting. CHHB has further filed an application for leave to commence committal proceedings against the Defendants.

The Defendant has filed an application to strike out the Originating Summons and CHHB's application for the injunction. On 04.05.2021, the High Court allowed the Defendants application to strike out the Originating Summons and CHHB's application for injunction with a cost of RM10,000. On 28.05.2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The appeal is fixed for hearing on 16.06.2022.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

40. Material Litigation (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(iii) **KUCHING HIGH COURT SUIT NO.: KCH-21NCVC-10/7-2021 BETWEEN BORNEO HEIGHTS SDN BHD & COUNTRY HEIGHTS HOLDINGS BERHAD (PLAINTIFF) AND DIRECTOR OF LANDS AND SURVEYS SARAWAK & ORS (DEFENDANTS)**

There are 11 Defendants in this suit. They were represented by State Attorney General's Chambers (SAG) and Messrs Reddi & Co. The Plaintiff alleged that the Government of Sarawak has unlawfully forfeited Lot 48, 49 and 51 of Block 11, Pangkalan Ampat Land, Gunong Penrissen, Padawan, Kuching (Disputed Lands).

The Defendants have yet to file their Defence at this time. There are currently 3 interlocutory actions in this suit. The Defendants had filed a striking out application against the Plaintiffs and CHHB had filed an application for a Judgment in Default of Defence by the Defendants.

The Striking Out Applications filed by the Defendants had been dismissed by the court. The court had granted leave to the Plaintiff's to amend their Statement of Claim ("SOC") to plead with more particularity on the claim and requested the Defendants to file the defence. Upon such amended pleadings, the Defendants are at liberty to apply to the court to strike out the claim regarding conspiracy if Defendant takes a view that the amended pleadings are still defective, as regards the claim of conspiracy.

Upon any such application, the court will assess whether the application should only be considered after pleadings have closed and the parties have produced their respective bundle of documents.

In the event the action is decided in the Plaintiffs' favour, the Disputed Lands could be reverted to the ownership of the Plaintiffs, and could award the Plaintiffs with damages in the amount of RM47,850,410.59 with damages to be assessed for deprivation of use of the Disputed Lands, and unquantified general damages with interests and costs.

In the event the action is dismissed, the Plaintiffs could be facing lawsuits by the stakeholders in the Disputed Lands, and the carrying amount of the leasehold land of RM31,886,679 (Note 7(a)(ii)) and property development cost incurred in relation to the leasehold land amounting to RM12,089,398 (Note 7(b)(ii)) will be written off.

(iv) **KUCHING HIGH COURT SUIT NO.: KCH-24NCVC-3/1-2022 (HC 3) BETWEEN LCDA HOLDINGS & 2 ORS (PLAINTIFF) AND BORNEO HEIGHTS SDN BHD (BHSB) & ORS (DEFENDANTS)**

The Plaintiffs are seeking a declaration that an email dated 24.12.2021 to call for a Board of Directors meeting to be deemed invalid, null and void, any actions done in the meeting held pursuant to the email to be declared null and void, a declaration that 3 of the directors in BHSB were not validly appointed as directors and an injunction to restrain the Defendants from proceeding with a meeting pursuant to the email.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

40. Material Litigation (Cont'd)

The Group and the Company have not engaged in any litigation which will have a material effect on the business or financial position of the Group and of the Company except for the following: (Cont'd)

(v) **KUALA LUMPUR HIGH COURT ORIGINATING SUMMON NO. WA- 24NCVC-68-01/2021 (SUIT 68) BETWEEN HUN TEE SIANG & 31 ORS (PLAINTIFFS) AND MEGA PALM SDN BHD (MPSB) & COUNTRY HEIGHTS PROPERTIES SDN BHD (CHP) (DEFENDANTS)**

The Plaintiffs sued MPSB and CHP for breach of a Consent Order recorded in Kuala Lumpur High Court in 2015. The Plaintiffs seek to enforce the Consent Order. The Plaintiffs also had filed an application for Mareva Injunction wherein an Ex-Parte Order dated 27.01.2021 and Ad Interim Order dated 10.02.2021 were obtained.

Defendants had filed 2 separate Notice of Application to strike out the Plaintiffs claim and to set aside the Ex-Parte Order and the Ad Interim Order.

The High Court had dismissed the striking out application filed by MPSB with costs of RM10,000.00. A notice of appeal dated 18.08.2021 has been filed by MPSB against High Court decision. Pending the disposal of an appeal, the High Court judge had deferred his decision for the Mareva Injunction application by Plaintiff and also MPSB's application to set aside the Ex-Parte Order and Ad Interim Order.

