



EVER SEARCHING FOR BETTER LIVING

ANNUAL REPORT 2022

Ever Searching for Better Living



COUNTRY HEIGHTS

绿野集团

Country Heights Holdings Berhad

[Registration No.198401006901 (119416-K)]



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

39th

Venue : Members Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City,
43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia
Date : Wednesday, 28 June 2023
Time : 11:00 a.m.

The softcopy version of **Country Heights Holdings Berhad** Annual Report 2022 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.



Scan Here



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.





VISION

Ever Searching for Better Living!

MISSION

It's All About Meaningful Innovative Creations!

VALUES



LOVE



QUALITY



STYLE



NATURE



EXCELLENCE

BOARD OF DIRECTORS

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R), Non-Independent Non-Executive Chairman
Dato' Mircle Yap Ching Chai, Managing Director
Dr. Ricky Yip Chun Mun, Deputy Managing Director
Chua Hee Boon, Executive Director - Finance
Chuah Tian Pong, Executive Director - Project & Chief Operating Officer
Xiong Wei, Executive Director - Digital Technology
Michelle Lee Sow Lin, Non-Independent Non-Executive Director
Ong Tee Chin, Senior Independent Non-Executive Director
Tan Meng Khong, Independent Non-Executive Director
Chuah Peng San, Independent Non-Executive Director

**AUDIT & RISK MANAGEMENT
COMMITTEE**

Tan Meng Khong, Chairman
Ong Tee Chin
Chuah Peng San

**NOMINATION & REMUNERATION
COMMITTEE**

Ong Tee Chin, Chairman
Tan Meng Khong
Chuah Peng San

COMPANY SECRETARY

Wong Poh Chun
 MAICSA 7013841
 SSM Practising no. 201908002090

REGISTERED OFFICE

8th Floor, Block A, Mines Waterfront
 Business Park
 No. 3, Jalan Tasik, Mines Resort City
 43300 Seri Kembangan
 Selangor Darul Ehsan
 Malaysia
 Tel : +603-8943 8811
 Fax : +603-8941 1470
 Web : www.countryheights.com.my

SHARE REGISTRAR

ShareWorks Sdn. Bhd.
 No. 2-1, Jalan Sri Hartamas 8
 Sri Hartamas
 50480 Kuala Lumpur
 Malaysia
 Tel : +603-6201 1120
 Fax : +603-6201 3121
 Email: sharereg@shareworks.com.my

INTERNAL AUDITORS

Talent League Sdn. Bhd.
 D-65-3A, Level 3A, Jaya One
 No. 72A, Jalan Prof Diraja Ungku Aziz
 Seksyen 13, 46200
 Petaling Jaya, Selangor
 Tel : +603-7955 1488

AUDITORS

UHY
 Suite 11.05, Level 11, The Gardens
 South Tower
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur
 Malaysia
 Tel : +603-2279 3088
 Fax : +603-2279 3099

LEGAL FORM AND DOMICILE

Public limited liability company
 incorporated and domiciled in Malaysia

STOCK EXCHANGE LISTING

Main Market Bursa Malaysia
 Securities Berhad
 Date of Listing: 18 February 1994
 Stock Name: CHHB
 Stock Code: 5738
 Sector: Property



CORPORATE STRUCTURE

Ever Searching for Better Living



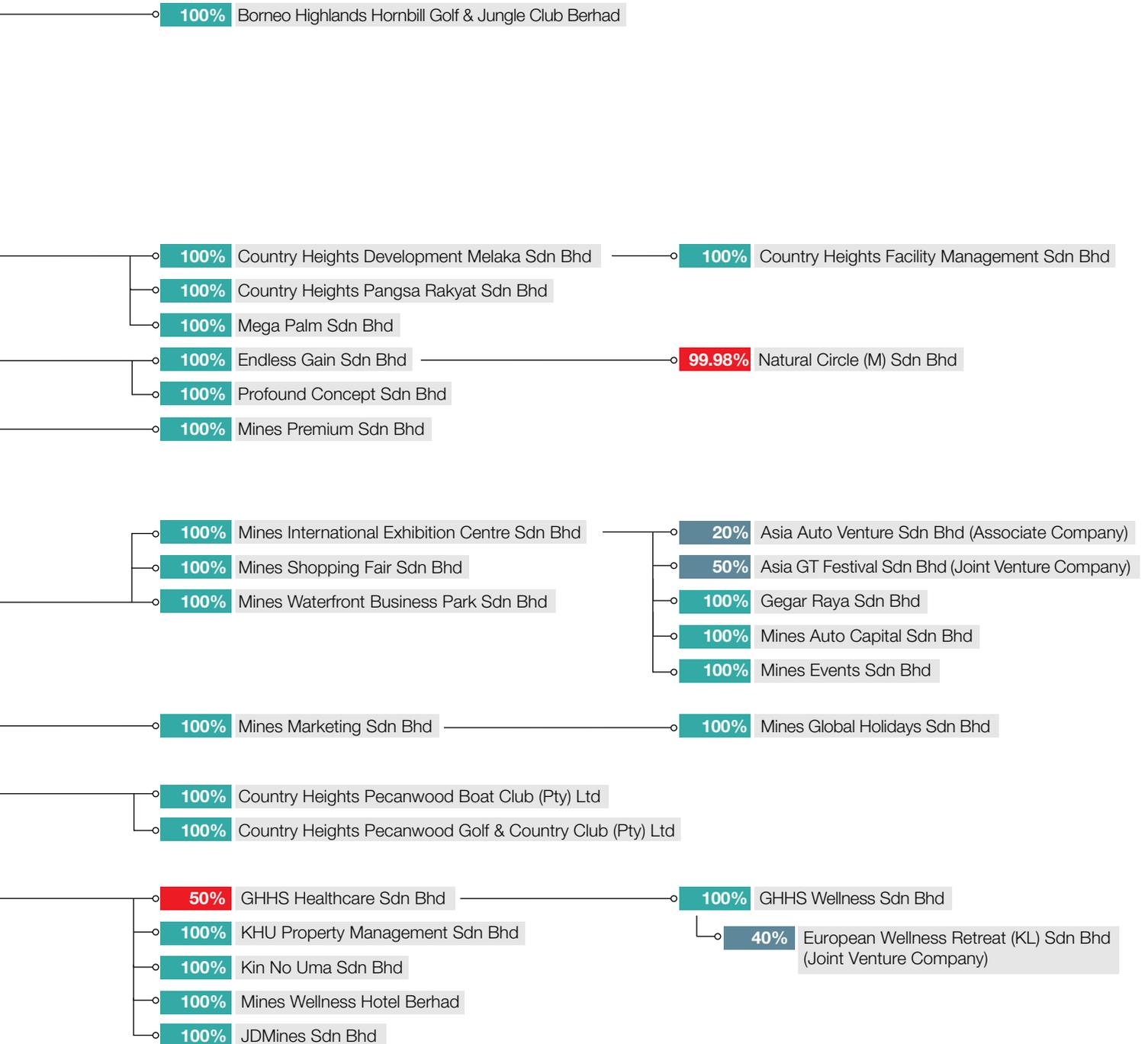
绿野集团

Country Heights Holdings Berhad

[Registration No.198401006901 (119416-K)]

70%	Borneo Heights Sdn Bhd
100%	Country Heights Smart Living Sdn. Bhd. (F.K.A College Heights Utara Sdn. Bhd.)
100%	Country Heights Commercial Development Sdn Bhd
100%	Country Heights Development Sdn Bhd
100%	Country Heights eMarketing Services Sdn Bhd
100%	Country Heights Global Ltd
100%	Country Heights Industries Sdn Bhd
100%	Country Heights Properties Sdn Bhd
100%	Country Heights Property Development Berhad
100%	Country Heights Resorts & Leisure Sdn Bhd
100%	Country Heights Resources Management (M) Sdn Bhd
100%	Country Heights Sdn Bhd
100%	Country Heights Sea Resort Sdn Bhd
100%	Country Heights W.T.C. Sdn Bhd
100%	Grand Wellness Hub Sdn Bhd
81%	Golden Horse Palace Berhad
100%	Hasil Cermat Sdn Bhd
100%	Magnitude Knight (M) Sdn Bhd
100%	Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd
60%	Mines Global Holidays & Travel Sdn Bhd
100%	Mines Holdings Sdn Bhd
47.50%	Simplex Design Sdn Bhd (Associate Company)
69%	Stallion Management Sdn Bhd
100%	Tadika Sri Moral Sdn Bhd
100%	Tindak Murni Sdn Bhd
100%	Versatile Champion Sdn Bhd
100%	Walum Enterprise Sdn Bhd

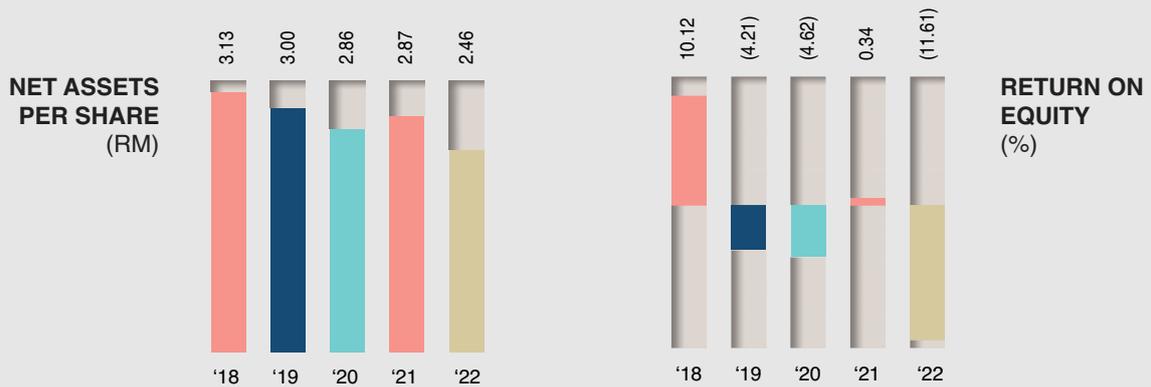
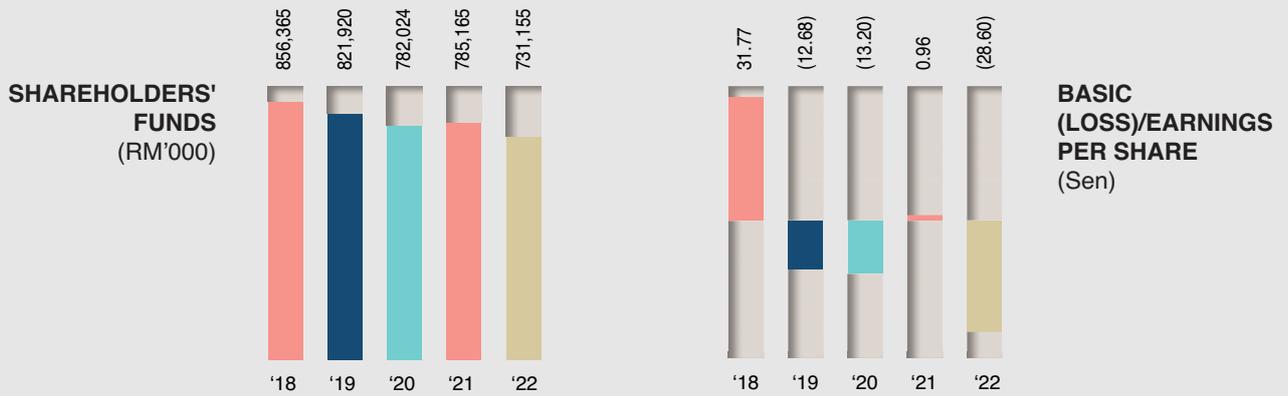
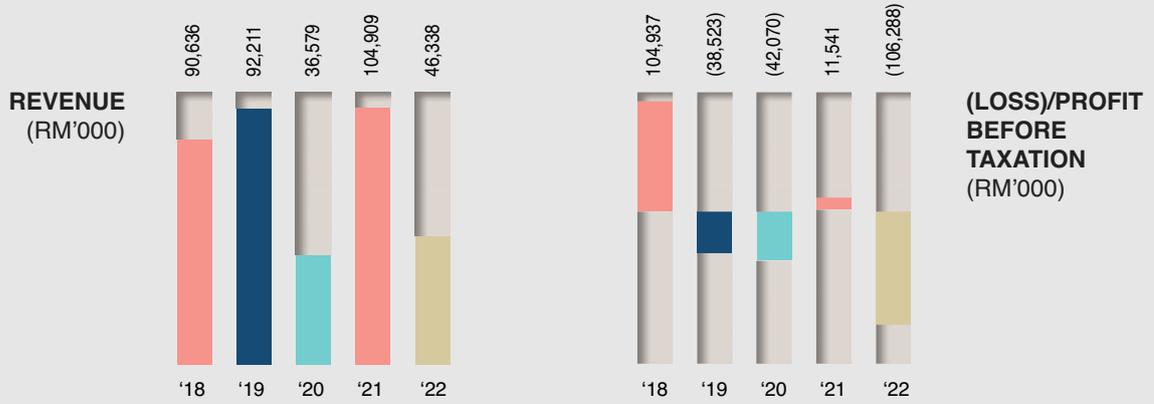
CORPORATE STRUCTURE



FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000	2018 RM'000
Revenue	46,338	104,909	36,579	92,211	90,636
(Loss)/Profit before taxation	(106,288)	11,541	(42,070)	(38,523)	104,937
(Loss)/Profit after taxation	(107,597)	3,119	(38,077)	(39,341)	84,328
(Loss)/Net Profit Attributable to Shareholders	(84,872)	2,639	(36,107)	(34,600)	86,653
Total Assets	1,210,478	1,313,435	1,332,819	1,389,982	1,392,236
Total Liabilities	487,836	515,308	538,645	553,802	517,039
Share Capital net of treasury shares RM	379,685	349,092	349,092	349,092	349,092
Share Capital net of treasury shares unit	296,739	273,557	273,557	273,557	273,557
Reserves	351,470	436,073	432,932	472,828	507,273
Shareholders' Funds	731,155	785,165	782,024	821,920	856,365
Basic (Loss)/Earnings Per Share (sen)	(28.60)	0.96	(13.20)	(12.68)	31.77
Net Assets Per Share (RM)	2.46	2.87	2.86	3.00	3.13
Return on Total Assets (%)	(7.01)	0.20	(2.71)	(2.49)	6.22
Return on Equity (%)	(11.61)	0.34	(4.62)	(4.21)	10.12
Gearing (Net Debt/Equity)	0.23	0.24	0.24	0.25	0.25

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS



BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**ADMIRAL TAN SRI DATO'
SETIA MOHD ANWAR BIN
HJ. MOHD NOR (R)**

**Non-Independent Non-Executive
Chairman**



Malaysian



Male



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Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R), was appointed as the Non-Independent Non-Executive Chairman of Country Heights Holdings Berhad on 3 February 2023.

Tan Sri Dato' Setia Mohd Anwar received his education at the Naval Base Secondary School, Singapore and the Officer Cadet School at the Britannia Royal Naval College Dartmouth, United Kingdom.

He graduated from the Naval Staff College Rhode Island, USA Class 18 in 1981 and Joint Services Staff College in Canberra, Australia in 1988. He holds a Master's Degree in Engineering Business Management from the University of Warwick, United Kingdom and was conferred an Honorary Doctorate of Doctor of Management by the University Malaysia Terengganu.

He served the Royal Malaysian Navy for 38.5 years, commanded six (6) ships and several Shore Bases. He rose to the rank of Admiral and took office as Chief of Navy in August 2003 and later became the first Naval Officer to assume the post of the Chief of Defence Force from April 2005 until 2007.

He was the President of the Malaysian Hockey Federation and is currently the President of the Malaysian Golf Association ("MGA"). Tan Sri Dato' Setia Mohd Anwar was also elected as the President of the Ex-Serviceman Association Malaysia (NGO) and continues to be President of the Retired Malaysian Navy Officers' Association ("RMNOA").

From 2014 to 2022, Tan Sri Dato' Setia Mohd Anwar was the Independent Non-Executive Chairman of Titijaya Land Berhad. He was the Non-Executive Chairman of Lembaga Tabung Angkatan Tentera (Armed Forces Fund Board), a position he held since his retirement from the Armed Forces in 2007 until May 2018. He was also the President of the Malaysian Medical Association Foundation for six (6) years.

He is currently the Chairman of Mines Resort and Golf Club appointed on 5 January 2023.

He served for one (1) term as Senator from 2015 to 2018. Tan Sri Dato' Setia Mohd Anwar is also currently the Pro-Chancellor of the National Defence University of Malaysia. He does not hold directorship in any other public companies.

He 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 (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

Dato' Mircle Yap Ching Chai was appointed to the Board on 30 January 2023 as an Independent Non-Executive Director and redesignated as Managing Director on 3 April 2023.

Dato' Mircle Yap has held diverse positions in multiple countries and played crucial roles in numerous equity fundraising, M&A, and IPO advisory transactions across Asia, Europe, and the United States. He has worked with companies from various industries, including construction materials manufacturing, technology, water concession, seafood manufacturing, steel manufacturing, e-commerce, dairy, and apparel, from 2004 to 2019.

Dato' Mircle Yap earned a Bachelor of Business Administration (Dual) degree in Strategic Operations Management and Human Resource Management from Georgia Southern University in the United States in 1998. He also received a Certificate of Management from the New Zealand Institute of Management in 2003.

He is affiliated with several professional associations, including the Chartered Management Institute, the European Corporate Governance Institute, the International Corporate Governance Network, the Malaysia Alliance of Corporate Directors, and the New Zealand Institute of Management.

Dato' Mircle Yap has held various positions since 2004, serving as a Strategic Investment Advisor at Quarto Capital LLC and Exalt Capital Group Investment, Commissioner at PT Envy Technologies TBK, Supervisory Board Member at Valens Holding AG, and Advisor at Zhuding International Limited. He was also a Non-Executive Director in several UK listed companies from 2011 to 2017.

Dato' Mircle Yap was involved in a Dual IPO Advisory and Equity Fundraising in Central Europe and Europe. In 2020, he successfully completed an equity exit for a US-listed entity of an Asian construction material manufacturing company.

Apart from his professional career, Dato' Mircle Yap actively engages in non-governmental organizations ("NGOs") and charitable organizations, such as the Ti-Ratana Welfare Society since 2009. In recognition of his contributions, Dato' Mircle Yap was honored with The Esteemed Order of the Crown of Pahang [Darjah Indera Mahkota Pahang] in 2013 by the late Sultan Ahmad Shah.

Dato' Mircle Yap 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 no directorship in other public companies. He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

DATO' MIRACLE YAP CHING CHAI

Managing Director



Malaysian



Male



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**BOARD OF DIRECTORS AND
KEY SENIOR MANAGEMENT PROFILE**



DR. RICKY YIP CHUN MUN

Deputy Managing Director



Malaysian



Male



60

Dr. Ricky Yip Chun Mun was appointed to the Board on 7 June 2016 as an Executive Director and redesignated as Deputy Managing Director on 3 February 2023. Dr. Ricky Yip 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. Ricky Yip received his PhD in Public Health from the University of Malaya. He is currently the Chief Executive Officer of GHHS Healthcare, GHHS Chinese Medical Centre, and Yunohana Wellness & Spa. He was formerly the Chief Executive Officer of Palace Vacation Club and Mines Global Holidays Sdn. Bhd. (inbound travel agency), both of which are subsidiaries of Country Heights Holdings Berhad.

Dr. Ricky Yip was the former Chairman of the Malaysian Holiday Timeshare Developers' Federation. He has over 30 years of experience in the Malaysian timeshare industry. Dr. Ricky Yip 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. Ricky Yip operated two (2) mega PPVs and conducted vaccinations for over 200,000 vaccinees against COVID-19. Dr. Ricky Yip's other accomplishments include conceptualising and marketing the first oil palm farm sharing investment scheme in Malaysia and generating 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 programs, property tourism, Malaysia My Second Home program, and medical tourism packages specifically targeted at the Middle East, China, Korea, Vietnam, and Indonesia markets.

Dr. Ricky Yip sits on the Board of Mines Excellence Golf Resort Berhad and several private companies.

He has no directorship in other public companies. Dr. Ricky Yip 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 (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

Mr. Chua Hee Boon was appointed to the Board on 3 February 2023 as an Executive Director, Finance.

Mr. Chua is a Chartered Accountant. He is a member of the Malaysian Institute of Accountants (“MIA”) as well as a Fellow Member of the Association of Chartered and Certified Accountant (“ACCA”) and an Affiliate of the Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”).

Mr. Chua has a combined experience of more than 28 years in audit, tax, corporate secretarial, corporate finance & advisory, tax advisory, business valuation and due diligence. He was also once attached to a big four audit firm, Deloitte, and has held senior positions with a public listed company.

His industry experience includes property development, hotel, manufacturing, retail, wholesaler, investment holding, consumer & industry services, printing, renovation, construction and event organizer.

In 2003, Mr. Chua joined Tan Sri Lee Kim Yew's private investment arm, to lead the finance department. Then in 2008, he was transferred to the public listed company, Country Heights Holdings Berhad as Group Financial Controller/Acting Chief Financial Officer.

In 2009, Mr. Chua established a consultancy company for the provision of quality corporate finance & advisory services, accounting, corporate secretarial, tax advisory, business valuation and project management. He is the founder and owner of ART Corporate Services Sdn. Bhd. and ART Advisory & Consultancy Sdn. Bhd.

Mr. Chua sits on the board of the Mines Plentiful Gold-Class Bhd, Mines Excellence Golf Resort Bhd, Country Heights Property Development Berhad, Mines Wellness Hotel Berhad and Golden Horse Palace Berhad. He has no directorship in other public companies.

Mr. Chua 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 (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.



CHUA HEE BOON

Executive Director, Finance



Malaysian



Male



50



BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



CHUAH TIAN PONG

Executive Director, Project & Chief Operating Officer



Malaysian



Male



51

Mr. Chuah Tian Pong was appointed to the Board on 3 February 2023 as an Executive Director, Project.

He is also the Chief Operation Officer of Country Heights Holdings Berhad.

Mr. Chuah is a graduate of Architecture and obtained his BSc (Hons) Architecture in 1997 and Post Graduate Diploma in Architecture in 1999 from Robert Gordon University, Aberdeen, Scotland, United Kingdom.

He has more than 25 years of working experience in both consultancy and property development companies handling residential and commercial projects including high-rise buildings. Mr. Chuah's forte is in planning, design and value engineering.

Mr. Chuah 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 no directorship in other public companies.

He has not been convicted for offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

Mr. Xiong Wei was appointed to the Board on 3 February 2023 as an Executive Director, Digital Technology.

Mr. Xiong Wei holds a Communication Engineering degree from Hezhou University of China.

He is a serial entrepreneur and investor in the internet finance industry and has rich experience in start-up enterprise strategic planning and investment operations.

He is also a pioneer in the blockchain and cloud computing industry and has both international and domestic work experience.

Mr. Xiong Wei is the chairman and founder of Hong Kong AI Life Investment Services Ltd. In 2008, he established Shenzhen Hengzhongxin Intelligent Technology Co. Ltd.

In 2018, he was the second prize winner of China's National Mobile Internet Innovation Competition.

Mr. Xiong Wei 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 no directorship in other public companies.

He has not been convicted for offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.



XIONG WEI

**Executive Director,
Digital Technology**



China



Male



48

**BOARD OF DIRECTORS AND
KEY SENIOR MANAGEMENT PROFILE**



LEE SOW LIN

**Non-Independent
Non-Executive Director**



Malaysian



Female



63

Ms. Lee Sow Lin was appointed to the Board on 7 June 2016 as an Executive Director. As at 1 March 2022, she has resigned from the Company and now redesignated as Non-Independent Non-Executive Director of the Company.

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 (“RCCLS Series A & B”). She was also instrumental in getting CapitaLand Singapore to purchase the Mines Shopping Mall for the settlement of the RCCLS Series A & B.

Ms. Lee Sow Lin has no directorship in other public companies. She 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 (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

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 Nomination & Remuneration Committee and a member of the Audit & Risk Management Committee of the Company. 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, a graduate member of Association of Chartered Certified Accountants (“ACCA”), Chartered Institute of Management Accountants and Malaysian Institute of Certified Public Accountants. He was also the prize winner for Advance Taxation, Malaysian variant conducted by ACCA in December 2002.

He holds a Capital Markets Services Representative’s Licence from the Securities Commission Malaysia to provide advisory services in corporate finance.

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 (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2022.



ONG TEE CHIN

**Independent Non-Executive
Director**



Malaysian



Male



59

**BOARD OF DIRECTORS AND
KEY SENIOR MANAGEMENT PROFILE**



TAN MENG KHONG

**Independent Non-Executive
Director**



Malaysian



Male



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Mr. Tan Meng Khong was appointed to the Board on 3 February 2023 as an Independent Non-Executive Director. He is the Chairman of the Audit & Risk Management Committee and a member of the Nomination & Remuneration Committee of the Company.

Mr. Tan holds a Bachelor of Accountancy degree from the University Putra Malaysia. He is also a member of the Malaysian Institute of Accountants and CPA Australia.

Prior to joining the Group, Mr. Tan had over 20 years of corporate experience holding different positions as Resource Director, General Manager of Development and Finance Manager in Singapore and Australian public listed companies.

Mr. Tan sits on the Board of Plentiful Gold-Class Bhd. He has no directorship in other public companies. Mr. Tan 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 (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.

BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE

Mr. Chuah Peng San was appointed to the Board on 3 February 2023 as an Independent Non-Executive Director. He is a member of the Audit & Risk Management Committee and Nomination & Remuneration Committee of the Company.

Mr. Chuah, a Barrister-at-Law, holds a Bachelor of Law (LL.B Hons) degree from the University of Leeds, England and a Bachelor of Science (B.Sc. Hons) degree, majoring in Chemistry and minoring in Management from University of Science Malaysia, Penang.

Having called to the Bar by Lincoln's Inn, United Kingdom in 1991, he had a short chamber with a Queen's Counsel in London specialising in commercial and corporate matters and later trained with a renowned solicitors firm, Phillips & Buck (now Eversheds) Cardiff, United Kingdom prior to returning to Malaysia.

He was admitted as an Advocates & Solicitors to the High Court of Malaya and later set up the legal firm known as Chuah, Halim & Co. in 1995.

He is a practising lawyer in the fields of commercial, conveyancing, land matters and civil litigation. He was a legal adviser of the Perlis Chinese Chamber of Commerce and had represented a subsidiary company of Sunway Group. He is currently on legal advisory works for a few established clients.

Mr. Chuah 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 no directorship in other public companies.

He has not been convicted for offences within the past five (5) years other than traffic offences, if any, and have not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2022.



CHUAH PENG SAN

**Independent Non-Executive
Director**



Malaysian



Male



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CHAIRMAN'S MESSAGE



Admiral Tan Sri Dato' Setia
Mohd Anwar Bin Hj. Mohd Nor (R)
Non-Independent
Non-Executive Chairman

It is with great pleasure that we present the Annual Report and Audited Financial Statements for the year 2022 on behalf of the Board of Directors. We acknowledged that the year 2022 posed significant challenges for Country Heights Holdings Berhad ("CHHB") and its Group of Companies ("the Group"), including intense competition and unfavourable market conditions.

In spite of the economic downturn and slowpace of recovery, the Group remained resolute in its commitment to seizing opportunities during times of crisis. We are now in the next phase of our strategic evolution, which has involved the internalization and restructuring of our business and top management.

CHAIRMAN'S MESSAGE



Internationalisation and The Group's Restructuring

- Our revised strategy will see the Group focusing on more opportunities and create value for our shareholders and partners.
- Focusing on the fundamentals: **Products. Services. Branding. Culture.**
- Establishing partnerships with third parties which will diversify our capital sources.
- Enable our business to grow and to take advantage of future opportunities in the market as they arise.

Financial Review of CHHB

- In 2022, the Group reported a net loss of RM107.59 million, compared to a profit of RM3.12 million the previous year, with revenue of RM46.34 million compared to RM104.91 million in the previous year.
- As of December 31, 2022, the Group had total assets of RM1.21 billion and total equity attributable to shareholders of RM731.16 million.

The Group's gearing ratio, calculated as the total debts to total equity capital at 0.23 compared to 0.24 in the previous year. In light of the uncertain global economic outlook and Malaysia's economic recovery, it is essential to explore new ideas and approaches to enhance competitiveness. Despite the challenges, we remain confident in the Group's capability and capacity as we continuously monitor our growth.

Country Heights Holdings Berhad was established in 1984 by Tan Sri Lee Kim Yew as a property development company, offering uniquely designed country-styled homes in Malaysia. Today, the Group has expanded to become a lifestyle property developer with a diverse business portfolio in Hospitality, Wellness, Lifestyle, Tourism, and Investments, and has an impressive track record as the master developer of over 560 million square feet of space worldwide.

The Group's Focus

The Group will maintain its focus on key divisions such as Property Development, Property Investment, Resort & Hospitality, and Healthcare in order to achieve sustained business growth. With over 30 years of real estate experience, CHHB will continue to deliver distinctively designed projects that reflect the Group's vision of "Ever Searching for Better Living."

To boost future earnings growth, the Group is looking to strategically expand its sizable land bank through acquisitions and strategic joint ventures, while also prioritising leasing and rental activities.

Aside from residential developments, the Group has built shopping malls like The Mines Shopping Mall, exhibition centres like Excel London, offices, schools, hotels, and golf courses like Pecanwood and Mines Resort and Golf Club. Despite the challenging economic environment, the Group is optimistic about its future prospects and committed to delivering long-term growth for its shareholders.

Property Development

The company's focus will be on developing and managing high-end bungalow properties to cater to customer needs and create demand. Specifically, the property division of the Group plans to launch 1,000 new double-story terrace homes in strategic locations throughout Malaysia, including Selangor, Kedah, Melaka, and Negeri Sembilan, utilizing the 5S concept of Smart living, Sport, Solar, Security, and Service.

We will remain optimistic about the prospects of our Property Development Division given the advantageous location of our land banks, and will adjust our products and pricing accordingly to align with market trends.

CHAIRMAN'S MESSAGE

Healthcare – Wellness Tourism

'International Medical Hub'

The Group is undergoing a transformation of its Palace of the Golden Horses, Mines Waterfront Business Park Tower 4 & 5, and adjacent 12-acre recreational land property into a new 200-acre development. This development will be branded as an International Medical Hub, with a focus on medical tourism, particularly in areas of treatment, prevention, rejuvenation, and rehabilitation.

We anticipate that this development will become a significant wellness attraction in the ASEAN region, especially in the wake of the COVID-19 pandemic, as health awareness and consciousness continue to rise. The medical tourism industry is a lucrative market in the region, and we are well-positioned to take advantage of this trend, offering top-notch facilities and services to both domestic and international visitors.

To solidify our position as a leading property developer in the region, we recognize the importance of keeping up with the latest digital trends, including blockchain and security token offerings (STOs). We believe that tokenizing our real estate assets is visionary, as it enables the creation of digital securities that represent ownership in a specific property or portfolio of properties. This makes it easier for investors to access and trade real estate assets, similar to traditional securities, on a blockchain platform.

While it is a new and emerging area for the Group, we believe it has the potential to revolutionize the real estate market.

Despite the turbulence in the market, we remain committed to the long-term investment and development of our business, keeping our fundamentals healthy to serve our customers' needs going forward.

MIECC – Exhibition and Convention

The pandemic posed significant challenges for MIECC, with all planned events either indefinitely postponed or cancelled due to COVID-19. Despite being one of the hardest-hit economic sectors, MIECC remains optimistic and resilient about the reopening of the event industry. In 2022, the convention hosted seven major events.

MIECC's primary focus is on internal upgrades and improvements while establishing relationships with strategic partners to prepare for the eventual reopening of the industry. The emphasis will be on developing our own programs and intellectual property, with a concentration on consumer entertainment and concerts.

Environmental Sustainability Practices - Going Green

The Group has taken various project plans which have been implemented towards energy savings and sustaining a "clean environment". Negative ion energy ceiling boards, a natural ionizer and air purifier in LakeView Residency in Cyberjaya was our first project which used a negative ion energy ceiling board and also its first development in Malaysia to introduce negative ion energy ceiling boards. 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, Recycle and Reduce

Through Malaysia's 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.

Our employees are encouraged to practice the 5R'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 run the toilets.

CHAIRMAN'S MESSAGE



Under Country Height's core values, NATURE, is about establishing a harmonious relationship with nature through the preservation and enhancement of nature's finest gifts. For instance, we reduce the use of plastic bottled water at meetings and events by using glass bottles at almost all our meetings.

Corporate Governance

The Board adheres to the recommendations outlined in the Malaysian Code on Corporate Governance and strives to uphold the principles of good corporate governance to enhance and safeguard shareholder value. Further details on these measures can be found in our Corporate Governance Overview Statement, located on pages 50 to 60 of this Annual Report

The Group recognizes that striking a balance between delivering strong business results and prioritizing people, social responsibility, and environmental stewardship is crucial to increasing shareholder value.

We remain committed to conducting our business with integrity and ethical standards, while also reinvesting in society through various initiatives focused on workplace, community, environment, and marketplace.

Acknowledgement & Appreciation

I would like to express my sincere gratitude to my fellow Board members, the management team, and particularly to the hardworking employees of CHHB. Despite the difficulties we faced, their unwavering dedication, sacrifices, and selflessness have enabled us to persevere.

On behalf of the Board, I extend our appreciation to our shareholders, associates, and partners for their unwavering support. We are eager to improve our performance in 2023 and beyond.

Thank you.

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R)

Non-Independent Non-Executive Chairman



MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

Country Heights Holdings Berhad, as a Group, continues to grow and we are constantly seeking new opportunities to diversify and strengthen our presence as well as exploring new industries.

Our goal is to create a dynamic and innovative Group that can adapt to changing market conditions and offer value to our customers and stakeholders in all of our businesses.

With a new line-up led by our Board members, and the new appointment of Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R) as Non-Executive Chairman and Dato' Mircle Yap Ching Chai as a Managing Director, our management team of professionals and commitment to excellence, the Group is confident in our ability to succeed and make a positive impact in the communities where we operate.

MANAGEMENT DISCUSSION & ANALYSIS

**Group Business and Operations**

The Group leverages its extensive experience in creating world-class establishments and services that cater to the changing needs of businesses and aims to stay ahead of the competition and continue delivering its promise of 'Ever Searching for a Better Living'.

We are expanding our Group which is active across a broad spectrum of industries:

1. Healthcare Division: International Medical Hub
2. Resorts and Hospitality Division: Membership hotel focus on health and wellness lifestyle
3. Exhibition and Convention Division
4. Property Division

MANAGEMENT DISCUSSION & ANALYSIS



Healthcare Division

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

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



Resorts and Hospitality Division

The Hospitality Division carries three international award-winning brands, including Palace of the Golden Horses and Mines Beach Resort.

Through this Division, the Group offers the best in hospitality, fine and casual dining, leisure, recreational activities, health and wellness centres and fitness.



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.



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 well-being lifestyle.

MANAGEMENT DISCUSSION & ANALYSIS



From the period 2018 to 2022, the CHHB Group moves into digital innovation, big data management and the Internet of Things (“IoT”). The direction is made for the Group to remain competitive in broadening the engagement with our clients, partners and customers not only in Malaysia but internationally.

Key Direction

Digital Innovation

In 2022, the Group faced tough challenges merely due to the economic slowdown, inflation and increase in prices. The pandemic has fast-tracked the need for adaptation of Digital Innovation.

From the period 2018 to 2022, the CHHB Group moves into digital innovation, big data management and the IoT. The direction is made for the Group to remain competitive in broadening the engagement with our clients, partners and customers not only in Malaysia but internationally as well.

As mentioned in the Chairman’s Message, the Group stressed the importance of staying up to date with the latest digital trends, such as blockchain and security tokens offering (“STO”), to further solidify its position as a leading property developer in the region. CHHB’s decision to tokenize its real estate is an innovative move that will position the Group at the forefront of this emerging market.

Tokenizing real estate can increase liquidity in the market, as smaller investors can also participate in investments that were previously only available to larger institutional investors. It also provides greater transparency, as all transactions are recorded on the blockchain, which can help to eliminate fraudulent activities.

Overall, the tokenization of real estate can revolutionize the industry by providing greater accessibility, transparency, and efficiency to investors.

Health and Wellness Tourism

Health tourism in Malaysia is divided into two main categories:

- 1. Medical tourism:**
Medical treatments and procedures offered at internationally recognised hospitals and health facilities.
- 2. Wellness programmes:**
Rehabilitation programmes, physiotherapy, spas, reflexology and massages.

Opportunities and Prospects in Health Tourism

Malaysia is ranked as a Top Destination for Medical Tourism and one of the most preferred travel destinations in the world, ranking 18th among most visited countries in 2020. Beyond our natural attractions, cultural heritage and mouth-watering cuisines, Malaysia is also fast emerging as a strong competitor in the global health and medical tourism sector.

In fact, we’re ranked the top international medical tourism destination in a UK-based international medical travel journal, after attracting 1.3 million medical tourists in 2021. Malaysia in 2022 has one of the fastest vaccination rates in the world, with 79% of the population vaccinated which makes it easier for people to travel to Malaysia for medical treatment.

MANAGEMENT DISCUSSION & ANALYSIS



Why People Opt for Medical Tourism in Malaysia



High Quality of Care

Our world-class healthcare quality has and continues to open the floodgates for healthcare tourism.



Competitive Cost & Packages

The cost of medical procedures or treatments can be relatively competitive in Malaysia for a similar treatment in one's own country or in neighbouring countries like Singapore and Australia. Foreigners can also enjoy world-class infrastructure facilities with comfortable accommodations.



Treatment Availability & Variety

Malaysia has gained a reputation as the Asia region's hub for cardiology, fertility, oncology and Hepatitis C treatments. Malaysia is home to more than 33 advanced heart treatment centres in the country, with advanced procedural techniques such as multi-slice computed tomography, endoscopic vein harvesting, and heart-assist devices.



Culture & Religion

A multilingual environment that prioritises the religious requirements of its patients prompts many to seek medical treatment abroad. Malaysia is the leading global halal hub and is expected to launch halal certification for drugs and medical devices in 2022. Not to mention the world-class hospitality rendered by its people who can speak a plethora of languages. This can breach language and cultural barriers to make travellers feel at home.



Time Sensitivity

Foreigners can expect shorter waiting times compared to some countries that have an overburdened healthcare system. Furthermore, Malaysia is also accelerating its efforts to digitalise the healthcare industry by conducting teleconsultations to provide continuity in foreign patient care for those who are unable to travel.

MANAGEMENT DISCUSSION & ANALYSIS



Wellness Programmes

Wellness packages are seeing an upward trend globally. It covers the physical, psychological or spiritual areas, giving you a holistic experience in your trip abroad.

Malaysia offers an impressive array of wellness programmes, leveraging on the natural resources widely available in Malaysia. Wellness-based activities that are gaining popularity here are spas, massages, fitness classes, and diet and weight management programmes.



Vacation

Travellers with a bigger budget can kill two birds with one stone by going abroad for their procedure and extending their stay for a holiday. From the modern metropolis to the beautiful tropical islands, patients and their families can experience the best of both worlds in Malaysia. After surgery, patients are encouraged to stay for some weeks to recover safely before flying back home.

Country Heights Holdings Berhad's (CHHB) 'International Medical Hub'

This segment aspires to fortify the CHHB Group which already established credentials in the healthcare industry by introducing the 'Prevention is Better than Cure' themed real estate centred on the tenets of the total health continuum.

It reflects both CHHB Group and Malaysia's vision to emerge as the preferred holistic health and wellness destination in the Southeast Asia region.

The Group is transforming the Palace of the Golden Horses, Mines Waterfront Business Park Tower 4 & 5, and the adjacent 12 acres of recreational land property into a new development covering 200 acres within our Mines Wellness City.

This development is focusing on medical tourism, with an emphasis on the areas of treatment, prevention, rejuvenation, and rehabilitation, whereby it will be branded as an International Medical Hub.

Since its inception in 2014, Mines Wellness City has been tasked to drive strategic investments as part of promoting Malaysia as a wellness hub backed by a tax holiday incentive programme and presenting investment opportunities across the wellness and health segment in the region.

Our facilities will provide an integrated health and wellness care range within a single environment, all geared to meet the needs of its customers and community members and integrate Health and Wellness into peoples' living communities and lives.

Our real estate incorporates planned wellness elements and smart technology into its design, materials and building, and amenities and programming are growing fast as we know that our customers want to bring more health into the places where they can spend the majority of their time.

Our vision puts human health and well-being at the centre of our buildings, our products, and innovative solutions. The International Medical Hub will harness wellness technology designed to enhance health outcomes in the home and mitigate harmful indoor environmental concerns, creating spaces that help reduce stress, improve sleep quality, increase performance and enhance overall well-being.

The International Medical Hub offers investment opportunities across 13 categories involving Medical and Wellness operations. The CHHB Group's very own brand, GHHS Healthcare, currently offers holistic health screenings and diagnostic centre services, alongside traditional Chinese medicine as well as Wellness & Rejuvenation centre services.

MANAGEMENT DISCUSSION & ANALYSIS

FINANCIAL PERFORMANCES

Group Financial Performance



REVENUE (RM'000)

-56%



NET PROFIT/(LOSS) (RM'000)

-3549%



The CHHB Group's total revenue for the year 2022 decreased from RM104.91 million to RM46.34 million. This was mainly due to the sale of a piece of land located at Country Heights Damansara with a value of RM54 million in the financial year ended 31 December 2021.

The CHHB Group's total revenue for the year 2022 decreased from RM104.91 million to RM46.34 million. This was mainly due to the sale of a piece of land located at Country Heights Damansara with a value of RM54 million in the financial year ended 31 December 2021.

For the year 2022, Healthcare Division, Resort & Hospitality Division, Exhibition and Convention Division and Property Division contributed RM24.20 million, RM6.37 million, RM6.83 million and RM8.94 million respectively to the CHHB Group's total revenue.

The Group recorded a segment loss of RM94.11 million in the year 2022 as compared to a segment profit of RM21.77 million in the year 2021.

The Group recorded a net loss of RM107.60 million for the year 2022 as compared to net profit of RM3.12 million in the year 2021 and it was mainly due to the impairment loss for Borneo Highlands Resort and related assets of RM75.2 million⁽¹⁾.

Note⁽¹⁾ The company is optimistic that we are able to obtain a compensation amount of RM150 million from LCDA.

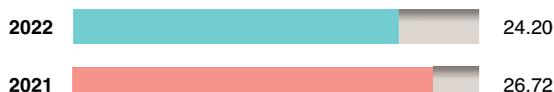


MANAGEMENT DISCUSSION & ANALYSIS

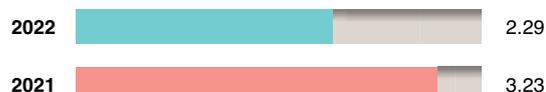
A. Healthcare Division



REVENUE (RM'000)

-9%

NET PROFIT/(LOSS) (RM'000)

-29%

The CHHB Group's very own brand in Healthcare Division, GHHS Healthcare, currently offers holistic health screenings and diagnostic centre services, alongside traditional Chinese medicine, Wellness & Rejuvenation centre services, modern European Wellness as well as German and Swiss Regenerative Medicine.

GHHS Healthcare offers complementary treatments which combine the best of Western scientific detection technologies with Eastern natural treatment therapies.

GHHS Healthcare recorded a net profit of RM2.29 million on a turnover of RM24.2 million.

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 Centres ("MIECC").

With professional expertise and highly sophisticated diagnostic equipment, GHHS Healthcare is able to provide our active 40,000 members with the best care and technology available.

GHHS Healthcare has conducted over 300,000 screening packages and medical tests since its inception in 2000. It has a high members satisfaction rate of above 90%.

In 2022, GHHS Healthcare conducted over 16,000 medical screening tests.

Under this segment, progress is underway on a new wellness building with a GHHS TCM hospital and a confinement centre targeted in 2025 which will be the first well-equipped private Chinese hospital in Malaysia. GHHS Healthcare will collaborate with local TCM universities and serve as Malaysia's first Chinese Medical education and training centre as well as Chinese Medical clinical research centre.

GHHS Healthcare's Medical Screening and Specialist Clinic

GHHS Healthcare provides customers with a wide spectrum of preventive healthcare services established in 2000. 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 within a 40,000 sqft screening centre that offers state-of-the-art facilities and equipment.

GHHS Healthcare houses the Architect ci8200 PLUS integrated state-of-the-art equipment that can conduct up to 1,200 clinical chemistry and 200 immunoassay tests per hour and has been awarded the 'Best Health and Wellness Tourism Award' from the Malaysian Tourism Council in 2018.

MANAGEMENT DISCUSSION & ANALYSIS



A. GHHS Healthcare Specialist Clinic

GHHS Healthcare provides customers with a wide spectrum of preventive healthcare services established in 2000. 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 within a 40,000 sqft screening centre that offers state-of-the-art facilities and equipment.

Milestones:

1. Introduction of specialist consultancy for Diabetes Mellitus at the Kidney Disease and Cancer Management Clinic at GHHS Healthcare. This treatment recommends Detoxification, Diet Modification as well as working together with the Chinese medical centre on Cupping Therapy and 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 at GHHS Healthcare also achieved an 80% success rate with supporting evidential medical analysis, especially in chronic kidney disorders, joint pains, high cholesterol, and breakthrough 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 inherited risk factors for breast and ovarian cancers. Introduction of DNA Test for G-child, G-giardia, G-cardio META, G-onco, G-corporate, G-wellness, and G-pharma.
6. Introduced a new corporate screening package that specialises in cancer screening, heart screening, and corporate annual check-ups. An onsite check-up is available.
7. Conducted over 10,000 PCR Covid tests.
8. Appointed by IMR to produce and distribute Maggot debridement therapy to over 55 hospitals in Malaysia.
9. GHHS Nursing and Chinese Medical specialises in in-home care, and mobile medical check-up, nursing care, Chinese medical and wellness services and have extended this personalised service to people's doorstep.
10. GHHS Oncology Service is in the pipeline and will be launched in quarter one of 2024.

MANAGEMENT DISCUSSION & ANALYSIS

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.
4. GHHS Lungshield – a herbal remedy as a preventive formula during the COVID-19 pandemic. It helps to nourish the lung and reinforce the body's immune function, enhances the body's anti-inflammatory system, and has received numerous commendable testimonials from post-COVID-19 patients.
5. GHHS Chinese Medical Centre has collaborated with the Malaysian Chinese Medical Society of Epidemic Control and Prevention to give away complimentary GHHS lung shields to COVID-19 patients, their families and COVID-19 close contacts.
6. Collaborated with Golden Horse Digital Bank, Nirwana group, and INTI TCM clinic in Seremban for the distribution of the lung shield. Reached out to 5000 Covid & post-Covid patients while 2500 joined our survey and the review has 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 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 the 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.

MANAGEMENT DISCUSSION & ANALYSIS

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.

Under this segment, progress is underway on a new wellness building with a GHHS TCM hospital and a confinement centre targeted in 2025 which will be the first well-equipped private Chinese hospital in Malaysia. GHHS Healthcare will collaborate with local TCM university and serves as Malaysia's first Chinese Medical education and training centre as well as Chinese Medical clinical research centre.

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

C. European Wellness Retreat (“EWR”)

EWR is the international company platform to provide Regenerative and Innovative Bio molecular treatment using exclusive Swiss & German technologies with an international chain of 38 hospitals, and medical centres specialising in Regenerative Biomedicine and luxury Wellness Centre Globally.

We are providing four (4) total wellness concepts which are: Diagnosis, Detoxification, Repair and Rejuvenation inclusive of many publications and testimonies. We are leading Integrated Healthcare Solutions offering a non-invasive approach for anti-aging, aesthetics, and preventive chronic health disorder through patient-specific and integrative Swiss-German Biological Medicine.

Milestones:

1. Despite the COVID-19 pandemic's affect nationwide, EWR has recorded a profitable business growth of five (5) times higher in revenue sales for 2021 and 2022 profitable business.
2. In lieu of the high demand for treatments by local and overseas patients, we have expanded the renovation and bought additional devices for the prevention of heart and stroke diseases. As part of the business expansion, EWR has established the market into overseas medical tourism clients from China, USA, UAE, Indonesia and Japan with personalized and customized treatment by EWR-qualified doctors.
3. 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, Fatty Liver, Chronic Kidney Disease, Hypercholesterolemia, Heart Disease, post-stroke, Hormone treatment, Joint Diseases, Osteoporosis, Post Covid and Stoke Rehabilitation, Hair Growth, etc. Additionally, Biological Functional, Integrative and Regenerative Medicine are also being introduced through an individualized therapy approach.
4. 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

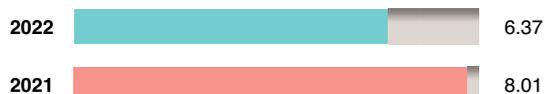
B. Resorts and Hospitality Division



REVENUE (RM'000)
-20%



NET PROFIT/(LOSS) (RM'000)
-786%



The Resorts & Hospitality Division comprises two international award-winning brands, namely Palace of the Golden Horses and 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 RM6.37 million in 2022 as compared to RM8.01 million in 2021.

The decrease in revenue for the Resorts & Hospitality Division for the year ended 31 December 2022 was recorded at RM6.37 million as compared to RM8.01 million for the year ended 31 December 2021 was mainly due to the higher deferred Palace Vacation Club ("PVC") membership income of RM2.7 million recognized in preceding quarter ended 31 December 2021.

The net loss of RM38.89 million for the current year ended 31 December 2022 compared to RM4.39 million for the year ended 31 December 2021 was mainly due to the impairment loss of Borneo Highlands Golf Club Resort and leasehold building of RM27.9 million.

MANAGEMENT DISCUSSION & ANALYSIS



Prospects for Recovery in Travel and Tourism

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

After the unprecedented drop of 2020 and 2021, international tourism is expected to continue its gradual recovery in 2022. As of 24 March 2022, 12 destinations had no COVID-19-related restrictions in place and an increasing number of destinations were easing or lifting travel restrictions, which contributes to unleashing pent-up demand.

Tourism Enjoys a Strong Start to 2022 While Facing New Uncertainties in All Regions

International tourism continued its recovery in January 2022, with a much better performance compared to the weak start to 2021. However, the Russian invasion of Ukraine adds pressure to existing economic uncertainties, coupled with many Covid-related travel restrictions still in place. Overall confidence could be affected and hamper the recovery of tourism.

