

*Ever-Searching for Better Living*



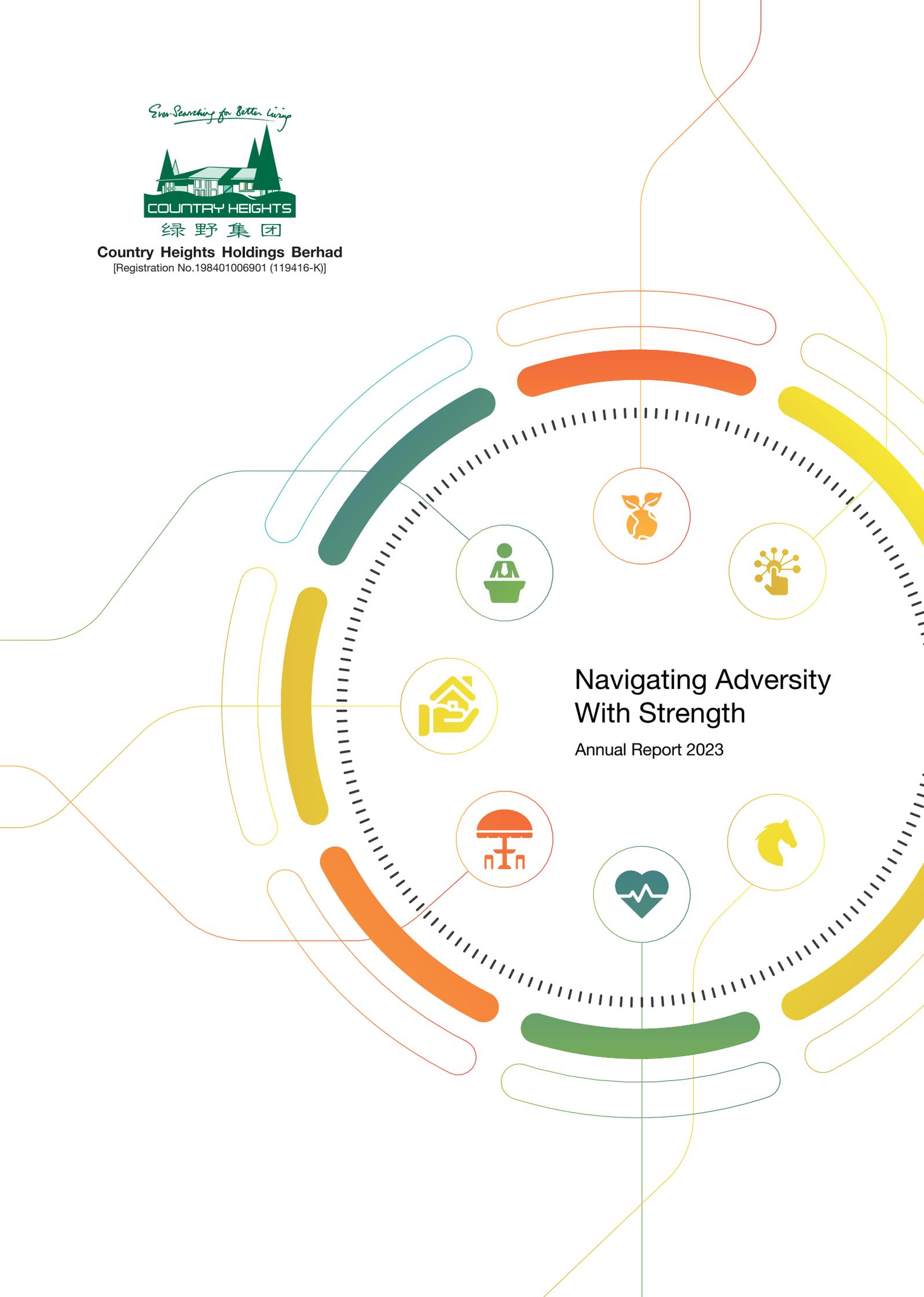
绿野集团

**Country Heights Holdings Berhad**

[Registration No.198401006901 (119416-K)]

# Navigating Adversity With Strength

Annual Report 2023



# 40<sup>th</sup>

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

### **Date**

Wednesday, 26 June 2024

### **Time**

11:00 a.m.

### **Venue**

Hall of Fame, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia

### FEATURE IN THIS ANNUAL REPORT

01



Download the "QR Code Reader" on App Store or Google Play

02



Run the QR Code Reader app and point your camera to the QR Code

03



Get access to the soft copy of our reports and contact information

SCAN ME



The softcopy version of **Country Heights Holdings Berhad Annual Report 2023** 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.



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Proxy Form  
Corporate Directory



# 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.



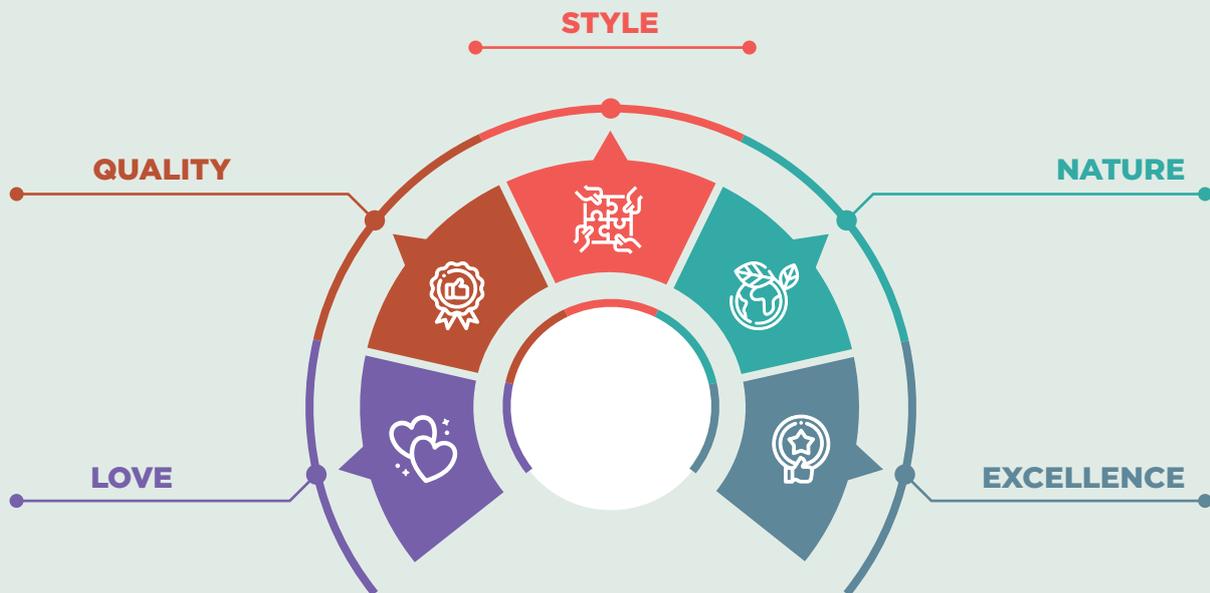
# VISION

Ever Searching for Better Living!

# MISSION

It's All About Meaningful Innovative Creations!

# VALUES



CORPORATE  
INFORMATION

## BOARD OF DIRECTORS

**Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R)**, Non-Independent Non-Executive Chairman  
**Chua Hee Boon**, Executive Director - Finance  
**Chuah Tian Pong**, Executive Director - Project & Chief Operating Officer  
**Xiong Wei**, Executive Director - Digital Technology  
**Khavitha Devi A/P Pothuraju**, Executive Director - Legal & Compliance  
**Shafina Binti Syafei**, Executive Director - Group Public Relations & Marketing Communications  
**Dr. Zhang Yan**, Independent Non-Executive Director  
**Tan Meng Khong**, Independent Non-Executive Director  
**Ong Tee Chin**, Senior 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 Darul Ehsan  
Malaysia  
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*

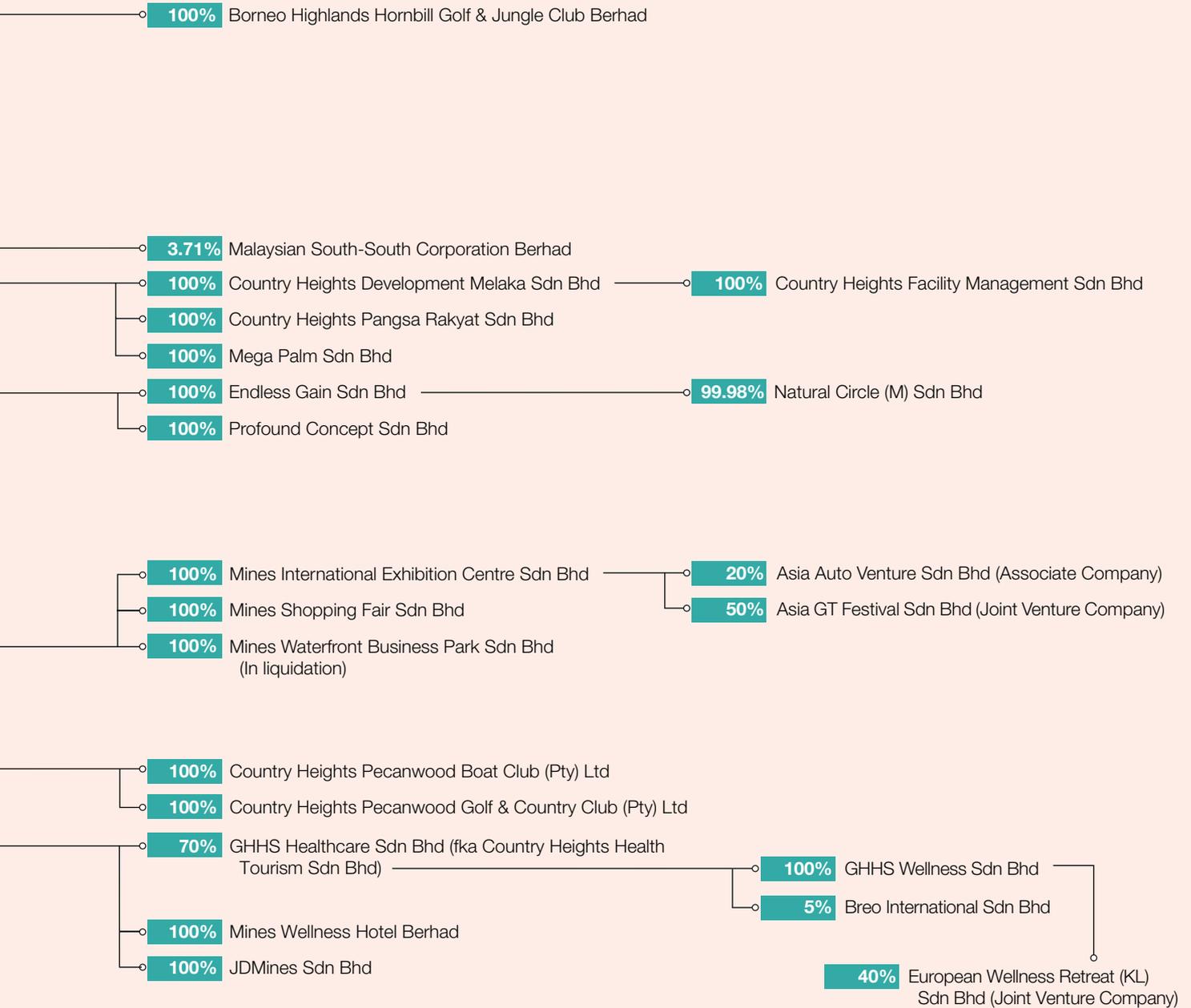


**Country Heights Holdings Berhad**

[Registration No.198401006901 (119416-K)]

70%	Borneo Heights Sdn Bhd
100%	Country Heights Smart Living Sdn Bhd (fka 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%	Mines Holdings Sdn Bhd
47.50%	Simplex Design Sdn Bhd (Associate Company)
100%	Tindak Murni Sdn Bhd
100%	Versatile Champion Sdn Bhd
100%	Walum Enterprise Sdn Bhd

## CORPORATE STRUCTURE



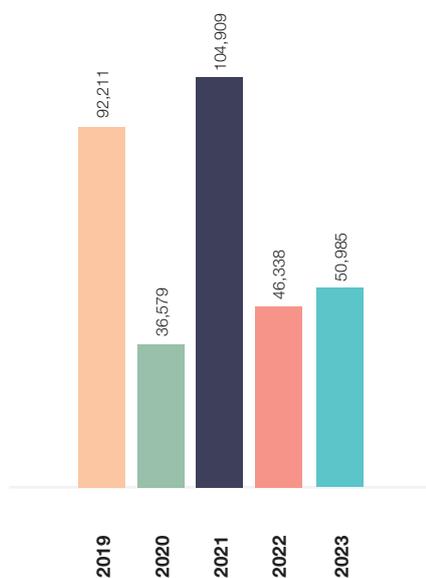
# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000	2019 RM'000
Revenue	<b>50,985</b>	46,338	104,909	36,579	92,211
Profit/(Loss) before taxation	<b>(107,769)</b>	(106,288)	11,541	(42,070)	(38,523)
Profit/(Loss) after taxation	<b>(108,704)</b>	(107,597)	3,119	(38,077)	(39,341)
Net Profit/(Loss) Attributable to Shareholders	<b>(111,434)</b>	(84,872)	2,639	(36,107)	(34,600)
Total Assets	<b>1,007,442</b>	1,210,478	1,313,435	1,332,819	1,389,982
Total Liabilities	<b>392,669</b>	487,836	515,308	538,645	553,802
Share Capital net of treasury shares RM	<b>379,685</b>	379,685	349,092	349,092	349,092
Share Capital net of treasury shares unit	<b>296,739</b>	296,739	273,557	273,557	273,557
Reserves	<b>240,294</b>	351,470	436,073	432,932	472,828
Shareholders' Funds	<b>619,979</b>	731,155	785,165	782,024	821,920
Basic Earnings/(Loss) Per Share (sen)	<b>(37.55)</b>	(28.60)	0.96	(13.20)	(12.68)
Net Assets Per Share (RM)	<b>2.09</b>	2.46	2.87	2.86	3.00
Return on Total Assets (%)	<b>(11.06)</b>	(7.01)	0.20	(2.71)	(2.49)
Return on Equity (%)	<b>(17.97)</b>	(11.61)	0.34	(4.62)	(4.21)
Gearing (Net Debt/Equity)	<b>0.05</b>	0.23	0.24	0.24	0.25

## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

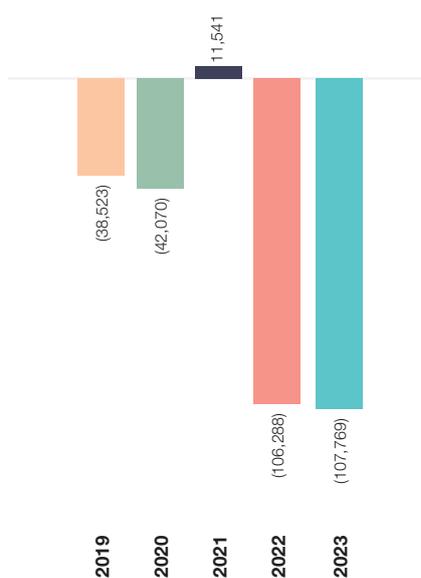
### REVENUE (RM'000)

**50,985**



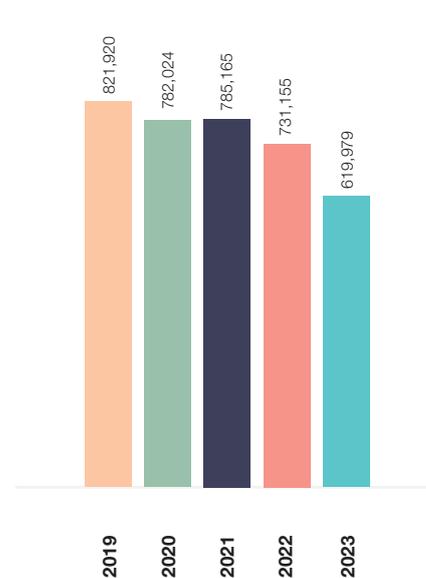
### (LOSS)/PROFIT BEFORE TAXATION (RM'000)

**-107,769**



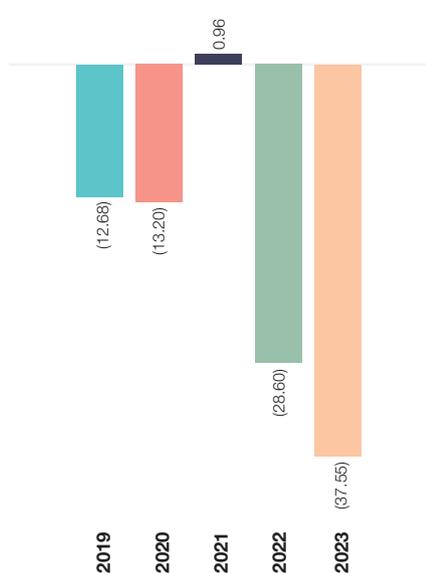
### SHAREHOLDERS' FUNDS (RM'000)

**619,979**



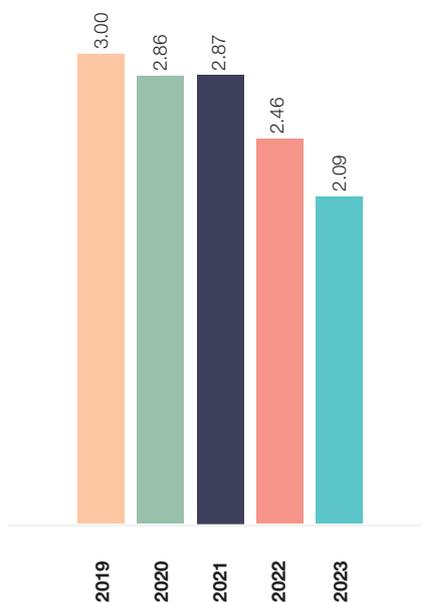
### BASIC (LOSS)/EARNINGS PER SHARE (Sen)

**-37.55**



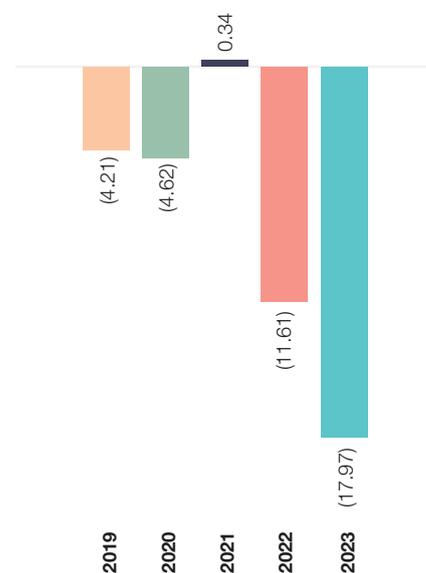
### NET ASSETS PER SHARE (RM)

**2.09**



### RETURN ON EQUITY (%)

**-17.97**



# BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



Age  
74



Nationality  
Malaysian



Gender  
Male

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

### Non-Independent Non-Executive Chairman

**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, back in 1968.

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 was also conferred the Honorary Doctorate of Maritime Technology by the National Defence University in 2022.