On 10.03.2022, the Court of Appeal dismissed the Appeal on the basis that the Consent Order was beyond the scope of the original Writ in Suit 698. The Appeal was dismissed with costs of RM15,000.00. Pursuant to the dismissal of the appeal, the High Court will proceed to hear the Plaintiffs claim against MPSB.

41. Prior Year Adjustment

During the financial year, the Group made certain adjustments and restatements to the comparative in respect of:

- (i) Reclassification of land held for property development from non-current asset held for sale to inventories.

	As previously stated RM'000	Adjustments RM'000	Effect of adoption of Agenda Decision RM'000	As restated RM'000
Statement of Financial Position				
As at 1 January 2020				
Non-Current Asset				
Inventories	158,954	42,313	(68)	201,199
Current Asset				
Non-current asset held for sale	42,313	(42,313)	-	-
As at 31 December 2020				
Non-Current Asset				
Inventories	159,197	42,313	(68)	201,442
Current Asset				
Non-current asset held for sale	42,313	(42,313)	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

41. Prior Year Adjustment

- (ii) The Group has retrospectively adjusted for the over recognition of deferred tax asset.

	As previously stated RM'000	Adjustments RM'000	Effect of adoption of Agenda Decision RM'000	As restated RM'000
Statement of Financial Position				
As at 1 January 2020				
Non-Current Asset				
Deferred tax asset	26,046	(3,835)	-	22,211
Equity				
Retained earnings	343,539	(3,835)	(396)	339,308
<hr/>				
Statement of Financial Position				
As at 31 December 2020				
Non-Current Asset				
Deferred tax asset	6,254	(6,058)	-	196
Equity				
Retained earnings	311,319	(6,058)	(396)	304,865
<hr/>				
Statement of Profit or Loss and Other Comprehensive Income				
As at 31 December 2020				
Taxation	6,216	(2,223)	-	3,993
<hr/>				

42. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2022.

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2022

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	140	3.78	1,872	0.00
100 - 1,000	1,272	34.42	1,098,866	0.37
1,001 - 10,000	1,939	52.46	6,565,411	2.23
10,001 - 100,000	241	6.52	7,366,350	2.51
100,001 to less than 5% of issued shares	99	2.68	116,844,135	39.74
5% and above of issued shares	5	0.14	162,174,269	55.15
Total	3,696	100.00	294,050,903	100.00

Statement of Directors' Shareholdings

No.	Name of Directors	Direct	No. of Shares		%
			%	Indirect	
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	78,097,200	26.56	106,177,931	36.11
2	Datuk Jared Lim Chih Li @ Lin Zhili	-	-	-	-
3	Dr Yip Chun Mun	11,000	0.00	-	-
4	Lee Sow Lin	5,000	0.00	-	-
5	Ong Tee Chin	-	-	-	-
6	Chong Khing Chung	-	-	-	-
7	Hor Siew Leong	-	-	-	-

Substantial Shareholders

No.	Name of Directors	Direct	No. of Shares		%
			%	Indirect	
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	78,097,200	26.56	106,177,931	36.11
2	Country Heights Venture Sdn Bhd	39,425,000	13.41	-	-
3	Country Heights International Sdn Bhd	45,901,600	15.61	-	-

LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

AS AT 1 APRIL 2022

Name of Shareholders	No. of Shares	(%)
1 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) <i>EXEMPT AN FOR LIM & TAN SECURITIES PTE LTD</i>	46,843,669	15.93
2 COUNTRY HEIGHTS VENTURE SDN. BHD. (87340X)	39,425,000	13.41
3 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD (199401012249) <i>EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.</i>	30,004,000	10.20
4 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) PLEDGED SECURITIES ACCOUNT FOR COUNTRY HEIGHTS INTERNATIONAL SDN BHD	25,521,790	8.68
5 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) HDM CAPITAL SDN BHD FOR COUNTRY HEIGHTS INTERNATIONAL SDN BHD	20,379,810	6.93
6 LEE CHENG WEN (860705-56-5926)	12,389,831	4.21
7 M & A NOMINEE (ASING) SDN BHD (320470H) MAJESTIC SALUTE SDN BHD FOR RISE BUSINESS INC	11,303,600	3.84
8 CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449P) CIMB FOR SIVA KUMAR A/L M JEYAPALAN	8,939,600	3.04
9 OOI CHIENG SIM (690602-07-5503)	6,750,000	2.29
10 M & A NOMINEE (TEMPATAN) SDN BHD (320471T) FOR GOLDEN TOUCH INVESTMENT BANK LTD	6,304,100	2.14
11 M & A NOMINEE (ASING) SDN BHD (320470H) MAJESTIC SALUTE SDN BHD FOR JOINT WIN INVESTMENTS LIMITED	5,167,600	1.76
12 OOI CHIENG SIM (690602-07-5503)	4,800,000	1.63
13 CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449P) CIMB FOR SHARON A/P S I JOSOP	4,200,000	1.43
14 AMSEC NOMINEES (TEMPATAN) SDN BHD (102918T) PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	3,880,000	1.32
15 TA NOMINEES (TEMPATAN) SDN BHD (268290H) PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	3,000,000	1.02

LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

31 DECEMBER 2021

Name of Shareholders	No. of Shares	(%)
16 KHOO MEI LING (730812-08-5076)	2,850,000	0.97
17 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (42234H) PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HWA (7007201)	2,419,100	0.82
18 POR TEONG ENG (730118-08-5543)	2,243,000	0.76
19 OOI CHIENG SIM (690602-07-5503)	2,000,000	0.68
20 FAN RUEY YIN (640305-10-7489)	1,817,700	0.62
21 KENANGA NOMINEES (TEMPATAN) SDN BHD (197301003326) PLEDGED SECURITIES ACCOUNT FOR TEH CHEE TEONG	1,736,200	0.59
22 CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449P) CIMB FOR SAROJINI A/P KANDIAH	1,600,000	0.54
23 UBEX TRADING MALAYSIA SDN BHD (202001026060)	1,480,000	0.50
24 HLB NOMINEES (TEMPATAN) SDN BHD (47697U) PLEDGED SECURITIES ACCOUNT FOR SIVA KUMAR A/L M JEYAPALAN	1,400,000	0.47
25 UOBM NOMINEES (TEMPATAN) SDN BHD (15356H) GOLDEN TOUCH ASSET MANAGEMENT SDN.BHD FOR BEE GARDEN HOLDINGS SDN BHD	1,254,400	0.43
26 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (42234H) PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (7010755)	1,160,000	0.39
27 KENANGA NOMINEES (TEMPATAN) SDN BHD (197301003326) PLEDGED SECURITIES ACCOUNT FOR PETER ERNEST SHACK	1,100,000	0.37
28 PARK AVENUE CONSTRUCTION SDN. BHD. (702371T)	1,033,400	0.35
29 MAYBANK NOMINEES (TEMPATAN) SDN BHD (199301004202) PLEDGED SECURITIES ACCOUNT FOR CHEW AH LUCK	1,000,000	0.34
30 BEE GARDEN HOLDINGS SDN. BHD. (89001D)	903,000	0.31

ANALYSIS OF WARRANTHOLDINGS

AS AT 1 APRIL 2022

Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	218	6.06	6,628	0.00
100 - 1,000	2,047	56.91	1,382,274	1.05
1,001 - 10,000	972	27.02	3,513,300	2.66
10,001 - 100,000	294	8.17	9,885,325	7.48
100,001 to less than 5% of issued shares	60	1.67	19,258,316	14.58
5% and above of issued shares	6	0.17	98,077,258	74.23
Total	3,597	100.00	132,123,101	100.00

Statement of Directors' Warrantholdings

No.	Name of Directors	Direct	No. of warrants		%
			%	Indirect	
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	20,289,415	15.36	71,666,273	54.24
2	Datuk Jared Lim Chih Li @ Lin Zhili	-	-	-	-
3	Dr Yip Chun Mun	5,500	0.00	-	-
4	Lee Sow Lin	-	-	-	-
5	Ong Tee Chin	-	-	-	-
6	Chong Khing Chung	-	-	-	-
7	Hor Siew Leong	-	-	-	-