Based on the latest available data, global international tourist arrivals more than doubled (+130%) in January 2022 compared to 2021 - the 18 million more visitors recorded worldwide in the first month of this year equals the total increase for the whole of 2021.

While these figures confirm the positive trend already underway last year, the pace of recovery in January was impacted by the emergence of the Omicron variant and the re-introduction of travel restrictions in several destinations. Following the 71% decline of 2021, international arrivals in January 2022 remained 67% below pre-pandemic levels.

Tourism Malaysia Strategic & Marketing Plan was developed based on National Tourism Policy 2020-2030, National Ecotourism Plan 2016-2025, National Cultural Policy (DAKEN) 2021 and UNWTO Sustainable Development Goals (SDGs). The strategies are also formulated on market trends and sentiments, secondary data research as well as input from stakeholders and industry players.

As domestic tourism continues to drive the recovery, Malaysia is also gearing up to welcome international travellers by targeting to attract 2 million tourist arrivals with a contribution of RM8.6 billion this year. With the widespread vaccination roll-out, lifting of travel restrictions, good coordination and information on travel protocols, it is hoped that it will speed up the recovery of international tourism.

Palace of the Golden Horses

Palace of the Golden Horses ("PGH") provides 472 exquisite guestrooms and suites of which 20 are designed as themed suites, such as Queen Elizabeth, Nelson Mandela, China President, Heads of State, 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 a revenue of RM0.61 million in 2022 as compared to RM0.13 million in 2021.

The Group has decided to open the hotel's operations in phases and will take the opportunity to restructure its overall operations and upgrade before an eventual opening.

Mines Beach Resort

Mines Beach Resort recorded a revenue of RM3.90 million in 2022 as compared to RM1.40 million in 2021.

Philea Mines Beach Resort was renamed as Mines Beach Resort and managed by new management effective from May 2022. Nestled amidst the concrete jungle of Kuala Lumpur, Mines Beach Resort is an unexpected haven offering a full experience of sophisticated style, comfort, privacy and tranquillity and it will be transformed into a detox and rehabilitation wellness hotel with batik and a traditional concept.

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 barbecues, family days, team-building events and other leisure or corporate activities.

A delightful 171 room wellness hotel with a tropical design overlooking a scenic 150 acre lake, Mines Beach Resort 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.

Palace Vacation Club (“PVC”)

PVC recorded a revenue of RM1.84 million in 2022 as compared to RM6.42 million in 2021.

PVC is a membership club designed to provide its members with 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 restricted international and local interstate travel is the main impact of COVID-19 on PVC's business.

Resort stays at the Palace of the Golden Horses Hotel (“PGH”) and the exchange of PGH stays with other timeshare resorts are the main selling points of PVC membership. PGH is undergoing its room refurbishment and remains closed, while the sale of new memberships dropped significantly during the year and directly affected PVC's operational cash flow.

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

PVC will look into repackaging and enhancing its membership through new technology for better engagement with members and more effective marketing.



MANAGEMENT DISCUSSION & ANALYSIS

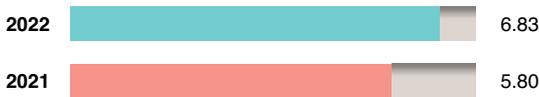
C. Exhibition and Convention Division



REVENUE (RM'000)
18%



NET PROFIT/(LOSS) (RM'000)
-153%



Malaysia International Exhibition and Convention Centre (“MIECC”) recorded a revenue of RM6.83 million in 2022 as compared to RM5.80 million in 2021.

MIECC is 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 Beach Resort, 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 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 the pandemic, with all events that were planned being either postponed indefinitely or cancelled due to the COVID-19 pandemic. 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.

As one of the worst-hit economic sectors, MIECC remains resilient and positive towards the reopening of the event industry and had conducted more than 12 major events. In an immediate response, the industry sees a surge in the logistics industry. Hence the exhibition and convention division via MIECC has offered its 150,000 sq.ft. space to be a warehouse and distribution space.

MIECC's predominant focus is on internal upgrades and improvements while also building relationships with strategic partners, focusing on consumers and big players in the international entertainment industries, as well as producing new intellectual property for its own events and concerts.

MANAGEMENT DISCUSSION & ANALYSIS

Key events held at MIECC in 2022:



Malaysia Commercial Vehicle Expo

10-12 March 2022

Description:

The largest exhibition in South-East Asia specifically for the commercial vehicle industry and organised by Asian Trucker, the region's leading provider of communications channels for the truck and bus industries and related companies.

The fifth time Asian Trucker organised this international exhibition at MIECC, following the resounding success of the 2013, 2015, 2017 and 2019 events.

The event hosted not only an exhibition where companies showcase their latest products and services but featured a comprehensive and exciting fringe program to ensure that the expo appeals to a broad audience within the sectors featured.



Hari Koperasi Negara

28-31 July 2022

Description:

The National Cooperative Day was held to explain the activities, roles and direction of the cooperative movement as well as to publicize to the general public that cooperatives play an important role in the development of the country economically and socially.

National Cooperative Day (HKN) is an annual event organised by the Malaysian Cooperative Commission (SKM) in collaboration with the Ministry of Entrepreneur Development and Cooperatives ("MEDAC"). The event was held as a sign of the Government's recognition of the cooperative movement for the role and contribution that this movement has given in the socio-economic development efforts of the country.



AniManGaki Expo

27-28 August 2022

Description:

AniManGaki returned to a physical event this year at Mines International Exhibition & Convention Centre ("MIECC") in Seri Kembangan, Selangor on 27-28 August. Otakus, cosplayers and gamers returned to this comeback anime convention for the first time since 2019 after the pandemic forced it to be cancelled in 2020 and last year's event took place online. The first full-scale on-ground event in the endemic phase. This year's AniManGaki was extremely special after two years of silence with more artist/cosplay booths and 300 individual vendors.

Main activities at AniManGaki 2022 include cosplay, singing and art competitions, artists and cosplay alleys, stage performance, live concerts, gaming tournaments and exhibitions.

MANAGEMENT DISCUSSION & ANALYSIS

Key events held at MIECC in 2022:



All About Wheels

25-27 November 2022

Description:

The Velocity Motor Show held its first-ever indoor automotive event at the Mines International Exhibition and Convention Centre ("MIECC") during the past weekend. Auto enthusiasts, car manufacturers and experts were on hand to showcase their latest creations.

The All About Wheels 2022 ("AAW2022"), sponsored by Pulzar Lubricant, is a car show brought to you by Velocity Motor Show. The event is a display of automotive features, with participation from across Asean especially from Malaysia, Thailand and Singapore. The three-day event featured more than 100 cars, with its main highlights including two units of Monster Truck uniquely imported from Thailand and three units of live-size Lightning McQueen cars from the popular Cars movie. The goal of these displays was to draw the attention of a younger audience, to bring their favourite animation character up close.

This trade show displays body kits and carbon accessories, performance upgrades, rims and tyres, interior modifications and engine upgrades. Besides showing various customisations of cars, the event has also held BikeFest, a display of two wheels featuring Harley Davidson, Aprilia, Vespa and Royal Enfield.



The Big Bad Wolf Books

20 December – 2 January 2023

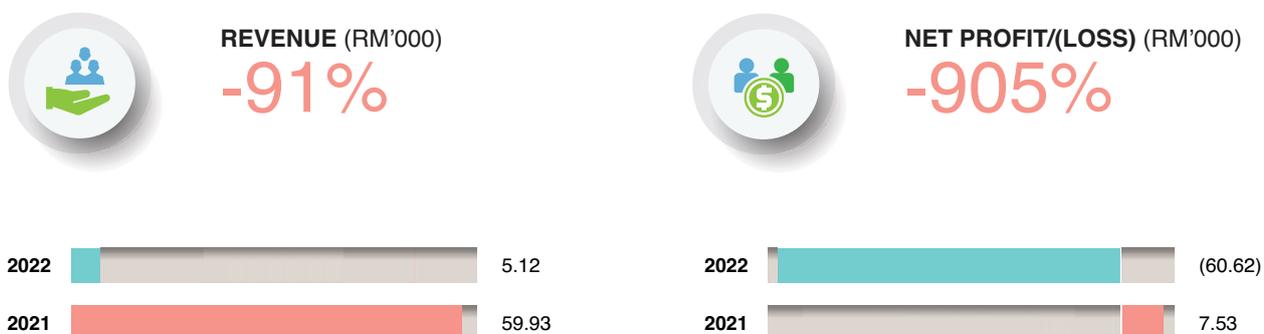
Description:

The Big Bad Wolf Books was launched in Kuala Lumpur, Malaysia, in 2009, as the brainchild of BookXcess' founders, Andrew Yap and Jacqueline Ng. The primary mission is to cultivate reading habits, increase English literacy worldwide and build a new generation of readers, by making books more affordable and accessible, to EVERYONE.

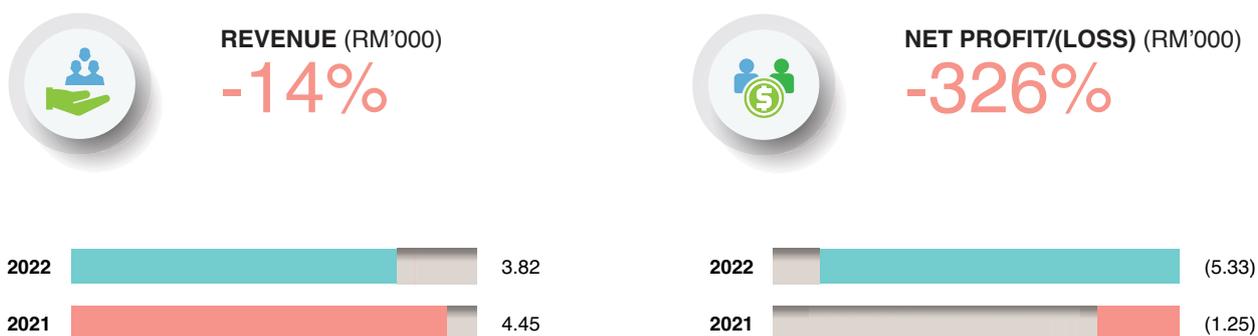
Known as the World's Biggest Book Sale, the Sale is a global reading advocacy initiative that aims to encourage people of all ages to discover the joys of reading and inspire them to pursue their dreams and, importantly, empower them with the knowledge to realise them. We believe that the more knowledge that one gains, the better-equipped a person is to meet today's competitive world's exacting demands.

MANAGEMENT DISCUSSION & ANALYSIS

D. Property Division



Property Leasing & Rental



The Property Division (include Property, Leasing & Retail) has contributed RM8.94 million of revenue for the year ended 31 December 2022 as compared to RM64.38 million for the year ended 31 December 2021.

This was mainly due to the sale of a piece of land located at Country Heights Damansara of RM54 million in the year ended 31 December 2021.

The net loss of RM65.95 million was recorded for the year ended 31 December 2022 as compared to the net profit of RM6.28 million for the year ended 31 December 2021 mainly due to the Forfeiture of Land inventories written off from Sarawak of RM46.8 million.

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

a) CHHB Sales Program

The Group launched the CHHB Sales Program and has identified RM300 million of the completed properties to contribute to profitability. 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.

MANAGEMENT DISCUSSION & ANALYSIS



Klang Valley Area:

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

Outside Klang Valley:

- 55 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

b) 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 a 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 centre, cafes, and retail spaces for a variety of wellness businesses.

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; fingerprint, and card swiping to improve sign-in efficiency and user experience. Equipped with a signature fitness centre; 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. unified 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.

MANAGEMENT DISCUSSION & ANALYSIS

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.

c) 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 to 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.

d) 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 backyard 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.

On the property segment, the Group will concentrate on developing and managing premium bungalow properties that cater to the needs and create demands from the customers. Moving forward the property division of the Group will concentrate on launching 1,000 new double-story terrace homes with the 5S concept (Smart living, Sport, Solar, Security, and Service) in strategic locations across Malaysia, including Selangor, Kedah, Melaka, and Negeri Sembilan.

The Group remains enthusiastic about our Property Development Division's prospects given the strategic position of our land banks.

Moving Forward

The Group will continue to pursue possibilities and explore prospective partnerships and collaborations in order to expand our portfolio and improve our commercial portfolio in the region.

As we are guided by the values of excellent corporate governance, entrepreneurial energy, and a dedication to sustainability in all of this, we will continue to be the foundation of our success, allowing us to create stronger and more sustainable returns over time.

SUSTAINABILITY STATEMENT

2022 was another year of global challenges affecting people all over the world as well as our Group's business – the still ongoing COVID-19 pandemic, the devastating war in Ukraine, high inflation impacting the cost of living, climate change, escalating nature loss and rising inequalities.

STATEMENT OVERVIEW

In times like these, staying committed to our sustainability strategy is more important than ever – it's critical for our business and an important part of fulfilling our vision.

In this challenging year, we first and foremost want to thank all our colleagues, partners, shareholders, customers and suppliers for their continued support and hard work.

Guided by 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 innovation and generate future business.

What does Sustainability mean to us?

Sustainability and responsible action are guiding principles that are central to our mission, vision, and core values.

Sustainability is an extension of mankind to sustain and develop customer service offering towards their business industries. We have made great success all these years and have built a strong strategy focusing on strengths, culture, innovations, data, and technology.

Developments often move slower than we would like. At times, we can run ahead of ourselves or come up with ideas that our markets are not yet ready for. Nevertheless, we are confident that sustainability will play an increasingly important role, with end-users making more conscious choices and investigating whether the company's claims are factually correct.

In 2022, Country Heights Holdings Berhad looked into implementing this strategy. We have improved our customer satisfaction measures in key products and segments, invested in exciting transformative initiatives, adopted the change to the working culture by using cloud-based system investment, and became more active in capturing attractive opportunities in our markets.

As a pioneer in the property industry in Malaysia, we strive to strengthen the domestic economy and sustain the world economy.

Scope

Our sustainability report overall covers the restructuring of our business in order to adopt the changes mentioned above, especially towards Big Data, Blockchain, and Internet of Things ("IoT").

As such, the company went through a talent research switch among the current employees to identify the right talents to be placed at the right place and time.

At the same time, the Group looked into expanding its current services in Healthcare, Resort and Hospitality, Exhibition and property development and other new business areas and opportunities to adapt with new ways of communication, and IoT and to move forward in transforming the entire associated business into Data.

What Data means?

- Data can mean factual information, statistics, or measurements¹² that can be analyzed, transmitted, or processed¹²³.
- Data can also mean information in digital form that is stored in or used by a computer.
- Data can be singular or plural and can be represented in various structures, such as tables, trees, or graphs.
- Data can be qualitative or quantitative and can belong to a set of items.

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.

SUSTAINABILITY STATEMENT



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.

The Group of companies believe we are in a position to make a positive impact in several aspects and contribute towards the relevant segments of our business operations.



CHANGE	
Digitalisation & Technology	Customer Data Privacy
BUSINESS	
Economic	Corporate Responsibility
SUSTAIN/RETENTION	
Employee Engagement & Wellness	Talent Attraction & Retention



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 relationships with the authorities and communities of which we are a part of and enhance their capabilities while respecting their culture and heritage.



Customer

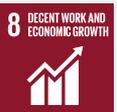
- Sustainability is an extension of mankind to sustain and develop customer service offering towards our businesses.
- We continuously look and strive for a strong strategy by focusing on strengths, culture, innovations, data and technologies.
- The Group implements this strategy in order to improve our customer satisfaction measures in our key products and segments. We will continue to invest in exciting transformative initiatives, adopting the change to the 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 IN LINE WITH THE UNITED NATION'S SUSTAINABLE DEVELOPMENT GOALS (UNSDGS)

The UN Global Compact Council adopted a new three-year strategy (UN Global Compact Strategy 2021-2023) to broaden business ambition. The plan calls for companies to increase their contributions and work towards achieving the Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change and the Ten Principles of the UN Global.

Country Heights acknowledges and adopts the initiatives and measures in the following order.

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

 <p>GOVERNANCE</p>   	 <p>HUMAN CAPITAL</p>       	 <p>ENVIRONMENT</p>        	 <p>THE ECONOMY</p>   
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SUSTAINABILITY STATEMENT

Human Capital Development

Our Employee, Our People, Our CHAMPS

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

"CHamps!"

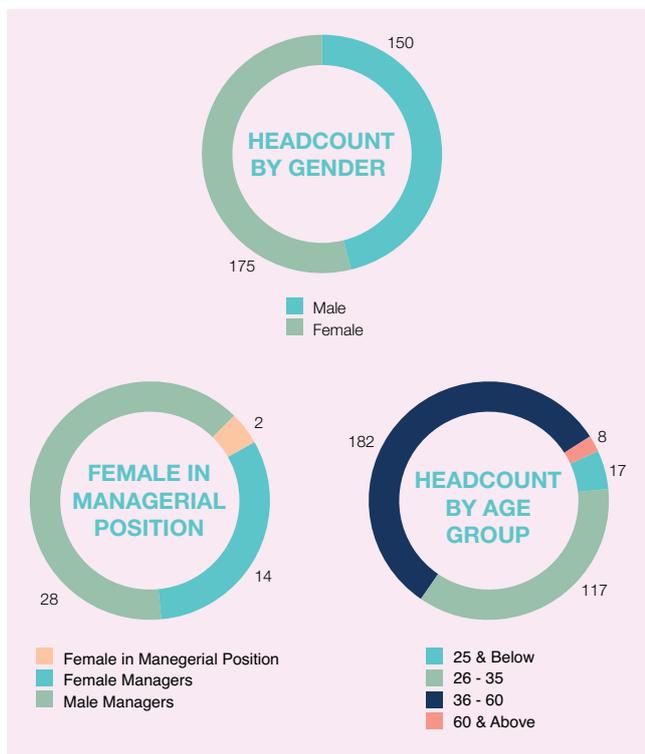
It stands for Country Heights Amazing PeopleS! (Plural of people, Def: a body of persons that are united by a common culture, tradition, or a sense of kinship) is to create a common identity among all employees under different business units towards one goal, one culture and one direction.

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. Each 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 a competitive edge and maintain sustainability, Human Development is a crucial foundation. Country Heights has dedicated itself to transforming its Human Resource initiatives by 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 heightened energy among workforce within the Group.

Each CHampS! abides by the common values of caring, committed, health, honest, 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.

Human Development

The Group's Human Resources took the initiative to transform CHHB employees towards the digital platform.

A few steps were taken in order to implement this vision as it is in line with the mission to transform the Group towards digitalization which consists of artificial intelligence, blockchain and big data.

1. 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.
2. We implemented the first digital face recognition attendance since 2020. This is a clocking system which reads your attendance and punctuality to work by recognising of staff's physical facial appearance which will be synced to the mobile app system.
3. Besides the digital transformation, as the corporate governance and compliance, towards staff developments, we introduced webinar training to staff and educate them during this MCO period and discussions can be organised from every part of the world.
4. As the culture of the company, maintaining the bonds between the employees and employers, the Group has also issued guidelines to the Business Units and Functions of their compliance obligations under various competition laws.

SUSTAINABILITY STATEMENT

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 check-ups.



Health and Wellness Programme Qi Gong

We encourage staff to participate in Qi Gong exercise after work as it will improve both physical and mental health in one gentle activity and relaxes and re-energises employees.



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.

Safe Working Environment

Occupational Health, Safety and Health Committee carried out the following during the year 2022 towards improving safety awareness amongst employees.

- a. Safety awareness on induction of new recruits.
- 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 are conducted twice a year.

Step forward to support government and public



Bantu-Bantu Malaysia

The Group is in line with UNSDG goal number 1 & 2, where we have been practicing for the past 30 years. Bantu-Bantu Malaysia, is a non-profit social initiative aimed at helping the country mitigate the spread of COVID-19 and to weather the effects of the lockdown.

More than eight (8) million masks were flown in to be distributed to front liners, 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 a firm belief that prevention is the best way to slow down COVID-19.

Under the leadership of our Founder, Tan Sri Lee Kim Yew, Bantu-bantu Malaysia has brought in 6.5 million masks, chartered air freight and distributed it to the front-liners.

Subsequently they donated two (2) million masks, 640 pieces of surgical gown, two (2) units of ventilators; 300 units of PPEs (personal protection equipment, suit and medical goggles); 20,000 units of a surgical mask and 3,000 pieces of N95 grade masks for the medical staffs and the front-liners at Sungai Buloh Hospital.

SUSTAINABILITY STATEMENT

Distribution of more than 80,000 hampers which included five (5) kg bag of rice in each hamper and food essentials, more than 20,000 pieces of 'roti canai' and cooked food has been channelled to JAWI Food Bank, Social Welfare Department, Majlis Agama Islam Wilayah Persekutuan, Army Veterans, and other NGOs as a food security measure and to ensure the "Food on the Table".

After numerous MCO and there is a need to sustain this distribution, Bantu-Bantu Malaysia has also launched a special donation campaign to promote this beautiful idea of sharing and to call upon Rakyat Malaysia who is able to donate RM50 for one hamper box.

Just donate RM50 for one hamper box or more, to help poor families and neighbours during this COVID-19 pandemic the food items can last for 7 to 10 days for a family.

GHHS Lung shield Programme

Through our health division, GHHS Healthcare, we have introduced GHHS Lungshield - a herbal remedy as a preventive formula during this COVID-19 pandemic. This herbal formula helps to nourish the lung and reinforce the body's immune function, enhances the body's anti-inflammatory system, and received numerous commendable testimonials from post-COVID-19 patients. We have collaborated with the Malaysian Chinese Medical Society of Epidemic Control and Prevention during the initial stage of MCO to give away complimentary GHHS lung shields to COVID-19 patients, and families and COVID-19 close contact.

To get a better reach out, we have collaborated with several organisations such as Golden Horse Digital Bank, Nirwana Group, and INTI TCM Clinic for the distribution of the lung shield. We have reached out to 5,000 Covid-19 and post-Covid-19 patients, about 2,500 joined our survey and the review have proven that the GHHS lung shield is more than 90% effective for COVID-19 symptom relief.

Environmental Sustainability Practices

Country Heights has taken various project plans which have been implemented towards energy savings and sustaining a "clean environment". Negative ion energy ceiling boards, a natural ionizer and air purifier in LakeView Residency in Cyberjaya was our first project which used a negative ion energy ceiling board and also its first development in Malaysia to introduce negative ion energy ceiling boards. 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's 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 energy 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 run the toilets.

Reduce Plastic Usage

Under Country Height's core values, NATURE, is about establishing a harmonious relationship with nature through the preservation and enhancement of nature's finest gifts. For instance, we try to reduce the use of plastic bottled water at meetings and events by using glass bottles at almost 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 security at all current and future Country Heights' township, 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-month basic auxiliary police course at The Malaysian Police Training Centre (PULAPOL).

SUSTAINABILITY STATEMENT

Stakeholders Management			
STAKEHOLDER GROUPS	ENGAGEMENT METHODS	FREQUENCY	ADDRESSING EXPECTATIONS
CUSTOMERS			
Expectations: <ul style="list-style-type: none"> • Product quality • Timely and transparent information about business operations • Loyalty and rewards programme 	<ul style="list-style-type: none"> • Complaint 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
EMPLOYEES			
Expectations: <ul style="list-style-type: none"> • Benefits • Career developments • Employment equality • 2-way communication 	<ul style="list-style-type: none"> • Employee engagement programmes, trainings and townhall sessions • Employee engagement survey 	Throughout the year	<ul style="list-style-type: none"> • Career development programme • Fair and safe workplace practices
GOVERNMENT & INDUSTRY AFFILIATES			
Expectations: <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 	<ul style="list-style-type: none"> • ESG materiality study • Engagement sessions • Engagement with Department of Occupational Safety and Health (“DOSH”) • Report submissions • Site visits and audits • Training, seminars and demonstrations • Dialogues 		

SUSTAINABILITY STATEMENT

- A. Focusing on the fundamentals: **Products. Services. Branding. Culture.**
- B. Focusing on the National Principles: ***Rukun Negara***

The Rukun Negara consists of five (5) principles:

1. Kepercayaan Kepada Tuhan (Belief in God)
2. Kesetiaan Kepada Raja dan Negara (Loyalty to the King and Country)
3. Keluhuran Perlembagaan (Supremacy of Constitution)
4. Kedaulatan Undang-Undang (Rules of Law)
5. Kesopanan dan Kesusilaan (Courtesy and Morality)

With the Rukun Negara - We unite and bringing it together

Many organisations have code of conduct statements and core behaviours to define their culture and what they stand for. For the Group, we are proud of our *Rukun Negara* and what it stands for as its application remains relevant and cuts across many dimensions of societies. Its impact is as profound today as it was when it was first declared. It's an aspiration for us all to live towards and as a whole, the Group believes these principles will continue to bind us as a nation – now and in the future – to face any adversity which requires us to adapt and change.

How sustainability is going to shape us in 2023

As a group that is involved in various industries, we will thrive through and continuously be guided by the key indicators of leadership and governance, our focus towards employees as our brand ambassadors, our external stakeholders and customers and most importantly keep abreast of the ever-changing technology and the impact of our businesses towards society and the environment.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Country Heights Holdings Berhad (“CHHB” or “the Company”) acknowledges the importance of practising good corporate governance and is committed to conducting business responsibly and maintaining high standards of corporate governance throughout the Company and its subsidiaries (“CHHB Group” or “the Group”) for the reputation and continued support of the shareholders, customers and other stakeholders of CHHB Group.