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 ProChancellor 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 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
51



**Nationality**  
Malaysian



**Gender**  
Male



### CHUA HEE BOON

#### Executive Director, Finance

**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 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 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
52

**Nationality**  
Malaysian

**Gender**  
Male

### CHUAH TIAN PONG

#### Executive Director, Project & Chief Operating Officer

**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 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
49



**Nationality**  
Malaysian



**Gender**  
Male



**XIONG WEI**

Executive Director, Digital Technology

**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 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
33



**Nationality**  
Malaysian



**Gender**  
Female

### KHAVITHA DEVI A/P POTHURAJU

#### Executive Director, Legal & Compliance

**Ms. Khavitha** was appointed to the Board on 25 March 2024 as an Executive Director of Legal & Compliance. In addition, she is also the Legal Executive at Country Heights Holdings Berhad.

Ms. Khavitha holds a Bachelor of Laws (LL.B., Hons) degree from the University of London (External Program).

She began her legal career as a paralegal in 2017 and has since accumulated seven years of experience in the legal industry, dealing with Civil Litigations and Conveyancing. She also provides advisory services in areas including tort matters, estate matters, contracts and family matters.

Since joining the CHHB team in 2023 as a Legal Executive, she has been extensively involved in matters of advisory across various departments such as Human Resources, Project & Development, Finance, and Public Relations & Communications. Her advisory role also extends to the Subsidiaries of CHHB.

Ms.Khavitha does not have any conflict of interest with the Group or any family relationships with any Directors and/or Major Shareholders of the Company. She has no directorships in other public companies.

She has not been convicted for offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
48



**Nationality**  
Malaysian



**Gender**  
Female



### SHAFINA BINTI SYAFEI

#### Executive Director - Group Public Relations & Marketing Communications

**Ms. Shafina** was appointed to the Board on 25 March 2024 as an Executive Director of PR & Communications.

Ms. Shafina earned her degree in Mass Communications, majoring in Public Relations, from the University of Technology MARA (UiTM), and has more than 25 years of experience in public relations and communications.

She currently serves as the Director of the Group Public Relations & Marketing Communications at Country Height Holdings Berhad, overseeing Public Relations, marketing communications, media engagement, branding, and promotional campaigns for the Group and its subsidiaries. She actively collaborates with various divisions, ensuring seamless integration of communication objectives for all subsidiaries, especially on new developments or projects. Shafina joined Country Height Holdings Berhad in 2014.

She commenced her career in the year 1999 as a Public Relations consultant at Asia Public Relations Sdn. Bhd. There, she garnered extensive expertise in public relations, branding, and media strategy, working with clients such as the 1st World Halal Forum, Hilton Kuala Lumpur, Dutch Lady, among others.

In 2006, Ms. Shafina transitioned to the SKALI Group, assuming the position of Head of Strategic Marketing and Communications. Her responsibilities included spearheading the communication team to implement various PR programmes for the ICT National Project. Subsequently, in 2010, she undertook the role of Head of Strategic Marketing and Communications at Halal Industry Development Corporation (HDC), overseeing communication programs such as organizing the World Halal Research Summit and Halal Transformation Programme.

She does not hold directorship in any 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 has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
60



**Nationality**  
Malaysian



**Gender**  
Male

### ONG TEE CHIN

#### Senior Independent Non-Executive Director

**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 2023.

BOARD OF DIRECTORS AND  
KEY SENIOR MANAGEMENT PROFILE**Age**  
51**Nationality**  
Malaysian**Gender**  
Male**DR. ZHANG YAN****Independent Non-Executive Director**

**Dr. Zhang Yan** was appointed as the Non-Independent Director of Country Heights Holdings Berhad on 25 March 2024. With a wealth of experience in private fund, stock exchange, and business park, Dr. Zhang has made significant contributions to various sectors.

Dr. Zhang Yan holds a master's degree from Tsinghua University and a PhD from Peking University. Dr. Zhang's educational background includes a PhD in Education Administration from Peking University, an MBA degree from Tsinghua University, and a Bachelor of Chemical Engineering from Changzhou University.

He is the founder of the Asia-Pacific Financial Town. Under Dr. Zhang's guidance, the Asia-Pacific Financial Town has emerged as the first financial town in Hainan province and the third business park fund in China. Since its establishment in 2017, this business park has attracted 2300 enterprises and initiated a fund of 120 billion RMB. It has accumulated tax payments of 1.5 billion RMB. Since the establishment of a free trade port in Hainan in 2018, the Asia-Pacific Financial Town has continuously carried out financial innovation and is an important base for China's fund opening up to the outside world.

In the realm of industrial investment, Dr. Zhang has been instrumental in creating platforms such as the Tianjin Equity Exchange (TJS) Mining Board and the China Mining United Fund. These initiatives provide essential infrastructure for resource transactions and investment, facilitating growth and development in the mining sector. Furthermore, Dr. Zhang's involvement in various funds and listed companies underscores his commitment to driving innovation and value creation in the industry.

As the Chairman of Arcland Resources Inc., a Canadian listed company, Dr. Zhang brings a wealth of knowledge and experience to the role. His strategic vision and leadership continue to guide the company towards success in the dynamic and competitive landscape of the resource sector. Dr. Zhang's dedication to excellence and innovation makes him a valuable asset to Arcland Resources Inc. and the broader industry.

Dr. Zhang Yan 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 has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2023.

## BOARD OF DIRECTORS AND KEY SENIOR MANAGEMENT PROFILE



**Age**  
47

**Nationality**  
Malaysian

**Gender**  
Male

### TAN MENG KHONG

#### Independent Non-Executive Director

**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 2023.

BOARD OF DIRECTORS AND  
KEY SENIOR MANAGEMENT PROFILE**Age**  
60**Nationality**  
Malaysian**Gender**  
Male

## CHUAH PENG SAN

## Independent Non-Executive Director

**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 litigations. 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 2023.

# CHAIRMAN'S MESSAGE



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

Non-Executive Chairman

**It is with great pleasure that we present the Annual Report and Audited Financial Statements for the year 2023 on behalf of the Board of Directors.**

Reflecting on the past year, Country Heights Holdings Berhad ("CHHB") and its Group of Companies ("the Group") navigated a landscape filled with both significant challenges and notable opportunities, amidst intense competition and evolving market conditions.

Despite global economic headwinds, Malaysia's property sector has remained robust, a testament to the prudent management of the Overnight Policy Rate (OPR) by Bank Negara Malaysia, holding steady at 3.0%. This careful stewardship has helped stabilize the economy, influencing borrowing costs and investment strategies, thereby bolstering consumer confidence and home affordability.

Complementing this are the government's strategic policies under the 2024 National Budget and the 12th Malaysia Plan, focusing on sustainable growth and investment in high-value industries, alongside commitments to quality, affordable housing, and a sustainable, inclusive housing landscape. These measures reflect a concerted effort to secure economic growth and housing security, ensuring the property market's vitality in the face of global economic shifts (CEIC Data) (The Star) (StarProperty) (MyGov) (MIDA).

## CHAIRMAN'S MESSAGE

As we look to the future, the unpredictable global economic environment and Malaysia's continued recovery strategies necessitate inventive strategies and an assertive approach to business leadership. CHHB is strategically well-placed to take advantage of these conditions with our broad portfolio and established market presence.

**Financial summary**

In 2023, CHHB recorded a net loss of RM108.70 million, from the previous year's RM107.60 million, alongside a revenue rise to RM50.99 million from RM46.34 million in the preceding year.

As the year concluded on December 31, 2023, the Group's total assets were reported at RM1.01 billion with total equity attributable to shareholders at RM619.98 million.

**The Group's Restructuring and Strategic Evolution**

As we progress and adapt, our commitment is steadfast in broadening our influence and maximizing value for our shareholders through:

- A focused strategy on essential business elements: Products, Services, Branding, and Organizational Culture.
- Broadening our financial foundations by forming innovative partnerships and review of CHHB's Financial Performance
- Capitalizing on market opportunities to propel growth and widen our operational scope.

**Overcoming Challenges**

Since its founding, CHHB has transformed from a property development company into a diverse lifestyle property development conglomerate, with extensive engagements in Healthcare and Wellness, Resort & Hospitality, Lifestyle, Tourism, and Investments.

Our development journey is highlighted by our achievement in developing over 560 million square feet of space worldwide. The Group reported a net loss of RM108.70 million, details of which will be elaborated upon in the management discussion and analysis.



## CHAIRMAN'S MESSAGE

Revenue streams showed variability, reflecting both the challenges and the strategic initiatives that have begun to bear fruit.

As of the end of the fiscal year, our total assets stood at RM1.0 billion, compared to RM1.2 billion in the previous year. Shareholder equity was recorded at RM614.77 million, down from RM722.64 million in 2022. Despite these reductions, our financial foundation remains robust.

Significantly, our gearing ratio has improved markedly, moving from 0.25 in 2022 to 0.07 this year. This improvement underscores our commitment to effective debt management and exemplifies our ongoing financial prudence.

### The Group remains committed to intensifying its development efforts in these areas:

Our developments for the Group remain focused on areas which include the creation of new properties using the ESG framework (5S Smart Living Home), the establishment of an International Medical & Wellness Hub, the repositioning of Palace of the Golden Horses and Mines Beach Resort, and the provision of a structured membership programme.

#### Healthcare – Wellness Tourism

Our transformation into a hub for medical tourism under GHHS Healthcare brand is underway, with significant developments aimed at establishing a renowned International Medical Hub with a principle in preventive healthcare 'Prevention is better than Cure', combining western and eastern treatment, which is the first in Malaysia and a membership concept. GHHS Healthcare has a strong 40,000 members with a target of 50,000 members in the upcoming years. This initiative is poised to position CHHB as a leader in the region, especially in the post-pandemic era where health awareness has become paramount.



#### Property Development

Property Development Division plans to launch new high-end residential projects in Jitra, Kedah tailored to meet emerging market demands, reflecting our commitment to quality and innovation in property solutions.

- **New Property Development with ESG Framework:**

CHHB is set to launch 1,000 novel double-storey terrace homes with an ESG framework, situated across 40 acres of prime land in Jitra, Kedah. The project is designed with the 5S concept - Solar, Sport, Smart Living, Security, and Service.

- **Cyberlake Heights:**

An innovative development project on a 9-acre site in Cyberjaya, consisting mainly of luxury residential plots and semi-detached homes, catering to a premium retirement community.



- **Pajam Industrial Hub:**

The latest development in Pajam, Negeri Sembilan, includes 60 freehold industrial lots designed to cater to the needs of SMEs, ranging from manufacturing to warehousing, and plans to build a solar-powered factory.



## CHAIRMAN'S MESSAGE

- **The Mines Luxury Beach Villa and Mines Beach Resort:**

Transformations to broaden the range of experiences available at Mines Resort City, including the development of a beach villa project and repositioning the resort as a premier wellness retreat destination.

- **MIECC – Exhibition and Convention:**

Despite ongoing challenges, MIECC is preparing to reinvigorate the events industry with a focus on innovation and strategic partnerships. Our commitment to enhancing our facilities and program offerings is stronger than ever.

### Corporate Governance

Our governance practices continue to align with the Malaysian Code on Corporate Governance 2023, ensuring transparency and accountability in all our operations.

As we look to 2024 and beyond, we are excited about the opportunities that lie ahead and are committed to achieving exceptional results through strategic growth and robust governance.

I extend heartfelt thanks to our Board, management team, and employees, whose dedication and resilience have been indispensable. Our gratitude also goes to our shareholders, associates, and partners for their continued support and confidence in our vision.

Thank you.

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



# MANAGEMENT DISCUSSION & ANALYSIS



**At Country Heights Holdings Berhad, our journey of growth persists as we continually seek fresh avenues to diversify and fortify our presence while venturing into new opportunities.**

**Our objective remains steadfast: to cultivate a dynamic and innovative Group capable of adeptly navigating evolving market landscapes while delivering value to our cherished customers and stakeholders across all our endeavours.**

The Group capitalizes on its extensive experience in creating world-class establishments and services to meet the evolving needs of businesses. Our goal is to maintain a competitive edge and uphold our commitment to 'Ever Searching for Better Living.'

We are expanding our Group's presence across a wide spectrum of industries. As mentioned earlier in the Chairman's Message, our business developments remain focused which include the creation of new properties using the ESG framework (5S Smart Living Home), the establishment of an International Medical & Wellness Hub, the repositioning of Palace of the Golden Horses and Mines Beach Resort, and the provision of a structured membership programme.

1. Healthcare: Establishing an International Medical Hub with a membership concept.
2. Resorts and Hospitality: Introducing a membership hotel with a focus on health and wellness lifestyle.
3. Exhibition and Convention: Organizing international events and conventions via collaboration and joint ventures.
4. Property Division: New Property Development with ESG Framework; and

## MANAGEMENT DISCUSSION & ANALYSIS

# GROUP FINANCIAL PERFORMANCE

### Group Financial Performance

#### REVENUE (RM'000)

10%



#### NET LOSS (RM'000)

-1%



CHHB has recorded a total revenue of RM50.99 million and a net loss of RM108.70 million in the financial year ended ("FYE") 2023 compared to a revenue of RM46.34 million and a net loss of RM107.60 million in FYE 2022. This was mainly due to improvement from Resorts and Hospitality Division.

In FYE 31 December 2023, the Healthcare division, Hospitality division, Exhibition and Convention division; and Property division contributed RM21.01 million, RM11.77 million, RM5.87 million and RM12.33 million respectively to the CHHB Group's total revenue.

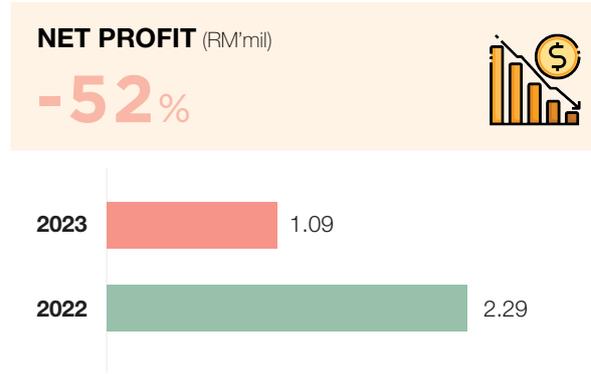
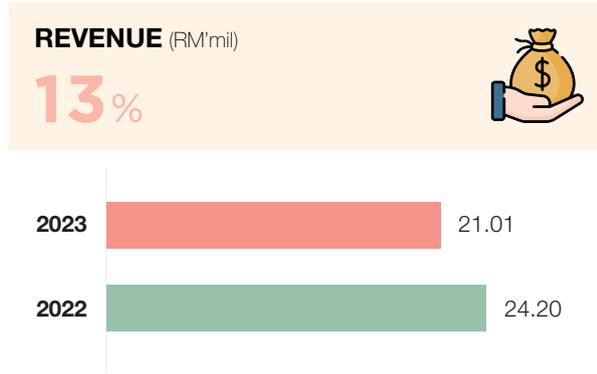
The Group recorded a segment loss of RM101.61 million in FYE 2023 as compared to a segment loss of 94.11 million in FYE 2022.

The Group recorded net loss of RM108.70 million in FYE 2023 as compared to net losses of RM107.60 million in prior year. The loss during the year was mainly due to impairment loss on other receivables from a subsidiary that undergoing winding-up order for RM72.7 million and deemed loss on disposal of subsidiary for RM15.2 million (previous year significant loss mainly due to impairment loss on assets and inventories written down for Borneo Highlands Resort amounting to RM75.2 million).



# MANAGEMENT DISCUSSION & ANALYSIS

## A. HEALTHCARE DIVISION



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.

GHHS Healthcare recorded a net profit of RM1.09 million on a turnover of RM21.01 million in FYE 2023.

Our transformation into a hub for medical tourism under the GHHS Healthcare brand is underway, with significant developments aimed at establishing a renowned International Medical Hub with a principle in preventive healthcare 'Prevention is better than Cure', combining western and eastern treatment, which is the first in Malaysia and a membership concept.

GHHS Healthcare has a strong 40,000-member base with a target of 50,000 members in the upcoming years. This initiative is poised to position CHHB as a leader in the region, especially in the post-pandemic era where health awareness has become paramount.

Established in 2000 and licensed under the Ministry of Health Malaysia as an Ambulatory Care Centre in a 40,000 sq ft facility. The centre is staffed by 12 in-house doctors and visiting specialists, offering a comprehensive range of services that led to 10,000 medical check-ups in 2023.

Our Chinese Medical Center is home to seven specialists in various fields including gynaecology, paediatrics, post-stroke and cancer rehabilitation, internal medicine, Qigong therapy, and neuro care.

The Yunohana Wellness & Beauty Center employs seven tuinalogists and three beauticians, offering advanced aesthetic treatments with

PICOWIZ Laser technology, Micro-needling, Aqua Peel, and Body Contouring therapies. Recently, we have added hair growth and facial rejuvenation services using stem cell exosomes, with notable results.

We also introduced a new specialized Home Care Service, providing medical check-ups, nursing, and wellness services directly to patients' homes.

GHHS Healthcare serves as an official panel for the PERKESO Program, promoting employee well-being through free initial screenings via SOCSO's Health Screening Program for eligible corporate employees and in partnership with LPPKN for Free Mammograms. In 2023, GHHS Healthcare performed 2,065 mammograms and 1,034 breast ultrasounds under the LPPKN Free Mammogram Project.

In 2023, our Chinese Medical Centre collaborated with the Motor Neuron Disease Association in Malaysia to provide Traditional Chinese Medicine treatments to MND patients as part of Corporate Social Responsibility initiatives.

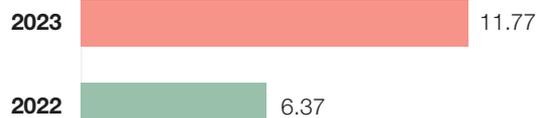


## MANAGEMENT DISCUSSION & ANALYSIS

### B. RESORTS AND HOSPITALITY DIVISION

#### REVENUE (RM'mil)

85%



#### NET LOSS (RM'mil)

92%



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 increase in revenue for the Resorts & Hospitality Division for FYE 2023 was recorded at RM11.77 million as compared to RM6.37 million for FYE 2022 was mainly contributed by the operation of Mines Beach Resort, which has contributed to higher occupancy room revenue and food & beverage revenue due to full 12 months operation in 2023 compared to 7 months operation in FYE 2022.

The net loss of RM3.10 million for FYE 2023 compared to a net loss of RM38.89 million for FYE 2022 was mainly due to the impairment loss of Borneo Highlands Golf Club Resort and leasehold building of RM27.9 in FYE 2022.

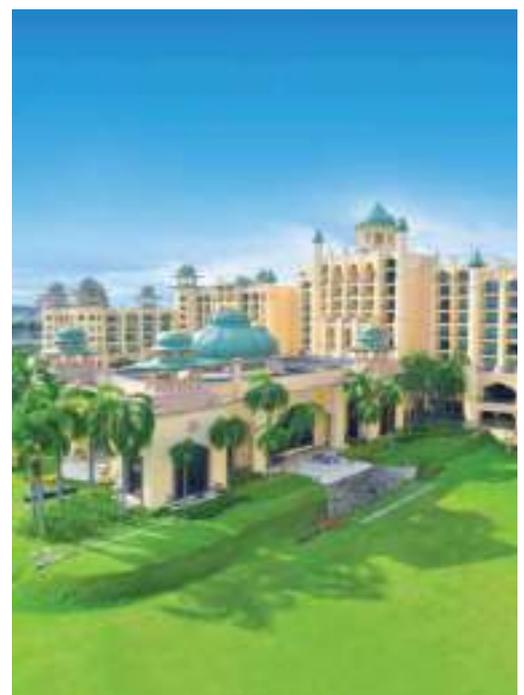
#### Palace of the Golden Horses

Palace of the Golden Horses ('PGH') is a renowned 5-star luxury hotel, celebrated for its award-winning service with its exquisite Moorish architecture. The hotel offers 471 rooms, including 20 themed suites, various dining options, and 15 function rooms. Additionally, it features a grand royal ballroom capable of accommodating up to 1,000 guests.