LIST OF THIRTY LARGEST WARRANTHOLDERS

AS AT 1 APRIL 2022

	Name of Shareholders	No. of Shares	(%)
1	UOBM NOMINEES (TEMPATAN) SDN BHD (15356H) GOLDEN TOUCH ASSET MANAGEMENT SDN. BHD. FOR TAN BEE HONG	24,510,584	18.55
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) EXEMPT AN FOR LIM & TAN SECURITIES PTE LTD	20,000,000	15.14
3	COUNTRY HEIGHTS VENTURE SDN. BHD. (87340X)	19,712,500	14.92
4	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) PLEDGED SECURITIES ACCOUNT FOR COUNTRY HEIGHTS INTERNATIONAL SDN BHD	12,760,919	9.66
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD (265449P) CIMB FOR SIVA KUMAR A/L M JEYAPALAN	10,903,350	8.25
6	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) HDM CAPITAL SDN BHD FOR COUNTRY HEIGHTS INTERNATIONAL SDN BHD	10,189,905	7.71
7	LEE CHENG WEN (860705-56-5926)	3,040,865	2.30
8	SIM TECK SENG (560822-10-5289)	1,151,071	0.87
9	M & A NOMINEE (TEMPATAN) SDN BHD (320471T) FOR GOLDEN TOUCH INVESTMENT BANK LTD	1,000,000	0.76
10	DATUK TAY HOCK TIAM (750827-04-5219)	900,000	0.68
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. (197801004114) PLEDGED SECURITIES ACCOUNT FOR TAN KIAN AIK	800,000	0.61
12	GAN SWEE CHING (770812-01-5832)	783,600	0.60
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD (6464T) PLEDGED SECURITIES ACCOUNT FOR TING CHOONG SING	540,000	0.41
14	LIEW SUI KUM (530220-04-5437)	483,900	0.36
15	BEE GARDEN HOLDINGS SDN. BHD. (89001D)	451,500	0.34

LIST OF THIRTY LARGEST WARRANTHOLDERS

AS AT 16 APRIL 2021

Name of Shareholders	No. of Shares	(%)
16 PUBLIC NOMINEES (TEMPATAN) SDN BHD (6464T) PLEDGED SECURITIES ACCOUNT FOR YEW SIEW CHING	440,000	0.33
17 LEE KOK MING (930327-14-5545)	400,000	0.30
18 HLB NOMINEES (TEMPATAN) SDN BHD (47697U) PLEDGED SECURITIES ACCOUNT FOR SIVA KUMAR A/L M JEYAPALAN	368,500	0.28
19 TAY KA KEON @ TAY KAH TAIT (450703-04-5247)	342,300	0.26
20 LIM BEE KUANG (630915-07-5550)	317,000	0.24
21 NG LONG TIANG (610926-10-5809)	301,000	0.23
22 NG FAAI @ NG YOKE PEI (400625-10-5244)	290,000	0.22
23 NG THONG PIN (770912-02-6037)	285,400	0.22
24 UOBM NOMINEES (TEMPATAN) SDN BHD (15356H) GOLDEN TOUCH ASSET MANAGEMENT SDN. BHD. FOR LEE KIM TIONG @ LEE KIM YEW	277,730	0.21
25 TEH CHEE CHONG (740526-02-5207)	262,000	0.20
26 LAU SIEW SWEE (570602-01-6398)	245,000	0.19
27 ANCHOR POINT SDN BHD (247718W)	240,000	0.18
28 DATIN LEUNG KIT MAN (730419-93-5038)	230,000	0.17
29 LIM PING PING (721122-07-5060)	230,000	0.17
30 TAN ENG HOCK (540321-02-5207)	223,200	0.17

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Mukim of Kajang District of Ulu Langat Selangor	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	25	Freehold	Residential - bungalow land	11.27		2,056	13/07/87
HSD 20047 P.T. No. 12956 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	1 & half storey detached Kindergarten Commercial Land & Building Within development known as Country Heights Kajang		33	2,000	31/12/21
HSD 20055 P.T. No. 12964 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Institutional Land Within development known as Country Heights Kajang	1.33		3,600	31/12/21
HSD 20283 P.T. No. 13194 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten Commercial Land Within development known as Country Heights Kajang			1,900	31/12/21
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten Commercial Land Within development known as Country Heights Kajang	0.22		1,300	31/12/21
Lot 37653 HM 122934 Bandar Country Heights District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Convenience Centre, Banking Hall & Clubhouse	6.41	33	33,937	1/12/10
Pajakan Negeri 7211 No. Lot 24731 HSD 22918 P.T.No. 14193 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	1	Leasehold (expiring 12.11.2088)	Clubhouse & Tennis Courts	12.28	27	80,000	31/12/21
HSD 232191 P.T. No. 852 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	1	Leasehold (expiring 4.6.2105)	Residential land - Proposed Condo	1.69		467	15/06/93
PN 11297 Lot 1591 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	21	Leasehold (expiring 20.03.2091)	Residential - bungalow land Mines Bungalow Lots	5.29		2,282	15/06/93