The Board fully supports the principles and recommendations set out in the Malaysian Code of Corporate Governance (“the Code”) and is pleased to present the Corporate Governance (“CG”) Overview Statement which provides an overview of how the Group applies the following three (3) key principles of the Code during the financial year 31 December 2022 including the key focus areas and future priorities in relation to the Groups corporate governance practices:

- (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 2022 of the Company which is available on the Company’s website at www.countryheights.com.my. The CG Report 2022 provides the details on how the Group has applied each of the Practices set out in the Code during the financial year under review.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Roles and Responsibilities

The responsibilities of the Board, amongst others, are to establish and lead the CHHB Group’s mission and vision, to provide strategic directions for the long-term success of the 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;
- appointing, re-appointing or replacing the External Auditors;
- promoting good corporate governance within the company based on transparency and integrity; and
- overseeing the development and implementation of a shareholders’ communications policy for the Company.

In discharging his/her duties, each Director must:

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

Chairman and Managing Director

The roles of the Executive Chairman and the Managing Director were held by separate persons with each its own clear accepted division of responsibilities to ensure that there is a balance of power and authority to promote accountability.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Founder of CHHB, Tan Sri Lee Kim Tiong @ Lee Kim Yew (“Tan Sri Lee”), was the Executive Chairman of the Company during the year under review. As Executive Chairman, and given his capability, leadership and entrepreneurship skills, business acumen and his vast experience in the industry, Tan Sri Lee undertook to personally and passionately spearhead the Group to better performance in the near future together with two (2) Executive Directors, each having separate and clearly defined role and 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 was responsible for ensuring Board effectiveness and conduct, leading the Board in the oversight of Management. The Executive Chairman also oversaw the controls of the business through compliance and audit and the direction of the CHHB Group’s business.

Datuk Lim Chih Li @ Lin Zhili (“Datuk Jared Lim”) was the Managing Director (“Group MD”) who was responsible for the implementation of the Board’s policies and reports at Board Meetings all material matters that potentially affect the Group and its performance, including strategic projects and regulatory developments.

Dato’ 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 venturing back into 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 (7) 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 were at least 80% leased out;
- To take charge and manage the five (5) Strategic Business Divisions (“SBVs”) of CHHB Group; and
- To look for good strategic partners for the five (5) SBVs.

The Board has appointed Mr. Ong Tee Chin as the Senior Independent Director to whom concerns of fellow Directors, shareholders and other stakeholders may be conveyed.

The Board recognised that continued focus and priorities need to be given to the following areas during the financial year ending 31 December 2023 in addition to its core duties of creating long term-value for stakeholders:

- (i) The continued implementation of the Anti-Bribery & Anti-Corruption Framework towards fulfilling the requirements of Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 so as to safeguard the interest of the Group, Directors and shareholders;
- (ii) Building risk resilience by further strengthening controls on certain core areas; and
- (iii) Digital transformation and cybersecurity.

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. Every Director has access to the advice and services of the Company Secretary.

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 controls of the Company as well as matters specifically reserved for the Board.

The Board Charter is available on the Company’s website at www.countryheights.com.my. The Board will review and update the Board Charter periodically when appropriate, from time to time.

Code of Ethics

The Board has established a Code of Ethics 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 available on the Company’s website at www.countryheights.com.my. The Code of Ethics is reviewed and updated regularly by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 is available 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 (5) 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 in this Annual Report.

The Environmental & Sustainability Policy is available on the Company's website at www.countryheights.com.my.

Board Meetings

Directors are expected to give sufficient time commitment and attention to carry out their responsibilities. 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 (Resigned on 3 February 2023)	5/5
Datuk Lim Chih Li @ Lin Zhili Managing Director (Resigned on 30 January 2023)	5/5
Dr. Yip Chun Mun Deputy Managing Director (Redesignation to Deputy Managing Director on 3 February 2023)	4/5
Lee Sow Lin Non-Independent Non-Executive Director (Redesignation to Non-Independent Non-Executive Director on 1 March 2022)	5/5
Ong Tee Chin Senior Independent Non-Executive Director	5/5
Chong Khing Chung Independent Non-Executive Director (Resigned on 14 December 2022)	5/5
Hor Siew Leong Independent Non-Executive Director (Resigned on 30 December 2022)	5/5
Zijing Xu Chief Technology Officer (Vacated office on 1 March 2022)	0/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Director	No. of Board Meetings Attended
Chen Kaiyu Finance Director (Vacated office on 1 March 2022)	1/1
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R) Non-Independent Non-Executive Chairman (Appointed on 3 February 2023)	0/0
Dato' Mircle Yap Ching Chai Managing Director (Appointed on 30 January 2023) (Redesignation to Managing Director on 3 April 2023)	0/0
Chua Hee Boon Executive Director - Finance (Appointed on 3 February 2023)	0/0
Chuah Tian Pong Executive Director - Project (Appointed on 3 February 2023)	0/0
Xiong Wei Executive Director - Digital Technology (Appointed on 3 February 2023)	0/0
Tan Meng Khong Independent Non-Executive Director (Appointed on 3 February 2023)	0/0
Chuah Peng San Independent Non-Executive Director (Appointed on 3 February 2023)	0/0

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.

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 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Composition

As at the end of the financial year 31 December 2022, the Board comprised five (5) members of which one (1) is Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director and three (3) Executive Directors. Subsequent to the financial year 31 December 2022, there was a change in the Board members to cater for change management for transformation of the Group. The current Board comprised 10 members of which three (3) are Independent Non-Executive Directors, one (1) Non-Executive Director and six (6) Executive Directors, thus fulfilling the requirement for at least one-third of the Board to consist of Independent Directors or if the number is not three (3) or a multiple of three (3), then the number nearest one-third is to be used.

A brief profile of each of the Directors is presented on pages 8 to 17 of this Annual Report.

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, digital technology, corporate finance as well as mergers and acquisitions, 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.

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 is available on the Company's website at www.countryheights.com.my.

As at 31 December 2022, the diversity of the Directors is as follows:

Gender	Male	Female	Total
Number of Directors	4	1	5

Ethnicity	Malay	Chinese	Indian	Total
Number of Directors	0	5	0	5

Age Group (Years)	20 – 29	30 – 39	40 – 49	50 – 59	60 and above	Total
Number of Directors	0	0	0	3	2	5

Board Appointment

All nominees to the Board are first considered by the Nomination & Remuneration Committee ("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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 (3) 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.

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 31 December 2022 up to the date of this Statement, 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 (Resigned on 3 February 2023)	Nil	Nil	Nil
Datuk Lim Chih Li @ Lin Zhili (Resigned on 30 January 2023)	Nil	Nil	Nil
Dr. Yip Chun Mun	20/4/2022	iTrainingExpert	How to Read Financial Statements
	28/10/2022 to 30/10/2022	Commonwealth Wound Care Resources Alliance	Commonwealth & 4th Global Wound Conference 2022
Lee Sow Lin	Nil	Nil	Nil
Ong Tee Chin	20/11/2022 to 21/11/2022	Professor Aswath Damodaran	Business Valuation Masterclass
Chong Khing Chung (Resigned on 14 December 2022)	18/3/2022	Malaysian Institute of Accountants	ESG Oversight for Boards
	23/5/2022 to 24/05/2022	Malaysian Institute of Accountants & The Institute of Internal Auditors Malaysia	Beyond Effectiveness: Governance, Sustainability and Agility
Chen Kaiyu (Vacated office on 1 March 2022)	Nil	Nil	Nil
Zijing Xu (Vacated office on 1 March 2022)	Nil	Nil	Nil
Hor Siew Leong (Resigned on 30 December 2022)	Nil	Nil	Nil
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R) (Appointed on 3 February 2023)	Nil	Nil	Nil
Dato' Mircle Yap Ching Chai (Appointed on 30 January 2023)	Nil	Nil	Nil
Chua Hee Boon (Appointed on 3 February 2023)	Nil	Nil	Nil
Chuah Tian Pong (Appointed on 3 February 2023)	Nil	Nil	Nil
Xiong Wei (Appointed on 3 February 2023)	Nil	Nil	Nil
Tan Meng Khong (Appointed on 3 February 2023)	Nil	Nil	Nil
Chuah Peng San (Appointed on 3 February 2023)	Nil	Nil	Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year under review, Ms. Lee Sow Lin did not attend any seminars/training programmes. However, Ms. Lee Sow Lin has undertaken to avail herself for the relevant training courses for the current financial year.

Arrangements were made for Senior Management to meet with the newly appointed Directors to brief them on the Group's history, culture, business, strategies and financial position. All the Directors have completed the Mandatory Accreditation Programme ("MAP") as required by Bursa Securities. The newly appointed Directors who have not attended MAP, arrangements have been made for them to attend the MAP on 11 & 12 May 2023.

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 (2) Board Committees, namely the Audit & Risk Management Committee ("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. For purpose of check and balance and for objective review by the Board of all matters raised by Board Committees, the Chairman of the Board shall not be a member of any Board Committees.

ARMC

The composition of the ARMC, its authority, duties, responsibilities and summary of the work carried out to discharge its duties for the financial year 31 December 2022 are as set out in the ARMC Report on pages 63 to 67 of this Annual Report.

NRC

The current composition, including the attendance of its members at the two (2) meetings held during the financial year ended 31 December 2022, are as follows:

Objectives

Name	Designation	Attendance
Ong Tee Chin Senior Independent Non-Executive Director (Redesignated as Chairman on 3 February 2023)	Chairman	2/2
Tan Meng Khong Independent Non-Executive Director (Appointed on 3 February 2023)	Member	0/0
Chuah Peng San Independent Non-Executive Director (Appointed on 3 February 2023)	Member	0/0
Hor Siew Leong Independent Non-Executive Director (Resigned on 30 December 2022)	Chairman	2/2
Chong Khing Chung Independent Non-Executive Director (Resigned on 14 December 2022)	Member	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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.

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

Main Activities of the NRC in 2022

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 2022.
- Evaluated and assessed the performance and effectiveness of the Board and Board Committees for the year 2022.
- Reviewed and recommended the re-election of Directors due for retirement, at the AGM.
- Reviewed the remuneration of the Directors for the year 2022 and subsequently recommended it to the Board for approval.
- Reviewed and recommended the Fit and Proper Policy for Key Responsible Persons for Board approval.

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 fee. 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 CG Report which is available on the Company's website at www.countryheights.com.my.

The proposed Directors' Fees for the financial year 31 December 2022 will be tabled at the forthcoming 39th AGM for shareholders' approval. The remuneration received or to be received by the Directors of the Group for the financial year ended 31 December 2022 is as follows:

Description	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Salary	521	-	521
Benefits-In-Kind	4	-	4
Defined Contribution Plans	54	-	54
Allowance	-	41	41
Fees	-	62	62
Total	579	103	682

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Up to RM100,000	1	4
RM100,001 to RM200,000	2	-
RM200,001 to RM300,000	1	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

ARMC

The composition of the ARMC, its authority, duties, responsibilities and summary of the work carried out to discharge its duties for the financial year 31 December 2022 are as set out in the ARMC Report on pages 63 to 67 of this Annual Report.

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 the oversight of 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. During the financial year under review, the Internal Audit function was outsourced.

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 68 to 70 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.

The Company has 4,500 shareholders as at 31 March 2023, which is not large to warrant the use of technology to facilitate remote shareholders or voting in absentia. Shareholders who are unable to attend the AGM are allowed to appoint corporate representative(s) or proxy(ies) to attend, speak and vote on their behalf at the general meetings. The Board believe physical AGM allows better flow of conversation, opportunity for shareholders to mingle with the Directors of the Company and other shareholders, an atmosphere that cannot be replicated in a virtual AGM. Most shareholders experience at physical AGM has been good.

Shareholders and members of the public can access the Company's website at www.countryheights.com.my for the latest 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.

This Statement is dated 27 April 2023.

OTHER COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

Material Contracts

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

Related Party Transactions

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

Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred by the Company and the Group for the financial year ended 31 December 2022 is as below:

<u>Audit Fee</u>		<u>Non-audit Fee</u>	
Company	RM58,000	Company	RM5,000
Group	RM292,000	Group	-
Total	<u>RM350,000</u>	Total	<u>RM5,000</u>

Share Buy-Back

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

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

Date	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)
27.5.2022	100,000	0.720	0.710	0.72	71,633
8.7.2022	150,000	0.500	0.500	0.50	75,000
14.7.2022	400,000	0.495	0.470	0.48	192,000
15.7.2022	450,000	0.490	0.475	0.48	217,855

* Inclusive of transaction cost

All the shares purchased by the Company were retained as treasury shares as at 31 December 2022. There was no resale of any treasury share during the financial year.

Utilisation of Proceeds

During the financial year 31 December 2022, the Company raised RM21,017,000 proceeds from a private placement which were utilised for repayment of bank borrowings, partial financing of construction cost and expansion of healthcare division among others.

DIRECTORS' RESPONSIBILITY STATEMENT

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

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 Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud as well as other irregularities.

The Board is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2022, 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 AND MEETINGS

The current composition, including the attendance of its members at the five (5) meetings held during the financial year ended 31 December 2022, are as follows:

Name of Director	Designation	Attendance
Tan Meng Khong Independent Non-Executive Director (Appointed on 3 February 2023) (Redesignated as Chairman on 3 April 2023)	Chairman	0/0
Ong Tee Chin Independent Non-Executive Director (Redesignated as Member on 21 February 2023)	Member	5/5
Chuah Peng San Independent Non-Executive Director (Appointed on 3 April 2023)	Member	0/0
Dato' Mircle Yap Ching Chai Managing Director (“MD”) (Appointed on 3 February 2023) (Redesignated as Chairman on 21 February 2023) (Resigned on 3 April 2023 on his appointment as MD)	Chairman	0/0
Chong Khing Chung Independent Non-Executive Director (Resigned on 14 December 2022)	Member	5/5
Hor Siew Leong Independent Non-Executive Director (Resigned on 30 December 2022)	Member	5/5

The Chief Financial Officer and Head of Internal Audit, including other Board members and employees attend the ARMC meetings upon invitation to brief the ARMC on specific issues. Representatives of the External Auditors attend the scheduled ARMC meetings to table their annual audit plan and consider the final audited financial statements, as well as such other meetings as determined by the ARMC.

Prior to some of the ARMC meetings, private sessions were held between the ARMC and the 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.

For the financial year under review, the performance and effectiveness of the ARMC were evaluated through the ARMC members’ self and peer evaluation, the outcome of which was reviewed by the Nomination and Remuneration Committee. Having considered the recommendation made by the Nomination and Remuneration Committee based on the outcome of the evaluation, the Board was satisfied that the ARMC members were able to, and had discharged their functions, duties and responsibilities in accordance with the terms of reference of the ARMC.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

AUTHORITY, DUTIES AND RESPONSIBILITIES OF THE ARMC

The ARMC is governed by the following Terms of Reference (“TOR”):

Composition

The ARMC shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) 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 (1) 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 (3) 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 (3) years, which may be extended for up to another three (3) 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 (3) months.

Quorum

The quorum shall not be less than two (2), 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 (4) 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;

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- (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;
- (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 under review, the ARMC carried out its functions and duties as set out in its TOR, including but not limited to:

1. Financial Reporting
 - (a) Reviewed all the four (4) quarters' unaudited financial results of the Group, focusing on significant matters, which included the going concern assumption, and ensured the disclosures complied with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Listing Requirements; and
 - (b) Reviewed the annual audited financial statements of the Company and the Group together with the External Auditors and discuss significant audit issues and findings with the External Auditors.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

2. External Audit

- (a) Reviewed the External Auditors' Audit Plan for the Group, which outlined the responsibilities and the scope of work, anticipated key audit matters, and reporting timelines for the financial year ended 31 December 2022 and the External Auditors' fees;
- (b) Discussed and reviewed with the External Auditors, the results of their examination and their reports in relation to the audit and accounting issues, including weaknesses noted in internal controls pertaining to financial reporting, arising from the audit;
- (c) Discussed and reviewed the areas for improvements in the internal control system of certain subsidiaries as highlighted by the External Auditors and steps needed to be taken to address the issues;
- (d) Reviewed and approved the nature of, and fees for, non-audit services before they were provided by the External Auditors and/or their affiliates;
- (e) Assessed the suitability, objectivity and independence of the External Auditors for re-appointment; and
- (f) Met and discussed with the External Auditors without the presence of the Management staff.

3. Internal Audit

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

- (a) Reviewed and approved the Annual Internal Audit Plan ("Plan") to ensure adequacy of scope, resources, competencies and coverage of auditable entities in the Group with significant and high risks, including the periodic status of completion of the Plan;
- (b) Issued reports on the internal audit findings identifying weaknesses and highlighting recommendations for improvements on a periodic basis;
- (c) Followed-up on the implementation of corrective action plans or best practices agreed with the Management;
- (d) Attended ARMC meetings to table and discuss the audit reports and followed up on issues raised; and
- (e) Reviewed the performance, competencies, resources, training requirements and effectiveness of the Internal Audit function, and the suitability of the Internal Audit Service Provider for engagement.

During the financial year under review, the Internal Audit function was outsourced.

The total cost incurred for the Internal Audit function of the Group for the financial year ended 31 December 2022 was RM75,501.

This Report is dated 27 April 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors (“Board”) of Country Heights Holdings Berhad is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2022, which has been prepared pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The statement below outlines the nature and scope of risk management and internal control of the Company during the financial year under review.

Responsibility and Accountability

The Board acknowledges its overall responsibility for the risk management and internal control system to cover the financial, compliance and operational controls of the Group as well as reviewing the adequacy, integrity, and effectiveness of the Group’s system of risk management and internal controls. The Group’s system is designed to manage the key areas of risk within an acceptable risk profile, rather than eliminating, the risk of not adhering to achieve the policies and business objectives and goals. The system of risk management and internal controls of the Group provides reasonable but not absolute assurance against occurrence of any material misstatement, losses, fraud or breaches of laws or regulations.

The Board believes that the review on the adequacy and effectiveness of the system of risk management and internal control is a concerted and continuous process. Such reviews are conducted through the Audit and Risk Management Committee (“ARMC”) established by the Board and Management. The Board has, through the ARMC, carried out the process of identifying, evaluating, monitoring and managing the key operational and financial risks affecting the achievement of its corporate objectives throughout the period.

The Board is also assisted by the Management to implement approved policies and procedures on risk and control. The 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.

The Board is of the view that the system of internal controls in place for the financial year under review is sound and adequate after taking into consideration of the costs and benefits to safeguard the Group’s assets and to protect the stakeholders’ interests in ensuring achievement of the business objectives and enhancing shareholder value.

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 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- Human Resource Policy

Comprehensive and rigorous guidelines on 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.

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 ("ARMC") 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.

In accordance with the Malaysian Code on Corporate Governance, the Group has an internal audit function to review the adequacy and integrity of its system of internal controls.

The Group has outsourced its internal audit function to an independent professional service provider, Talent League Sdn Bhd ("IA Consultant"). The duty of the internal audit function is to examine and evaluate major processes of operations of the Group in order to assist the Board in the effective discharge of the Board's responsibilities.

The IA Consultant aims to advise management on areas for improvement, highlight on significant findings in respect of any non-compliance and subsequently perform follow-up reviews to determine the extent to which the recommendations have been implemented.

The IA Consultant reports independently to the ARMC. In the course of performing its duties, the IA Consultant has unrestricted access to all functions, records, documents, personnel, or any other resources or information, at all levels throughout the Group. Being an independent third party, the IA Consultant is able to perform the internal audit function with impartiality, proficiency and due professional care.

The IA Consultant adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles of the Group. The performance of the internal audit function is carried out as per the internal audit plan approved by the ARMC. The internal control findings, weaknesses and recommendations as well as the management responses and action plan were deliberated during the half yearly reviews with the ARMC. The key management team is responsible for ensuring correction, corrective actions, preventive actions and recommendations on reported weaknesses are attended within the required time frame.

During the financial year under review, the IA Consultant had conducted various internal audit assignments every quarter and made recommendations in improving the system of internal controls to the ARMC. The areas of internal audit covered during the financial year were as follows:

- Human Resource Management;
- Business Development; and
- Credit Risk Management

Total costs paid to Outsourced Internal Auditors for the financial year under review and up to the date of this report amounted to RM31,120.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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.

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 Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in this Annual Report for Financial Year Ended 31 December 2022. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guideline, nor is factually inaccurate.

CONCLUSION

The Board is of the opinion that the system of risk management and internal control that has been instituted throughout the Group is satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's 2022 Annual Report. The Board and the Management will continue to review and take measures to strengthen and improve the internal control environment from time to time based on the recommendations proposed by the IA Consultant.

The Board recognises that the development of the system of internal control is an ongoing process as part of its efforts in managing the risks faced by the Group. Consequently, the Board maintains an ongoing commitment to further strengthen the control environment within the Group.

This Statement is dated 27 April 2023.

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DIRECTORS' REPORT

The Directors of Country Heights Holdings Berhad hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

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
Loss for the financial year	(107,597)	(10,111)
Attributable to:		
Owners of the Company	(84,872) (22,725)	(10,111) -
Non-controlling interests	(107,597)	(10,111)

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

During the financial year, the issued and fully paid-up ordinary share capital of the Company increased from 275,707,403 to 299,988,903 by way of issuance of new ordinary shares pursuant to the following:

- (i) 8,443,600 shares exercised under the Warrants at exercise price of RM1.200; and
- (ii) 15,837,900 shares exercised under the Private Placement at issue price of RM1.327 per placement of shares.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issuance debentures during the financial year.

DIRECTORS' REPORT

Treasury Shares

During the financial year, the Company repurchased 1,100,000 of its issued ordinary shares from the open market. The average price paid for the shares repurchased was RM0.506 per share. The total consideration paid for the repurchase, including transaction costs was RM556,488. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016 in Malaysia.

As at 31 December 2022, the total number of treasury shares held by the Company was 3,250,000 out of the total 299,988,903 issued ordinary shares. Further relevant details are disclosed in Note 19 to the financial statements.

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 Note 20(c) to the financial statements.

During the financial year, the Company exercised 8,443,600 units of warrants.

The total number of warrants that remain unexercised was 128,335,101 as at 31 December 2022.

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:

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	(Appointed on 3 February 2023)
Dato' Mircle Yap Ching Chai	(Appointed on 30 January 2023)
Chua Hee Boon*	(Appointed on 3 February 2023)
Tan Meng Khong	(Appointed on 3 February 2023)
Chuah Peng San	(Appointed on 3 February 2023)
Xiong Wei	(Appointed on 3 February 2023)
Chuah Tian Pong	(Appointed on 3 February 2023)
Lee Sow Lin	
Dr. Yip Chun Mun*	
Ong Tee Chin	
Chong Khing Chung	(Resigned on 14 December 2022)
Hor Siew Leong	(Resigned on 30 December 2022)
Datuk Lim Chih Li @ Lin Zhili	(Resigned on 30 January 2023)
Tan Sri Lee Kim Tiong @ Lee Kim Yew*	(Resigned on 3 February 2023)
Chen Kaiyu	(Vacated office on 1 March 2022)
Zijing Xu	(Vacated office on 1 March 2022)

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

DIRECTORS' REPORT

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:

Sudarsono Bin Osman	
Monaliza Binti Zaidel	
Jaleeludeen Bin Abu Baker	
Datuk Lim Chih Li @ Lin ZhiLi	
Balraj Singh Pannu A/L Gajjan Singh	
Lee Cheng Wen	
Normala Soulie Binti Mohamad	(Appointed on 3 February 2023)
Jung KyunHo	(Appointed on 20 May 2022)
Ng Cheng Sinn	(Resigned on 3 January 2023)
Kang Kian Keong	(Alternate Director to Ng Cheng Sinn) (Resigned on 3 February 2023)
Mohamad Firdaus Bin Ahmad	
Lee Thai Young Matahari	
Nik Hassan Bin Nik Mohd Amin	(Resigned on 3 February 2023)
Ooi Ghee Kiong	(Resigned on 18 May 2022)

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

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 31.12.2022
	At 01.01.2022	Bought	Sold	
Shares in the Company				
Direct interests:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Resigned on 3 February 2023)	78,097,200	-	(330,811)	77,766,389
Dr. Yip Chun Mun	11,000	-	-	11,000
Lee Sow Lin	10,000	-	(5,000)	5,000
Indirect interests:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew# (Resigned on 3 February 2023)	101,527,931	-	(8,270,000)	93,257,931
	Number of warrants			At 31.12.2022
	At 01.01.2022	Bought	Sold/ Converted	
Warrants in the Company				
Direct interests:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Resigned on 3 February 2023)	20,289,415	-	(2,000,000)	18,289,415
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# (Resigned on 3 February 2023)	72,666,273	-	(24,950,824)	47,715,449

DIRECTORS' REPORT

Directors' Interests in Shares (Cont'd)

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: (Cont'd)

	Number of ordinary shares			At 31.12.2022
	At 01.01.2022	Bought	Sold	
Shares in subsidiary company				
Golden Horse Palace Berhad				
Direct interests:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Resigned on 3 February 2023)	50,133,000	5,000	-	50,138,000
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., Country Heights Ventures Sdn. Bhd. and Golden Touch Investment Bank Ltd.

By virtue of his interests in the shares of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew is 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' 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 below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in the companies which traded with certain companies in the Group in the ordinary course of business in which a Director is a member as disclosed in Note 33(b) to the financial statements.