Palace of the Golden Horses recorded a revenue of RM0.97 million in 2023 as compared to RM0.61 million in 2022.

The Group has strategically chosen to recommence hotel operations in stages, taking this time to restructure and enhance operations in preparation for a grand reopening. In the wake of the pandemic, the Palace of the Golden Horses has reactivated its convention centre, facilitating a range of events including weddings, conferences, and seminars.

The esteemed Kim Ma Chinese restaurant has reopened its doors, and the wellness wing, encompassing GHHS Healthcare, is operational. Meanwhile, the 471-room accommodation block and other key areas, such as the Grand Salon and Polo Lounge, alongside amenities like the swimming pool and gym, are currently undergoing refurbishments to elevate the guest experience for our anticipated full reopening.



## MANAGEMENT DISCUSSION & ANALYSIS



### Mines Beach Resort

Mines Beach Resort recorded a revenue of RM8.89 million in FYE 2023 as compared to RM3.9 million in FYE 2022.

Nestled amidst the concrete jungle at Kuala Lumpur, Mines Beach Resort is an unexpected haven offering a full experience of sophisticated style, comfort, privacy and tranquillity and has been transformed into a wellness hotel with batik and a traditional concept and 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 resort with a tropical design overlooking a scenic 150-acre lake, Mines Beach Resort provides the perfect escape from the hectic city life, just 15 minutes away from the Kuala Lumpur City Centre

In 2023, Mines Beach Resort embraced a new era with a series of enhancements led by our proactive internal team. We revitalized the guest welcome experience with a refurbished lobby lounge, creating a more inviting and elegant entry point for our visitors. Additionally, we introduced an upgraded menu for both à la carte and banquet services, featuring a diverse assortment of local and international delicacies designed to cater to the varied tastes of our guests and enhance their dining experience.

We've also upgraded our swimming facility to an improved pool, the only beach in the city - offering an oasis in the city and accentuating our unique beach, a man-made marvel that brings the seaside experience to the heart of the metropolis. This comprehensive refresh has been actively promoted in both international and local exhibitions to elevate the resort's profile and appeal.

MANAGEMENT DISCUSSION & ANALYSIS

C. EXHIBITION AND CONVENTION DIVISION

REVENUE (RM'mil)

-14%



NET LOSS (RM'mil)

49%



MIECC recorded revenue of RM5.87 million in FYE 2023 as compared to RM6.83 million in FYE 2022.

MIECC, Malaysia's largest column-free exhibition venue, offers the highest tonnage capacity per square meter in the country. It is a premier location for diverse events including trade shows, symposiums, expositions, concerts, corporate functions, and large gatherings. Located within MINES Wellness City, MIECC is conveniently situated near notable landmarks such as Palace of the Golden Horses, MINES Beach Resort, The MINES Shopping Mall, and MINES Resort and Golf Club, ensuring easy access to a wide range of facilities and amenities.



Strategically placed just 20 minutes from Kuala Lumpur City Centre and Putrajaya, the venue features the country's most expansive column-free exhibition space, with dimensions of 160 feet wide, 660 feet long, 50 feet high, and a floor load capacity of 3 tonnes per square meter. Amidst focusing on internal enhancements, MIECC continues to build relationships with strategic partners, gearing up for future opportunities and the continued growth of the event industry.



## MANAGEMENT DISCUSSION & ANALYSIS

In 2023, the Mines International Exhibition & Convention Centre (MIECC) hosted several notable events.

### MELOSAGA 2023 (January 14-15)

MELOSAGA, the largest street dance and music festival in Southeast Asia, featured an international dance competition, workshops, and performances from various artists, solidifying its reputation as a premier cultural event.



### AniManGaki 2023 (August 25-27)

AniManGaki, one of Malaysia's most significant anime, comics, and games conventions, included a cosplay competition, live performances by renowned artists, and extensive participation from over 250 artist booths, enriching the local pop culture landscape.



### Malaysia Halal Expo 2023 (September)

The Malaysia Halal Expo, co-hosted with HQC Commerce Sdn Bhd and Dewan Perdagangan Islam Malaysia, focused on innovations and growth within the halal industry, emphasizing MIECC's role in supporting vital economic sectors.



### REDLINE Fitness Games (September 23-24)

The REDLINE Fitness Games positioned MIECC as a prime venue for sports and wellness events with its challenging functional fitness competition, attracting participants from across the nation to compete in various intense fitness challenges.



## MANAGEMENT DISCUSSION & ANALYSIS

### Cai Xukun's KUN 2023 WORLD TOUR (October 6)

Chinese singing sensation Cai Xukun's concert as part of his 2023 World Tour drew large crowds to MIECC, offering an extraordinary musical experience and enhancing the venue's profile on the international entertainment stage.



### The Kuala Lumpur Engineering Science Fair (KLESF) (October 27-29)

KLESF aimed to spark student interest in science and technology. This educational fair underscored MIECC's commitment to promoting academic and professional growth in engineering and scientific fields.



### MIAPEX 2023 (November 16-18)

The Malaysia International Auto Parts Expo showcased cutting-edge automotive parts and technologies, with a special focus on Electric Vehicle technology, highlighting the latest industry trends and MIECC's role in hosting significant industrial expos.

These events collectively underscore MIECC's capacity as a versatile venue that accommodates a wide range of activities, from cultural festivals to industry-specific exhibitions and seminars, thereby enhancing the region's economic and cultural vibrancy.



## MANAGEMENT DISCUSSION &amp; ANALYSIS

D. PROPERTY  
DIVISION

## Property Development

## REVENUE (RM'000)

38%



2023 12.33

2022 8.94

## NET LOSS (RM'000)

-58%



2023 (104.12)

2022 (65.95)

## Financial Performance:

In FYE 2023, the Property Division reported a revenue of RM12.33 million, a significant increase from RM8.94 million in FYE 2022. This rise in revenue was primarily attributed to the sale of completed property units from Belezza Phase 3.

However, the division recorded a net loss of RM104.12 million for the current year, compared to RM65.95 million in FYE 2022, largely due to impairment losses on assets and inventories, amounting to RM75.2 million, related to Borneo Highlands Resort.

New Property Developments with ESG Framework & 5S - Solar, Sport, Smart Living, Security, and Service

## 1. Kolej Heights Utara, Jitra, Kedah

Continuing our tradition of market innovation, CHHB proudly announces the commencement of Kolej Heights Utara in Jitra, Kedah. This 40-acre development, embracing our 5S smart living concept—Solar, Sport, Smart Living, Security, and Service—will feature 387 new double-storey terrace residences and 64 semi-D houses. With an estimated Gross Development Value (GDV) exceeding RM 200 million, this project epitomizes our dedication to sustainable and responsible practices under the ESG framework, ensuring adherence to environmental preservation, social well-being, and robust governance. Kolej Heights Utara is set to redefine modern, comfortable, and environmentally friendly living in Malaysia.

## 2. Cyberlake Heights

CHHB is set to redefine luxury residential living with the introduction of Cyberlake Heights in Cyberjaya. Spanning 9 acres with a projected GDV of RM 60 million, this development focuses on luxury bungalow lots, ranging from 8,000 to 10,000 square feet. Highlighting the exclusivity of this project are several elite residences, each exceeding 20,000 square feet, strategically positioned atop a hill to maximize the panoramic views of Putrajaya Lake. This unique positioning ensures unparalleled tranquillity and exclusivity, appealing to those who value privacy and a superior living experience.

## MANAGEMENT DISCUSSION & ANALYSIS

### 3. Pajam Industrial Hub

In Pajam, Negeri Sembilan, the Pajam Industrial Hub emerges as a pivotal development with an estimated GDV of RM60 million. Comprising 60 freehold industrial lots, this hub caters to SMEs in manufacturing and warehousing. Its strategic location provides unmatched access to major highways and proximity to KLIA, enhancing logistic efficiencies. Notably, the hub's focus on sustainability is underscored by the incorporation of solar-powered factories, offering businesses a reduction in carbon footprint and promoting sustainable industrial operations. The Pajam Industrial Hub is an exceptional choice for SMEs aiming for a conducive and eco-friendly business landscape.

### 4. The Mines Beach Suite

The Mines Beach Suite, poised to elevate the standard of luxury and exclusivity with an estimated GDV of RM 600 million, is designed to offer homeowners an extraordinary living experience. These lakefront suites provide breathtaking views and a serene ambience, ideal for those seeking an intimate and immersive lifestyle. CHHB anticipates that The Mines Beach Suite will expand the range of high-end residential options, allowing residents to fully enjoy the tranquil lake surroundings. This project is destined to become a benchmark for luxurious living in the region.

These developments underscore CHHB's commitment to innovation and excellence in property development, integrating sustainability with luxury to create vibrant, desirable communities for a diverse range of residents and industries.

### Looking Ahead

As we move forward, we remain committed to identifying new opportunities and building strong partnerships to enhance our business portfolio and strengthen our presence in the market. Our focus on good corporate governance, entrepreneurial drive, and commitment to sustainability forms the foundation of our strategy. These principles will guide our efforts to achieve consistent and sustainable growth. We are optimistic about the future and ready to take on the challenges and opportunities that lie ahead, ensuring lasting benefits for all our stakeholders.



# SUSTAINABILITY STATEMENT



**At Country Heights Holdings Berhad, our sustainability approach is built on core material aspects—economic, environmental, and social—highlighted by our stakeholders. Our daily operations are structured to serve our customers, protect the environment, and foster sustainable business growth. This year, we have launched various initiatives across these three pillars to enhance our overall sustainability impact.**

## STATEMENT OVERVIEW

We express the deepest gratitude to our colleagues, partners, shareholders, customers, and suppliers for their steadfast support during this challenging year.

Driven by our vision, "Ever Searching for Better Living," and our mission statement: "It is all about meaningful innovative creations", we are committed to operating responsibly at all times. Adhering to all relevant legislative and regulatory standards is crucial for maintaining our reputation and credibility, fostering digital innovation, and generating future business opportunities.

This statement is part of a broader disclosure including financial and non-financial reports, and should be read in conjunction with our Corporate Governance Overview Statement and the Statement on Risk Management and Internal Control.

## What sustainability means to us

Sustainability is integral to our vision, mission, and values, enhancing our service offerings and customer relationships across industries. Despite some slow progress, our commitment remains strong, driven by market demand for verified sustainable practices.

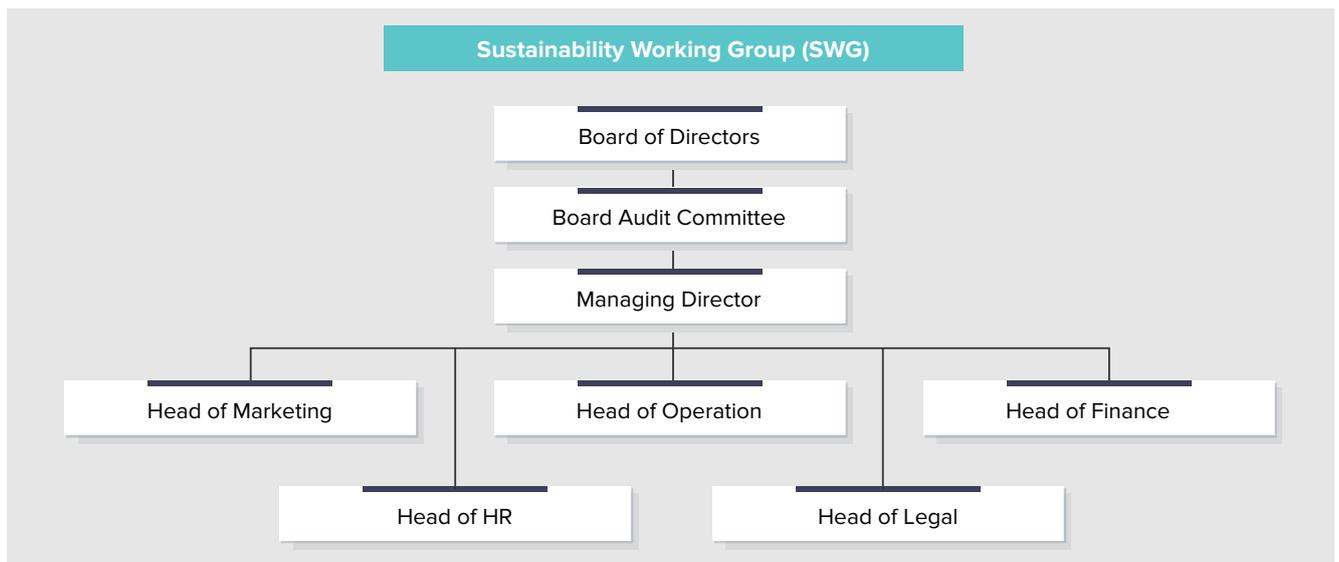
In 2023, Country Heights Holdings Berhad made significant strides by enhancing customer satisfaction, investing in transformative projects, and adopting new technologies like cloud-based systems. Our efforts not only bolster the local economy but also contribute to global sustainability, underscoring our leadership in Malaysia's property sector.

# SUSTAINABILITY STATEMENT

## Governance Structure

In 2023, Country Heights Holdings Berhad established the Sustainability Working Group (SWG) to oversee and enact our sustainability initiatives.

The SWG reports to the Managing Director and is led by the Officer-in-Charge of the SWG. This group is supported by department heads from operations, business, finance, risk, and human resources, ensuring a comprehensive governance structure for our sustainability efforts. This strategy helps integrate sustainable practices across all facets of our operations and strategic planning.



### Roles:

Develop and monitor Group strategies and policies

### Responsibilities:

- Ensure consistent implementation of sustainability practices and standards
- Raising awareness of sustainable practices amongst employees
- Champion stakeholder engagements

## Scope

Our sustainability report highlights significant changes in our business structure to embrace advanced technologies such as Big Data, blockchain, and the Internet of Things (IoT).

Country Heights Holdings Berhad undertook a strategic talent reassessment exercise to create optimal alignment for our workforce to leverage these new technological demands.

Concurrently, we expanded our services in key sectors of our businesses in Healthcare and Medical; Resort and Hospitality, and Property Development.

These efforts aim to enhance our communication methods, integrate IoT solutions, and transform our business operations through data-driven approaches.

## What does Data mean?

- Data can mean factual information, statistics, or measurements that can be analyzed, transmitted, or processed.
- 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.

# SUSTAINABILITY STATEMENT

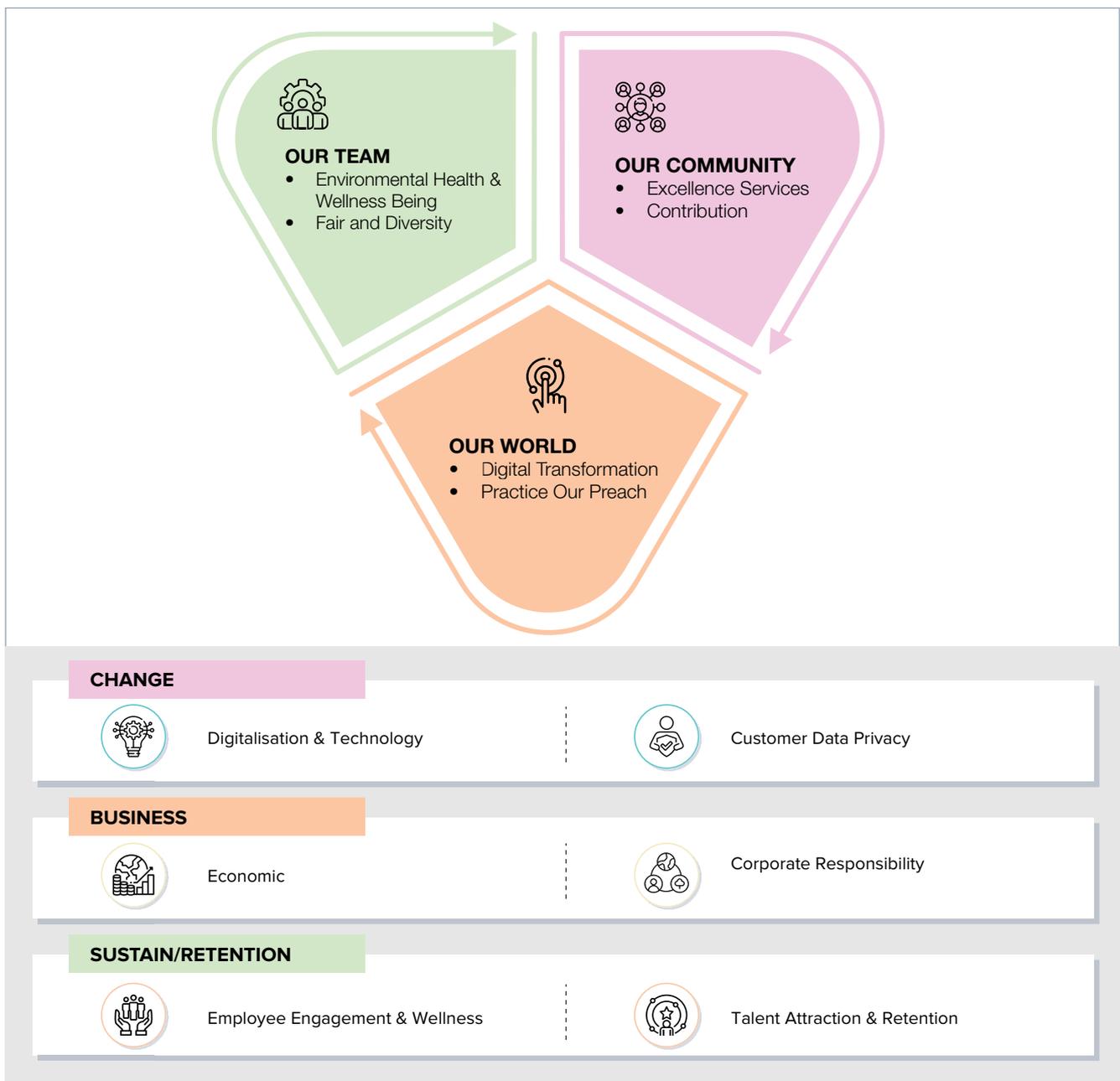
## Frameworks and benchmarks

Compliance with International Standards: Our report adheres to the Global Reporting Initiative (GRI) Standards and meets Bursa Malaysia Securities Berhad requirements.

Community Investment: We apply the LBG Framework, recognized in GRI for evaluating corporate community contributions.

Alignment with SDGs: Our business practices are guided by the United Nations Sustainable Development Goals to address key global challenges like poverty, health, and climate change.

Positive Impact Commitment: We aim to leverage our business operations to make a significant positive impact on societal and environmental outcomes.



The value of our sustainability practices can be observed through our development.

We set out to build a place where people could live, learn, work, and play in an environment that they could be proud of, for instance Country Heights Kajang, Mines Resort City, Country Heights Damansara.

# SUSTAINABILITY STATEMENT

## 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 scope of 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 the impact 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 the 'Character Plus' ethos with knowledge of 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 effectively.
- To engage consultants, contractors and suppliers who promote sustainable development and encourage our customers to use our products and services responsibly.