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Mukim of Setul District of Seremban	College Valley Industrial Park	60	Freehold	Industrial land	3.67		2,376	31/03/95
HSD 107578 PT 15456 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Industrial land	0.93		340	31/03/95
Mukim of Setul District of Seremban	College Heights Garden Resort	29	Freehold	Bungalow Houses	5.49	25	13,859	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	288	Freehold	Bungalow Land	56.65		19,626	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	34	Freehold	2-storey shop-office and 3-storey shop-office	1.59	20	9,671	01/06/94
Mukim of Setul District of Seremban	Pangsa Rakyat, Pajam	185	Freehold	Low cost flat/shop	2.90	18	6,664	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	7	Freehold	Institution land	79.43		10,415	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56		1,909	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	3	Leasehold (Expiring 23/08/2095)	Agriculture land	5.37		3,001	06/08/01
Mukim of Setul District of Seremban	College Heights Garden Resort	6	Freehold	Residential and commercial land Residential, hotel, stall, petrol station	9.71		319	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	154	Freehold	Commercial land Shophouse, CC Plaza, Business	12.87		2,635	01/06/94
Lot 23034 (formerly PT12881) Mukim of Setul Resort District of Seremban	College Heights Garden Resort	1	Freehold	CHGR Bungalow Lot 534	0.17		160	01/06/94
PN 17796 (formerly HSD 10483) Lot 1284 (formerly Lot 1115) Pekan Teluk Kemang District of Port Dickson Negeri Sembilan	Ocean Wave Theme Park	1	Leasehold (expiring 18.12.2089)	Partially constructed Theme Park & service apartments	3.83	16	8,298	27/02/90
Lot 7938 HM 37650 PT No. 2712 Mukim of Setul District of Seremban Negeri Sembilan	Lot 162, Staffield Golf & Country Resort	1	Freehold	Residential - bungalow land	0.21		400	31/12/21

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot No.15 section 11 Gunung Penrissen Padawan Kuching, Pangkalan Ampat Land District of Sarawak	Borneo Heights	61	Leasehold 198 years	Residential - bungalow land Phase 1-4	27.90		15,797	20/09/94
	Borneo Heights	1	Leasehold 198 years	Residential land Future Development	1,103.95		31,887	20/09/94
	The Hornbill Golf & Jungle Club	1	Leasehold 198 years	Golf Course & Golf Hotel	162.60	21	28,322	27/06/00
Lot 4 (Lot 4756) Geran No. 44342	Jenan Estate, Kubang Pasu, Kedah	72	Freehold	Bungalow Lots KHU Ph1-3 Bungalow Lot	11.16		4,321	08/11/95
Lot 7 Geran No. 7062	Jenan Estate, Kubang Pasu, Kedah	7	Freehold	Bungalow House KHU Bungalow House (Precinct 1 & 2)	1.39		2,779	08/11/95
Lot 6534 Geran No. 25870	Jenan Estate, Kubang Pasu, Kedah	4	Freehold	Future Development KHU Parcel B - Agricultural Land KHU Parcel C - Agricultural Land KHU COMMERCIAL LOT (NORTHEN)	199.36		18,137	08/11/95
Lot 1962 HM 1819	Jenan Estate, Kubang Pasu, Kedah	180	Freehold	Future Development KHU Precint 4 Bungalow Lot	42.60		10,287	08/11/95
Lot 503 HM 614	Jenan Estate, Kubang Pasu, Kedah	48	Freehold	Future Development KHU Phase 2 SHOP OFFICE 48 Lot	4.51		2,808	08/11/95
Lot 11 HM 1672 Jenan, Kedah	Jenan Estate, Kubang Pasu, Kedah	55	Freehold	Future Development Belleza Ph3	4.14		10,337	08/11/95
Lot 1710 HM 1833	PT 1351 HSD 17179 Bandar Darul Aman Kubang Pasu, Kedah	1	Freehold	Sports Living Clubhouse 2 storey Club House with swimming pool and multi-purpose hall	6.46	17	15,000	31/12/21
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Cyber Heights Villas	0.04	17	276	11/02/99
	Cyber Heights	1	Freehold	Cyber Residency	0.08	17	293	11/02/99
Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	37	Freehold	Sawtelle Suites	0.62		11,056	11/02/99
HSD 34517 P.T. No. 48507 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	72	Freehold	Signature Villa - Mansion Park	8.63		29,249	11/02/99