The details of the directors' remuneration received and receivable by Directors of the Group and of the Company for the financial year ended 31 December 2022 are set out below:

	Group RM'000	Company RM'000
Directors' remuneration		
Fees	62	62
Allowances	41	41
Salaries and other emoluments	521	-
Benefit-in-kind	4	-
Defined contribution plans	54	-
	682	103

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

DIRECTORS' REPORT

Other Information Statutory

- (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; and
 - (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.

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 37 to the financial statements.

Subsequent Events

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

DIRECTORS' REPORT

Material Litigations

The details of the material litigations are disclosed in Note 39 to the financial statements.

Auditors

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

The auditors' remuneration of the Group and of the Company during the year are RM292,000 and RM58,000 respectively.

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

DR. YIP CHUN MUN

DATO' MIRCLE YAP CHING CHAI

KUALA LUMPUR
27 April 2023

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 requirement of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of 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,

DR. YIP CHUN MUN

DATO' MIRCLE YAP CHING CHAI

KUALA LUMPUR

27 April 2023

DECLARATION BY THE DIRECTOR

**PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, Chua Hee Boon (MIA Membership No.: 13055), being the director 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.

CHUA HEE BOON

Subscribed and solemnly declared by the abovenamed Chua Hee Boon at Kuala Lumpur in the Federal Territory, this 27 April 2023.

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 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 171.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the financial 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>Assessment of going concern</u></p> <p>The Group has prepared its financial statements on a going concern basis, notwithstanding that during the financial year ended 31 December 2022, the Group recorded:</p> <ul style="list-style-type: none"> • loss for the year of RM107,328,000; • net loss in operating cash flow of RM17,592,000; and • the Group has outstanding current loan and borrowings of RM64,745,000, which can be called upon on demand basis due to the breaches in certain loan covenants as disclosed in Note 23 to financial statements. 	<p>Our audit procedures included as following:</p> <ul style="list-style-type: none"> - Read and examined the correspondences between the financial institutions and the Group to understand the status and progress of the letter of waiver on breaches; - Made inquiries of management and reviewed the event subsequent to year end to evaluate any possible event which may affect the Group's ability to continue as a going concern; - Assessed the ability of the Group to continue as a going concern and meet its obligations for the next twelve months from the date of financial statements based on the cash proceeds from the proposed disposal;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

Key Audit Matters (Cont'd)

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. (Cont'd)

Key Audit Matters	How we addressed the key audit matters
<p><u>Assessment of going concern (Cont'd)</u></p> <p>These give rise to concerns about whether the Group has sufficient cash flows to meet its obligations as and when they fall due.</p> <p>As the date of this report, there is no calling back of the loans and borrowings by the financial institutions, and the management is in the process of obtaining the letter of waiver on the breaches. In the preparation of the Group financial statements, the management has made an assessment on their ability in its working capital sufficiency by taking into consideration of the cash proceeds from the proposed disposal of certain unpledged assets as disclosed in Note 2 to the financial statements.</p> <p>Accordingly, the management has concluded that the Group has sufficient working capital to meet its financial obligations as and when they fall due, and they believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group on the going concern basis is appropriate.</p> <p>We included this as a key audit matter due to the degree of judgement involved in the evaluation of the appropriateness of the going concern basis for the preparation of the financial statements of the Group.</p>	<ul style="list-style-type: none"> - Obtained written representation from management on the plans for future actions; and - Assessed the sufficiency of the Group's disclosure concerning the going concern basis and uncertainties arising
<p><u>Valuation of investment properties</u></p> <p>As at 31 December 2022, the carrying amount of investment properties amounted to RM259,930,000 million representing approximately 27% and 21% of the Group's total noncurrent assets and total assets respectively.</p> <p>Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed an independent professional valuer to perform valuations on its investment properties.</p> <p>The valuations are based on sales comparison approach, which the sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.</p>	<p>Our audit procedures included as following:</p> <ul style="list-style-type: none"> - Assessed the objectivity, independence, reputation, experience and expertise of the independent valuer; - Reviewed the methodology adopted by the independent valuer in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry; and - Evaluated the appropriateness of the data used by the independent valuer as input into their valuations. - We interviewed the external valuer, discussed and challenged the significant estimates and assumptions applied in their valuation process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

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

- 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.

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
KUALA LUMPUR

OOI CHI YEE
Approved Number: 03684/08/2024 (J)
Chartered Accountant

27 April 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	18,471	48,515	31	75
Right-of-use assets	5	535,619	542,570	-	-
Investment properties	6	259,930	260,360	-	-
Inventories	7	127,835	159,633	-	-
Investment in associates	9	-	-	-	-
Investment in joint ventures	10	-	-	-	-
Investment in subsidiary companies	8	-	-	60,314	60,314
Other investments	11	2,337	2,337	337	337
Trade receivables	12	2,241	7,595	-	-
Deferred tax assets	13	196	196	-	-
		946,629	1,021,206	60,682	60,726
Current Assets					
Inventories	7	215,633	232,522	-	-
Trade receivables	12	15,024	13,711	-	-
Other receivables	14	22,477	31,546	4,542	4,176
Contract asset	21	44	119	-	-
Amount due from subsidiary companies	15	-	-	45,625	31,666
Tax recoverable		633	608	-	-
Fixed deposits with licensed banks	16	2,140	2,130	-	-
Cash and bank balances	17	7,898	11,593	38	221
		263,849	292,229	50,205	36,063
Total Assets		1,210,478	1,313,435	110,887	96,789
EQUITY AND LIABILITIES					
Equity					
Share capital	18	383,155	352,006	383,155	352,006
Treasury shares	19	(3,470)	(2,914)	(3,470)	(2,914)
Reserves	20	351,470	436,073	(560,519)	(550,408)
Equity attributable to owners of the parent		731,155	785,165	(180,834)	(201,316)
Non-controlling interests		(8,513)	12,962	-	-
Total Equity		722,642	798,127	(180,834)	(201,316)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
LIABILITIES					
Non-Current Liabilities					
Contract liabilities	21	32,805	34,906	-	-
Other payables	22	2,299	2,322	-	-
Loans and borrowings	23	87,391	167,938	84,839	84,510
Lease liabilities	24	4,239	5,005	-	-
Deferred tax liabilities	13	101,343	101,339	-	-
		228,077	311,510	84,839	84,510
Current Liabilities					
Amount due to subsidiary companies	15	-	-	162,995	162,623
Trade payables	25	42,090	44,132	-	-
Contract liabilities	21	3,249	2,912	-	-
Other payables	22	110,070	109,439	14,594	15,636
Loans and borrowings	23	94,355	37,535	28,617	35,000
Lease liabilities	24	4,447	3,360	-	-
Tax payables		5,548	6,420	676	336
		259,759	203,798	206,882	213,595
Total Liabilities		487,836	515,308	291,721	298,105
Total Equity and Liabilities		1,210,478	1,313,435	110,887	96,789

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	26	46,338	104,909	-	-
Cost of sales		(16,186)	(44,151)	-	-
Gross profit		30,152	60,758	-	-
Other income		21,076	7,934	106	-
Selling and marketing expenses		(5,156)	(4,636)	(12)	-
Administrative expenses		(8,765)	(11,107)	(371)	(376)
Net (loss)/gain on impairment on financial instruments		(8,028)	145	-	577
Net (loss)/gain on impairment of non-financial asset		(75,197)	(50)	-	(405)
Other expenses		(48,190)	(31,273)	(4,904)	(1,530)
(Loss)/Profit from operations		(94,108)	21,771	(5,181)	(1,734)
Finance costs	27	(12,180)	(10,230)	(4,589)	(1,850)
(Loss)/Profit before tax	28	(106,288)	11,541	(9,770)	(3,584)
Taxation	29	(1,309)	(8,422)	(341)	(335)
(Loss)/Profit for the financial year		(107,597)	3,119	(10,111)	(3,919)
Other comprehensive income					
Item that is or may be reclassified subsequently to profit or loss					
Exchange translation differences for the foreign operations		269	502	-	-
Total comprehensive (loss)/income for the financial year		(107,328)	3,621	(10,111)	(3,919)
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(84,872)	2,639	(10,111)	(3,919)
Non-controlling interests		(22,725)	480	-	-
		(107,597)	3,119	(10,111)	(3,919)
Total comprehensive income/(loss) for the year attributable to:					
Owners of the Company		(84,603)	3,141	(10,111)	(3,919)
Non-controlling interests		(22,725)	480	-	-
		(107,328)	3,621	(10,111)	(3,919)
(Loss)/Earnings per share (sen)					
Basic	30(a)	(28.60)	0.96		
Diluted	30(b)	(28.60)	1.02		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Parent			Distributable			Non-controlling interest RM'000	Total Equity RM'000
	Share capital RM'000	Treasury shares RM'000	Non-distributable	Warrant reserve RM'000	Other reserve RM'000	Retained earnings RM'000		
Group								
At 1 January 2022	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127
Loss for the financial year	-	-	-	-	(84,872)	(84,872)	(22,725)	(107,597)
Other comprehensive income	-	-	-	269	-	269	-	269
Total comprehensive loss for the financial year	-	-	-	269	(84,872)	(84,603)	(22,725)	(107,328)
Transfer for retained earnings	-	-	-	(1,665)	1,665	-	-	-
New issuance shares - Private Placement	21,017	-	-	-	-	21,017	-	21,017
Conversion shares Warrant	10,132	-	(3,868)	3,868	-	10,132	-	10,132
Shares buy back	-	(556)	-	-	-	(556)	-	(556)
Changes in ownership interest in a subsidiary company	-	-	-	-	-	-	1,250	1,250
At 31 December 2022	383,155	(3,470)	58,777	66,733	225,960	731,155	(8,513)	722,642
Group								
At 1 January 2021	352,006	(2,914)	62,645	65,422	304,865	782,024	12,150	794,174
Profit for the financial year	-	-	-	-	2,639	2,639	480	3,119
Other comprehensive income	-	-	-	502	-	502	-	502
Total comprehensive income for the financial year	-	-	-	502	2,639	3,141	480	3,621
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	-	-	332	332
At 31 December 2021	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127

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

	Attributable to owners of the Parent					Total Equity RM'000
	Share Capital RM'000	Non-distributable Treasury shares RM'000	Warrant reserve RM'000	Other reserve RM'000	Distributable Accumulated losses RM'000	
Company						
At 1 January 2022	352,006	(2,914)	62,645	(62,645)	(550,408)	(201,316)
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(10,111)	(10,111)
New issuance shares						
- Private Placement	21,017	-	-	-	-	21,017
Conversion shares Warrant	10,132	-	(3,868)	3,868	-	10,132
Shares buy back	-	(556)	-	-	-	(556)
At 31 December 2022	383,155	(3,470)	58,777	(58,777)	(560,519)	(180,834)
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)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows Used in Operating Activities				
(Loss)/Profit before tax	(106,288)	11,541	(9,770)	(3,584)
Adjustments for:				
Amortisation of:				
- Deferred income	(2,656)	(3,884)	-	-
- Right-of-use assets	6,470	6,995	-	-
Bad debts recovered	-	(185)	-	-
Bad debt written off	500	732	-	-
Depreciation of property, plant and equipment	4,924	4,861	44	44
Dividend income	(150)	(300)	-	-
Fair value loss/(gain) on investment properties	430	(990)	-	-
Fair value adjustment on trade receivables	-	(403)	-	-
Interest expenses	12,180	10,230	4,589	1,850
Interest income	(35)	(161)	-	-
Inventories written off	-	4	-	-
Property, plant and equipment written off	46,841	4	-	-
Unrealised loss on foreign exchange	2,680	742	2,680	-
Gain on disposal on property, plant and equipment	(41)	(82)	-	-
Gain on disposal on right-of-use assets	-	(9)	-	-
Reversal of impairment loss on:				
- trade receivables	(412)	(1,607)	-	-
- other receivables	-	(521)	-	-
- amount due from subsidiary companies	-	-	-	(577)
Impairment loss on:				
- investment in subsidiary companies	-	-	-	355
- other investments	-	50	-	50
- property, plant and equipment	27,146	-	-	-
- right-of-use assets	1,210	-	-	-
- trade receivables	6,489	1,467	-	-
- other receivables	1,951	516	-	-
Operating profit/(loss) before working capital changes	1,239	29,004	(2,457)	(1,862)
Changes in working capital:				
Inventories	1,846	(13,820)	-	-
Receivables	(5,828)	(12,244)	(366)	(3,539)
Contract asset	75	(119)	-	-
Contract liabilities	892	(3,814)	-	-
Payables	(1,920)	11,075	(1,042)	2,046
Cash generated (used in)/generated from operating activities	(3,696)	10,082	(3,865)	(3,355)
Interest paid	(11,694)	(10,230)	(4,589)	(1,850)
Tax paid	(2,202)	(1,531)	(1)	-
Tax refunded	-	2	-	2
Net cash used in operating	(17,592)	(1,677)	(8,455)	(5,205)
Cash Flows (Used In)/From Investing Activities				
Acquisition of investment in an associate	-	-	-	-
Dividend received	150	300	-	-
Interest received	35	161	-	-
Balance carried forward	185	461	-	-

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash Flows (Used In)/From Investing Activities (Cont'd)				
Balance brought forward	185	461	-	-
Proceeds from disposal of property, plant, and equipment	41	737	-	-
Proceeds from partial disposal of right-of use assets	-	174	-	-
Purchase of property, plant, and equipment	(2,082)	(1,472)	-	-
Purchase of right-of-use assets	(105)	-	-	-
Proceeds from partial disposal of stakes in a subsidiary company	1,250	332	-	-
Repayment of subsidiary company	-	-	(13,959)	(7,748)
Net cash from (used in)/from investing activities	(711)	232	(13,959)	(7,748)
Cash Flows from Financing Activities				
Advance from subsidiary companies	-	-	372	13,753
Decrease in bank overdrafts	-	(9,983)	-	(9,983)
Proceed from private placement	10,132	-	10,132	-
Purchase of treasury shares	(556)	-	(556)	-
Proceed from exercised of warrants	21,017	-	21,017	-
Repayment of revolving credit	(550)	2,000	-	-
Payment of lease liabilities	(303)	(577)	-	-
Drawdown of term loans	5,804	15,280	-	9,371
Repayment of term loans	(21,251)	(1,544)	(8,734)	-
Net cash from financing activities	14,293	5,176	22,231	13,141
Net (decrease)/increase in cash and cash equivalents	(4,010)	3,731	(183)	188
Cash and cash equivalents at the beginning of the financial year	13,723	9,326	221	33
Effect of exchange translation differences	325	666	-	-
Cash and cash equivalents at the beginning of the financial year	10,038	13,723	38	221
Cash and cash equivalents at the end of the financial year comprise:				
Fixed deposits with licensed banks	2,140	2,130	-	-
Cash and bank balances	7,898	11,593	38	221
	10,038	13,723	38	221

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

1. Corporate Information

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

The principal place of business 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 has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Going concern basis

The financial statements of the Group has been prepared on the basis of going concern, notwithstanding that during the financial year ended 31 December 2022, the Group recorded loss for the year of RM107,328,000, net loss in operating cash flow of RM17,592,000; and the Group has outstanding current borrowings of RM64,745,000 which can be called upon on demand basis due to the breaches in certain loan covenants, as disclosed in Note 23. These give rise to concerns about whether the Group has sufficient cash flows to meet its obligations as and when they fall due.

The Group has certain turnaround plans which are currently in the progress; amongst others:

(a) Waiver on the breaches and revision of loan covenant

As of the date of this report, there is no calling back of the borrowings by the financial institutions, and the management is in the process of obtaining the letter of waiver on the breaches and revision of the loan covenant.

(b) Cash proceeds from the proposed disposal of certain unpledged assets

The Group proposed to dispose certain unpledged assets and the said proceeds will be used for working capital purpose. As at 31 December 2022, the carrying amounts of the unpledged assets of the Group are as per followings:

	Group RM'000
Inventories:	
Land held for property development	127,835
Completed units	63,545
	191,380

In view of the above, the Directors concluded the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due. Accordingly, the Directors believe that there is no material uncertainty that exists and the preparation of the financial statements of the Group on the going concern basis is appropriate.

DIRECTORS' REPORT

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of amended standards

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

Amendments to MFRS 16	COVID-19-Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021

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

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference of the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRSs Standards 2018 - 2020:		
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141	1 January 2022	
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
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 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

(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 Group's and 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.

(d) Significant accounting judgements, estimates and assumptions

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

Judgements

The following are the judgements made by management in the process of applying the Group's and the Company'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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

2. Basis of Preparation (Cont'd)

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

Key sources of estimation uncertainty (Cont'd)

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2022 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**2. Basis of Preparation (Cont'd)**

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

Key sources of estimation uncertainty (Cont'd)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.

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.

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 2022, the Group has tax recoverable of RM633,000 (2021: RM608,000) and tax payable of RM5,548,000 (2021: RM6,420,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

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.

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(p)(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(b) Investments in associates and joint venture (Cont'd)

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(p)(i) to the financial statements on impairment of non-financial assets.

(c) Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly
- Its liabilities, including its share of any liabilities incurred jointly
- Its revenue from the sale of its share of the output arising from the joint operation
- Its share of the revenue from the sale of the output by the joint operation
- Its expenses, including its share of any expenses incurred jointly

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the MFRSs Accounting Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

(d) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)**(d) Foreign currency translation (Cont'd)****(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 those 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.

(e) 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(p)(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 consist 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

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

(i) Recognition and measurement (Cont'd)

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.

(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. Lease 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 - Freehold	2% - 10%
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.

(f) 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 172 years (2020: 70 to 173 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(g) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(g) 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(p)(i) to the financial statements.

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
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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(g) Leases (Cont'd)

As lessor (Cont'd)

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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(i) 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 fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

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 ("FVTOCI")

(a) Debt instruments

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

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

For debt investment not designated at fair value through profit or loss, interest income calculated using effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income.

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

(b) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(i) Financial assets (Cont'd)

(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.

(j) 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.

(k) 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*.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**3. Significant Accounting Policies (Cont'd)**

(l) 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.

(m) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(n) 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.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and short-term deposit. For the purpose of statements of cashflows, cash and cash equivalents are presented net of bank overdraft.

(p) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property measured at fair value) 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 the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

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

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 2022

3. Significant Accounting Policies (Cont'd)

(p) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit loss ("ECL") on financial assets measured at amortised cost. 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, the Group apply a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has 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.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in-order to comply with the Group's and the Company's procedures for recovery of amounts due.

(q) 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 2022

3. Significant Accounting Policies (Cont'd)

(r) 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.

(s) 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.

(t) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(t) Revenue recognition (Cont'd)

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

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

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

3. Significant Accounting Policies (Cont'd)

(t) Revenue recognition (Cont'd)

(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.

(u) 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.

(v) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**3. Significant Accounting Policies (Cont'd)****(v) Income taxes (Cont'd)**

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

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

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

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.

(w) 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.

(x) 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.

(y) 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 comprise cash and bank balances, deposits with licensed banks that are readily convertible into cash with insignificant risk of changes in value against which bank overdrafts, if any, are deducted.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

(z) 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	2022 RM'000	2021 RM'000
Net carrying amount			
Other property, plant and equipment	(a)	18,471	48,515
<hr/>			
Company			
Other property, plant and equipment	(a)	31	75
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NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4. Property, Plant and Equipment (Cont'd)
(a) Other property, plant and equipment

Group 2022	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
Cost						
At 1 January	2,437	49,476	112,212	78,286	4,980	247,391
Additions	-	-	1,532	550	-	2,082
Disposal	-	-	-	-	(159)	(159)
Impairment	-	(38,514)	(1,412)	(2,857)	(1,781)	(44,564)
Foreign currency translation differences	-	(81)	-	-	-	(81)
At 31 December	2,437	10,881	112,332	75,979	3,040	204,669
Accumulated depreciation						
At 1 January	484	13,906	103,181	76,377	4,928	198,876
Charge for the financial year	191	491	3,373	843	26	4,924
Disposal	-	-	-	-	(159)	(159)
Impairment	-	(11,455)	(1,414)	(2,770)	(1,779)	(17,418)
Foreign currency translation differences	-	(25)	-	-	-	(25)
At 31 December	675	2,917	105,140	74,450	3,016	186,198
Net carrying amount	1,762	7,964	7,192	1,529	24	18,471

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

4. Property, Plant and Equipment (Cont'd)
(a) Other property, plant and equipment (Cont'd)

Group 2021	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
Cost						
At 1 January	2,437	49,954	112,474	77,426	4,980	247,271
Additions	-	-	556	916	-	1,472
Disposal	-	-	(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
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 2022

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

Company 2022	Office Furniture and fittings RM'000
Cost	
At 1 January / 31 December	393
Accumulated depreciation	
At 1 January	318
Charge for the financial year	44
At 31 December	362
Net carrying amount	31
<hr/>	
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

- (a) The property, plant and equipment with the carrying amount of RM1,753,000 (2021: RM1,799,000) is held in trust by a shareholder of the company and is pledged as security for borrowing; as disclosed in Note 23.
- (b) As disclosed in Note 39(iii), the court has struck out the legal case on certain disputed land and no appeal are available. Accordingly, the property, plant and equipment held by the Group in relation to the disputed land with the carrying amount RM27,146,000 has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

5. Right-of-Use Assets

Group 2022	Hotel properties RM'000	Long term leasehold land RM'000	Leasehold building RM'000	Office furniture and fittings, office equipment RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At 1 January	377,976	330,590	19,450	3,194	1,788	500	733,498
Additions	-	-	96	99	534	-	729
Disposal	-	-	(2,816)	-	-	-	(2,816)
At 31 December	377,976	330,590	16,730	3,293	2,322	500	731,411
Accumulated depreciation							
At 1 January	55,432	38,987	8,458	1,141	776	427	105,221
Charge for the financial year	4,199	881	1,075	260	55	-	6,470
Disposal	-	-	(2,816)	-	-	-	(2,816)
At 31 December	59,631	39,868	6,717	1,401	822	427	108,875
Accumulated impairment							
At 1 January	85,707	-	-	-	-	-	85,707
Addition	-	765	445	-	-	-	1,210
At 31 December	85,707	765	445	-	-	-	86,917
Net carrying amount							
	232,638	289,957	9,568	1,892	1,491	73	535,619

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

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

Group 2021	Office furniture and fittings, office equipment							Motor vehicles RM'000	Total RM'000
	Hotel properties RM'000	Long term leasehold land RM'000	Leasehold building RM'000	Plant and machineries RM'000	Plant and machineries RM'000	Motor vehicles RM'000	Total RM'000		
Cost									
At 1 January	377,976	330,590	16,795	3,194	1,788	500	730,843		
Additions	-	-	2,984	-	-	-	2,984		
Disposal	-	-	(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		
Disposal	-	-	(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		

(a) The hotel properties, exhibition centre and showroom with an aggregate net carrying amount of RM234,618,000 (2021: RM237,064,000) 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 RM2,796,000 (2021: RM3,040,000) are pledged as security for the related lease liabilities.

(c) As at 31 December 2022, the long term leasehold land have unexpired lease period that are within the range from 67 to 171 years (2021: 68 to 172 years). The long term leasehold land with an aggregate carrying amount of RM114,518,000 (2021: RM114,582,000) are pledged as securities for borrowings as disclosed in Note 23.

(d) As disclosed in Note 39(iii), the court has struck out the legal case on certain disputed land and no appeal is available. Accordingly, the right-of-use assets held by the Group in relation to the disputed land with the carrying amount RM1,210,000 has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

6. Investment Properties

	Group	
	2022	2021
	RM'000	RM'000
At fair value		
At 1 January	260,360	259,370
Changes in fair value recognised in profit and loss	(430)	990
At 31 December	259,930	260,360
Included in the above are:		
At fair value		
Freehold land	24,430	24,360
Leasehold land	119,505	120,005
Buildings	115,995	115,995
	259,930	260,360

(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 RM259,930,000 (2021: RM260,360,000). 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.

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	
	2022	2021
	RM'000	RM'000
Investment properties	259,930	260,360

The decrease in the fair values of RM430,000 (2021: increase of RM990,000) has been recognised in profit or loss during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

6. Investment Properties (Cont'd)

(c) Income and expenses recognised in profit or loss

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

	Group Level 2	
	31.12.2022 RM'000	31.12.2021 RM'000
Rental income	3,697	5,167

(d) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to RM103,000,000 (2021: RM103,500,000) have been pledged to secure the borrowings granted to the Group as disclosed in Note 23.

7. Inventories

	Group	
	2022 RM'000	2021 RM'000
Non-current		
Land held for property development (Note a)	127,835	159,633
Current		
Property development cost (Note b)	115,290	137,554
Other inventories (Note c)	100,343	94,968
	215,633	232,522
	343,468	392,155

(a) Land held for property development

Group Cost	Freehold land RM'000	Leasehold land RM'000	Total RM'000
2022			
At 1 January	84,664	74,969	159,633
Written down during the year	(31,887)	-	(31,887)
Disposal	-	-	-
Transfer from property development cost (Note 7(b))	89	-	89
At 31 December	52,866	74,969	127,835
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

7. Inventories (Cont'd)

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

- (i) Included in land held for property development are certain parcels of land with an aggregate carrying amount of RM16,822,000 (2021: RM16,753,000) for which the Group is in the process of obtaining registration of land titles from the relevant authorities.
- (ii) As disclosed in Note 39(iii), the court has struck out the legal case on certain disputed land and no appeal is available. Accordingly, the land held for property development held by the Group in relation to the disputed land with the carrying amount RM31,887,000 had been written down to its net realisable value.