## Local Communities

- To communicate regularly with the communities in which 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 resilient strategy by focusing on strengths, culture, innovations, data and technologies.
- The Group implements this strategy in order to improve our customer satisfaction metrics in our key products and segments. We will continue to invest in exciting transformative initiatives, adopting the change to the working culture by investing in cloud-based solutions, and become more active in capitalising on attractive opportunities in our markets.
- We started as a pioneer in property development, and we will continuously adapt and evolve 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.



## SUSTAINABILITY STATEMENT

Stakeholders Management			
Stakeholder Groups	Engagement Methods	Frequency	Addressing Expectations
<b>CUSTOMERS Expectations:</b> <ul style="list-style-type: none"> <li>Product quality</li> <li>Timely and transparent information about business operations</li> <li>Loyalty and rewards programme</li> </ul>	<ul style="list-style-type: none"> <li>Complaint resolution</li> <li>Customer satisfaction surveys</li> <li>Events and activities</li> <li>Focus groups</li> <li>Loyalty programmes</li> <li>Roadshows</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Upholding brand promise and product quality excellence</li> </ul>
<b>EMPLOYEES Expectations:</b> <ul style="list-style-type: none"> <li>Benefits</li> <li>Career developments</li> <li>Employment equality</li> <li>2-way communication</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement programmes, trainings and townhall sessions</li> <li>Employee engagement survey</li> </ul>	Throughout the year	<ul style="list-style-type: none"> <li>Career development programme</li> <li>Fair and safe workplace practices</li> </ul>
<b>GOVERNMENT &amp; INDUSTRY AFFILIATES Expectations:</b> <ul style="list-style-type: none"> <li>Compliance with regulations</li> <li>Support for policies of national interest including sustainability initiatives and innovation</li> <li>Private partnerships to drive national agenda</li> <li>Sharing of best practices for industry progress</li> <li>Implementation of policies and requirements by relevant agencies or professional bodies</li> </ul>	<ul style="list-style-type: none"> <li>ESG materiality study</li> <li>Engagement sessions</li> <li>Engagement with Department of Occupational Safety and Health (DOSH)</li> <li>Report submissions</li> <li>Site visits and audits</li> <li>Training, seminars and demonstrations</li> <li>Dialogues</li> </ul>		

## Human Capital Development at Country Heights

Country Heights is committed to transformative Human Resource initiatives through its "CHAmPs!" program, designed to foster a unified and effective workforce.

CHAmPs!—which stands for Country Heights Amazing Peoples—aims to cultivate a shared identity and culture across various business units, driving towards a singular goal and direction. This program not only enhances unity and inclusiveness among employees but also empowers them through targeted development programs, ensuring that each member of the staff embodies the values necessary for their individual and collective success in the workplace.

## Country Heights Amazing People (CHAmPs!)

Country Heights is committed to maintaining a competitive edge and sustainability through strategic Human Resource initiatives. The "CHAmPs!" program is central to this commitment, fostering unity and inclusiveness across different business units with a shared identity and direction. Each CHAmPs! member embodies values such as compassion, commitment, honesty, motivation, and success, guiding their conduct within the workplace. As part of our digital transformation, we emphasize 'Character Plus'—integrating knowledge of technology, IoT, and social media to keep our workforce relevant, competitive and innovative.

## Human Development:

- Digital Integration: Enhanced HR operations across CHHB and its subsidiaries with a new HRIS system.
- Innovative Attendance System: Adopted facial recognition technology to track attendance, improving timekeeping accuracy.
- Remote Learning: Facilitated global staff training and compliance education through webinars during the MCO period.

## Employee Welfare Initiatives:

- Wellness Programs: Promoted health and well-being through Qi Gong sessions and in-house traditional Chinese medicine (TCM) treatments

## SUSTAINABILITY STATEMENT

### Workplace Safety and Compliance:

- Safety Protocols: Strengthened safety training, provided essential safety gear, and conducting regular emergency drills to maintain a safe and secure working environment.

These commitments underscore CHHB's dedication to sustainability through innovation, employee welfare, and stringent safety measures, ensuring a resilient and future-focused organization.



The Group's total employees categorised by position, gender and age from FY2021 to FY2023 are as shown below.

Diversity Table	Employee		
	FY2023	FY2022	FY2021
<b>Breakdown by Gender</b>	%	%	%
Male	54.80	46.30	51.84
Female	45.20	53.70	48.16
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100</b>
<b>Breakdown by Age Group</b>			
25 & Below	8.19	5.25	3.92
26-35	44.84	36.11	38.71
36-60	44.48	56.17	53.46
60 and above	2.49	2.47	4.38
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

### Employee Turnover

Employee turnover has reduced by 46% in FY2023 compared to FY2022. The implementation of various measures has contributed to a lower labour turnover rate within our organisation. We will continue to focus on employee welfare, career development, a positive work environment and compensation and benefits packages that are competitive and reflective of employees' contributions.

Employee Turnover By Employee Category	Headcount		
	FY2023	FY2022	FY2021
Manager and above	14	15	10
Executive	14	20	11
Non-Executive	22	73	22

The Company does not have any contract, freelance, temporary or part-time employees.

## SUSTAINABILITY STATEMENT

### CHHB LIST OF TRAINING OF 2023

No	Course	Start Date	End Date	Type Of Training	Venue
1	Media and Communication Best Practices Conference	14/06/2023	15/06/2023	Public	Kuala Lumpur
2	Employment Law & Industrial Relations Masterclass	21/11/2023	22/11/2023	Public	Hotel Armada Petaling Jaya

### GHHS LIST OF TRAINING OF 2023 HRDF CLAIMABLE

No	Course	Start Date	End Date	Type Of Training	Venue
1	Artificial Intelligence (A I) in Medical Imaging	04/03/2023	04/03/2023	Public	Nilai Springs Resort Hotel, Negeri Sembilan
2	Strategic Public Relations	13/04/2023	14/04/2023	Public	Melia Hotel, Kuala Lumpur
3	Innovation, Entrepreneurship and the Market	20/05/2023	13/08/2023	Online	Not Applicable
4	Media and Communication Best Practices Conference	14/06/2023	15/06/2023	Public	Kuala Lumpur
5	Occupational Health Doctor	16/06/2023	20/08/2023	Public	NIOSH Bandar Baru Bangi
6	Burnout In Healthcare Workers	25/06/2023	25/06/2023	Online	Not Applicable
7	Teamwork That Works	29/07/2023	31/07/2023	In House	Angsana Teluk Bahang Hotel, Penang
8	Team Engagement Program	10/09/2023	11/09/2023	In House	Sunway Lost World Tambun Hotel, Ipoh
9	Effective OSH Committee	08/10/2023	09/10/2023	In House	GHHS
10	Musculoskeletal Manual Therapy	19/10/2023	22/10/2023	Public	S2 Event Space, PJ
11	Latest Updates & AI in Imaging Modalities	18/11/2023	18/11/2023	Online	Not Applicable
12	Employment Law & Industrial Relations Masterclass	21/11/2023	22/11/2023	Public	Hotel Armada Petaling Jaya
13	Clinical Exercise Professional	07/12/2023	10/12/2023	Public	Petaling Jaya, Selangor

### Human and Labour Rights Initiatives

Country Heights Holdings Berhad prioritizes a respectful and legal-compliant work environment. Key measures include:

- **Training and Awareness:** Comprehensive training on labor laws and harassment is provided to foster a respectful workplace.
- **Anti-Discrimination and Harassment Policies:** Strict guidelines are enforced to maintain workplace integrity.
- **Whistleblowing Policy:** A robust whistleblowing system allows for early detection and resolution of potential legal or policy violations.
- **Grievance Management:** Multiple channels are available for employees to report issues, ensuring open communication and continuous improvement in human and labor rights.
- **Prohibition of Child and Forced Labor:** Strict enforcement of policies against child and forced labor, including rigorous age verification processes.
- **Fair Treatment of Foreign Labor:** Ensures all foreign workers have valid work permits and are treated fairly concerning wages and working conditions.

## SUSTAINABILITY STATEMENT

**Occupational Safety and Health (OSH)**

At the core of the Group's organisational responsibilities lies the imperative task to safeguard our workforce's health, safety, and security. We are committed to implementing robust health and safety measures, proactively mitigating occupational risks, and maintaining a zero-accident environment across all operational sites.

- **Mental and Physical Health:** Regular training for managers and safety checks are conducted to ensure a safe and healthy work environment.
- **Employee Engagement:** Continuous improvement of workplace conditions based on employee feedback.

These initiatives reflect our commitment to upholding the highest standards of human and labor rights, contributing to a sustainable and ethical business environment.

**Energy Usage**

We acknowledge the rising concern surrounding climate change arising from heightened energy consumption and Greenhouse gases (also known as GHGs) emissions. Therefore, we are taking measurable steps in the execution and reinforcement of energy-efficient initiatives.

In FY2023, we studied and audited our operations to apply energy-saving measures in our plant such as the implementation of **Energy Monitoring System** for constant monitoring of the consumption and efficiency of electrical appliances and equipment.

Over the period of three years from FY2021 to FY2023 we achieved a lower energy intensity measured by total energy usage (in Gigajoules) per consolidated sales (in RM '000).

In this aspect we are monitoring the energy usage of our headquarters office.

Energy Usage	FY2023	FY2022	FY2021
Sales (RM'000)	673,884	984,018	938,875
Energy Usage (GJ)	67,655	92,661	95,996
Energy Intensity (GJ/RM'000)	0.1004	0.0942	0.1022

Our energy saving and efficiency projects during FY2023 are estimated to result in an annual energy saving of 515,000 kwh.

**Water Management**

We are dedicated to mitigating water shortage risks by implementing comprehensive water management practices across all business units. Our initiatives focus on promoting responsible water use among employees, enhancing awareness at all operational sites, and rigorously monitoring for potential leaks and spikes in water consumption. These efforts are critical to ensuring the sustainability and efficiency of our operations group-wide.

Over the three-year period from FY2021 to FY2023, water consumption has reduced.

However, the water intensity, measured by water usage per consolidated sales, increased during this time.

Water Consumption	FY2023	FY2022	FY2021
Sales (RM'000)	673,884	984,018	938,875
Cubic Meter ('000 m3)	62,784	71,777	80,758
Water Intensity (m3/RM'000)	0.0932	0.0729	0.0860

## SUSTAINABILITY STATEMENT

### Our Commitment Towards Climate Change

Indicator	Short term target (up to 5 years) FY2023 as actual base year	Long term target (more than 5 years) FY2023 as actual base year	Status in FY2023
Percentage reduction target (%) - Energy Consumption (GJ)	-3%	-3%	In-progress
Percentage reduction target (%) - Energy Intensity (GJ/Sales)	-2%	-3%	In-progress
Percentage reduction target (%) - Water Consumption (m3)	-3%	-3%	In-progress
Percentage reduction target (%) - Water Intensity (m3/Sales)	-3%	-3%	In-progress

#### Environmental Sustainability Initiatives at Country Heights

Country Heights is dedicated to environmental sustainability, demonstrated through various initiatives aimed at securing energy savings and maintaining a clean environment. Notably, LakeView Residency in Cyberjaya was equipped with negative ion energy ceiling boards, the first development in Malaysia to adopt this technology. These boards serve as natural ionizers and air purifiers, significantly enhancing air quality by removing airborne pollutants.

#### Solar Energy Initiatives

Aligned with Malaysia's Renewable Energy Policy, Country Heights initiated solar energy projects at our hotel and office locations and positively contribute towards the national goal of achieving 73% renewable energy uptake by 2050.

#### Recycling and Waste Management

We promote the 5R's: Refuse, Reuse, Reduce, Repair, and Recycle, among our employees to minimize waste and encourage sustainable practices at work and home. Our facilities utilize lake water for irrigation and flushing toilets to conserve potable water.

#### Reducing Plastic Usage

In line with our core value of nurturing nature, we have minimized the use of plastic bottles during meetings and events by switching to reusable glass bottles, cementing our commitment to environmental preservation.

#### Step forward to support government and public

##### Local Communities Development

The Company recognise the importance of giving back to the communities in which we operate by engaging in various corporate social responsibility ("CSR") initiatives. Over three years (2021-2023), we have focused our efforts on providing support for our employees and contributing to the wellbeing of communities through programs such as disaster relief aid, funeral expenses aid, and charitable donations.

##### Gotong-Royong/ Community clean-up:

The Company organised a community clean-up around the office not only brought a group of workers together to sweep, remove weeds, and clear rubbish from its surroundings but also catalysed a sense of cooperation between the workers and the local community and strengthened our environmental stewardship.

##### Disaster Relief Aid:

In response to natural disasters such as floods and Covid-19 emergencies, the Company has actively participated in disaster relief efforts. The management responded swiftly to distribute cash and food aid, these efforts have touched the lives of our employees and families, aiding in their recovery and rebuilding processes.

##### Bereavement Assistance:

Understanding the emotional and financial challenges that come with unexpected tragedies, the Company has taken the initiative in aiding the funeral expenses for the immediate family members of deceased employees, providing a compassionate and meaningful support system during these difficult times.

## SUSTAINABILITY STATEMENT

### **Charitable Donations:**

The Company is dedicated to contributing to social causes through charitable donations. Our Company has actively supported various non-profit organizations and community projects aligned with our values and mission. Whether it be education, healthcare, environmental sustainability, or other social causes, we have allocated funds to make a positive impact. For instance, the Company has contributed towards the charity screening organised by the Sports, Welfare and Cultural Association of the Fire and Rescue Headquarters.

### **Assurance**

This statement has not been externally assured. Notwithstanding, this statement adheres to the required reporting frameworks and procedures to ensure that all information and data are reported accurately and have been reviewed.

This statement and the system setup about areas covered herein have been reviewed and approved by the Board.

### **Bantu-Bantu Malaysia Initiative**

Bantu-Bantu Malaysia is a non-profit initiative dedicated to combating COVID-19 and alleviating the impact of extended lockdowns. Over the past three decades, under the leadership of YBhg Tan Sri Lee Kim Yew, the initiative has distributed significant medical aid and food supplies. This includes over 8.5 million masks, ventilators, and other medical supplies to hospitals and front-line workers, particularly at Sungai Buloh Hospital. The initiative also distributed over 200,000 food hampers and meals to various organizations and families in need, supporting food security during the pandemic. A special donation campaign encourages contributions to help provide food hampers that can sustain a family for 7 to 10 days.

### **Auxiliary Police Unit**

Country Heights Holdings Berhad 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 townships, to create 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 Pulapol.

### **Uniting Through Rukun Negara**

As a group, we take pride in the Rukun Negara, a cornerstone of our corporate ethos. Its principles have remained profoundly relevant, guiding our corporate culture and societal contributions.

The Rukun Negara inspires us to live up to its aspirations, ensuring that these principles continue to unite us as a nation, helping us face and adapt to adversities.

### **The Rukun Negara consists of five 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 (Rule of Law)
5. Kesopanan dan Kesusilaan (Courtesy and Morality)

### **Sustainability Outlook for 2024**

Looking ahead to 2024, our group, spanning various industries, will continue to be guided by strong and effective leadership and governance. We will focus on empowering our employees, who are our brand ambassadors, engaging with stakeholders, and adapting to technological advances.

Our commitment extends to minimizing our environmental impact and enhancing societal benefits, shaping a sustainable future for all.

# 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 2023 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 2023 of the Company which is available on the Company’s website at [www.countryheights.com.my](http://www.countryheights.com.my). The CG Report 2023 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Chairman and Managing Director

The roles of the 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.

Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R), the Chairman is responsible for ensuring Board effectiveness and conduct, leading the Board in the oversight of Management.

Dato' Mircle Yap Ching Chai was the Managing Director ("Group MD") who was responsible for the implementation of the Board's policies. Dato' Mircle Yap together with three (3) Executive Directors, each having separate and clearly defined role and scope of responsibility and authority, reports at Board Meetings all material matters that potentially affect the Group and its performance, including strategic projects and regulatory developments.

Dato' Mircle Yap was appointed to continue with the following tasks of the previous Group MD:

- 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 2024 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](http://www.countryheights.com.my). The Board will review and update the Board Charter periodically when appropriate, from time to time.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### 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](http://www.countryheights.com.my). The Code of Ethics is reviewed and updated regularly by the Board.

### 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](http://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](http://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 six (6) 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)	0/0
Datuk Lim Chih Li @ Lin Zhili Managing Director (Resigned on 30 January 2023)	0/0
Dr. Yip Chun Mun Deputy Managing Director (Redesignated to Deputy Managing Director on 3 February 2023, appointed as Acting Managing Director on 1 December 2023 and retired on 1 March 2024)	6/6
Lee Sow Lin Non-Independent Non-Executive Director (Resigned on 26 September 2023)	4/5

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Director	No. of Board Meetings Attended
Ong Tee Chin Senior Independent Non-Executive Director	5/6
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R) Non-Independent Non-Executive Chairman (Appointed on 3 February 2023)	6/6
Dato' Mircle Yap Ching Chai Managing Director (Appointed on 30 January 2023, redesignated to Managing Director on 3 April 2023, redesignated to Non-Executive Director on 1 December 2023 and resigned on 25 March 2024 )	5/6
Chua Hee Boon Executive Director - Finance (Appointed on 3 February 2023)	6/6
Chuah Tian Pong Executive Director – Project & Chief Operating Officer (Appointed on 3 February 2023)	5/6
Xiong Wei Executive Director - Digital Technology (Appointed on 3 February 2023)	6/6
Tan Meng Khong Independent Non-Executive Director (Appointed on 3 February 2023)	6/6
Chuah Peng San Independent Non-Executive Director (Appointed on 3 February 2023)	6/6
Dr. Zhang Yan Independent Non-Executive Director (Appointed on 25 March 2024)	0/0
Khavitha Devi A/P Pothuraju Executive Director - Legal & Compliance (Appointed on 25 March 2024)	0/0
Shafina Binti Syafei Executive Director - Group Public Relations & Marketing Communications (Appointed on 25 March 2024)	0/0

At Board meetings, the Chairman reminded all of Directors' fiduciary duties and encouraged constructive and healthy debates. 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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. The relevant Management were always invited to the Board Meeting to brief the Board on matters at hand specific to their scope and any directives or decisions were conveyed to the Management concurrently in the meeting for their immediate action. In the event any Management concerned were not at the meeting, relevant urgent Board decisions are communicated to the Management within one working day of the Board meeting and the minutes of Board Meetings are completed for comments by the Board members on a timely basis before the next succeeding Board meeting. Relevant extracts of the minutes are distributed to the Management for action once the Board minutes are completed, depending on the urgency of the matters.

### Board Composition

As at the end of the financial year 31 December 2023, the Board comprised nine (9) members of which three (3) are Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and four (4) Executive Directors. Subsequent to the financial year 31 December 2023, the number of Board members was increased to 10 of which four (4) are Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and five (5) 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, legal, 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](http://www.countryheights.com.my).

As at 31 December 2023, the diversity of the Directors is as follows:

Gender	Male		Female		Total	
Number of Directors	9		0		9	
Ethnicity	Malay	Chinese	Indian	Total		
Number of Directors	1	8	0	9		
Age Group (Years)	20 – 29	30 – 39	40 – 49	50 – 59	60 and above	Total
Number of Directors	0	0	3	2	4	9

The number of female director was increased to two (2) subsequent to the financial year 31 December 2023 of which one is Indian and the other is Malay.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**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.