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 34516 P.T. No. 48506 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Proposed Mixed Development Cyberjaya Ph5 (488 Condo + 45 Double Storey)	9.33		13,530	11/02/99
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Future Development Cyberjaya Ph3B Commercial Land	3.59		1,887	11/02/99
HSD 220869 P.T. No. 27695	Cyber Heights	1	Freehold	Club House	3.66	17	7,116	11/02/99
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	1	Freehold	Bungalow House	0.22	11	6,086	14/11/00
Lot 8242 HM 34157 Mukim of Durian Tunggal District of Alor Gajah Melaka	Melaka Land	1	Leasehold (expiring 21.4.2103)	Future Mixed Development Agricultural land principally approved for residential development	62.02		10,555	14/04/04
Lot 1578 HSD 91910 Pekan Baru Sungai Besi District of Petaling Selangor	Golf View Apartments PT 16714 HSD 59886	2	Leasehold (expiring 20.3.2091)	Recreational & Commercial land PT6 and PT7	11.86		25,999	25/09/98
HSD 59885 P.T. No. 16713 Mukim of Petaling District of Petaling Selangor	Palace of the Golden Horses The Mines Resort City	1	Leasehold (expiring 20.3.2091)	Hotel	13.80	24	179,253	20/05/04
HSD 59892 P.T. No. 16720 Mukim of Petaling District of Petaling Selangor	Mines Wellness Hotel	1	Leasehold (expiring 20.3.2091)	Hotel building	5.75	27	65,087	29/02/08
		1		A parcel of trousdale land reserved for property development	3.50		3,473	29/02/08
HSD 59893 P.T. No. 16721 Mukim of Petaling District of Petaling Selangor	Malaysia International Exhibition & Convention Centre (MIECC) PN 30898, Lot 1586	1	Leasehold (expiring 20.3.2091)	Exhibition Centre 3 and half storey exhibition cum convention centre building with 2 basement level carparks	6.74	24	174,242	01/07/03
		1	Leasehold (expiring 20.3.2091)	Venice Walk Two Link Bridges		22	786	01/07/03

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 59887 P.T. No. 16715 Mukim of Petaling District of Petaling Selangor	Mines Waterfront Business Park	1	Leasehold (expiring 20.3.2091)	Completed commercial building Phase 1 : Block A,B,C,D,E unsold portion	6.30	22	103,500	31/12/21
		45	Leasehold (expiring 20.3.2091)	Partially completed commercial building Phase 2 : Block 4,5,6,7, Retails	5.75		82,759	31/12/21
HSD 59888 P.T. No. 16716 Mukim of Petaling District of Petaling Selangor	Fisherman's Wharf	1	Leasehold (expiring 20.3.2091)	Recreational & commercial building Single storey builiding as restaurant	1.81		13,654	25/09/98
HSD 59890 P.T. No. 16718 Mukim of Petaling District of Petaling Selangor	Mines Resort City Lake	1	Leasehold (expiring 20.3.2091)	Tourism & Recreational submerged land forming a lake	153.45		5,000	25/09/98
Pajakan Negeri 7212 No Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	20	Leasehold (expiring 12.11.2088)	Palace Vacation Club	28.66	26	3,088	01/03/10
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	4	Freehold	Apartments	0.79	24	623	12/11/01
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	6	Freehold	Apartments	0.86	10	987	12/11/01
HSM 9-93 P.T. NO. 249 Mukim of Padang Matairat District of Langkawi Langkawi, Kedah Darul Aman	Perdana Beach Resort Mukim Padang Matairat Langkawi	4	Freehold	Apartments	0.09	22	669	21/05/02
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	9	1,799	28/04/11
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	21	558	31/12/99

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date	
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	23	376	01/06/03	
Portion 124	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Club Marina	9.87			01/06/03	
Erf 877	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	172.73		6,837	01/06/03	
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	23		01/06/03	
Erf 876	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	18.03			01/06/03	
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	23		01/06/03	
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	Public Open Space	0.29			01/06/03	
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52			01/06/03	
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74			01/06/03	
					2,357.97			1,095,629	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting of Country Heights Holdings Berhad will be held at the Member's Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 30 June 2022 at 11:00 a.m. to transact the following business:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon. *Explanatory Note 1*
2. To approve the payment of Directors' fees amounting to RM48,666.40 in respect of the financial year ended 31 December 2021. *(Resolution 1)*
3. To approve the payment of Directors' remuneration (excluding Directors' fees) to Non-Executive Directors for up to an amount of RM33,000 from 30 June 2022 until the next Annual General Meeting of the Company. *(Resolution 2)*
4. To re-elect the following Directors, who are retiring pursuant to Article 120 of the Constitution of the Company and being eligible, have offered themselves for re-election as Director of the Company:
 - (i) Ms Lee Sow Lin *(Resolution 3)*
 - (ii) Dr Yip Chun Mun *(Resolution 4)*
 - (iii) Mr Chong Khing Chung *(Resolution 5)*
5. To re-appoint Messrs UHY as Auditors of the Company for the ensuing year and to authorize the Directors to fix their remuneration. *(Resolution 6)*