(b) Property development cost

	Group	
	2022	2021
	RM'000	RM'000
Cumulative property development costs		
At 1 January	116,754	117,215
Land costs	501,901	499,724
<hr/>		
Development expenditure	618,655	616,939
<hr/>		
Transfer from/(to):		
Land held for property development (Note 7(a))	(89)	(461)
Other inventories	(9,577)	-
	(9,666)	(461)
<hr/>		
Cost incurred during the year:		
Development expenditure	232	2,177
<hr/>		
Written down during the year:		
Land costs	(163)	-
Development expenditure	(31,485)	-
	(31,648)	-
<hr/>		
At 31 December	115,836	116,754
Land costs	461,737	501,901
<hr/>		
Development expenditure	577,573	618,655
<hr/>		
Less: Cumulative costs recognised in profit or loss		
At 1 January	(481,101)	(492,501)
Recognised during the financial year	(740)	11,400
Written down during the financial year	19,558	-
<hr/>		
At 31 December	(462,283)	(481,101)
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Carrying amount		
At 31 December	115,290	137,554

- (i) Property development cost of the Group amounting to RM70,413,000 (2021: RM70,289,000) have been pledged to secure the borrowings granted to the Group as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

7. Inventories (Cont'd)

(b) Property development cost (Cont'd)

- (ii) As disclosed in Note 39(iii), the court has struck out the case and no appeal is available. Accordingly, the property development cost held by the Group in relation to the disputed land with the carrying value of RM12,089,000 had been fully written down.

(c) Other inventories

	Group	
	2022 RM'000	2021 RM'000
At cost		
Completed property units held for sale	68,674	63,658
Consumable materials	791	432
At net realisable value		
Completed property units held for sale	69,465	64,090
	30,878	30,878
	100,343	94,968
Recognised in profit or loss:		
Inventories written down	2,865	8

- (i) Other inventories of the Group at a carrying amount of RM36,007,000 (2021: RM36,007,000) are charged to a licensed bank as security for borrowings granted to the Group as disclosed in Note 23.
- (ii) As disclosed in Note 39(iii), the court has struck out the legal case on certain disputed land and no appeal is available. Accordingly, the other inventories held by the Group in relation to the disputed land with the carrying value of RM2,865,000 had been written down to its net releasable value.

8. Investment in Subsidiary Companies

	Company	
	2022 RM'000	2021 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	(566,170)	(566,815)
Impairment losses recognised	-	(355)
	(567,170)	(567,170)
At 31 December	(567,170)	(567,170)
	60,314	60,314

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

8. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2022	(%) 2021	
Direct Holding:				
Borneo Heights Sdn. Bhd.	Malaysia	70	70	Property development and property investment
Country Heights Smart living Sdn. Bhd. (formerly known as 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
Country Heights Sea Resort Sdn. Bhd.	Malaysia	100	100	Property development
Country Heights W.T.C Sdn. Bhd.	Malaysia	100	100	Property development and investment holding

NOTES TO THE FINANCIAL STATEMENTS
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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
		2022	2021	
Direct Holding: (Cont'd)				
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 for 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
Indirect Holding:				
Subsidiary company of Borneo Heights Sdn. Bhd.				
Borneo Highlands Hornbill Golf & Jungle Club Berhad**	Malaysia	70	70	Ownership and operation of a golf course and club hotel

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

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
		(%) 2022	(%) 2021	
Indirect Holding: (Cont'd)				
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.	Malaysia	50	53	Investment holding 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
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
JDMines Sdn. Bhd.	Malaysia	100	100	Big Data and IT related

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

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
		(%) 2022	(%) 2021	
Indirect Holding: (Cont'd)				
Subsidiary company 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
Subsidiary company of Country Heights Resorts & Leisure Sdn. Bhd.				
Mines Premium Sdn. Bhd.	Malaysia	100	100	Solution provider and promotion activities
Subsidiary companies of Golden Horse Palace Berhad				
Mines Marketing Sdn. Bhd. ^{^^}	Malaysia	81	81	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	81	81	Travel agents and tour operators and to provide facilities in travelling and touring to travellers and tourist

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

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
		(%) 2022	(%) 2021	
Indirect Holding: (Cont'd)				
Subsidiary companies of				
GHHS Healthcare Sdn. Bhd.				
GHHS Wellness Sdn. Bhd. ^{@@}	Malaysia	50	53	Provision of medical and healthcare services
Subsidiary company 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. Berhad				
Natural Circle (M) Sdn. Bhd.	Malaysia	99.98	99.98	Letting of properties and property development
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

** The total effective equity interest held by the Group is 70%, of which 100% is held through Borneo Heights Sdn. Bhd.

^^ The total effective equity interest held by the Group is 81%, of which 100% is held through Golden Horse Palace Berhad

The total effective equity interest held by the Group is 81%, of which 100% is held through Mines Marketing Sdn. Bhd.

@@ The total effective equity interest held by the Group is 50%, of which 100% is held through GHHS Wellness Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

8. Investment in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies

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

Name of company 2022	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	(14,257)	(25,801)
Golden Horse Palace Berhad ("GHPB")	19.10	(979)	21,204
Stallion Management Sdn. Bhd. ("SMSB")	1.00	(1)	(349)
GHHS Healthcare Sdn. Bhd. ("GHHS")	49.98	1,029	4,350
Individually immaterial subsidiary companies with non-controlling interest			(7,917)
Total non-controlling interest			(8,513)

Name of company 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")	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
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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	BHSB		GHPB		SMSB		GHHS	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	21	32,386	188,145	198,958	-	-	6,902	6,961
Current assets	976	15,909	24,975	25,673	-	-	12,970	9,379
Non-current liabilities	(21)	(21)	(177,412)	(180,314)	-	-	(6,876)	(8,055)
Current liabilities	(55,975)	(55,767)	(55,292)	(58,773)	(1,144)	(1,139)	(5,500)	(5,146)
Net liabilities/assets	(54,999)	(7,493)	(19,584)	(14,456)	(1,144)	(1,139)	7,496	3,139

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

Group	BHSB		GHPB		SMSB		GHHS	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	-	-	3,402	7,542	-	-	21,604	23,383
Loss for the financial year, representing total comprehensive loss for the financial year	(47,524)	(239)	(5,129)	(4,362)	(5)	(7)	2,058	2,581

(iii) Summarised statements of cash flows

Group	BHSB		GHPB		SMSB		GHHS	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net cash (used in)/generated from operating activities	(237)	(106)	(127)	878	(5)	(2)	(53)	1,875
Net cash (used in)/generated from investing activities	(2)	(50)	(317)	-	-	-	(2,764)	(527)
Net cash generated from/ (used in) financing activities	143	215	(821)	(74)	(5)	2	1,781	(566)
Net increase/(decrease) in cash and cash equivalents	41	59	(630)	804	-	-	(1,037)	782

NOTES TO THE FINANCIAL STATEMENTS
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8. Investment in Subsidiary Companies (Cont'd)

(a) Changes in non-controlling interest

On 1 April 2022, 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 2,300,000 ordinary shares via cash credited as fully paid-up in the capital of the Company at RM1.00 per share.

9. Investment in Associates

	Group	
	2022 RM'000	2021 RM'000
At cost		
Unquoted shares in Malaysia	299	299
Share of post-acquisition loss	(50)	(50)
	249	249
Less: Accumulated impairment loss	(249)	(249)
	-	-

Details of the associate companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2022 (%)	2021 (%)	
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 2022 have been used and appropriate adjustments have been made for the effects of the significant transaction between 1 July 2022 and 31 December 2022.

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9. Investment in Associates (Cont'd)

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
As at 31 December						
Non-current assets	14	18	4	4	120	240
Current assets	1,237	1,337	1	3	167	359
Current liabilities	(2,151)	(2,188)	(258)	(225)	(594)	(628)
Net (liabilities)/assets	(900)	(833)	(253)	(218)	(307)	(29)
Group's share of net (liabilities)/assets	(428)	(396)	(51)	(44)	(15)	(1)
Unrecognised share of loss/(income)	428	396	51	44	15	1
Carrying value of Group's interest in associates	-	-	-	-	-	-

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

	SDSB		Group AAVSB		BISB	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loss for the financial year, representing total comprehensive loss for the financial year	(64)	(43)	(28)	(28)	(269)	(356)

10. Investment in a Joint Venture

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2022	(%) 2021	
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	40	Provision of medical care facilities and services

NOTES TO THE FINANCIAL STATEMENTS
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10. Investment in a Joint Venture (Cont'd)

In previous financial year, 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 2022 under their respective categories of income, expenses, assets and liabilities.

(a) Summarised statement of financial position

	Group AGFSB	
	2022 RM'000	2021 RM'000
As at 31 December		
Non-current assets	12	9
Current assets	48	90
Current liabilities	(3,201)	(3,243)
Net liabilities	(3,141)	(3,144)
Group's share of net liabilities	(1,571)	(1,572)
Elimination of unrealised profits	-	(5)
Unrecognised share of loss	1,571	1,577
Carrying value of Group's interest in joint ventures	-	-

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

	2022 RM'000	2021 RM'000
Loss for the financial year, representing total comprehensive loss for the financial year	(7)	(9)

11. Other Investments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 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	-	-
Membership, at cost				
At 1 January	734	734	718	718
Less: Impairment losses	(397)	(397)	(381)	(381)
At 31 December	337	337	337	337
Carrying amount				
At 31 December	2,337	2,337	337	337

NOTES TO THE FINANCIAL STATEMENTS

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11. Other Investments (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	397	347	381	331
Impairment losses recognised	-	50	-	50
At 31 December	397	397	381	381

12. Trade Receivables

	Group	
	2022 RM'000	2021 RM'000
Non-current asset		
Trade receivables	2,241	7,595
Current asset		
Trade receivables	56,193	48,803
Less: Accumulated impairment losses	(41,169)	35,092
At 31 December	15,024	13,711

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2021: 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.

Movements in the allowance for impairment losses are as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	35,092	35,720
Impairment losses recognised	6,489	1,467
Amounts written off	-	(488)
Impairment losses reversed	(412)	(1,607)
At 31 December	41,169	35,092

NOTES TO THE FINANCIAL STATEMENTS
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12. Trade Receivables (Cont'd)

Impairment losses reversed during the financial year amounting to RM412,000 (2021: RM1,607,000) 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 2022			
Neither past due nor impaired	11,047	-	11,047
Past due not impaired:			
Less than 30 days	9	-	9
31 to 60 days	363	(2)	361
61 to 90 days	92	(1)	91
More than 90 days	3,610	(94)	3,516
	4,074	(97)	3,977
	15,121	(97)	15,024
Credit impaired:			
Individual impaired	41,072	(41,072)	-
	56,193	(41,169)	15,024
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
	6,484	(213)	6,271
	14,059	(348)	13,711
Credit impaired:			
Individual impaired	34,744	(34,744)	-
	48,803	(35,092)	13,711

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 31 December 2022, trade receivables of RM3,977,000 (2021: RM6,271,000) 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 RM41,072,000 (2021: RM34,744,000), 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

13. Deferred Tax (Assets)/Liabilities

The following are the deferred tax balances in the statements of financial position:

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets	(196)	(196)
Deferred tax liabilities	101,343	101,339
	101,147	101,143
At 1 January	101,143	97,941
Recognised in profit or loss	4	3,196
Under provision in prior year	-	6
At 31 December	101,147	101,143

The components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Deferred tax assets:		
Unutilised tax losses		
At 1 January/31 December	(196)	(196)
Deferred tax liabilities:		
Investment properties		
At 1 January	20,792	20,692
Recognised in profit or loss	(47)	100
At 31 December	20,745	20,792
Revaluation of assets		
At 1 January/31 December	75,914	75,914
Land held for property development		
At 1 January	4,208	1,028
Recognised in profit or loss	-	3,180
At 31 December	4,208	4,208
Accelerated capital allowances		
At 1 January	425	503
Recognised in profit or loss	51	(84)
Under provision in prior year	-	6
At 31 December	476	425
	101,343	101,339

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

13. Deferred Tax (Assets)/Liabilities (Cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	225,564	215,216	-	-
Unutilised capital allowances	89,287	93,774	10	10
Other deductible temporary difference	120	120	-	-
	314,971	309,110	10	10

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other receivables	24,800	26,446	2,888	2,022
Less : Accumulated impairment losses	(11,731)	(9,780)	(977)	(977)
	13,069	16,666	1,911	1,045
Deposits	7,071	12,713	2,017	2,519
Prepayments	2,337	2,167	614	612
	22,477	31,546	4,542	4,176

Movements in allowance for impairment losses are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	9,780	9,785	977	977
Impairment losses recognised	1,951	516	-	-
Impairment losses reversed	-	(521)	-	-
At 31 December	11,731	9,780	977	977

Impairment losses reversed during the financial year for the Group and for the Company amounting to RM Nil (2021: RM521,000) and RM Nil (2021: RM Nil) respectively pertaining 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.

Subsequent to financial year, as disclosed in Note 38(ii), the completion of acquisition of the Heritage Tower @ Mines Wellness City is unable to proceed. Accordingly, the deposit paid by Country Heights Sea Resort Sdn. Bhd., a wholly owned subsidiary of the Company, amounted to RM10,410,000 had been written off. The said amount was previously financed by a related party in which a shareholder of the Company has controlling interest. The said related party has waived the said loan including interest due from Company, as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

15. Amount Due from/(to) Subsidiary Companies

	Group	
	2022	2021
	RM'000	RM'000
Amount due from subsidiary companies:		
Non-trade related	98,724	84,765
Less: Accumulated impairment losses	(53,099)	(53,099)
	45,625	31,666
Amount due to subsidiary companies:		
Non-trade related	(162,995)	(162,623)

Movements in the allowance for impairment losses of the amount due from subsidiary companies are as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	53,099	53,676
Impairment losses recognised	-	-
Impairment losses reversed	-	(577)
At 31 December	53,099	53,099

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 ranging from 1.75% to 2.80% (2021: 1.50% to 2.82%) per annum and the maturities of deposits are ranging from 30 to 365 days (2021: 30 to 365 days).

The fixed deposits of the Group at the amount of RM2,140,000 (2021: RM2,129,000) have been pledged to licensed banks as security for bankers' guarantees issued as disclosed in Note 35.

17. Cash and Bank Balances

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances				
- Housing Development Accounts	897	892	-	-
- Others	7,001	10,701	38	221
	7,898	11,593	38	221

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 RM3,296,000 (2021: RM3,267,000) held under trust account pursuant to trust deeds in relation to a timeshare membership scheme of a subsidiary company.

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18. Share Capital

	Group and Company			
	Number of shares		Amount	
	2022 Units'000	2021 Units'000	2022 RM'000	2021 RM'000
Ordinary shares issued and fully paid:				
At 1 January/	275,707	275,707	352,006	352,006
Issue of shares pursuant to private placements	15,838	-	10,132	-
Issue of shares pursuant to exercise of warrants	8,444	-	21,017	-
At 31 December	299,989	275,707	383,155	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 regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

During the financial period, the issued and fully paid-up ordinary share capital of the Company increased from 275,707,403 to 299,988,903 by way of issuance of new ordinary shares pursuant to the following:

- (i) 8,443,600 shares exercised under the Warrants at exercise price of RM1.20; and
- (ii) 15,837,900 shares exercised under the Private Placement at issue price of RM1.3270 per placement of shares.

The newly issued ordinary shares rank pari passu in all respects with the existing ordinary shares of the Company.

19. Treasury Shares

	Group	
	2022 RM'000	2021 RM'000
Treasury shares		
At 1 January	2,914	2,914
Addition	556	-
As at 31 December	3,470	2,914

Treasury shares represent ordinary shares of the Company that are 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

20. Reserves

	Note	Group	
		31.12.2022 RM'000	31.12.2021 RM'000
Non distributable			
Revaluation reserve	(a)	132,303	133,968
Investment revaluation reserve	(b)	57	57
Warrant reserve	(c)	58,777	62,645
Other reserve	(d)	(58,777)	(62,645)
Foreign currency translation reserve	(e)	(6,850)	(7,119)
		125,510	126,906
Distributable			
Retained earnings		225,960	309,167
		351,470	436,073
<hr/>			
	Note	Company	
		2022 RM'000	2022 RM'000
Non distributable			
Warrant reserve	(c)	58,777	62,645
Other reserve	(d)	(58,777)	(62,645)
		-	-
Distributable			
Retained earnings		(560,519)	(550,408)
		(560,519)	(550,408)

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

20. Reserves (Cont'd)

The nature of reserves of the Group and of the Company are as follows:

(c) Warrant reserve

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 2022, the total number of the Warrants that remain unexercised was 128,335,101.

(d) Other reserve

This represents the 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.

NOTES TO THE FINANCIAL STATEMENTS
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21. Contract Asset/(Liabilities)

	Group	
	2022	2021
	RM'000	RM'000
Current Contract Asset		
Property development activities	44	119
<hr/>		
Non-current Contract liabilities		
Deferred income	32,805	34,906
<hr/>		
Current Contract liabilities		
Property development activities	935	935
Deferred income	2,314	1,977
	3,249	2,912
<hr/>		
Contract liabilities	36,054	37,818
<hr/>		

- (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

The contract asset and liabilities balances represent the timing differences in revenue recognition and milestone billings. The milestone billings for property development contract are governed by the relevant regulations.

22. Other Payables

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Other payables	2,299	2,322	-	-
<hr/>				
Current liabilities				
Other payables	63,464	72,729	9,600	14,225
Accruals	37,366	28,773	4,994	1,411
Deposits	9,240	7,937	-	-
	110,070	109,439	14,594	15,636
<hr/>				

Included in other payable consist of:

- (i) A tax relation sum payable by the Company amounting to RM11,214,000 (2021: RM11,214,000) pursuant to the terms of acquisition of various property and leisure related interest and assets; and
- (ii) An amount of RM590,000 (2021: RM590,000) due to certain shareholders of the Company.

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23. Loans and Borrowings

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Secured				
Term loans (Note a)	103,672	113,195	38,226	44,280
Revolving credit (Note b)	1,450	2,000	-	-
	105,122	115,195	38,226	44,280
Unsecured				
Term loans (Note a)	76,624	90,278	75,230	75,230
	181,746	205,473	113,456	119,510
Non-current				
Term loans (Note a)	86,691	166,489	84,839	84,510
Revolving credit (Note b)	700	1,449	-	-
	87,391	167,938	84,839	84,510
Current				
Term loans (Note a)	93,605	36,984	28,617	35,000
Revolving credit (Note b)	750	551	-	-
	94,355	37,535	28,617	35,000
	181,746	205,473	113,456	119,510

The average effective interest rates per annum are as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Term loans	3.00 - 18.00	7.00 - 18.00	7.00 - 18.00	7.00 - 18.00
Revolving credit	4.00	4.00	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

- (i) A term loan facility of RM1,733,000 granted to and held in trust by a shareholder of the Company, 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 RM1,753,000 (2021: RM1,799,000), as disclosed in Note 4.
- (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 RM103,000,000 and RM83,252,000 (2021: RM103,500,000 and RM82,759,000) as disclosed in Notes 6, 7(b) and 7(b);
 - (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 RM57,238,000 and RM114,514,000 (2021: RM59,660,000 and RM114,582,000); and
 - (c) Corporate guarantee by Country Heights Holdings Berhad.

During the financial year, the Group had breached certain loan covenants as stated in the loan agreement. As a result, this loan has been classified from non-current liabilities to current liabilities as of 31 December 2022.

- (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 a shareholder of the Company 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 (2021: 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 (2021: 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 (2021: RM658,000) as disclosed in Note 7(c).
- (iv) A shareholder of the Company granted to the Company a 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.

NOTES TO THE FINANCIAL STATEMENTS

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23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

- (v) A loan facility of RM5,700,000, RM1,700,000 and RM1,648,000 from a licensed moneylender, details as follows: (Cont'd)
- (a) The loan is borrowed from a licensed money lender in which certain substantial shareholders 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.

During the financial year, the loan facilities were fully settled.

- (vi) A loan facility of RM1,750,000 (USD 436,000) from a Labuan licensed investment bank, details as follows:
- (a) The loan is borrowed from a Labuan licensed investment bank in which certain substantial shareholders of the Company have substantial interest; and
 - (b) The loan is unsecured and bears interest at a rate of 1% (2021: 1%) per month. 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 month. On 24 February 2022 the loan was rescheduled for another 24 months which will due on 25 February 2024 based on the same interest rate of 1% per month; 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 Labuan licensed investment bank, details as follows:
- (a) The loan is borrowed from a Labuan licensed investment bank in which certain substantial shareholders of the Company have substantial interest; and
 - (b) The loan is unsecured and bears interest at a rate of 1% (2021: 1%) per month. 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 month. On 28 March 2022 the loan was rescheduled for another 24 months which will due on 29 March 2024 based on the same interest rate of 1% per month.

NOTES TO THE FINANCIAL STATEMENTS
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23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

(viii) A loan facility of RM5,517,540 (CNY 8,700,000) from a Labuan licensed investment bank, details as follows:

- (a) The loan is borrowed from a Labuan licensed investment bank in which certain shareholders of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1.50% (2021: 1.50%) per month. 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 month. On 3 May 2022 the loan was rescheduled for another 24 months which due on 4 May 2024 based on the same interest rate of 1.50% per month; 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 a carrying value RM175,627,000 (2021: RM178,174,000) 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 substantial shareholders 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 be due on 30 November 2022 based on the same interest rate of 18% per annum.

During the financial year, this loan facility had been waived, due to Country Heights Sea Resort Sdn. Bhd., a wholly owned subsidiary of the Company, is unable to proceed with the completion of acquisition of the Heritage Tower @ Mines Wellness City subsequent to financial year end.

(x) A loan facility of RM2,564,470 (USD580,000) from a Labuan licensed investment bank, details as follows:

- (a) The loan is borrowed from a Labuan license investment bank in which certain substantial shareholders of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1.25% (2021: Nil) per month. The loan is repayable at a lump sum by end of 12 months period from the money lending agreement dated 9 December 2022. On 31 December 2022 the loan was rescheduled for another 12 months which will be due on 9 December 2024 based on the same interest rate of 1.25% per month.

(xi) A loan facility of RM4,410,000 from a licensed money lender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain substantial shareholders of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 18% (2021: Nil) per annum. The loan is repayable at a lump sum by end of 12 months period from the money lending agreement dated 30 December 2022.

During the financial year, this loan facility had been waived, due to Country Heights Sea Resort Sdn. Bhd., a wholly owned subsidiary of the Company, is unable to proceed with the completion of acquisition of the Heritage Tower @ Mines Wellness City subsequent to financial year end.

NOTES TO THE FINANCIAL STATEMENTS
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23. Loans and Borrowings (Cont'd)

(b) Revolving credit

The revolving credit include the following:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<u>Secured</u>				
RM10,000,000 facility	1,450	2,000	-	-
	1,450	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 subsidiary 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 (2021: RM208,000), as disclosed in Note 7(c); 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	
	2022 RM'000	2021 RM'000
At 1 January	8,365	5,959
Additions	624	2,983
Finance costs	237	204
Payment of finance cost	(237)	(204)
Payments	(303)	(577)
At 31 December	8,686	8,365
Presented as:		
Non-current	4,239	5,005
Current	4,447	3,360
	8,686	8,365

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	
	2022 RM'000	2021 RM'000
Within one year	2,729	3,593
Later than one year and not later than two years	2,612	2,641
Later than two years and not later than five years	4,220	3,011
	9,561	9,245
Less: Future finance charges	(875)	(880)
Present value of lease liabilities	8,686	8,365

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 (2021: 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 (2021: RM5,216,000).

26. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contract customers:				
- Property development	5,103	59,930	-	-
- Hospitality and health	30,590	34,728	-	-
	35,693	94,658	-	-
Revenue from other sources:				
- Property investment	10,645	10,251	-	-
	10,645	10,251	-	-
	46,338	104,909	-	-

NOTES TO THE FINANCIAL STATEMENTS
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26. Revenue (Cont'd)

	Property development RM'000	Hospitality and health RM'000	Total RM'000
2022			
Timing of revenue recognition:			
At a point in time	5,103	-	5,103
Over time	-	30,590	30,590
Total revenue from with customers	5,103	30,590	46,338
2021			
Timing of revenue recognition:			
At a point in time	-	-	10,251
Over time	59,930	34,728	94,658
Total revenue from with customers	59,930	34,728	104,909

27. Finance Costs

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest expense on:				
-Bank overdraft	-	377	-	11
-Term loans	11,387	9,308	4,589	1,834
-Revolving credit	70	70	-	-
-Lease liabilities	237	204	-	-
-Others	486	271	-	5
	12,180	10,230	4,589	1,850

28. (Loss)/Profit Before Tax

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Amortisation of:				
-deferred income	(2,656)	(3,884)	-	-
-right-of-use assets	6,470	6,995	-	-
Auditors' remuneration:				
-statutory audit	292	303	58	58
-non-audit services	5	21	5	5
Bad debts written off	500	732	-	-
Depreciation of property, plant and equipment	4,924	4,861	44	44
Fair value adjustments on trade receivables	-	(403)	-	-
Fair value loss/(gain) on investment properties	430	(990)	-	-
Impairment loss on:				
-investment in subsidiary companies	-	-	-	355
-property, plant and equipment	27,146	-	-	-
-right-of-use assets	1,210	-	-	-
-other investments	-	50	-	50
-trade receivables	6,489	1,467	-	-
-other receivables	1,951	516	-	-

NOTES TO THE FINANCIAL STATEMENTS
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28. (Loss)/Profit Before Tax (Cont'd)

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Inventory written off	46,841	8	-	-
Lease expenses relating to short-term leases	235	8	-	-
Lease expenses relating to low-value assets	256	74	-	-
Non-executive directors' remuneration:				
-fees	62	42	62	42
-other emoluments	41	49	41	49
Property, plant and equipment written off	-	4	-	-
Unrealised loss on foreign exchange	2,680	742	2,680	-
Bad debt recovered	-	(185)	-	-
Dividend income	(150)	(300)	-	-
Gain on disposal of property, plant and equipment	(41)	(82)	-	-
Gain on disposal of right-of-use-assets	-	(9)	-	-
Interest income:				
-short-term deposits	(31)	(121)	-	-
-other	(4)	(40)	-	-
Rental income	(2,322)	(2,459)	-	-
Reversal of impairment loss on:				
-trade receivables	(412)	(1,607)	-	-
-other receivables	-	(521)	-	-
-amount due from subsidiaries	-	-	-	(577)

29. Taxation

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current income tax				
Current year tax provision	826	2,164	1	-
Under provision in prior years	479	3,056	340	335
	1305	5,220	341	335
Deferred taxation				
Origination and reversal of temporary differences	4	3,196	-	-
Under provision in prior years	-	6	-	-
	4	3,202	-	-
Tax expenses for the financial year	1,309	8,422	341	335

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable (losses)/profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS
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29. Taxation (Cont'd)

A reconciliation of income tax (credit)/expense applicable to (loss)/profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
(Loss)/Profit before tax	(106,288)	11,541	(9,770)	(3,584)
At Malaysia statutory tax rate of 24% (2020: 24%)	(25,049)	2,770	(2,345)	(860)
Income not subject to tax	(1,288)	(7,134)	(20)	(138)
Expenses not deductible for tax purposes	25,749	4,161	2,366	998
Utilisation of previously unrecognised deferred tax assets	(1,642)	(317)	-	-
Deferred tax assets not recognised	3,060	5,880	-	-
Underprovision of taxation in previous years	479	3,056	340	335
Under provision of deferred tax in previous years	-	6	-	-
Tax expense for the financial year	1,309	8,422	341	335

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses	226,381	216,033	-	-
Unutilised capital allowances	89,287	93,725	10	10
Other deductible temporary differences	120	120	-	-
	315,788	309,878	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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax loss expiring:				
-YA 2028	188,400	188,400	-	-
-YA 2029	5,912	5,912	-	-
-YA 2030	13,981	13,981	-	-
-YA 2031	18,088	7,740	-	-
	226,381	216,033	-	-

NOTES TO THE FINANCIAL STATEMENTS
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30. (Loss)/Earning Per Share

(a) Basic (loss)/earning per share

The basic (loss)/earning 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	
	2022 RM'000	2021 RM'000
Profit/(Loss) attributable to owners of the Company	(84,872)	2,639
Weighted average number of ordinary shares in issue (in thousand of shares)		
-As at 31 December	299,989	275,707
-Effect of treasury shares held	(3,250)	(2,150)
	296,739	273,557
Basic earnings/(loss) per ordinary share (in sen)	(28.60)	0.96

(b) Diluted (loss)/earning per share

Diluted earnings/(loss) per share are calculated based on 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	
	2022 RM'000	2021 RM'000
Profit/(Loss) attributable to owners of the parent	(84,872)	2,639
Weighted average numbers of ordinary shares used in the calculation of basic earnings per share (in thousand of shares)	296,739	273,557
Effect of conversion of free warrants	-	(14,672)
Weighted average number of ordinary shares of 21 December (diluted)	296,739	258,885
Diluted earnings/(loss) per share in (in sen)	(28.69)	1.02

NOTES TO THE FINANCIAL STATEMENTS
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31. Staff Costs

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Salaries, wages and other emoluments	10,565	12,118	41	42
Defined contribution plans	1,406	1,335	-	-
Social security contributions	161	139	-	-
Other benefits	799	502	62	49
	12,931	14,094	103	91

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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Executive Directors of the subsidiary companies				
Salaries and other emoluments	521	2,074	-	-
Benefit-in-kind	4	4	-	-
Defined contribution plan	54	130	-	-
	579	2,208	-	-
Non-executive Directors				
Fees	62	49	62	49
Allowances	41	42	41	42
	103	91	103	91

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

32. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the Group and 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	Non-cash Changes (ii) RM'000	At 31 December RM'000
2022					
Group					
Term loans	203,473	(15,447)	-	(7,730)	180,296
Revolving credit	2,000	(550)	-	-	1,450
Lease liabilities	8,365	(303)	624	-	8,686
	213,838	(16,300)	624	(7,730)	192,426
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
2022					
Company					
Amount due to subsidiary companies	162,623	372	-	-	162,995
Term loans	119,510	(8,734)	-	2,680	113,456
	282,133	(8,362)	-	2,680	276,451
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

(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.

(ii) Non-cash changes include unrealised loss on foreign exchange and waive of term loan.

NOTES TO THE FINANCIAL STATEMENTS
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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.

(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 and 22, the significant related party transactions of the Group and of the Company are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Transaction with companies in which certain Directors of the Company have interest		
Rental income received/receivable	118	57
Proceeds from loan borrowings	5,804	24,336
Interest charged	2,892	1,557
Landscapping paid/payable	184	-
	<hr/>	<hr/>

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Salary and other emoluments	521	2,165
Defined contribution plan	54	130
Benefits-in-kind	4	4
	<hr/>	<hr/>
	579	2,299
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
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34. Segment Information

For management purposes, the Group is organised into business units based on its 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 2022			
Malaysia	45,717	1,199,880	2,706
South Africa	621	10,598	-
	<hr/> 46,338	<hr/> 1,210,478	<hr/> 2,706
Group 2021			
Malaysia	104,282	1,303,272	4,286
South Africa	627	10,163	-
	<hr/> 104,909	<hr/> 1,313,435	<hr/> 4,286

NOTES TO THE FINANCIAL STATEMENTS
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34. Segment Information (Cont'd)

Non-current assets information presented above consists 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						
31.12.2022						
Revenue						
External sales	5,103	10,645	30,590	-	-	46,338
Inter-segment revenue	-	-	1,165	-	(1,165)	-
Total revenue	5,103	10,645	31,755	-	(1,165)	46,338
Results						
Segment results	(48,778)	(5,019)	(33,800)	(5,571)	(940)	(94,108)
Finance costs	(1,103)	(5,443)	(1,266)	(4,589)	221	(12,180)
Loss before tax	(49,881)	(10,462)	(35,066)	(10,160)	(719)	(106,288)
Income tax expense	(331)	50	(687)	(341)	-	(1,309)
Loss for the financial year	(50,212)	(10,412)	(35,753)	(10,501)	(719)	(107,597)
Assets						
Segment assets	460,690	280,839	463,092	5,028	-	1,209,649
Deferred tax assets	196	-	-	-	-	196
Tax recoverable	27	547	59	-	-	633
	460,913	281,386	463,151	5,028	-	1,210,478

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34. Segment Information (Cont'd)

	Property development RM'000	Property investment RM'000	Hospitality & health RM'000	Others RM'000	Elimination RM'000	Total operations RM'000
Group 2022						
Liabilities						
Segment liabilities	71,935	96,615	75,417	136,978	-	380,945
Deferred tax liabilities	22,221	30,543	48,579	-	-	101,343
Tax payables	4,441	-	432	675	-	5,548
	98,597	127,158	124,428	137,653	-	487,836
Other information						
Amortisation of:						
-deferred income	-	-	(2,656)	-	-	(2,656)
-right-of-use assets	76	2,757	3,637	-	-	6,470
Reversal of impairment loss						
on trade and other receivables	(412)	-	-	-	-	(412)
Impairment losses on:						
-property, plant and equipment	14	-	27,132	-	-	27,146
-right-of-use assets	434	-	776	-	-	1,210
-inventories	46,805	-	36	-	-	46,841
-trade receivables	-	30	6,459	-	-	6,489
-other receivables	1,951	-	-	-	-	1,951
Bad debts written off	119	381	-	-	-	500
Capital expenditure	9	500	2,197	-	-	2,706
Written down of inventories	46,805	-	36	-	-	46,841
Depreciation of property, plant and equipment	145	696	4,036	47	-	4,924
Group 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)
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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

34. Segment Information (Cont'd)

	Property development RM'000	Property investment RM'000	Hospitality & health RM'000	Others RM'000	Elimination RM'000	Total operations RM'000
Group						
2021						
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 impairment loss on trade and other receivables	(334)	(282)	(1,504)	(8)	-	(2,128)
Impairment losses 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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. 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:

	2022 RM'000	2021 RM'000
Group		
Financial assets		
<i>At fair value through other comprehensive income</i>		
Other investments	2,000	2,000
<i>At amortised cost</i>		
Other investments	337	337
Trade receivables	17,265	21,306
Other receivables	20,140	29,379
Deposits with licensed banks	2,140	2,130
Cash and bank balances	7,898	11,593
	49,780	66,745
Financial liabilities		
<i>At amortised cost</i>		
Trade payables	42,090	44,132
Other payables	112,369	111,761
Loans and borrowings	181,746	205,473
Lease liabilities	8,686	8,365
	344,891	369,731
Company		
Financial assets		
<i>At amortised cost</i>		
Other investments	337	337
Other receivables	3,928	3,564
Amount due from subsidiary companies	45,625	31,666
Cash and bank balances	38	221
	49,928	35,788
Financial liabilities		
<i>At amortised cost</i>		
Other payables	14,594	15,636
Amount due to subsidiary companies	162,995	162,623
Loans and borrowings	113,456	119,510
	291,045	297,769

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

35. Financial Instrument (Cont'd)

(b) Net (Loss)/gain arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net (loss)/gain on impairment of financial instruments:				
- Financial assets at amortised cost	(8,028)	145	-	577

(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 RM66,495,000 (2020: RM70,168,000), representing the outstanding banking facilities of the subsidiary companies 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. Financial Instrument (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

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. (Cont'd)

(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 years 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 years amount RM'000
Group						
2022						
Non-derivative financial liabilities						
Trade payables	42,090	-	-	-	42,090	42,090
Other payables	110,070	2,299	-	-	112,369	112,369
Loans and borrowings	101,507	87,480	326	-	189,313	181,746
Lease liabilities	2,729	2,612	4,220	-	9,561	8,686
Financial guarantee	1,491	-	-	-	1,491	-
	257,887	92,391	4,546	-	354,824	344,891
Group						
2021						
Non-derivative financial liabilities						
Trade payables	44,112	-	-	-	44,112	44,112
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
Financial guarantee*	1,491	-	-	-	1,491	-
	196,170	99,708	10,706	65,741	372,325	369,711

* Based on the minimum amount that can be called for under the financial guarantee contract.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. Financial Instrument (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				
2022				
Non-derivative financial liabilities				
Other payables	14,594	-	14,594	14,594
Amount due to subsidiary companies	162,995	-	162,995	162,995
Loans and borrowings	30,620	84,963	115,583	113,456
Financial guarantee *	66,495	-	66,495	-
	274,704	84,963	359,667	291,045
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 *	70,168	-	70,168	-
	283,427	84,510	367,937	297,769

* 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 2022

35. Financial Instrument (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:

	2022 RM'000	2021 RM'000
Group		
Floating rate instruments		
Term loans	105,066	128,243
Revolving credit	1,450	2,000
Lease liabilities	8,686	8,365
	115,202	138,608
Company		
Floating rate instruments		
Term loans	38,226	44,280
	38,226	44,280

Interest rate risk sensitivity analysis

Fair 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/(decreased) the Group's and the Company's profit before tax by RM288,005 (2021: RM346,520) and RM95,565 (2021: RM110,700) respectively, arising mainly as a result of lower/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
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35. 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 Carrying amount RM'000	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
Group 2022										
Financial assets										
Other investment:										
Unquoted shares	-	-	2,000	2,000	-	-	-	-	2,000	2,000
Memberships	-	-	-	-	-	-	337	337	337	337
Trade receivables-non-current	-	-	-	-	-	-	2,241	2,241	2,241	2,241
	-	-	2,000	2,000	-	-	2,578	2,578	4,578	4,578
Group 2021										
Financial assets										
Other investment:										
Unquoted shares	-	-	2,000	2,000	-	-	-	-	2,000	2,000
Memberships	-	-	-	-	-	-	337	337	337	337
Trade receivables-non-current	-	-	-	-	-	-	7,595	7,595	7,595	7,595
	-	-	2,000	2,000	-	-	7,932	7,932	9,932	9,932
Company 2022										
Other investment:										
Memberships	-	-	-	-	-	-	337	337	337	337
Group 2021										
Financial assets										
Other investment:										
Memberships	-	-	-	-	-	-	337	337	337	337

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

35. Financial instrument (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.

36. 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.

The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Total loans and borrowings	181,746	205,473	113,456	119,510
Less: Deposits, cash and bank balances	(10,038)	(13,723)	(38)	(221)
Net debt	171,708	191,750	113,418	119,289
Shareholders' equity	731,155	785,165	(180,834)	(201,316)
Gearing ratio	0.23	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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

37. Significant Events

- (i) Scheme of arrangement between Golden Horse Palace Berhad (“GHPB”) and its scheme creditors

On 24 January 2022, pursuant to the Court Order granted by High Court, dated 22 November 2021, granting GHPB leave to hold a court convened meeting (“CCM”) within ninety (90) days from 22 November 2021 to 21 February 2022, GHPB had on 25 January 2022 issued and despatched an explanatory statement to its unsecured creditors (“Scheme Creditors”) to deliberate and approve the proposed scheme of arrangement (“Proposed Scheme”) pursuant to Section 369 of the Companies Act, 2016 (“Act”).

On 18 February 2022, the proposed scheme of arrangement by GHPB pursuant to Section 366 (1) of the Companies Act 2016 has been approved by the Scheme Creditors of GHPB.

- (ii) Private placement

On 9 February 2022, the Company announce that the it has fixed the issue price of the Placement Shares at RM1.3270 per Placement Share to be issued pursuant to the Private Placement., which represents a discount of approximately 9.96% or RM0.1468 to the five (5)-day volume weighted average market price of CHHB Shares from 31 January 2022 to 8 February 2022 of approximately RM1.4738.

On 7 November 2022, the Company had completed the listing of 15,837,900 Placement Shares at an issue price of RM1.3270. The Private Placement is deemed completed upon the expiry of the extension of time of 6 months up to 7 November 2022 granted by Bursa Securities on 26 April 2022 to implement the Private Placement.

- (iii) Acquisition of The Heritage Tower @ Mines Wellness City

On 17 November 2022, the Company announced that Country Heights Sea Resort Sdn. Bhd. (“CHSR SB”), a wholly-owned subsidiary of the Company, has on 15 November 2022 entered into a Memorandum of Contract (the “Memorandum”) with Messrs. Ng Chan Mau & Co. Sdn. Bhd. (“Licensed Auctioner”) pursuant to the successful bid to acquire property held under HSD 316624, Lot PT 1258 (Formerly known as HSD 242005, PT 719 and HSD 185535, PT 384), Mukim Pekan Baru Sungai Besi, Petaling, Selangor Darul Ehsan bearing postal address The Heritage Tower @ Mines Wellness City, Jalan SB Dagang, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan (the “Property”) at a public auction for a total cash consideration of RM44,100,000.00 only (the “Acquisition”). Total deposit paid by the Company was RM10,410,000.

38. Subsequent Events

- (i) Winding up petition served on Mines Waterfront Business Park Sdn. Bhd.

On 24 February 2023, the Company announce that its indirect wholly-owned subsidiary, Mines Waterfront Business Park Sdn Bhd (“MWPB”), has been served with a winding-up petition (“Petition”). The Petition dated 9 February 2023 was presented by Amy Siew Pitt Wen and Na Bay Bee (“Petitioners”) on MWPB on 17 February 2023.

The Petition arises due to the failure of MWPB to settle the sum of RM1,080,646.70 (as at 10 January 2023) being amount due under a Judgement dated 3 August 2020 and Order dated 12 December 2022 (and Allocatur dated 12 December 2022) obtained vide Shah Alam Sessions Court and Court of Appeal, and interest on the sum of RM623,883 at the rate of 10% per annum from 11 January 2023 until the full settlement thereof.

The civil suit was a result of the termination of a Sale & Purchase Agreement dated 31 December 2014 for the sale and purchase of a property known as Parcel no. B4-11-05, Mines Waterfront Designer Suites.

The Group had provided for liquidated ascertained damages and accrued the interest as per amount stated above, thus, no financial impact to the Group.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

38. Subsequent Events (Cont'd)**(ii) Acquisition of The Heritage Tower @ Mines Wellness City**

Subsequent to the significant event as stated in Note 37 (iii), the Company hereby declares that its wholly-owned subsidiary, Country Heights Sea Resort Sdn. Bhd. ("CHSRB"), has been unable to proceed with the completion of the Acquisition, which involves paying the outstanding balance of RM39,690,000.00. Maybank has rejected CHSRB's request for an extension of time to make the balance consideration payment, and the Company is unable to comply with Chapter 10 of the Listing Requirements on related party transactions by the balance consideration payment deadline of 15 March 2023. Therefore, CHHB and CHSRB are exploring all available legal options in response to the situation. Accordingly, the deposit paid amounted to RM10,410,000 had been written off.

(iii) One of the substantial shareholder was declared bankruptcy by the Shah Alam High Court

The Company's substantial shareholder, had been declared bankruptcy by the Shah Alam High Court. On 13 April 2023, the Company announced that incident would not impact the Group's financial performance or operations.

39. Material Litigations

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 September 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 July 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 26 June 2024 to 5 July 2024.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

39. Material Litigations (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)

(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 December 2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28 December 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 January 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 December 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 December 2020. The meeting scheduled for 28 December 2020 did not happen. The Defendants proceed to convene the meeting on 25 January 2021 despite notice and demand 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 4 May 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 May 2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The appeal is fixed for hearing on 16 June 2022 and directed for the matter to be referred back to the High Court. The 1st and 2nd Defendants filed a Notice of Motion for leave to appeal to Federal Court and the same was dismissed on 5 October 2022.

The first and second Defendants thereafter filed a stay of the proceedings in High Court pending the determination of the arbitration as disclosed in Note 39(i) and the same was allowed by the High Court pursuant to parties' consent on 31 March 2023. The next case management is scheduled on 16 July 2024.

(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.

On 7 March 2023, the Federal Court has struck out the case and no appeal is available. Accordingly, the property, plant and equipment and right-of-use assets held by the Group in relation to the disputed land has been fully impaired and the inventories held by the Group in relation to the disputed land has been fully written down, as disclosed in Note 4, 5 and 7.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

39. Material Litigations (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)

(iv) 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 January 2021 and Ad Interim Order dated 10 February 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 August 2021 has been filed by MPSB against the 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 March 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.

The plaintiff now have filed and served the amended Writ and Statement of Claim. The Court had granted an extension of time until 3 September 2022 for MPSB to file the Statement of Defence or any necessary application and the Statement of Defence has been filed. The Court has now fix the matter for Trial on 4 to 6 October 2023.

(v) SHAH ALAM HIGH COURT WINDING UP PETITION NO. BA-28NCC-51-02/2023 AMY SIEW PITT WEN & NA BAY BEE (PLAINTIFFS) AND MINES WATERFRONT BUSINESS PARK SDN BHD (MWBWP) (DEFENDANTS)

The petition arises due to the failure of MWBP to settle the sum of RM1,080,646.70 being amount due under Judgement dated 3 August 2020 and Order dated 12 December 2022 obtained vide Shah Alam Session Court and Court of Appeal, and interest on the sum of RM623,883 at the rate of 10% per annum from 11 January 2023 until full settlement thereof.

The civil suit was a result of the termination of a Sale & Purchase Agreement dated 31 December 2014 for the Sale and Purchase of a property known as Parcel no. B-4-11-05, Mines Waterfront Designer Suites.

The Company does not expect any material financial and operational impact arising from the Petition. The Company will seek immediate legal advice to determine the next course of action to resolve the matter amicably.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2022

39. Material Litigations (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)

(vi) **ARBITRATION BETWEEN GREAT PURPOSE SDN BHD (CLAIMANT) AND COLLEGE HEIGHTS UTARA SDN BHD (RESPONDENT)**

This suit arrived due to a contractual dispute regarding to a project known as "Cadangan mendirikan 458 unit rumah Superlink di Kolej Heights Utara di atas Plot PT 1097-1269, PT 1352-1355 dan PT 1365 Mukim Bandar Darulaman dan Lot 503 Mukim Bandar Kepala Batas, Daerah Kubang Pasu, Kedah Darul Aman".

Claimant have filed an arbitration suit for termination of contract by Respondant with the following prayers as:- (a) a declaration that Respondent had unlawfully and wrongly terminated the Contract with Claimant, (b) Further and/or in the alternative, a declaration that the Respondent repudiated the Contract with Claimant, (c) Damages for loss of profit in the sum of RM 2,532,428.25 or such other sum as may be determined by the Tribunal, (d) The value of Claimant's completed works as certified under Interim Payment Certificate No 2 dated 19 January 2016 in the sum of RM 43,901.51 which has been wrongfully and or unlawfully retained by the Respondent, (e) General damages arising from the unlawfully and wrongful termination and the repudiation of the Contract by the Respondent to be assessed by the Tribunal, (f) Interest, (g) Cost of the arbitration proceedings to be borne by the Respondent and (h) Such further and other relief as deemed fit and proper by the Tribunal.

The suit is currently ongoing at stages for parties to file their list of documents which is fixed on 28 April 2023 upon which Hearing date would be fixed.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

40. Comparatives Figures

The following comparative items in the statement of financial position have been reclassified to conform to current year's presentation.

Group	As previously stated 2021 RM'000	Reclassification RM'000	As reclassified RM'000
Other receivables	31,665	(119)	31,546
Contract asset	-	119	119

41. 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 27 April 2023.

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

Type of Securities	: Ordinary shares
Total Number of Issued Shares	: 299,988,903 ordinary shares (including 3,250,000 treasury shares)
Voting Rights	: One vote per shareholder on a show of hands One vote per ordinary share on a poll

Analysis by Size of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
1 - 99	138	3.07	1,850	_(¹)
100 - 1,000	1,294	28.75	1,098,738	0.37
1,001 - 10,000	2,312	51.38	9,261,461	3.12
10,001 - 100,000	606	13.47	19,632,050	6.62
100,001 - less than 5% of issued shares	144	3.20	116,851,346	39.38
5% and above of issued shares	6	0.13	149,893,458	50.51
Total (excluding treasury shares)	4,500	100.00	296,738,903	100.00

Note:

(1) Less than 0.01%

Directors' Shareholding

(as per Register of Directors' Shareholding)

No.	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1.	Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	-	-	-	-
2.	Dato' Mircle Yap Ching Chai	-	-	-	-
3.	Dr. Yip Chun Mun	11,000	-(¹)	-	-
4.	Chua Hee Boon	200,000	0.07	51,100 ⁽²⁾	0.02
5.	Chuah Tian Pong	-	-	-	-
6.	Xiong Wei	-	-	-	-
7.	Lee Sow Lin	5,000	-(¹)	-	-
8.	Ong Tee Chin	-	-	-	-
9.	Tan Meng Khong	-	-	-	-
10.	Chuah Peng San	-	-	-	-

Notes:

(1) Less than 0.01%

(2) Interest of spouse by virtue of Section 59(11)(c) of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2023

Substantial Shareholders

(as per Register of Substantial Shareholders)

No.	Name	Direct		Indirect	
		No. of Shares Held	%	No. of Shares Held	%
1.	Country Heights Venture Sdn. Bhd.	39,425,000	13.29	-	-
2.	Country Heights International Sdn. Bhd.	35,931,600	12.11	-	-
3.	Tan Sri Lee Kim Tiong @ Lee Kim Yew	77,766,389	26.21	93,257,931 ⁽¹⁾	31.43
4.	Puan Sri Tan Bee Hong	1,000,000	0.34	170,024,320 ⁽²⁾	57.30

Notes:

(1) Deemed interest by virtue of interests in Country Heights Venture Sdn. Bhd., Country Heights International Sdn. Bhd. and Golden Touch Investment Bank Ltd. pursuant to Section 8(4) of the Companies Act 2016 ("Act"), and interests of spouse and child by virtue of Section 59(11)(c) of the Act.

(2) Deemed interest by virtue of interests in Bee Garden Holdings Sdn. Bhd., Country Heights Venture Sdn. Bhd., Country Heights International Sdn. Bhd. and Golden Touch Investment Bank Ltd. pursuant to Section 8(4) of the Act, and interests of spouse and child by virtue of Section 59(11)(c) of the Act.