**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 2023 up to the date of this Statement, the Directors have attended, individually and/or collectively, various training programmes as follows:

Name of Director	Date	Organiser & Course Title
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Resigned on 3 February 2023)	-	-
Datuk Lim Chih Li @ Lin Zhili (Resigned on 30 January 2023)	-	-
Lee Sow Lin (Resigned on 26 September 2023)	-	-
Dr. Yip Chun Mun (Retired on 1 March 2024)	28.02.2023	The 2023 Malaysian Housing and Property Summit organized by FIABCI Malaysia and the KSI Strategic Institute for Asia Pacific
	25.10.2023	The Malaysian Wealth and Wellness Summit 2023 organised by KSI Strategic Institute for Asia Pacific
Ong Tee Chin	26.10.2023	Virtual TeaTalks: Managing Living Cost, organised by Malaysian Financial Planning Council (MFPC)
	29.10.2023	Private Debt Microcredential, organised by UniFi of Chartered Alternative Investment Association
	08.11.2023	The Virtual Industry: Professionalism & Ethics for Forum 2023, organised by Malaysian Financial Planning Council (MFPC)
	15.11.2023	Virtual TeaTalks: Trust vs Will: Which should I use for Estate Planning, organised by Malaysian Financial Planning Council (MFPC)
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Hj. Mohd Nor (R) (Appointed on 3 February 2023)	-	-

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name of Director	Date	Organiser & Course Title
Dato' Mircle Yap Ching Chai (Appointed on 30 January 2023, resigned on 25 March 2024 )	11.05.2023 & 12.05.2023	Bursa Malaysia Mandatory Accreditation Programme (MAP) organised by Institute of Corporate Directors Malaysia (ICDM)
Chua Hee Boon (Appointed on 3 February 2023)	23.05.2023	SSM Webinar – Company Secretaries Training Programme Essential 1.0 (Part B) organised by Companies Commission of Malaysia (CCM)
	24.05.2023	SSM Webinar – Company Secretaries Training Programme Essential 1.0 (Part B) organised by Companies Commission of Malaysia (CCM)
	25.05.2023	SSM Webinar – Company Secretaries Training Programme Essential 1.0 (Part C) organised by Companies Commission of Malaysia (CCM)
	25.07.2023 & 26.07.2023	SSM National Conference 2023 organised by Companies Commission of Malaysia (CCM)
	24.10.2023	Budget 2023: Key updates and changes for corporate accountants organised by Malaysian Institute of Accountants (MIA)
Chuah Tian Pong (Appointed on 3 February 2023)	11.05.2023 & 12.05.2023	Bursa Malaysia Mandatory Accreditation Programme (MAP) organised by Institute of Corporate Directors Malaysia (ICDM)
Xiong Wei (Appointed on 3 February 2023)	11.05.2023 & 12.05.2023	Bursa Malaysia Mandatory Accreditation Programme (MAP) organised by Institute of Corporate Directors Malaysia (ICDM)
Tan Meng Khong (Appointed on 3 February 2023)	11.05.2023 & 12.05.2023	Bursa Malaysia Mandatory Accreditation Programme (MAP) organised by Institute of Corporate Directors Malaysia (ICDM)
	15.06.2023	Anti-Money Laundering/Combating the Financing of Terrorism ("AML/CFT") Course (Live Webinar) organised by Institute of Singapore Chartered Accountants (ICSA) and Chartered Secretaries Institute of Singapore (CSIS)
Chuah Peng San (Appointed on 3 February 2023)	18.04.2023	Webinar on Islamic Trade Finance organised by Centre for Research and Training (CERT)
	11.05.2023 & 12.05.2023	Bursa Malaysia Mandatory Accreditation Programme (MAP) organised by Institute of Corporate Directors Malaysia (ICDM)

During the financial year under review, Tan Sri Anwar did not attend any seminars/training programmes. However, Tan Sri Anwar has undertaken to avail himself 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 yet to attend the MAP, arrangements have been made for them to attend the MAP by 25 July 2024.

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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2023 are as set out in the ARMC Report on pages 56 to 60 of this Annual Report.

### NRC

The current composition, including the attendance of its members at a meeting held during the financial year ended 31 December 2023, are as follows:

Name	Designation	Attendance
Ong Tee Chin Senior Independent Non-Executive Director (Redesignated as Chairman on 3 February 2023)	Chairman	1/1
Tan Meng Khong Independent Non-Executive Director (Appointed on 3 February 2023)	Member	1/1
Chuah Peng San Independent Non-Executive Director (Appointed on 3 February 2023)	Member	1/1

### Objectives

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

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

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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### Authority

The NRC is authorised by the Board to:

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

### Responsibilities

The responsibilities in relation to nomination matters are as follows:

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

The responsibilities in relation to remuneration matters are as follows:

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

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

The TOR of the NRC is available on the Company's website at [www.countryheights.com.my](http://www.countryheights.com.my).

### Main Activities of the NRC in 2023

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 2023.
- Evaluated and assessed the performance and effectiveness of the Board and Board Committees for the year 2023.
- Reviewed and recommended the re-election of Directors due for retirement at the AGM.
- Reviewed the remuneration of the Directors for the year 2023 and subsequently recommended it to the Board for 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.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

**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](http://www.countryheights.com.my).

The proposed Directors' Fees for the financial year 31 December 2023 will be tabled at the forthcoming 40th AGM for shareholders' approval. The remuneration received or to be received by the Directors of the Group for the financial year ended 31 December 2023 is as follows:

Description	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary	827	-	827
Benefits-in-kind	-	-	-
Defined contribution plans	59	-	59
Allowance	-	65	65
Fees	-	55	55
<b>Total</b>	<b>886</b>	<b>120</b>	<b>1,006</b>

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	6
RM100,001 to RM200,000	2	0
RM200,001 to RM300,000	2	0

## 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 2023 are as set out in the ARMC Report on pages 56 to 60 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.

The Group engaged Talent League Sdn. Bhd. for its internal audit service in addition to utilising the services of the External Auditors, which reports significant findings directly to the ARMC with recommended corrective actions. The Management is responsible to ensure that the corrective actions on reported weaknesses are undertaken within an appropriate timeframe.

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

#### Risk Management and Internal Controls

The Board recognises and affirms its overall responsibility for CHHB Group's system of internal controls, which includes the establishment of an appropriate control environment and control framework as well as for reviewing its effectiveness, adequacy and integrity. The Board acknowledges that this system is designed to manage, rather than eliminate the risk of non-achievement of CHHB Group's objectives.

The Board has an overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls, and risk management to ensure shareholders' investments, customers' interests and CHHB Group's assets are safeguarded.

The Statement on Risk Management and Internal Control is set out on pages 61 to 63 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.

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 4,176 shareholders as at 29 March 2024, 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](http://www.countryheights.com.my) for the latest information on CHHB 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 29 April 2024.

# 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 2023 is as below:

<u>Audit Fee</u>		<u>Non-audit Fee</u>	
Company	RM58,000	Company	RM5,000
Group	RM242,300	Group	RM5,000

### Share Buy-Back

The Company did not undertake any share buy-back during the financial year ended 31 December 2023.

### Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposals during the financial year ended 31 December 2023.

# 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 2023, 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

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

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 2023, 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	7/7
Ong Tee Chin Independent Non-Executive Director (Redesignated as Member on 21 February 2023)	Member	6/7
Chuah Peng San Independent Non-Executive Director (Appointed on 3 April 2023)	Member	6/6
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	1/1

The Executive Director of Finance and the representatives of Talent League Sdn. Bhd., the Company's outsourced Internal Auditor, 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
    - compliant with stock exchange, accounting standards and legal requirements.
  - (d) discuss problems and reservations arising from the interim and final audits, and any other matters the External Auditors may wish to discuss (in the absence of the Management where necessary);
  - (e) review External Auditors' letter to the Management (if any) and the Management's response;
  - (f) review the adequacy of the scope, functions, competency and resources of the Internal Audit function and that it has the necessary authority to carry out its work;
  - (g) review the Internal Audit Planning Memorandum and results of the Internal Audit process and where necessary, ensure that appropriate action is taken on the recommendations of the Internal Audit function;
  - (h) review any appraisal or assessment of the performance of the Head of Internal Audit function;
  - (i) approve any appointment or dismissal of the Head of Internal Audit;
  - (j) inform itself of resignation of the Head of Internal Audit and provide him/her an opportunity to submit reason(s) for resigning;
  - (k) consider any related party transactions and conflict of interest situation that may arise within the Company or Group that may raise questions over the Management's integrity; and
  - (l) consider the findings of Internal Audit investigations and the Management's response.
- (ii) Risk Management, Internal Control and Information Systems

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

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

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- (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 discussed significant audit issues and findings with the External Auditors.
  - (c) Reviewed the impact of changes in accounting policies and adoption of new accounting standards, together with significant matters highlighted in the financial statements.

## 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 2023 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 of the Company was outsourced to Talent League Sdn. Bhd. where Talent League Sdn. Bhd. 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. Talent League Sdn. Bhd.'s staff were free from any relationships or conflicts of interest with any employees of the Company.

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

The total cost incurred for the Internal Audit function of the Group for the financial year ended 31 December 2023 was RM60,000.

### 4. Related Party Transactions

Reviewed related party transactions to determine if they were undertaken at "arm's length", on normal commercial terms and on terms which were not more favourable to the related parties than those generally available to the public and complied with the Listing Requirements of Bursa Securities.

Reviewed the Circular to Shareholders in relation to Shareholders' Mandate on recurrent related party transactions ("RRPTs"), the review procedures of RRPTs, the RRPT estimates and methods for determination of RRPT transaction price and threshold of authority, Audit & Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report to ensure compliance with the relevant regulatory reporting requirements prior to recommending the same to the Board for approval.

This Report is dated 29 April 2024.

# 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 2023, 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 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:

- Hotel Management and operations for Mines Beach Resort

Total costs paid to Outsourced Internal Auditors for the financial year under review and up to the date of this report amounted to RM30,000.

## 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 2023. 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 2023 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 29 April 2024.

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# FINANCIAL

## STATEMENTS

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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 2023.

## 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.

## Financial Results

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

	<b>Group RM'000</b>	<b>Company RM'000</b>
Loss for the financial year	(108,704)	(82,872)
Attributable to:		
Owners of the Company	(111,434)	(82,872)
Non-controlling interests	2,730	-
	<b>(108,704)</b>	<b>(82,872)</b>

## Reserves and Provisions

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

## Dividends

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

## Issue of Shares and Debentures

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

## Treasury Shares

As at 31 December 2023, the Company held 3,250,000 treasury shares out of total 299,988,903 issued ordinary shares. The treasury shares are held at a carrying amount of RM3,470,138. Further relevant details are disclosed in Note 19 to the financial statements.

## Warrants 2018/2023

During the financial year, the 128,335,101 warrants not exercised on 20 December 2023 (Expiry Date) have lapsed and become null and ceased to be valid after the Expiry Date. The warrants not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 21 December 2023.

## DIRECTORS' REPORT

**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:

Ong Tee Chin	
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	(Appointed on 3 February 2023)
Tan Meng Khong	(Appointed on 3 February 2023)
Chua Hee Boon*	(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)
Dr. Zhang Yan	(Appointed on 25 March 2024)
Shafina Binti Syafei	(Appointed on 25 March 2024)
Khavitha Devi A/P Pothuraju	(Appointed on 25 March 2024)
Dato' Mircle Yap Ching Chai	(Resigned on 25 March 2024)
Lee Sow Lin	(Resigned on 26 September 2023)
Datuk Lim Chih Li @ Lin Zhili	(Resigned on 30 January 2023)
Tan Sri Lee Kim Tiong @ Lee Kim Yew	(Resigned on 3 February 2023)
Dr. Yip Chun Mun*	(Retired on 1 March 2024)

\* Director of the Company and of its subsidiary companies

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

Sударsono Bin Osman	
Monaliza Binti Zaidel	
Datuk Lim Chih Li @ Lin Zhili	
Balraj Singh Pannu A/L Gajjan Singh	
Lee Cheng Wen	
Normala @ Soulie Binti Mohamad	
Jung KyunHo	
Mohamad Firdaus Bin Ahmad	
Lee Thai Young Matahari	
Jaleeludeen Bin Abu Baker	(Resigned on 10 October 2023)

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

## DIRECTORS' REPORT

### Directors' Interests in Shares

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

	Number of ordinary shares			At 31.12.2023
	At 01.01.2023	Bought	Sold	
<b>Shares in the Company</b>				
<b>Direct interests:</b>				
Dr. Yip Chun Mun (Retired on 1 March 2024)	11,000	-	-	11,000
Chua Hee Boon	-	847,500	-	847,500
<b>Indirect interests:</b>				
Chua Hee Boon#	-	51,100	-	51,100

# Deemed interest by virtue of shares held by his spouse under Section 8 of the Companies Act, 2016.

	Number of warrants			At 31.12.2023
	At 01.01.2023	Bought	Sold/ Converted	
<b>Warrants in the Company</b>				
<b>Direct interests:</b>				
Dr. Yip Chun Mun (Retired on 1 March 2024)	5,500	-	(5,500)	-

	Number of ordinary shares			At 31.12.2023
	At 01.01.2023	Bought	Sold	
<b>Shares in subsidiary company</b>				
<b>Golden Horse Palace Berhad</b>				
<b>Direct interests:</b>				
Dr. Yip Chun Mun (Retired on 1 March 2024)	30,000	-	-	30,000
Chua Hee Boon	-	6,000	-	6,000

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

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.

## DIRECTORS' REPORT

**Directors' Benefits (Cont'd)**

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 2023 are set out below:

	<b>Group RM'000</b>	<b>Company RM'000</b>
<b>Directors' remuneration</b>		
Fees	55	55
Allowances	65	65
Salaries and other emoluments	827	-
Defined contribution plans	59	-
	1,006	120

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.

**Other Statutory Information**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
  - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

## DIRECTORS' REPORT

### Other Statutory Information (Cont'd)

(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.

### Material Litigations

The details of the material litigations are disclosed in Note 38 to the financial statements.

### Subsequent Events

The details of the subsequent events 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 RM242,300 and RM58,000 respectively.

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

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

**KHAVITHA DEVI A/P POTHURAJU**

KUALA LUMPUR  
29 April 2024

## 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 2023 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 on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors,

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

**KHAVITHA DEVI A/P POTHURAJU**

KUALA LUMPUR

29 April 2024

## DECLARATION BY THE DIRECTORS

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 29 April 2024.

Before me,

COMMISSIONER FOR OATHS

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD  
[Registration No.: 198401006901 (119416-K)] (Incorporated in Malaysia)

## 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 2023 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 material accounting policy information, as set out on pages 16 to 135.

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 2023, 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 (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>Valuation of investment properties</u></p> <p>As at 31 December 2023, the carrying amount of investment properties amounted to RM91,842,000 representing approximately 11% and 9% of the Group's total non-current 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 independent professional valuers 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"> <li>- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuer;</li> <li>- 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</li> <li>- Evaluated the appropriateness of the data used by the independent valuer as input into their valuations.</li> <li>- We interviewed the external valuer, discussed and challenged the significant estimates and assumptions applied in their valuation process.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD  
[Registration No.: 198401006901 (119416-K)](Incorporated in Malaysia)

### **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.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD  
[Registration No.: 198401006901 (119416-K)] (Incorporated in Malaysia)

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

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

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

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

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

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

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD  
[Registration No.: 198401006901 (119416-K)] (Incorporated in Malaysia)

### 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

29 April 2024

### OOI CHI YEE

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	15,980	18,471	-	31
Right-of-use assets	5	593,581	535,619	-	-
Investment properties	6	91,842	259,930	-	-
Inventories	7	128,362	127,835	-	-
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	2,241	-	-
Deferred tax assets	13	196	196	-	-
		834,539	946,629	60,651	60,682
<b>Current Assets</b>					
Inventories	7	127,461	215,633	-	-
Trade receivables	12	11,882	15,024	-	-
Other receivables	14	21,974	22,477	2,640	4,542
Contract asset	21	-	44	-	-
Amount due from subsidiary companies	15	-	-	449,151	45,625
Tax recoverable		93	633	-	-
Fixed deposits with licensed banks	16	2,711	2,140	-	-
Cash and bank balances	17	8,782	7,898	31	38
		172,903	263,849	451,822	50,205
<b>Total Assets</b>		<b>1,007,442</b>	<b>1,210,478</b>	<b>512,473</b>	<b>110,887</b>

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	18	383,155	383,155	383,155	383,155
Treasury shares	19	(3,470)	(3,470)	(3,470)	(3,470)
Reserves	20	240,294	351,470	(643,391)	(560,519)
Equity attributable to owners of the parent		619,979	731,155	(263,706)	(180,834)
Non-controlling interests		(5,206)	(8,513)	-	-
<b>Total Equity</b>		<b>614,773</b>	<b>722,642</b>	<b>(263,706)</b>	<b>(180,834)</b>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Contract liabilities	21	32,364	32,805	-	-
Other payables	22	79,374	2,299	76,929	-
Loans and borrowings	23	10,667	87,391	10,352	84,839
Lease liabilities	24	4,071	4,239	-	-
Deferred tax liabilities	13	97,905	101,343	-	-
		224,381	228,077	87,281	84,839
<b>Current Liabilities</b>					
Amount due to subsidiary companies	15	-	-	631,106	162,995
Trade payables	25	27,807	42,090	-	-
Contract liabilities	21	795	3,249	-	-
Other payables	22	97,822	110,070	26,637	14,594
Loans and borrowings	23	31,472	94,355	30,479	28,617
Lease liabilities	24	4,494	4,447	-	-
Tax payables		5,898	5,548	676	676
		168,288	259,759	688,898	206,882
<b>Total Liabilities</b>		<b>392,669</b>	<b>487,836</b>	<b>776,179</b>	<b>291,721</b>
<b>Total Equity and Liabilities</b>		<b>1,007,442</b>	<b>1,210,478</b>	<b>512,473</b>	<b>110,887</b>

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 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	26	50,985	46,338	-	-
Cost of sales		(16,393)	(16,186)	-	-
<b>Gross profit</b>		34,592	30,152	-	-
Other income		12,230	21,076	2,465	106
Selling and marketing expenses		(4,936)	(5,156)	(75)	(12)
Administrative expenses		(11,932)	(8,765)	(935)	(371)
Net loss on impairment on financial instruments		(74,557)	(8,028)	(72,749)	-
Net (loss)/gain on impairment of non-financial asset		-	(75,197)	2,798	-
Other expenses		(57,010)	(48,190)	(10,584)	(4,904)
<b>Loss from operations</b>		(101,613)	(94,108)	(79,080)	(5,181)
Finance costs	27	(6,156)	(12,180)	(3,792)	(4,589)
<b>Loss before tax</b>	28	(107,769)	(106,288)	(82,872)	(9,770)
Taxation	29	(935)	(1,309)	-	(341)
<b>Loss for the financial year</b>		(108,704)	(107,597)	(82,872)	(10,111)
<b>Other comprehensive income</b>					
<b>Item that is or may be reclassified subsequently to profit or loss</b>					
Exchange translation differences for the foreign operations		258	269	-	-
<b>Total comprehensive loss for the financial year</b>		(108,446)	(107,328)	(82,872)	(10,111)
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(111,434)	(84,872)	(82,872)	(10,111)
Non-controlling interests		2,730	(22,725)	-	-
		(108,704)	(107,597)	(82,872)	(10,111)
<b>Total comprehensive (loss)/profit for the year attributable to:</b>					
Owners of the Company		(111,176)	(84,603)	(82,872)	(10,111)
Non-controlling interests		2,730	(22,725)	-	-
		(108,446)	(107,328)	(82,872)	(10,111)
Loss per share (sen)					
Basic	30(a)	(37.55)	(28.60)		
Diluted	30(b)	(37.55)	(28.60)		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Parent		Distributable		Non-controlling interest RM'000	Total RM'000	Total Equity RM'000
	Share capital RM'000	Non-distributable	Treasury shares RM'000	Warrant reserve RM'000			
<b>Group</b>							
At 1 January 2023	383,155	(3,470)	58,777	66,733	225,960	731,155	722,642
Loss for the financial year	-	-	-	(111,434)	(111,434)	(111,434)	(108,704)
Other comprehensive income	-	-	-	258	-	258	258
Total comprehensive loss for the financial year	-	-	-	(111,434)	(111,434)	(111,176)	(108,446)
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-
Expiration of Warrants	-	-	(58,777)	58,777	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	-	-	577
<b>At 31 December 2023</b>	<b>383,155</b>	<b>(3,470)</b>	<b>-</b>	<b>124,105</b>	<b>116,189</b>	<b>619,979</b>	<b>614,773</b>
At 1 January 2022	352,006	(2,914)	62,645	64,261	309,167	785,165	798,127
Profit for the financial year	-	-	-	(84,872)	(84,872)	(84,872)	(107,597)
Other comprehensive income	-	-	-	269	-	269	269
Total comprehensive loss for the financial year	-	-	-	(84,872)	(84,872)	(84,603)	(107,328)
Transfer to retained earnings	-	-	-	(1,665)	1,665	-	-
New issuance share - 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
<b>At 31 December 2022</b>	<b>383,155</b>	<b>(3,470)</b>	<b>58,777</b>	<b>66,733</b>	<b>225,960</b>	<b>731,155</b>	<b>722,642</b>

## STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	← Attributable to owners of the Parent →				Distributable Accumulated losses RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury shares RM'000	Warrant reserve RM'000	Other reserve RM'000		
<b>Company</b>						
At 1 January 2023	383,155	(3,470)	58,777	(58,777)	(560,519)	(180,834)
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	(82,872)	(82,872)
Expiration of Warrants	-	-	(58,777)	58,777	-	-
<b>At 31 December 2023</b>	<b>383,155</b>	<b>(3,470)</b>	<b>-</b>	<b>-</b>	<b>(643,391)</b>	<b>(263,706)</b>
At 1 January 2022	352,006	(2,914)	62,645	(62,645)	(550,408)	(201,316)
Loss for the financial year, representing total Expiration of warrants 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)
<b>At 31 December 2022</b>	<b>383,155</b>	<b>(3,470)</b>	<b>58,777</b>	<b>(58,777)</b>	<b>(560,519)</b>	<b>(180,834)</b>

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash Flows Used In Operating Activities</b>				
Loss before tax	(107,769)	(106,288)	(82,872)	(9,770)
Adjustments for:				
Amortisation of:				
- Deferred income	(1,180)	(2,656)	-	-
- Right-of-use assets	7,370	6,470	-	-
Bad debt written off	20	500	-	-
Depreciation of property, plant and equipment	2,367	4,924	31	44
Dividend income	(100)	(150)	-	-
Fair value loss on investment properties	-	430	-	-
Interest expenses	6,156	12,180	3,792	4,589
Interest income	(33)	(35)	-	-
Inventories written off	6	46,841	-	-
Unrealised loss on foreign exchange	2,057	2,680	2,057	2,680
Gain on disposal on property, plant and equipment	(13)	(41)	-	-
Waiver of debts from subsidiary companies	-	-	(2,330)	-
Reversal of impairment loss on:				
- trade receivables	(792)	(412)	-	-
- other receivables	(200)	-	-	-
- investment in subsidiary companies	-	-	(2,797)	-
Loss on disposal of subsidiary	54	-	2,791	-
Loss on derecognition of a subsidiary companies	15,171	-	-	-
Impairment loss on:				
- property, plant and equipment	-	27,146	-	-
- right-of-use assets	-	1,210	-	-
- trade receivables	2,800	6,489	-	-
- other receivables	72,749	1,951	72,749	-
Operating (loss)/profit before working capital changes	(1,337)	1,239	(6,579)	(2,457)
Changes in working capital:				
Inventories	4,387	1,846	-	-
Receivables	(73,724)	(5,828)	(70,847)	(366)
Contract asset	44	75	-	-
Contract liabilities	(1,715)	892	-	-
Payables	74,565	(1,920)	9,302	(1,042)
Cash generated from/(used in) operating activities	2,220	(3,696)	(68,124)	(3,865)
Interest paid	(926)	(11,694)	(504)	(4,589)
Tax paid	(722)	(2,202)	-	(1)
Net cash from/(used in) operating activities	572	(17,592)	(68,628)	(8,455)

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Cash Flows From Investing Activities</b>				
Dividend received	100	150	18	-
Interest received	33	35	-	-
Net cash inflow in disposal of subsidiary companies	18	-	6	-
Net cash outflow from derecognition of a subsidiary company	(30)	-	-	-
Proceeds from disposal of property, plant, and equipment	13	41	-	-
Purchase of property, plant, and equipment	(808)	(2,082)	-	-
Purchase of right-of-use assets	(9)	(105)	-	-
Proceeds from changes in ownership interest in subsidiary companies	577	1,250	-	-
Advances to subsidiary companies	-	-	(403,526)	(13,959)
Net cash used in investing activities	(106)	(711)	(403,520)	(13,959)
<b>Cash Flows From Financing Activities</b>				
Advance from subsidiary companies	-	-	470,441	372
Placement of fixed deposits with licensed banks	(571)	(10)	-	-
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	(700)	(550)	-	-
Payment of lease liabilities	(356)	(303)	-	-
Drawdown of term loans	3,757	5,804	3,757	-
Repayment of term loans	(143)	(21,251)	-	(8,734)
Net cash from financing activities	1,987	14,283	474,198	22,231
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,453	(4,020)	2,050	(183)
<b>Cash and cash equivalents at the beginning of the financial year</b>	7,898	11,593	38	221
Effect of exchange translation differences	(1,569)	325	(2,057)	-
<b>Cash and cash equivalents at the end of the financial year</b>	8,782	7,898	31	38
<b>Cash and cash equivalents at the end of the financial year comprise:</b>				
Fixed deposits with licensed banks	2,711	2,140	-	-
Cash and bank balances	8,782	7,898	31	38
Less: Fixed deposits with licensed banks (Note 16)	(2,711)	(2,140)	-	-
	8,782	7,898	31	38

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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.

## 2. Basis of Preparation

### (a) Statement of compliance

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

#### Adoption of new and amendments to MFRSs

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative information
Amendments to MFRS 101 and MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	Income Taxes: International Tax Reform - Pillar Two Model Rules

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

#### Amendments to MFRS 101 and MFRS Practice Statement 2 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 Materiality Practice Statement for the first time in the current financial year. The amendments change the requirements in MFRS 101 Presentation of Financial Statements with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 Presentation of Financial Statements are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements but affect the disclosure of accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**2. Basis of Preparation (Cont'd)**

- (a) Statement of compliance (Cont'd)

**Amendments to MFRSs in issue but not yet effective**

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

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

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

- (b) Basis of measurement

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

- (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:

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**2. Basis of Preparation (Cont'd)**

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

**Judgements (Cont'd)**

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; or
- (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.

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 regularly reviews 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 amounts at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5, respectively.

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 independent valuation specialist to assess fair value as at 31 December 2023 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 2. Basis of Preparation (Cont'd)

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

### Key sources of estimation uncertainty (Cont'd)

#### Impairment of investment in subsidiary companies

The Company reviews its investment 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 perform impairment test based on the assessment of the fair value less cost of disposal of the subsidiary companies' assets.

The carrying amount at the reporting date for investment 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.

#### 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.

#### Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its receivables, include trade and other receivables, 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 and 14, respectively.

#### 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 2023, the Group has tax recoverable of RM93,000 (2022: RM633,000) and tax payable of RM5,898,000 (2022: RM5,548,000) respectively, and the Company has tax payables of RM676,000 (2022: RM676,000).

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**3. Material Accounting Policy Information****(a) Basis of consolidation****(i) Subsidiary companies and business combination**

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired activities meet the definition of a business and control is transferred to the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investment, 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.

**(ii) Non-controlling interests**

At the acquisition date, components of non-controlling interest of the Group are measured at the non-controlling interest proportionate share of the acquiree's identifiable assets.

**(iii) 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.

**(iv) 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) Investment in associates**

Investment in associates is accounted for in the consolidated Financial Instruments of the Group using the equity method.

In the Company's separate financial statements, investment in associates are stated at cost less accumulated impairment losses amount.

**(c) Joint arrangements**

The Group classifies its joint arrangement as follows:

- A "Joint operation" for European Wellness Retreat (KL) Sdn. Bhd as the Group account for:
  - (i) Its assets, including its share of any assets held jointly
  - (ii) Its liabilities, including its share of any liabilities incurred jointly
  - (iii) Its revenue from the sale of its share of the output arising from the joint operation
  - (iv) Its share of the revenue from the sale of the output by the joint operation
  - (v) Its expenses, including its share of any expenses incurred jointly

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. Material Accounting Policy Information (Cont'd)

#### (c) Joint arrangements (Cont'd)

- "joint venture" of Asia GT Festival Sdn. Bhd. and accounts its interest using the equity method as the Group has rights to the net assets of the arrangement.

In the Company separate financial statement, investment in joint venture is measure at cost less any accumulated impairment losses.

#### (d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are depreciated on straight-line basis 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%

#### (e) Prepaid land lease payments

Leasehold land that has an indefinite economic life and title is not expected to pass to the Group by the end of the lease period is classified as operating lease. The upfront payments for the right to use the leasehold land over a predetermined period are accounted for as prepaid land lease payments and are stated at cost less amount amortised. The prepaid land lease payments are amortised on a straight-line basis over the remaining lease terms ranging from 67 to 171 years (2022: 68 to 172 years).

The leasehold land was depreciated over the remaining lease period.

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

#### (f) Leases

##### (i) Lessee accounting

##### Right-of-use assets ("ROU assets")

The ROU assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities.

The ROU assets 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 property, plant and equipment as follow:

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%

##### Lease Liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rates.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**3. Material Accounting Policy Information (Cont'd)****(f) Leases (Cont'd)****(i) Lessee accounting (Cont'd)**Short -term leases and leases of low value assets

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.

**(ii) Lessor accounting**

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of revenue.

**(g) Investment properties**

Investment properties are measured at fair value with gain and losses arising from changes in the fair value of investment properties recognised in profit or loss for the period in which they arise.

**(h) Financial assets**

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at 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, other investments, cash and bank balances, deposit with licensed bank 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 3. Material Accounting Policy Information (Cont'd)

#### (h) Financial assets (Cont'd)

##### (ii) Fair value through other comprehensive income ("FVTOCI") (Cont'd)

##### (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.

##### (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.

#### (i) Financial liabilities

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

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

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

#### (j) Financial guarantee contracts

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**3. Material Accounting Policy Information (Cont'd)****(k) Offsetting of financial instruments**

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

**(l) Inventories**

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

**(i) Land held for property development**

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less cost to sell. 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 properties**

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

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

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

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

**(iii) Other inventories**

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

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

**(m) Contract assets and contract liabilities**

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 3. Material Accounting Policy Information (Cont'd)

### (n) Impairment of assets

#### (i) 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.

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.

#### (ii) 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**3. Material Accounting Policy Information (Cont'd)****(n) Impairment of assets (Cont'd)****(ii) Non-financial assets (Cont'd)**

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.

**(o) 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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**3. Material Accounting Policy Information (Cont'd)****(o) Revenue recognition (Cont'd)**

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

(d) Initial membership fees (Cont'd)

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.

(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 recognized 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.

**(p) Statements of cash flows**

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

**4. Property, Plant and Equipment**

	Note	2022 RM'000	2021 RM'000
<b>Net carrying amount</b>			
<b>Group</b>			
Other property, plant and equipment	(a)	15,980	18,471
<hr/>			
<b>Company</b>			
Other property, plant and equipment	(a)	-	31
<hr/>			

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

Group 2023	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
<b>Cost</b>						
At 1 January	2,437	49,395	113,744	78,836	4,821	249,233
Additions	-	-	481	327	-	808
Disposal	-	-	(3,245)	(60)	(145)	(3,450)
Derecognition of a subsidiary company	-	-	(3,236)	(574)	-	(3,810)
Foreign currency translation differences	-	(292)	-	-	-	(292)
At 31 December	2,437	49,103	107,744	78,529	4,676	242,489
<b>Accumulated depreciation</b>						
At 1 January	675	14,372	106,554	77,220	4,795	203,616
Charge for the financial year	190	123	1,380	674	-	2,367
Disposal	-	-	(3,245)	(60)	(145)	(3,450)
Derecognition of a subsidiary company	-	-	(2,534)	(574)	-	(3,108)
Foreign currency translation differences	-	(62)	-	-	-	(62)
At 31 December	865	14,433	102,155	77,260	4,650	199,363
<b>Accumulated impairment</b>						
At 1 January/31 December	-	27,059	-	87	-	27,146
<b>Net carrying amount</b>						
	1,572	7,611	5,589	1,182	26	15,980

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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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
<b>Cost</b>						
At 1 January	2,437	49,476	112,212	78,286	4,980	247,391
Additions	-	-	1,532	550	-	2,082
Derecognition of a subsidiary company	-	-	-	-	(159)	(159)
Foreign currency translation differences	-	(81)	-	-	-	(81)
At 31 December	2,437	49,395	113,744	78,836	4,821	249,233
<b>Accumulated depreciation</b>						
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)
Foreign currency translation differences	-	(25)	-	-	-	(25)
At 31 December	675	14,372	106,554	77,220	4,795	203,616
<b>Accumulated impairment</b>						
At 1 January	-	-	-	-	-	-
Charge for the financial year	-	27,059	-	87	-	27,146
At 31 December	-	27,059	-	87	-	27,146
<b>Net carrying amount</b>						
	1,762	7,964	7,190	1,529	26	18,471

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

<b>Company</b>	<b>Office Furniture and fittings RM'000</b>
<b>2023</b>	
<b>Cost</b>	
At 1 January/31 December	393
<b>Accumulated depreciation</b>	
At 1 January	362
Charge for the financial year	31
At 31 December	393
<b>Net carrying amount</b>	-
<b>2022</b>	
<b>Cost</b>	
At 1 January/31 December	393
<b>Accumulated depreciation</b>	
At 1 January	318
Charge for the financial year	44
At 31 December	362
<b>Net carrying amount</b>	31

- a) The property, plant and equipment with the carrying amount of RM1,707,000 (2022: RM1,753,000) is held in trust by a shareholder of the Company and is pledged as security for borrowings as disclosed in Note 23.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 5. Right-of-Use Assets

Group 2023	Hotel properties RM'000	Long term leasehold land RM'000	Leasehold building RM'000	Office		Motor vehicles RM'000	Total RM'000
				furniture and fittings, office equipment RM'000	Plant and machineries RM'000		
<b>Cost</b>							
At 1 January	377,976	330,590	16,730	3,293	2,322	500	731,411
Additions	-	-	-	42	68	134	244
Transfer from investment properties	65,088	-	-	-	-	-	65,088
Derecognition of a subsidiary company	-	-	-	(369)	-	-	(369)
At 31 December	443,064	330,590	16,730	2,966	2,390	634	796,374
<b>Accumulated amortisation</b>							
At 1 January	59,631	39,868	6,717	1,401	831	427	108,875
Charge for the financial year	6,269	17	986	10	88	-	7,370
Derecognition of a subsidiary company	-	-	-	(369)	-	-	(369)
At 31 December	65,900	39,885	7,703	1,042	919	427	115,876
<b>Accumulated impairment</b>							
At 1 January/31 December	85,707	765	445	-	-	-	86,917
<b>Net carrying amount</b>	291,457	289,940	8,582	1,924	1,471	207	593,581

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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
<b>Accumulated amortisation</b>							
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	831	427	108,875
<b>Accumulated impairment</b>							
At 1 January	85,707	-	-	-	-	-	85,707
Charge for the financial year	-	765	445	-	-	-	1,210
At 31 December	85,707	765	445	-	-	-	86,917
<b>Net carrying amount</b>							
	232,638	289,957	9,568	1,892	1,491	73	535,619

(a) The hotel properties and long term leasehold land with an aggregate net carrying amount of RM342,068 (2022: RM347,379) are pledged as securities for borrowings as disclosed in Note 23.

(b) The land and buildings, office furniture and fittings and office equipment, motor vehicle and plant and machineries with an aggregate net carrying amount of RM2,412,000 (2022: RM2,796,000) are pledged as securities for the related lease liabilities as disclosed in Note 24.

(c) As at 31 December 2023, the long term leasehold land have unexpired lease period that are within the range from 66 to 170 years (2022: 67 to 171 years). The long term leasehold land with an aggregate carrying amount of RM114,514,000 (2022: RM114,518,000) are pledged as securities for borrowings as disclosed in Note 23.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 6. Investment Properties

	Group	
	2023	2022
	RM'000	RM'000
<b>At fair value</b>		
At 1 January	259,930	260,360
Transfer to rights-of-use-assets (Note 5)	(65,088)	-
Derecognition of a subsidiary company	(103,000)	-
Changes in fair value recognised in profit or loss	-	(430)
	<hr/>	<hr/>
At 31 December	91,842	259,930
	<hr/>	<hr/>
Included in the above are:		
<b>At fair value</b>		
Freehold land	24,430	24,430
Leasehold land	16,505	119,505
Buildings	50,907	115,995
	<hr/>	<hr/>
	91,842	259,930
	<hr/>	<hr/>

## (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 (2022: 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 RM91,842,000 (2022: RM259,930,000). 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	
	2023	2022
	RM'000	RM'000
Investment properties	91,842	259,930
	<hr/>	<hr/>

In previous financial year, decrease in the fair values RM430,000 has been recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**6. Investment Properties**

- (c) Income and expenses recognised in profit or loss

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

	<b>Group Level 2</b>	
	<b>2023 RM'000</b>	<b>2023 RM'000</b>
Rental income	203	3,697

- (d) Transfer of investment properties

During the year, certain investment properties with carrying amount of RM65,088,000 has been transferred to ROU assets. This transfer arises as the investment properties are previously held to earn rental. However, during the financial year, management changed its intention of use from held to earn rental to held for own-used.