As Special Business:

To consider and, if thought fit, with or without any modification, to pass the following resolutions:

6. Ordinary Resolution

Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

"THAT, pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approvals of the relevant authorities, the Directors be hereby empowered to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Resolution 7)
Explanatory Note 2

NOTICE OF ANNUAL GENERAL MEETING

7. **Ordinary Resolution****Proposed New Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

“THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries to enter into and to give effect to the Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties as specified in Section 3.1 of the Circular to Shareholders dated 28 April 2022, provided always that:

- (i) the transactions are necessary for the day-to-day operations of the Group; and
- (ii) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and the transactions are undertaken at arm's length basis and are not detrimental to the minority shareholders of the Company.

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which this resolution was passed at which time such approval shall lapse unless by ordinary resolution passed at a general meeting, the approval is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

AND FURTHER THAT the Directors of the Company be authorized to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions contemplated and/or authorized by this resolution.”

*(Resolution 8)
Explanatory Note 3*

8. **Ordinary Resolution****Proposed Renewal of Authority for the Purchase by Country Heights Holdings Berhad of Its Own Shares**

“THAT, subject always to the Companies Act 2016, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant governmental and/or regulatory authorities, the Company be hereby authorized 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 upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company (the “Proposed Share Buy-Back”) provided that:

- (i) the aggregate number of shares so purchased does not exceed 10% of the total number of issued shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained profits of the Company at the time of the purchase(s); and
- (iii) at the discretion of the Directors of the Company, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and may be distributed as dividends or resold on Bursa Malaysia Securities Berhad or subsequently cancelled.

NOTICE OF ANNUAL GENERAL MEETING

AND THAT such authority shall commence immediately upon the passing of this resolution until:

- (a) the conclusion of the next Annual General Meeting of the Company following the general meeting at which this resolution was passed at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

AND FURTHER THAT the Directors of the Company be authorized to take all such steps as are necessary and/or enter into any agreements, arrangements and guarantees with any parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time.”

*(Resolution 9)
Explanatory Note 4*

10. To transact any other business of which due notice shall have been given.

By Order of the Board

ONG LU SEE

(LS 0006228)

(SSM Practising Certificate No. 201908001450)

FAN KAH SEONG

(MIA 8584)

(SSM Practising Certificate No. 202008003845)

Company Secretaries

Selangor

29 April 2022

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy (subject always to a maximum of two proxies) to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of a proxy.
2. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy shall have the same rights as a member to speak at the Meeting.
3. If no name is inserted in the space for the name of the proxy, the Chairman of the Meeting will act as the proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorized.
5. Where a member of the Company is an exempt authorized nominee 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 authorized nominee may appoint in respect of each omnibus account it holds.

NOTICE OF ANNUAL GENERAL MEETING

6. Only members registered in the Record of Depositors as at 20 June 2022 shall be eligible to attend the 38th Annual General Meeting or appoint proxies to attend and vote on his behalf.
7. The duly completed and signed Proxy Form must be deposited at the Registered Office of the Company at 8th Floor, Block A, Mines Waterfront Business Park, No. 3 Jalan Tasik, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time appointed for holding the Meeting or any adjournment thereof. The lodgement of the Proxy Form will not preclude the member from attending and voting in person at the Meeting should the member subsequently wish to do so.

Explanatory Notes:

1. The Audited Financial Statements are for discussion only as it does not require shareholders' approval under Section 340(1)(a) of the Companies Act 2016. Hence, it will not be put for voting.
2. The proposed Resolution 7 is to renew the authority granted by the shareholders of the Company at the 37th Annual General Meeting ("AGM") held on 14 September 2021. The proposed mandate, if passed, will empower the Directors of the Company, from the date of this AGM, to allot and issue shares of the Company up to an aggregate amount of not exceeding 10% of the total number of issued shares of the Company. This is to avoid any delay and cost involved in the convening of further general meetings to obtain shareholders' approval for such share issuance. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The purpose and utilization of the proceeds could only be determined if the Board of Directors decides to allot the shares.