Thirty Largest Shareholders

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Shares Held	%
1.	Country Heights Venture Sdn. Bhd.	39,425,000	13.29
2.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Exempt AN for CGS-CIMB Securities (Singapore) Pte. Ltd. (Retail Clients)	30,004,000	10.11
3.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)	25,189,189	8.49
4.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. HDM Capital Sdn. Bhd. for Country Heights International Sdn. Bhd.	20,379,810	6.87
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt AN for Lim & Tan Securities Pte. Ltd. (Clients A/C)	19,343,669	6.52
6.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Country Heights International Sdn. Bhd. (M01)	15,551,790	5.24
7.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wai Yuan (My0867)	12,520,500	4.22
8.	Lee Cheng Wen	10,389,831	3.50
9.	Lim Chow Sen @ Lim Chow Soon	10,000,000	3.37
10.	Ooi Chieng Sim	6,750,000	2.27
11.	Ooi Chieng Sim	4,800,000	1.62
12.	M & A Nominee (Tempatan) Sdn. Bhd. For Golden Touch Investment Bank Ltd.	4,354,100	1.47
13.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai	3,181,900	1.07
14.	Tan Sri Lee Kim Tiong @ Lee Kim Yew	2,654,700	0.90

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2023

No.	Name	No. of Shares Held	%
15.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Choon Hwa	2,419,100	0.81
16.	UOB Kay Hian Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Kwee Hock	2,344,400	0.79
17.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wai Yuan (8077425)	2,030,800	0.68
18.	Ooi Chieng Sim	2,000,000	0.67
19.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Toh Su See	1,851,200	0.62
20.	Azmi Bin Osman	1,823,800	0.61
21.	UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte.) Ltd. for Chew Hun Seng	1,800,000	0.61
22.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Chee Teong	1,456,400	0.49
23.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wai Choo (T.Mutiara-CI)	1,450,000	0.49
24.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tai Tean Seng	1,306,700	0.44
25.	UOBM Nominees (Tempatan) Sdn. Bhd. Golden Touch Asset Management Sdn. Bhd. for Bee Garden Holdings Sdn. Bhd. (Trust AC/Client)	1,254,400	0.42
26.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lai Wei Yee	1,232,300	0.42
27.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	1,150,211	0.39
28.	Tan Eng Hock	1,096,400	0.37
29.	Park Avenue Construction Sdn. Bhd.	1,033,400	0.35
30.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ling Heng Seek	1,025,600	0.35
	Total	229,819,200	77.45

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2023

Type of Securities : Warrants 2018/2023

Issue Date : 21 December 2018

Maturity Date : 20 December 2023

Analysis by Size of Warrant Holdings

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrant Held	%
1 - 99	220	6.17	6,753	0.01
100 - 1,000	2,024	56.78	1,362,250	1.06
1,001 - 10,000	901	25.27	3,192,173	2.49
10,001 - 100,000	315	8.84	12,784,925	9.96
100,001 - less than 5%	102	2.86	49,765,916	38.78
5% and above	3	0.08	61,223,084	47.70
Total	3,565	100.00	128,335,101	100.00

Directors' Warrant Holding

(as per Register of Directors' Shareholding)

No. Name	Direct		Indirect	
	No. of Warrant Held	%	No. of Warrant Held	%
1. Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	-	-	-	-
2. Dato' Miricle Yap Ching Chai	-	-	-	-
3. Dr. Yip Chun Mun	5,500	-(1)	-	-
4. Chua Hee Boon	-	-	-	-
5. Chuah Tian Pong	-	-	-	-
6. Xiong Wei	-	-	-	-
7. Lee Sow Lin	-	-	-	-
8. Ong Tee Chin	-	-	-	-
9. Tan Meng Khong	-	-	-	-
10. Chuah Peng San	-	-	-	-

Note:

(1) Less than 0.01%

Substantial Warrant holders

(as per Register of Substantial Warrant holders)

No. Name	Direct		Indirect	
	No. of Warrant Held	%	No. of Warrant Held	%
1. Country Heights Venture Sdn. Bhd.	19,712,500	13.29	-	-
2. Tan Sri Lee Kim Tiong @ Lee Kim Yew	18,289,415	14.25	47,715,449 ⁽¹⁾	37.18
3. Puan Sri Tan Bee Hong	23,510,584	18.32	42,494,280 ⁽²⁾	33.11

Note:

(1) Deemed interest by virtue of interests in Country Heights Venture Sdn. Bhd. and Golden Touch Investment Bank Ltd. pursuant to Section 8(4) of the Companies Act 2016 ("Act"), and interests of spouse and child by virtue of Section 59(11)(c) of the Act.

(2) Deemed interest by virtue of interests in Bee Garden Holdings Sdn. Bhd., Country Heights Venture Sdn. Bhd., Country Heights International Sdn. Bhd. and Golden Touch Investment Bank Ltd. pursuant to Section 8(4) of the Act, and interests of spouse and child by virtue of Section 59(11)(c) of the Act.

ANALYSIS OF WARRANT HOLDINGS AS AT 31 MARCH 2023

Thirty Largest Warrant Holders

(without aggregating securities from different securities accounts belonging to the same person)

No.	Name	No. of Warrant Held	%
1.	UOBM Nominees (Tempatan) Sdn. Bhd. Golden Touch Asset Management Sdn. Bhd. for Tan Bee Hong (Trust AC/Client)	23,510,584	18.32
2.	Country Heights Venture Sdn. Bhd.	19,712,500	15.36
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt AN for Lim & Tan Securities Pte. Ltd. (Clients A/C)	18,000,000	14.03
4.	Fong Juat Hoon	5,000,000	3.90
5.	Lee Cheng Wen	3,040,865	2.37
6.	Tan Wah Seong	2,550,100	1.99
7.	Fabian Wong Ling Yee	1,950,700	1.52
8.	Ting Ung Chuo	1,897,000	1.48
9.	Tay Ka Keon @ Tay Kah Tait	1,648,100	1.28
10.	Ng Long Tiang	1,500,000	1.17
11.	See To Choong	1,300,000	1.01
12.	Sim Teck Seng	1,151,071	0.90
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Long Tian	1,130,000	0.88
14.	Tay Chee Kien	1,128,300	0.88
15.	Datuk Tay Hock Tiam	1,100,000	0.86
16.	M & A Nominee (Tempatan) Sdn. Bhd. For Golden Touch Investment Bank Ltd.	1,000,000	0.78
17.	Tharmen Anantha A/L Subramanian	870,000	0.68
18.	Teo Tiong Kok	855,500	0.67
19.	Siti Aaisyah Binti Yusoff Mohsin	839,000	0.65
20.	Gan Swee Ching	783,600	0.61
21.	Rafidah Binti Harun	771,400	0.60
22.	Chang Teng Hong	700,000	0.54
23.	Wong Sien Ngik	700,000	0.54
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Juharni Bin Jahuri	653,000	0.51
25.	Siah Boon Pah	571,600	0.44

ANALYSIS OF WARRANT HOLDINGS
AS AT 31 MARCH 2023

No.	Name	No. of Warrant Held	%
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Mohd Azmar Bin Ibrahim	530,000	0.41
27.	Khor Tiang Chew	517,000	0.40
28.	Liew Sui Kum	508,500	0.40
29.	Lim Chow Lin Terance	500,000	0.39
30.	Maybank Nominees (Tempatan) Sdn. Bhd. Mohd Khairul Bin Mohd Salleh	500,000	0.39
Total		94,918,820	73.96

LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2022

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 Selangor Darul Ehsan	Pioneer Project Country Heights 43000 Kajang	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		34	2,000	28/02/23
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	28/02/23
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	28/02/23
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten Commercial Land within development known as Country Heights Kajang	0.22		1,370	28/02/23
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	34	33,937	01/12/10
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	28	80,000	28/02/23
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 - 20.3.2091)	Residential bungalow land Mines Bungalow Lots	5.29		2,282	15/06/93
Mukim of Setul District of Seremban	College Valley Industrial Park	60	Freehold	Industrial land	3.67		2,376	31/03/95

**LIST OF LANDED PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2022**

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 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	26	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	21	9,671	01/06/94
Mukim of Setul District of Seremban	Pangsa Rakyat, Pajam	165	Freehold	Low cost flat/shop	2.90	19	5,943	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 23.8.2005)	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 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	17	8,284	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	28/02/23

**LIST OF LANDED PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2022**

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 Penrisen Padawan, Kuching, Pangkalan Ampat 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	22	27,921	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 7,11,1710 1818,1962 & 6534	Jenan Estate, Kubang Pasu, Kedah	9	Freehold	Future Development KHU Parcel B - Agricultural Land KHU Parcel C - Agricultural Land KHU COMMERCIAL LOT (NORTHEN)	185		18,358	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		9,829	08/11/95
Lot 1710 HM 1833	PT 1351 HSD 17179 Bandar Darul Aman Kubang Pasu, Kedah	1	Freehold	Sports Living 2 storey Club House with swimming pool and multi-purpose hall	6.46	18	15,000	28/02/23
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Cyber Residency	0.08	18	293	11/02/99
Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	35	Freehold	Sawtelle Suites	0.62		10,458	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 2022**

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	18	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	12	6,086	14/11/00
Lot 8242 HM 34157 Mukim of Durian Tunggal 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	25	176,691	20/05/04
HSD 59892 P.T. No. 16720 Mukim of Petaling 1 District of Petaling Selangor	Mines Wellness Hotel	1 1	Leasehold (expiring 20.3.2091)	Hotel building A parcel of Trousdale land reserved for property development	5.75 3.50	28	65,087 3,441	29/02/08 29/02/08
HSD 59893 P.T. No. 16721 Mukim of Petaling District of Petaling Selangor	Malaysia International Exhibition & Convention Centre (MIECC) 2 PN 30898, Lot 1586	1	Leasehold (expiring 20.3.2091)	Exhibition Centre 3 and half storey exhibition cum convention centre building with basement level carparks	6.74	25	173,506	01/07/03
		1	Leasehold (expiring 20.3.2091)	Venice Walk Two Link Bridges		23	769	01/07/03

**LIST OF LANDED PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2022**

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	1	Leasehold (expiring 20.3.2091)	Completed commercial building Phase 1 : Block A, B,C,D,E unsold portion	6.30	23	103,000	28/02/23
		45	Leasehold (expiring 20.3.2091)	Partially completed commercial building Park Phase 1 : Block 4,5,6,7, Retails	5.75		70,413	28/02/23
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 building 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	27	3,007	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	25	607	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	11	963	12/11/01
HSM 9-93 P.T. NO. 249 Mukim Padang Matairat Mukim of Padang Matairat Langkawi District of Langkawi Langkawi, Kedah Darul Aman	Perdana Beach Resort Mukim Padang Matairat Langkawi	4	Freehold	Apartments	0.09	23	651	21/05/02
NGL886853 City Road London London	Bezier Apartment	1	Leasehold	Apartments	0.01	10	1,753	28/04/11
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	22	558	31/12/99

**LIST OF LANDED PROPERTIES HELD BY THE GROUP
AS AT 31 DECEMBER 2022**

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	24	6,671	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			01/06/03
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	24		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	24		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
					2,357.93	1,076,839		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting (“AGM”) of Country Heights Holdings Berhad will be held at the Members Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Wednesday, 28 June 2023 at 11.00 a.m. to transact the following businesses:

AGENDA

Ordinary Business

- | | | |
|----|--|--------------------------------------|
| 1. | To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect Mr. Ong Tee Chin who retires by rotation in accordance with Article 120 of the Company’s Constitution and being eligible, offers himself for re-election as Director of the Company. | Ordinary Resolution 1 |
| 3. | To re-elect the following Directors who retire in accordance with Article 124 of the Company’s Constitution and being eligible, offer themselves for re-election as Directors of the Company: | |
| | (i) Admiral Tan Sri Dato’ Setia Mohd Anwar Bin Mohd Nor (R) | Ordinary Resolution 2 |
| | (ii) Dato’ Mircle Yap Ching Chai | Ordinary Resolution 3 |
| | (iii) Mr. Chua Hee Boon | Ordinary Resolution 4 |
| | (iv) Mr. Chuah Tian Pong | Ordinary Resolution 5 |
| | (v) Mr. Xiong Wei | Ordinary Resolution 6 |
| | (vi) Mr. Tan Meng Khong | Ordinary Resolution 7 |
| | (vii) Mr. Chuah Peng San | Ordinary Resolution 8 |
| 4. | To approve the payment of Directors’ fees of up to RM62,000 in aggregate to the Non-Executive Directors of the Company in respect of the financial year ended 31 December 2022. | Ordinary Resolution 9 |
| 5. | To approve the payment of Directors’ benefit of up to RM68,000 in aggregate to the Non-Executive Directors of the Company, during the course of the period from 29 June 2023 until the next Annual General Meeting of the Company. | Ordinary Resolution 10 |
| 6. | To re-appoint Messrs UHY as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Directors to fix their remuneration. | Ordinary Resolution 11 |

Special Business

To consider and, if thought fit, to pass the following resolutions:

- | | | |
|----|--|------------------------|
| 7. | Authority to Allot and Issue Shares or Grant Rights Pursuant to Sections 75 and 76 of the Companies Act 2016 and Waiver of Pre-emptive Rights | Ordinary Resolution 12 |
|----|--|------------------------|

“THAT subject to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be hereby authorised and empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to:

- (i) allot and issue shares in the Company; and/or
- (ii) grant rights to subscribe for shares in the Company; and/or
- (iii) convert any security into shares in the Company; and/or
- (iv) allot shares under an agreement or option or offer,

(collectively, “Authorised Transactions”)

NOTICE OF ANNUAL GENERAL MEETING

at any time and from time to time at such price and upon such terms and conditions and for such purposes and to such person(s) as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares allotted and issued, to be subscribed and/or converted for any one or more of the Authorised Transactions pursuant to this resolution, does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being and such authority under this resolution shall continue to be in force until the conclusion of the next Annual General Meeting of the Company or when it is required by law to be held, whichever is earlier, and that:

- (a) approval and authority be hereby given to the Directors to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person(s), and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and
- (b) the Directors be further authorised to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT in connection with the above, pursuant to Section 85 of the Act to be read together with Article 57 of the Constitution of the Company, the Directors be hereby directed to carry out the Authorised Transactions at any time and from time to time at such price and upon such terms and conditions and for such purposes and to such person(s) as the Directors may, in their absolute discretion deem fit and the shareholders of the Company do hereby waive their preemptive rights to be offered new shares or other convertible securities in the Company that which ranked equally to the existing issued shares in the Company, arising from the exercise of the authority granted pursuant to Sections 75 and 76 of the Act.”

8. Proposed Renewal of Authority for the Purchase by Country Heights Holdings Berhad of Its Own Shares Ordinary Resolution 13

“THAT subject to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be hereby authorised to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company, provided that:

- (i) the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at any point in time of the purchase; and
- (ii) the Directors shall resolve at their discretion pursuant to Section 127 of the Act whether to cancel the shares so purchased, to retain the shares so purchased as treasury shares or to retain part of the shares so purchased as treasury shares and cancel the remainder of the shares or in any other manner as may be permitted and prescribed by the Act, rules, regulations, guidelines, requirements and/or orders pursuant to the Act and/or the rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force.

THAT an amount not exceeding the Company’s retained profits be allocated by the Company for the Proposed Share Buy-Back.

NOTICE OF ANNUAL GENERAL MEETING

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until:

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

whichever occurs first but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authorities.”

9. Proposed Shareholders’ Mandate for Recurrent Related Party Transactions

Ordinary Resolution 14

“THAT subject to the Companies Act 2016 (“Act”), the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiaries and/or joint ventures and/or jointly-controlled entities (“CHHB Group”) to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the CHHB Group (“Related Parties”) including those as set out in Paragraph 3.3 of the Company’s Circular to Shareholders dated 28 April 2023 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not, in the Company’s opinion, to the detriment of the minority shareholders (“Shareholders’ Mandate”).

THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time such approval will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholders’ Mandate is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

NOTICE OF ANNUAL GENERAL MEETING

10. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

WONG POH CHUN
(MAICSA 7013841) (SSM PC 201908002090)
Company Secretary

Selangor
28 April 2023

Notes:

1. A member whose name appears in the Record of Depositors of the Company as at 21 June 2023 ("Record of Depositors") shall be entitled to attend, speak and vote (collectively, "participate") at the AGM or appoint proxy to participate on his/her behalf.
2. A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate at the meeting.
3. Subject to Note 6 below, where a member is a depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
4. Subject to Note 6 below, where a member is a depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
 - (i) the securities account number;
 - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
 - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
6. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

NOTICE OF ANNUAL GENERAL MEETING

7. The instrument appointing a proxy (the “Proxy Form”) and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the “Proxy Authorisation Documents”) for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or any adjournment thereof. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or under the hand of its attorney.
- (i) In hard copy form
Either by hand or post to the Company’s Share Registrar, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia (Tel: +603-6201 1120); or
- (ii) By electronic means via email
By electronic mail (email) to ShareWorks Sdn. Bhd.’s email address at ir@shareworks.com.my.

Explanatory Notes on Ordinary/Special Business

1. Item 1 of the Agenda - Audited Financial Statements for Financial Year Ended 31 December 2022

This Agenda item is meant for discussion only as under Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements does not require shareholders’ approval.

2. Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7 and 8 - Re-election of Directors

Each of the Directors standing for re-election had undergone a performance and fitness evaluation, where applicable, and had provided his/her annual declaration on his/her fitness and propriety to continue acting as Directors of the Company in accordance with the Fit and Proper Policy of the Group, as well as the confirmation of their independence (as the case may be). The Nomination and Remuneration Committee’s (“NRC”) and the Board are satisfied with the performance and/or suitability of each of the retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board meetings. The profile of the Directors who are standing for re-election are set out in the Board of Directors Profile in the Company’s Annual Report 2022.

3. Ordinary Resolutions 9 and 10 - Directors’ Fees and Benefits

The Company pays to the Non-Executive Directors, Directors’ fees based on the following fees structure:

Non-Executive Directors	Board	Audit & Risk Management Committee	Nomination & Remuneration Committee
Chairman	RM15,000 p.a.	RM5,000 p.a.	RM3,000 p.a.
Member	RM12,000 p.a.	RM2,000 p.a.	RM2,000 p.a.

The total estimated Directors’ benefits payable which comprises of meeting allowance of RM1,000 per meeting for attending Board and Board Committee meetings is calculated based on the number of scheduled Board and Board Committees meetings during the course of the period from 29 June 2023 until the next AGM of the Company.

The proposed fees structure and benefits are based on the fees structure and benefits as approved at the previous AGM. There is no revision to the proposed fees structure and benefits. The Non-Executive Directors had abstained from deliberations and decisions on their remuneration at the Board meetings.

NOTICE OF ANNUAL GENERAL MEETING

4. Ordinary Resolution 11 - Re-appointment of Auditors

The Audit & Risk Management Committee (“ARMC”) at its meeting held on 27 February 2023 undertook an annual assessment of the suitability and independence of the external auditors, Messrs UHY. The ARMC was satisfied with the suitability of Messrs UHY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The ARMC was also satisfied in its review that the provisions of non-audit services by Messrs UHY to the Company for the financial year ended 31 December 2022 did not in any way impair their objectivity and independence as external auditors of the Company. The Board at its meeting held on 27 February 2023 approved the ARMC’s recommendation for the shareholders’ approval to be sought at the 39th AGM on the re-appointment of Messrs UHY as external auditors of the Company.

5. Ordinary Resolution 12 - Authority to Allot and Issue Shares or Grant Rights pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights

Ordinary Resolution 12, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company’s future investments projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time as the Directors may deem fit without having to convene a general meeting 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 conclusion of the next AGM.

This resolution is also to approve the disapplication of the statutory pre-emptive rights to allot new shares without first offering them to existing shareholders.

6. Ordinary Resolution 13 - Proposed Renewal of Share Buy-Back Authority

Ordinary Resolution 13, if passed, will allow the Company to purchase and/or hold up to 10% of the total number of issued shares of the Company at any point in time of the purchase (“Proposed Share Buy-Back”) by utilising the funds allocated which shall not exceed the retained profits of the Company. Further information on the Proposed Share Buy-Back is set out in the Circular to Shareholders dated 28 April 2023.

7. Ordinary Resolution 14 - Proposed Shareholders’ Mandate for Recurrent Related Party Transactions

Ordinary Resolution 14, if passed, will enable the Company and/or its subsidiaries and/or joint ventures and/or jointly-controlled entities to enter into recurrent transactions involving the interest of related parties, which are of a revenue or trading nature and necessary for the Group’s day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on these proposed Ordinary Resolutions are set out in the Circular to Shareholders dated 28 April 2023.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 39th Annual General Meeting of the Company (“AGM”) and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s and such individual’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where any of the aforesaid document discloses the personal data of the member’s proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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PROXY FORM

No. of Ordinary Shares Held	
CDS Account No.	
Telephone No.	
Email Address	

I/We _____

(name of shareholder as per NRIC/Passport, in capital letters) *NRIC No./Passport No./Company No. _____

of _____ (full address) being a member(s) of Country Heights Holdings Berhad [Registration No. 198401006901 (119416-K)] ("the Company"), hereby appoint:

Proxy A

Name As Per NRIC/Passport (in capital letters)	NRIC No./ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:		Telephone No.:	

*and

Proxy B

Name As Per NRIC/Passport (in capital letters)	NRIC No./ Passport No.	Proportion of Shareholdings Represented	
		No. of Shares	%
Full Address:		Telephone No.:	

or failing him/her, *the Chairman of the Meeting as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the 39th Annual General Meeting ("AGM") of the Company to be held at the Members Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Wednesday, 28 June 2023 at 11.00 a.m., and at any adjournment thereof, as indicated below:

Ordinary Resolution	Agenda	For	Against
1	To re-elect Mr. Ong Tee Chin as Director pursuant to Article 120 of the Constitution		
2	To re-elect Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R) as Director pursuant to Article 124 of the Constitution		
3	To re-elect Dato' Miricle Yap Ching Chai as Director pursuant to Article 124 of the Constitution		
4	To re-elect Mr. Chua Hee Boon as Director pursuant to Article 124 of the Constitution		
5	To re-elect Mr. Chuah Tian Pong as Director pursuant to Article 124 of the Constitution		
6	To re-elect Mr. Xiong Wei as Director pursuant to Article 124 of the Constitution		
7	To re-elect Mr. Tan Meng Khong as Director pursuant to Article 124 of the Constitution		
8	To re-elect Mr. Chuah Peng San as Director pursuant to Article 124 of the Constitution		
9	To approve the payment of Directors' fees		
10	To approve the payment of Directors' benefit		
11	To re-appoint Messrs UHY as Auditors and to authorise the Directors to fix their remuneration		
12	To authorise the allotment and issuance of shares or grant of rights pursuant to Sections 75 and 76 of the Companies Act 2016 and waiver of pre-emptive rights		
13	To approve the proposed renewal of authority for the purchase by Country Heights Holdings Berhad of its own shares		
14	To approve the proposed shareholders' mandate for recurrent related party transactions		

* Strike out whichever not applicable

(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)

Signed this _____ day of _____, 2023.

Signature of Member(s)/Attorney of Member(s)
& Common Seal, if applicable

Notes:

1. A member whose name appears in the Record of Depositors of the Company as at 21 June 2023 ("Record of Depositors") shall be entitled to attend, speak and vote (collectively, "participate") at the AGM or appoint proxy to participate on his/her behalf.
2. A member, other than a member who is also an Authorised Nominee [as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA")] or an Exempt Authorised Nominee who is exempted from compliance with the provisions of Section 25A(1) of SICDA, shall be entitled to appoint not more than two (2) proxies. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. A proxy appointed shall have the same rights as the member to participate at the meeting.
3. Subject to Note 6 below, where a member is a depositor who is also an Authorised Nominee, the Authorised Nominee may appoint not more than two (2) proxies in respect of each securities account the Authorised Nominee holds with shares in the Company standing to the credit of such securities account as reflected in the Record of Depositors.
4. Subject to Note 6 below, where a member is a depositor who is also an Exempt Authorised Nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as reflected in the Record of Depositors, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
5. Each appointment of proxy by a member including an Authorised Nominee or an Exempt Authorised Nominee shall be by a separate instrument of proxy which shall specify:
 - (i) the securities account number;
 - (ii) the name of the beneficial owner for whom the Authorised Nominee or Exempt Authorised Nominee is acting; and
 - (iii) where two (2) proxies are appointed, the proportion of shareholdings or the number of shares to be represented by each proxy.
6. Any beneficial owner who holds shares in the Company through more than one (1) securities account and/or through more than one (1) omnibus account, shall be entitled to instruct the Authorised Nominee and/or Exempt Authorised Nominee for such securities accounts and/or omnibus accounts to appoint not more than two (2) persons to act as proxies for the beneficial owner. If there shall be three (3) or more persons appointed to act as proxies for the same beneficial owner of shares in the Company held through more than one (1) securities account and/or through more than one (1) omnibus account, all the instruments of proxy shall be deemed invalid and shall be rejected.

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AFFIX
STAMP

ShareWorks Sdn. Bhd.
Registrar for COUNTRY HEIGHTS HOLDINGS BERHAD
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Malaysia

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7. The instrument appointing a proxy (the "Proxy Form") and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority (collectively, the "Proxy Authorisation Documents") for the AGM shall be deposited or submitted in the following manner not less than 48 hours before the time appointed for the AGM or any adjournment thereof. If the appointer is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its attorney.
 - (i) In hard copy form
Either by hand or post to the Company's Share Registrar, ShareWorks Sdn. Bhd. at No. 2-1, Jalan Sri Hartamas 8, Sri Hartamas, 50480 Kuala Lumpur, Malaysia (Tel: +603-6201 1120); or
 - (ii) By electronic means via email
By electronic mail (email) to ShareWorks Sdn. Bhd.'s email address at ir@shareworks.com.my.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies), the Proxy Authorisation Documents, a Power of Attorney and/or other documents appointing representative(s) to attend, participate, speak and vote at the 39th Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and such individual's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies, attorneys and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where any of the aforesaid document discloses the personal data of the member's proxy(ies), attorney(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies), attorney(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies), attorney(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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