**7. Inventories**

	<b>Group</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>
<b>Non-current</b>		
Land held for property development (Note a)	128,362	127,835
<b>Current</b>		
Property development cost (Note b)	44,877	115,290
Other inventories (Note c)	82,584	100,343
	127,461	215,633
	255,823	343,468

- (a) Land held for property development

<b>Group Cost</b>	<b>Freehold land RM'000</b>	<b>Leasehold land RM'000</b>	<b>Total RM'000</b>
<b>2023</b>			
At 1 January	52,866	74,969	127,835
Additions	527	-	527
At 31 December	53,393	74,969	128,362
<b>2022</b>			
At 1 January	84,664	74,969	159,633
Written down during the financial year	(31,887)	-	(31,887)
Transfer from property development cost (Note 7(b))	89	-	89
At 31 December	52,866	74,969	127,835

- (i) Included in land held for property development are certain parcels of land with an aggregate carrying amount of RM17,115,000 (2022: RM16,822,000) for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 7. Inventories

(b) Property development cost

	Group	
	2023 RM'000	2022 RM'000
<b>Cumulative property development costs</b>		
At 1 January		
Land costs	115,836	116,754
Development expenditure	461,737	501,901
	577,573	618,655
Transfer to:		
Land held for property development (Note 7(a))	-	(89)
Derecognition of a subsidiary company	(86,656)	(9,577)
	(86,656)	(9,666)
Cost incurred during the year:		
Development expenditure	-	232
Written down during the year:		
Land costs	-	(163)
Development expenditure	-	(31,485)
	-	(31,648)
At 31 December		
Land costs	89,450	115,836
Development expenditure	401,467	461,737
	490,917	577,573
<b>Less: Cumulative costs recognised in profit or loss</b>		
At 1 January	(462,283)	(481,101)
Recognised during the financial year	-	(740)
Written down during the financial year	-	19,558
Derecognition of a subsidiary company	16,243	-
	(446,040)	(462,283)
At 31 December	(446,040)	(462,283)
<b>Carrying amount</b>		
At 31 December	44,877	115,290

(i) Property development cost of the Group amounting to RM NIL (2022: RM70,413,000) have been pledged to secure the borrowings granted to the Group as disclosed in Note 23.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 7. Inventories (Cont'd)

(c) Other inventories

	Group	
	2023 RM'000	2022 RM'000
<b>At cost</b>		
Completed property units held for sale	53,521	68,674
Consumable materials	655	791
	54,176	69,465
<b>At net realisable value</b>		
Completed property units held for sale	28,408	30,878
	82,584	100,343
Recognised in profit or loss:		
Derecognition of a subsidiary company	12,839	-
Inventories written-off	6	46,841
	6	46,841

- (i) Other inventories of the Group at a carrying amount of RM36,007,000 (2022: RM36,007,000) are charged to a licensed bank as security for borrowings granted to the Group as disclosed in Note 23.

## 8. Investment in Subsidiary Companies

	Company	
	2023 RM'000	2022 RM'000
<b>In Malaysia:</b>		
<b>At cost</b>		
Unquoted shares	217,404	220,202
Redeemable cumulative preference shares	407,282	407,282
	624,686	627,484
<b>Accumulated impairment losses</b>		
At 1 January		
Reversal during the financial year	(567,170)	(567,170)
Written off during the financial year	2,798	-
	(564,372)	(567,170)
At 31 December	(564,372)	(567,170)
	60,314	60,314

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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
		(%) 2023	(%) 2022	
<b>Direct Holding:</b>				
Borneo Heights Sdn. Bhd.	Malaysia	70	70	Dormant
Country Heights Smart living 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 Investment
Country Heights W.T.C Sdn. Bhd.*	Malaysia	100	100	Property development and investment holding

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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
		(%) 2023	(%) 2022	
<b>Direct Holding: (Cont'd)</b>				
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 and property 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	Dormant
Mines Global Holidays & Travel Sdn. Bhd.*	Malaysia	-	60	Dormant
Mines Holdings Sdn. Bhd.*	Malaysia	100	100	Investment holding
Stallion Management Sdn. Bhd.*	Malaysia	-	99	Dormant
Tadika Sri Moral Sdn. Bhd.*	Malaysia	-	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
<b>Indirect Holding:</b>				
<b>Subsidiary company of Borneo Heights Sdn. Bhd.</b>				
Borneo Highlands Hornbill Golf & Jungle Club Berhad**	Malaysia	70	70	Dormant

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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
		(%) 2023	(%) 2022	
<b>Indirect Holding: (Cont'd)</b>				
<b>Subsidiary companies of Country Heights Properties Sdn. Bhd.</b>				
Country Heights Development Melaka Sdn. Bhd.*	Malaysia	100	100	Investment holding and property development
Country Heights Pangsa Rakyat Sdn. Bhd.*	Malaysia	100	100	Dormant
Mega Palm Sdn. Bhd.	Malaysia	100	100	Property development
<b>Subsidiary company of Country Heights Development Melaka Sdn. Bhd</b>				
Country Heights Facility Management Sdn. Bhd.*	Malaysia	100	100	Provision of management services
<b>Subsidiary companies of Mines Holdings Sdn. Bhd</b>				
GHHS Healthcare Sdn. Bhd.	Malaysia	70	50	Provision of private medical care facilities and services and medical related facilities and services to the public
KHU Property Management Sdn. Bhd.*	Malaysia	-	100	Meeting, incentive, convention, exhibition, (MICE), event / food caterers, organization, promotions and/or management of event
Kin No Uma Sdn. Bhd.*	Malaysia	-	100	Dormant
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 2023

**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
		(%) 2023	(%) 2022	
<b>Indirect Holding: (Cont'd)</b>				
<b>Subsidiary company of Grand Wellness Hub Sdn. Bhd.</b>				
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	Dormant
Mines Waterfront Business Park Sdn. Bhd.*	Malaysia	-	100	Letting of office space and property development
<b>Subsidiary companies of Mines International Exhibition Centre Sdn. Bhd.</b>				
Mines Events Sdn. Bhd.*	Malaysia	-	100	Dormant
Gegar Raya Sdn. Bhd.*	Malaysia	-	100	Dormant
Mines Auto Capital Sdn. Bhd.*	Malaysia	-	100	Dormant
<b>Subsidiary company of Country Heights Resorts &amp; Leisure Sdn. Bhd.</b>				
Mines Premium Sdn. Bhd.	Malaysia	-	100	Dormant
<b>Subsidiary companies of Golden Horse Palace Berhad</b>				
Mines Marketing Sdn. Bhd.*	Malaysia	-	81	Dormant
<b>Subsidiary company of Mines Marketing Sdn. Bhd.</b>				
Mines Global Holidays Sdn. Bhd.##	Malaysia	-	81	Travel agents and tour operators and to provide facilities in travelling and touring to travellers and tourist
<b>Subsidiary companies of GHHS Healthcare Sdn. Bhd.</b>				
GHHS Wellness Sdn. Bhd.@@	Malaysia	70	50	Provision of medical and healthcare services

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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
		(%) 2023	(%) 2022	
<b>Indirect Holding: (Cont'd)</b>				
<b>Subsidiary company of Country Heights Property Development Berhad</b>				
Endless Gain Sdn. Bhd.*	Malaysia	100	100	Ownership of property held for rental purposes
Profound Concept Sdn. Bhd.	Malaysia	100	100	Property investment
<b>Subsidiary company of Endless Gain Sdn. Bhd.</b>				
Natural Circle (M) Sdn. Bhd.	Malaysia	99.98	99.98	Letting of properties and property development
<b>Subsidiary companies of Magnitude Knight (M) Sdn. Bhd.</b>				
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 Mines Marketing Sdn. Bhd.

@@ The total effective equity interest held by the Group is 70%, of which 100% is held through Mines Holdings Sdn. Bhd.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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 interests:

<b>Name of Company 2023</b>	<b>Proportion of ownership interest and voting interest held by non-controlling interests %</b>	<b>(Loss)/Profit allocated to non-controlling interests RM'000</b>	<b>Accumulated non-controlling interests RM'000</b>
Borneo Heights Sdn. Bhd. ("BHSB")	30.00	(23)	(25,824)
Golden Horse Palace Berhad ("GHPB")	19.10	1,969	23,173
GHHS Healthcare Sdn. Bhd. ("GHHS")	30.00	(186)	4,164
Individually immaterial subsidiary companies with non-controlling interests			(6,719)
<b>Total non-controlling interests</b>			<b>(5,206)</b>

<b>Name of Company 2022</b>	<b>Proportion of ownership interest and voting interest held by non-controlling interests %</b>	<b>(Loss)/Profit allocated to non-controlling interests RM'000</b>	<b>Accumulated non-controlling interests RM'000</b>
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 interests			(7,917)
<b>Total non-controlling interests</b>			<b>(8,513)</b>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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 before intragroup elimination:

(i) Summarised statements of financial position

Group	BHSB		GHPB		SMSB		GHHS	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	7	21	184,613	188,145	-	-	6,015	6,902
Current assets	964	976	41,522	24,975	-	-	13,578	12,970
Non-current liabilities	(9)	(21)	(176,003)	(177,412)	-	-	(7,864)	(6,876)
Current liabilities	(56,035)	(55,975)	(59,290)	(55,292)	-	(1,144)	(2,534)	(5,500)
Net (liabilities)/assets	(55,073)	(54,999)	(9,158)	(19,584)	-	(1,144)	9,195	7,496

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

Group	BHSB		GHPB		SMSB		GHHS	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	-	-	2,873	3,402	-	-	20,039	4,604
(Loss)/Profit for the financial year, representing total (comprehensive loss)/income for the financial year	(76)	(47,524)	10,311	(5,129)	1,141	(5)	1,700	2,058

(iii) Summarised statements of cash flows

Group	BHSB		GHPB		SMSB		GHHS	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net cash (used in)/from operating activities	(92)	(237)	12,041	(127)	-	(5)	2,388	(53)
Net cash (used in)/from investing activities	92	(2)	(17,504)	(317)	-	-	(696)	(2,764)
Net cash from/(used in) financing activities	(13)	143	5,819	(821)	-	(5)	(1,787)	1,784
Net increase / (decrease) in cash and cash equivalents	(13)	41	356	(630)	-	-	(95)	(1,037)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**8. Investment in Subsidiary Companies (Cont'd)**

## (b) Changes in the non-controlling interests

On 17 November 2023, Mines Holdings Sdn. Bhd., a wholly-owned subsidiary company of Country Heights Holdings Berhad ("CHHB") acquired further 20% (from 50% to 70%) equity interest in GHHS Healthcare Sdn. Bhd. ("GHHS") for a total consideration of RM2,510,000 by disposing its 500,000 ordinary shares, which represents 100% share holdings in Mines Marketing Sdn Bhd (previously owned by Golden Horse Palace Berhad) for a total value RM1,851,000, a property owned by Tindak Murni Sdn. Bhd. for a total value of RM359,000 and cash payment of RM300,000 to a previous key senior management.

## (c) Changes in the composition of the Group

On 22 December 2023, Mines Holdings Sdn. Bhd., disposed 2,050,000 ordinary shares (100%) in a wholly-owned subsidiary company Kin No Uma Sdn. Bhd. ("KNSB") with par value RM1 in KNSB for a total consideration of RM1,700.

On 22 December 2023, Mines Holdings Sdn. Bhd., disposed 100 ordinary shares (100%) in a wholly-owned subsidiary company KHU Property Management Sdn. Bhd. ("KPMSB") with par value of RM1 for a total consideration of RM1,700.

On 22 December 2023, Country Heights Holdings Berhad, disposed 990,000 ordinary shares (99%) in a wholly-owned subsidiary company Stallion Management Sdn. Bhd. ("SMSB") with par value of RM1 in SMSB for a total consideration of RM1,700.

On 22 December 2023, Country Heights Holdings Berhad, disposed 10,000 ordinary shares (100%) in a wholly-owned subsidiary company Tadika Sri Moral Sdn. Bhd. ("TSM") with par value of RM1 in TSM for a total consideration of RM1,700.

On 22 December 2023, Country Heights Holdings Berhad, disposed of 600,000 ordinary shares (60%) in a 60% owned subsidiary company Mines Global Holidays & Travel Sdn. Bhd. ("MGHT") with par value of RM1 in MGHT for a total consideration of RM1,020.

On 22 December 2023, Country Heights Holdings Berhad, disposed of 2,500,000 ordinary shares (100%) in a wholly-owned subsidiary company of the Malaysia Trade & Distribution Centre (Rotterdam) Sdn. Bhd. ("MTDC") with par value of RM1 in MTDC for a total consideration of RM1,700.

On 22 December 2023, Country Heights Resorts & Leisure Sdn. Bhd., disposed 2 ordinary shares (100%) in a wholly-owned subsidiary company of the Mines Premium Sdn. Bhd. ("MPSB") with par value of RM1 in MPSB for a total consideration of RM1,700.

On 22 December 2023, Mines International Exhibition Centre Sdn. Bhd., disposed 10 ordinary shares (100%) in a wholly-owned subsidiary company of the Gegar Raya Sdn. Bhd. ("GRSB") with par value of RM1 in GRSB for a total consideration of RM1,700.

On 22 December 2023, Mines International Exhibition Centre Sdn. Bhd., disposed 5 ordinary shares (100%) in a wholly-owned subsidiary company of the Mines Auto Capital Sdn. Bhd. ("MAC") with par value of RM1 in MAC for a total consideration of RM1,700.

On 22 December 2023, Mines International Exhibition Centre Sdn. Bhd., disposed 2 ordinary shares (100%) in a wholly-owned subsidiary company of the Mines Events Sdn. Bhd. ("MESB") with par value of RM1 in MESB for a total consideration of RM1,700.

On 22 December 2023, Golden Horse Palace Berhad, disposed 600,000 ordinary shares (100%) in a wholly-owned subsidiary company of the Mines Global Holidays Sdn. Bhd. ("MGH") with par value of RM1 in MGH for a total consideration of RM1,700.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**8. Investment in Subsidiary Companies (Cont'd)**

## (c) Changes in the Composition of the Group (Cont'd)

## (i) Summary of the effects of disposal of subsidiary companies:

	<b>2023</b> <b>RM'000</b>
<b>Recognised:</b>	
Cash consideration received	18
<b>Derecognised:</b>	
Fair value of identifiable net assets as derecognition date	(72)
	(54)

## (ii) Effects of disposal on cash flows:

	<b>2023</b> <b>RM'000</b>
Cash consideration received	18
	18

## (d) Derecognition of a subsidiary company

On 1 August 2023, Mines Waterfront Business Park Sdn. Bhd. ("MWBP"), a wholly-owned subsidiary company of Grand Wellness Hub Sdn. Bhd. ("GWH") was served winding-up petition and official receiver had been appointed as liquidator of MWBP. The Group is deemed to have loss control of MWBP and treated as derecognition of subsidiary.

## (i) Summary of the effects of derecognition of MWBP:

	<b>2023</b> <b>RM'000</b>
<b>Derecognised:</b>	
Fair value of identifiable net assets as derecognition date	
Property, plant and equipment	(702)
Investment properties	(103,000)
Inventories	(83,252)
Trade and other receivables	(2,720)
Tax recoverable	(539)
Cash and bank balances	(30)
Trade and other payables	104,481
Deferred tax liabilities	3,300
Loans and borrowings	67,291
	(15,171)

## (ii) Effects of derecognition on cash flows:

	<b>2023</b> <b>RM'000</b>
Cash and bank balances of subsidiary disposed	(30)
	(30)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 9. Investment in Associates

	Group	
	2023 RM'000	2022 RM'000
<b>At cost</b>		
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
		(%) 2023	(%) 2022	
Simplex Design Sdn. Bhd. ("SDSB") *#	Malaysia	47.5	47.5	Interior designing, renovation, construction and other related services
Asia Auto Venture Sdn. Bhd. * ("AAVSB")	Malaysia	20	20	Dormant
Breo International Sdn. Bhd. ("BISB")*	Malaysia	3.5	2.5	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 2023 have been used and appropriate adjustments have been made for the effects of the significant transaction between 1 July 2023 and 31 December 2023.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
As at 31 December						
Non-current assets	9	14	4	4	-	120
Current assets	1,157	1,237	458	1	1	167
Current liabilities	(2,084)	(2,151)	(222)	(258)	(47)	(594)
Net liabilities	(918)	(900)	(240)	(253)	(46)	(307)
Group's share of net liabilities	(436)	(428)	(48)	(51)	(2)	(15)
Unrecognised share of loss	436	428	48	51	2	15
Carrying value of Group's interest in associates	-	-	-	-	-	-
(Loss)/Profit for the financial year, representing total comprehensive income (loss)/ income for the financial year	(6)	(64)	186	(28)	168	(269)

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

	SDSB		Group AAVSB		BISB	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
(Loss)/Profit for the financial year, representing total comprehensive (loss)/ income for the financial year	(6)	(64)	186	(28)	168	(269)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**10. Investment in a Joint Ventures**

Details of the joint venture company are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		(%) 2023	(%) 2022	
Asia GT Festival Sdn. Bhd. ("AGTFSB")	Malaysia	50	50	Engaged in business as professional event management services provider producers, organisers, advisers and consultants
European Wellness Retreat (KL) Sdn. Bhd. ("EWR")*	Malaysia	40	40	Provision of medical care facilities and services

\* The financial statements of the joint operation with EWR have been amalgamated with the financial statements of GHHS Wellness Sdn. Bhd..

(a) Summarised statement of financial position

	GROUP AGFSB	
	2023 RM'000	2022 RM'000
As at 31 December		
Non-current assets	2	12
Current assets	38	48
Non-current liabilities	-	-
Current liabilities	(3,202)	(3,201)
<b>Net liabilities</b>	<b>(3,162)</b>	<b>(3,141)</b>
Group's share of net liabilities	(1,581)	(1,571)
Unrecognised share of loss	1,581	1,571
Carrying value of Group's interest in joint venture	-	-

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

	Group AGFSB	
	2023 RM'000	2022 RM'000
Loss for the financial year, representing total comprehensive loss for the financial year	(10)	(7)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 11. Other Investments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Financial assets measured at fair value through other comprehensive income</b>				
Unquoted shares in Malaysia				
At 1 January/31 December	2,000	2,000	-	-
<b>Membership, at cost</b>				
At 1 January	734	734	718	718
Less: Impairment losses	(397)	(397)	(381)	(381)
At 31 December	337	337	337	337
<b>Carrying amount</b>				
At 31 December	2,337	2,337	337	337

## 11. Other Investments (Cont'd)

Movements in the allowance for impairment losses are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January/31 December	397	397	381	381

## NOTES TO THE FINANCIAL STATEMENTS

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**12. Trade Receivables**

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current asset</b>		
Trade receivables	2,241	2,241
<b>Current asset</b>		
Trade receivables	49,089	56,193
Less: Accumulated impairment losses	(37,207)	(41,169)
At 31 December	11,882	15,024

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2022: 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:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	41,169	35,092
Impairment losses recognised	2,800	6,489
Written off	(5,970)	-
Impairment losses reversed	(792)	(412)
At 31 December	37,207	41,169

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**12. Trade Receivables (Cont'd)**

Impairment losses reversed during the financial year amounting to RM792,000 (2022: RM412,000) 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 is 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:

	<b>Gross amount RM'000</b>	<b>Loss allowance RM'000</b>	<b>Net amount RM'000</b>
<b>Group 2023</b>			
Neither past due nor impaired	2,230	-	2,230
Past due not impaired:			
Less than 30 days	200	-	200
31 to 60 days	3,583	(3)	3,580
61 to 90 days	1	(1)	-
More than 90 days	5,925	(53)	5,872
	9,709	(57)	9,652
	11,939	(57)	11,882
Credit impaired:			
Individual impaired	37,150	(37,150)	-
	49,089	(37,207)	11,882
<b>2022</b>			
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

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

As at 31 December 2023, trade receivables of RM9,652,000 (2022: RM3,977,000) 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 RM37,150,000 (2022: RM41,072,000), 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 2023

**13. Deferred Tax (Assets)/Liabilities**

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

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets	(196)	(196)
Deferred tax liabilities	97,905	101,343
	97,709	101,147
At 1 January	101,147	101,143
Recognised in profit or loss (Note 29)	(138)	4
Derecognition of a subsidiary company	(3,300)	-
At 31 December	97,709	101,147

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

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets:		
Unutilised tax losses		
At 1 January/31 December	(196)	(196)
Deferred tax liabilities:		
Investment properties		
At 1 January	20,745	20,792
Recognised in profit or loss	-	(47)
At 31 December	20,745	20,745
Revaluation of assets		
At 1 January/31 December	75,914	75,914
Land held for property development		
At 1 January/31 December	4,208	4,208
Accelerated capital allowances		
At 1 January	476	425
Recognised in profit or loss	(138)	51
Derecognition of a subsidiary company	(3,300)	-
At 31 December	(2,962)	476
	97,905	101,343

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax losses	191,851	200,702	-	-
Unutilised capital allowances	214,353	215,693	10	10
	406,204	416,395	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 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 seven consecutive years of assessment. With effect from the year of assessment 2023, 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables	98,021	24,800	74,349	2,888
Less: Accumulated impairment losses	(81,666)	(11,731)	(73,726)	(977)
	16,355	13,069	623	1,911
Deposits	5,397	7,071	2,017	2,017
Prepayments	222	2,337	-	614
	21,974	22,477	2,640	4,542

Movements in allowance for impairment losses are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	11,731	9,780	977	977
Impairment losses recognised	72,749	1,951	72,749	-
Amounts written off	(2,614)	-	-	-
Impairment losses reversed	(200)	-	-	-
At 31 December	81,666	11,731	73,726	977

Impairment losses reversed during the financial year for the Group amounting to RM200,000 (2022: RM NIL) 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.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**15. Amount Due from/(to) Subsidiary Companies**

	Company	
	2023 RM'000	2022 RM'000
<b>Amount due from subsidiary companies:</b>		
Non-trade related	502,250	98,724
Less: Accumulated impairment losses	(53,099)	(53,099)
	449,151	45,625
<b>Amount due to subsidiary companies:</b>		
Non-trade related	(631,106)	(162,995)

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

	Company	
	2023 RM'000	2022 RM'000
At 1 January/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 2.50% to 2.80% (2022: 1.75% to 2.80%) per annum and the maturities of deposits are ranging from 30 to 365 days (2022: 30 to 365 days).