The Board of Directors did issue shares pursuant to the mandate obtained at the 37th AGM held on 14 September 2021.

The mandate will provide flexibility and expediency to the Company for any possible fund raising activities, including but not limited to the issuance or placement of shares to facilitate business expansion or strategic merger and acquisition opportunities involving equity deals or part equity or to fund future investment project(s) or for working capital, operational requirements and /or repayment of borrowings which the Directors of the Company consider to be in the best interest of the Company.

3. The proposed Resolution 8, if passed, will allow the Company and/or its subsidiaries to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of its business, which are necessary for the Group's day-to-day operations with the Related Parties as set out in the Circular to Shareholders dated 28 April 2022. The shareholders' mandate is subject to renewal on an annual basis.
4. The proposed Resolution 9, if passed, will empower the Directors of the Company to buy-back up to 10% of the total number of issued shares of the Company for the time being quoted on Bursa Malaysia Securities Berhad ("Bursa Securities") by utilising the funds allocated, which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.
5. Statements Accompanying the Notice of Annual General Meeting - Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities, the Notice convening an AGM is to be accompanied by a statement furnishing details of individuals who are standing for election as Directors (excluding Directors standing for a re-election).

No individual is standing for election as a Director of the Company at the 38th AGM.

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PROXY FORM

No. of ordinary shares held

*I / We _____ NRIC No./Passport No./Company No. _____

of _____
being a member/members of Country Heights Holdings Berhad [Registration No. 198401006901 (119416-K)] hereby appoint:

Proxy	Name and NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%
1.				

and/or

2.				
----	--	--	--	--

or failing him, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the 38th Annual General Meeting of the Company to be held at the Member's Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Thursday, 30 June 2022 at 11:00 a.m. or any adjournment thereof.

Please indicate with an "X" in the spaces provided, how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at *his/her discretion.

Resolution	Agenda	For	Against
1.	To approve the payment of Directors' fees		
2.	To approve the payment of Directors' remuneration		
3.	To re-elect Ms Lee Sow Lin as Director pursuant to Clause 120 of the Constitution		
4.	To re-elect Dr Yip Chun Mun as Director pursuant to Clause 120 of the Constitution		
5.	To re-elect Mr Chong Khing Chung as Director pursuant to Clause 120 of the Constitution		
6.	To re-appoint Messrs UHY as Auditors and to authorize the Directors to fix their remuneration		
7.	To authorize the issuance of shares pursuant to Sections 75 and 76 of the Companies Act 2016		
8.	To approve the proposed new mandate for recurrent related party transactions of a revenue or trading nature		
9.	To approve the proposed renewal of authority for the purchase by Country Heights Holdings Berhad of its own shares		

* Strike out whichever not applicable

Signed this _____ day of _____, 2022.

Signature/Common Seal of Shareholder _____

Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint more than one proxy (subject always to a maximum of two proxies) to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy. There shall be no restriction as to the qualification of a proxy.
- Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy. A proxy shall have the same rights as a member to speak at the Meeting.
- If no name is inserted in the space for the name of the proxy, the Chairman of the Meeting will act as the proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- Where a member of the Company is an exempt authorised nominee 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.
- Only members registered in the Record of Depositors as at 20 June 2022 shall be eligible to attend the 38th Annual General Meeting or appoint proxies to attend and vote on his behalf.
- The duly completed and signed Proxy Form must be deposited at the Registered Office of the Company at 8th Floor, Block A, Mines Waterfront Business Park, No. 3 Jalan Tasik, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than 24 hours before the time appointed for holding the Meeting or any adjournment thereof. The lodgement of the Proxy Form will not preclude the member from attending and voting in person at the Meeting should the member subsequently wish to do so.

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AFFIX
STAMP

The Company Secretary
Country Heights Holdings Berhad
8th Floor, Block A
Mines Waterfront Business Park
No. 3, Jalan Tasik, Mines Wellness City
43300 Seri Kembangan, Selangor Darul Ehsan

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COUNTRY HEIGHTS HOLDINGS BERHAD [Registration No. 198401006001 (119416-K)]

8th Floor, Block A, Mines Waterfront Business Park,
No. 3, Jalan Tasik, Mines Wellness City,
43300 Seri Kembangan, Selangor Darul Ehsan.

Tel : 603-8943 8811
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