The fixed deposits of the Group at the amount of RM2,711,000 (2022: RM2,140,000) have been pledged to licensed banks as security for bankers' guarantees issued as disclosed.

**17. Cash and Bank Balances**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances				
- Housing Development Accounts	908	897	-	-
- Others	7,874	7,001	31	38
	8,782	7,898	31	38

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 Group is an amount of RM3,289,000 (2022: RM3,296,000) held under trust account pursuant to trust deeds in relation to a timeshare membership scheme of a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**18. Share Capital**

	Group and Company			
	Number of shares		Amount	
	2023 Units'000	2022 Units'000	2023 RM'000	2022 RM'000
Ordinary shares issued and fully paid (no par value):				
At 1 January	299,989	275,707	383,155	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	299,989	383,155	383,155

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.

**19. Treasury Shares**

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,470	2,914
Addition	-	556
As at 31 December	3,470	3,470

Treasury shares represent ordinary shares of the Company that are repurchased and 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 2023

## 20. Reserves

	Note	Group	
		2023 RM'000	2022 RM'000
<b>Non-distributable</b>			
Revaluation reserve	(a)	130,640	132,303
Investment revaluation reserve	(b)	57	57
Warrant reserve	(c)	-	58,777
Other reserve	(d)	-	(58,777)
Foreign currency translation reserve	(e)	(6,592)	(6,850)
		124,105	125,510
<b>Distributable</b>			
Retained earnings		116,189	225,960
		240,294	351,470

	Note	Company	
		2023 RM'000	2022 RM'000
<b>Non-distributable</b>			
Warrant reserve	(c)	-	58,777
Other reserve	(d)	-	(58,777)
		-	-
<b>Distributable</b>			
Retained earnings		(643,391)	(560,519)
		(643,391)	(560,519)

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 represent 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 2023

**20. Reserves (Cont'd)**

The nature of reserves of the Group and of the Company are as follows: (Cont'd)

## (c) Warrant reserve (Cont'd)

The salient features of the Warrants 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.

Upon the end of the exercise period of the Warrants on 21 December 2023, the 128,335,101 Warrants not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 21 December 2023.

## (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.

**21. Contract Asset/(Liabilities)**

	Group	
	2023	2022
	RM'000	RM'000
<b>Current</b>		
<b>Contract asset</b>		
Property development activities	-	44
<b>Non-current</b>		
<b>Contract liabilities</b>		
Deferred income	(32,364)	(32,805)
<b>Current</b>		
<b>Contract liabilities</b>		
Property development activities	-	(935)
Deferred income	(795)	(2,314)
	(795)	(3,249)
Total contract liabilities	(33,159)	(36,054)

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**21. Contract Asset/(Liabilities) (Cont'd)**

- (a) Deferred income represents the deferred portion of healthcare membership and 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current liabilities</b>				
Other payables	79,374	2,299	76,929	-
<b>Current liabilities</b>				
Other payables	59,558	63,464	19,049	9,600
Accruals	32,774	37,366	7,588	4,994
Deposits	5,490	9,240	-	-
	97,822	110,070	26,637	14,594

Included in other payables consist of:

- (i) A tax retention sum payable by the Company amounting to RM11,214,000 (2022: RM11,214,000) pursuant to the terms of acquisition of various property and leisure related interests and assets; and
- (ii) An amount of RM84,390,000 (2022: RM590,000) due to certain shareholders of the Company and entities which certain shareholders of the Company have interest.

**23. Loans and Borrowings**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Secured</b>				
Term loans (Note a)	38,546	101,477	37,988	36,031
Revolving credit (Note b)	750	1,450	-	-
	39,296	102,927	37,988	36,031
<b>Unsecured</b>				
Term loans (Note a)	2,843	78,819	2,843	77,425
	42,139	181,746	40,831	113,456

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 23. Loans and Borrowings (Cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current</b>				
Term loans (Note a)	10,667	86,691	10,352	84,839
Revolving credit (Note b)	-	700	-	-
	10,667	87,391	10,352	84,839
<b>Current</b>				
Term loans (Note a)	30,722	93,605	30,479	28,617
Revolving credit (Note b)	750	750	-	-
	31,472	94,355	30,479	28,617
	42,139	181,746	40,831	113,456

The average effective interest rates per annum are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Term loans	3.00 - 18.00	3.00 - 18.00	7.00 - 18.00	7.00 - 18.00
Revolving credit	4.00	4.00	-	-

(a) Term loans

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Current liabilities</b>				
<u>Secured</u>				
RM1,733,000 facility	243	243	-	-
RM82,700,000 facility	-	64,745	-	-
RM35,000,000 facility	30,479	28,617	30,479	28,617
	30,722	93,605	30,479	28,617
<b>Non-current liabilities</b>				
<u>Secured</u>				
RM1,733,000 facility	315	458	-	-
RM1,750,000 facility	1,891	1,914	1,891	1,914
RM5,517,540 facility	5,618	5,500	5,618	5,500
	7,824	7,872	7,509	7,414
	38,546	101,477	37,988	36,031

## NOTES TO THE FINANCIAL STATEMENTS

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**23. Loans and Borrowings (Cont'd)**

## (a) Term loans (Cont'd)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Non-current liabilities</b>				
<u>Unsecured</u>				
RM84,452,000 facility	-	75,230	-	75,230
RM2,564,000 facility		1,394	-	-
RM2,012,500 facility	2,295	2,195	2,295	2,195
RM1,700,000 facility	548	-	548	-
	2,843	78,819	2,843	77,425
Total term loans	41,389	180,296	40,831	113,456

- (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 RM1,707,000 (2022: RM1,753,000), as disclosed in Note 4.
- (ii) An Islamic term financing of RM82,700,000 granted to Mines Waterfront Business Park Sdn. Bhd. ("MWBP") by a financial institution had been derecognised due to the Group had loss of control over Mines Waterfront Business Park Sdn. Bhd. ("MWBP") as disclosed in Note 37.
- (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:
- Personal Guarantee in favour of the Company to be executed by a substantial 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
  - 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 (2022: RM33,937,000) as disclosed in Note 7(c); and
  - Third party first 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 (2022: RM1,204,000) as disclosed in Note 7(c); and
  - 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 (2022: RM658,000) as disclosed in Note 7(c).

During the financial year, the financial institution called back the outstanding current loan borrowing due to the Group had breached certain loan covenants.

- (iv) A shareholder of the Company granted to the Company an 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. During the financial year, this loan had been novated to an entity which certain shareholders of the Company have substantial interest.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 23. Loans and Borrowings (Cont'd)

(a) Term loans (Cont'd)

(v) A loan facility of RM1,700,000 from a licensed moneylender, details as follows:

- (a) The loan is borrowed from a licensed money lender in which certain 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 RM1,700,000 term loan bears interest at a rate of 8% per annum (2022: nil%) which will due on 2 May 2023. On 29 December 2023, the loan was rescheduled, which will be due on 31 December 2025, based on the same interest rate of 8%.

(vi) A loan facility of RM1,750,000 (USD436,000) 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 secured and bears interest at a rate of 1% (2022: 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. On 29 December 2023, the loan was rescheduled for another 12 months from the due date, which will due on 31 December 2025, based on the same interest rate of 1% per month; and
- (c) First legal charge for 2,850,000 ordinary shares of College Heights Smart Living 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 shareholders of the Company have substantial interest; and
- (b) The loan is unsecured and bears interest at a rate of 1% (2022: 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. On 29 December 2023, the loan was rescheduled, which will due on 31 December 2025, based on the same interest rate of 1% per month.

(viii) A loan facility of RM5,517,540 (CNY8,700,000) 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 secured and bears interest at a rate of 1.50% (2022: 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. On 29 December 2023, the loan was rescheduled, which will due on 31 December 2025, 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 RM173,065,000 (2022: RM175,627,000) disclosed in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**23. Loans and Borrowings (Cont'd)**

## (b) Revolving credit

The revolving credit include the following:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Secured				
RM10,000,000 facility	750	1,450	-	-
	750	1,450	-	-

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 (2022: 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	
	2023 RM'000	2022 RM'000
At 1 January	8,686	8,365
Additions	235	624
Finance costs	85	237
Payments of finance costs	(85)	(237)
Payments	(356)	(303)
At 31 December	8,565	8,686
Presented as:		
Non-current	4,071	4,239
Current	4,494	4,447
	8,565	8,686

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**24. Lease Liabilities (Cont'd)**

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2023 RM'000	2022 RM'000
Within one year	2,342	2,729
Later than one year and not later than two years	2,172	2,612
Later than two years and not later than five years	4,536	4,220
	9,050	9,561
Less: Future finance charges	(485)	(875)
Present value of lease liabilities	8,565	8,686

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 (2022: 30 to 45 days). Other credit terms are approved on case-by-case basis.

Included in trade payables are retention sum of RM4,151,000 (2022: RM5,216,000).

**26. Revenue**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract customers:				
- Property development	11,033	5,103	-	-
- Hospitality and health	32,792	30,590	-	-
	43,825	35,693	-	-
Revenue from other sources:				
- Property investment	7,160	10,645	-	-
	7,160	10,645	-	-
	50,985	46,338	-	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**26. Revenue (Cont'd)**

	<b>Property development</b>	<b>Hospitality and health</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2023</b>			
<b>Timing of revenue recognition:</b>			
At a point in time	11,033	-	11,033
Over time	-	32,792	32,792
<hr/>			
Total revenue from with customers	11,033	32,792	43,825
<hr/>			
<b>2022</b>			
<b>Timing of revenue recognition:</b>			
At a point in time	5,103	-	5,103
Over time	-	30,590	30,590
<hr/>			
Total revenue from with customers	5,103	30,590	35,693
<hr/>			

**27. Finance Costs**

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest expense on:				
- Term loans	5,122	11,387	3,092	4,589
- Revolving credit	51	70	-	-
- Lease liabilities	85	237	-	-
- Others	898	486	700	-
<hr/>				
	6,156	12,180	3,792	4,589
<hr/>				

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**28. Loss Before Tax**

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of:				
- deferred income	(1,180)	(2,656)	-	-
- right-of-use assets	7,370	6,470	-	-
Auditors' remuneration:				
- statutory audit				
- auditors of the Company	213	292	58	58
- other auditors	29	-	-	-
- non-audit services	5	5	5	5
Bad debts written off	20	500	-	-
Depreciation of property, plant and equipment	2,367	4,924	31	44
Loss on derecognition of a subsidiary company	15,171	-	-	-
Loss on disposal of subsidiary companies	54	-	2,791	-
Fair value loss on investment properties	-	430	-	-
Impairment loss on:				
- property, plant and equipment	-	27,146	-	-
- right-of-use assets	-	1,210	-	-
- trade receivables	2,800	6,489	-	-
- other receivables	72,749	1,951	72,749	-
Inventories written off	6	46,841	-	-
Lease expenses relating to short-term leases	20	235	-	-
Lease expenses relating to low-value assets	150	256	-	-
Non-executive directors' remuneration:				
- fees	55	62	55	62
- other emoluments	65	41	65	41
Unrealised loss on foreign exchange	2,057	2,680	2,057	2,680
Dividend income	(100)	(150)	-	-
Gain on disposal of property, plant and equipment	(13)	(41)	-	-
Interest income:				
- short-term deposits	(24)	(31)	-	-
- other	(9)	(4)	-	-
Waiver of debts from subsidiary companies	-	-	(2,330)	-
Rental income	(1,988)	(2,322)	-	-
Reversal of impairment loss on:				
- trade receivables	(792)	(412)	-	-
- other receivables	(200)	-	-	-
- investment in subsidiary companies	-	-	(2,798)	-

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 29. Taxation

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current income tax				
Current year tax provision	1,068	826	-	1
Under provision in prior years	5	479	-	340
	1,073	1,305	-	341
Deferred taxation (Note 13)				
Origination and reversal of temporary differences	(138)	4	-	-
	(138)	4	-	-
Tax expenses for the financial year	935	1,309	-	341

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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.

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loss before tax	(107,769)	(106,288)	(82,871)	(9,770)
At Malaysia statutory tax rate of 24% (2022: 24%)	(25,865)	(25,049)	(19,889)	(2,345)
Income not subject to tax	(1,178)	(1,288)	-	(20)
Expenses not deductible for tax purposes	30,419	25,749	19,889	2,366
Utilisation of previously unrecognised deferred tax assets	(3,654)	(1,642)	-	-
Deferred tax assets not recognised	1,208	3,060	-	-
Underprovision of taxation in previous years	5	479	-	340
Tax expense for the financial year	935	1,309	-	341

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax losses	191,851	200,702	-	-
Unutilised capital allowances	214,353	215,693	10	10
	406,204	416,395	10	10

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**29. Taxation (Cont'd)**

With effect from the year of assessment 2023, 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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unutilised tax loss expiring:				
-YA 2028	148,427	148,427	-	-
-YA 2029	7,523	7,523	-	-
-YA 2030	5,650	5,650	-	-
-YA 2031	7,653	39,102	-	-
-YA 2032	22,598	-	-	-
	191,851	200,702	-	-

**30. Loss Per Share**

## (a) Basic loss per share

The basic loss per share are calculated based on the consolidated 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	
	2023 RM'000	2022 RM'000
Loss attributable to owners of the Company	(111,434)	(84,872)
Weighted average number of ordinary shares in issue (in thousand of shares)		
- As at 31 December	299,989	299,989
- Effect of treasury shares held	(3,250)	(3,250)
	296,739	296,739
Basic loss per ordinary share (in sen)	(37.55)	(28.60)

## (b) Diluted loss per share

No diluted loss per share disclosed in these financial statements are there no diluted potential ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**31. Staff Costs**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages and other emoluments	13,606	10,565	55	41
Defined contribution plans	1,431	1,478	-	-
Social security contributions	177	161	-	-
Other benefits	667	799	65	62
	15,881	13,003	120	103

Included in staff costs is the aggregate amount of remuneration received and receivable by the Directors of the Company and of the subsidiary companies during the financial year as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Executive Directors of the subsidiary companies</b>				
Salaries and other emoluments	947	521	-	-
Benefit-in-kind	-	4	-	-
Defined contribution plans	59	126	-	-
	1,006	651	-	-
<b>Non-executive Directors</b>				
Fees	55	62	55	62
Allowances	65	41	65	41
	120	103	120	103

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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
<b>2023</b>					
<b>Group</b>					
Term loans	180,296	3,614	-	(142,521)	41,389
Revolving credit	1,450	(700)	-	-	750
Lease liabilities	8,686	(356)	235	-	8,565
	190,432	2,558	235	(142,521)	50,704

<b>2022</b>					
<b>Group</b>					
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)	190,432

	At 1 January RM'000	Financing cash flows (i) RM'000	Non-cash Changes (ii) RM'000	At 31 December RM'000
<b>2023</b>				
<b>Company</b>				
Amount due to subsidiary companies	162,995	470,441	(2,330)	631,106
Term loans	113,456	3,757	(76,382)	40,831
	276,451	474,198	(78,712)	671,937

<b>2022</b>				
<b>Company</b>				
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

- (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 derecognition of a subsidiary company, unrealised loss on foreign exchange and novation of term loan.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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. The significant related party transactions of the Group are as follows:

	Group	
	2023 RM'000	2022 RM'000
<b>Transaction with companies in which certain Directors of the Company have interest</b>		
Rental income received/receivable	60	118
Proceeds from loans and borrowings	9,860	5,804
Interest charged	1,743	2,892
Landscaping paid/payable	72	184
	<hr/>	<hr/>

## (c) Compensation of key management personnel

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

	Group	
	2023 RM'000	2022 RM'000
Salary and other emoluments	947	521
Defined contribution plans	59	126
Benefits-in-kind	-	4
	<hr/>	<hr/>
	1,006	651
	<hr/>	<hr/>

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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:

	<b>Total revenue from external customers RM'000</b>	<b>Segment assets RM'000</b>	<b>Capital expenditure RM'000</b>
<b>Group 2023</b>			
Malaysia	50,424	996,691	808
South Africa	561	10,751	-
	<hr/> 50,985	<hr/> 1,007,442	<hr/> 808
<b>Group 2022</b>			
Malaysia	45,717	1,199,880	2,706
South Africa	621	10,598	-
	<hr/> 46,338	<hr/> 1,210,478	<hr/> 2,706

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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
<b>Group</b>						
<b>2023</b>						
<b>Revenue</b>						
External sales	11,033	7,160	32,792	-	-	50,985
Inter-segment revenue	-	-	1,746	-	(1,746)	-
<b>Total revenue</b>	<b>11,033</b>	<b>7,160</b>	<b>34,538</b>	<b>-</b>	<b>(1,746)</b>	<b>50,985</b>
<b>Results</b>						
Segment results	6,961	(12,183)	19,035	(29,800)	(85,626)	(101,613)
Finance costs	(26)	(2,190)	(148)	(3,792)	-	(6,156)
Profit/(Loss) before tax	6,935	(14,373)	18,887	(33,592)	(85,626)	(107,769)
Income tax expense	(506)	-	(429)	-	-	(935)
<b>Profit/(Loss) for the financial year</b>	<b>6,429</b>	<b>(14,373)</b>	<b>18,458</b>	<b>(33,592)</b>	<b>(85,626)</b>	<b>(108,704)</b>
<b>Assets</b>						
Segment assets	374,744	170,665	458,158	3,586	-	1,007,153
Deferred tax assets	4,027	717	1,510	(6,058)	-	196
Tax recoverable	17	10	66	-	-	93
	<b>378,788</b>	<b>171,392</b>	<b>459,734</b>	<b>(2,472)</b>	<b>-</b>	<b>1,007,442</b>
<b>Liabilities</b>						
Segment liabilities	58,500	9,436	67,735	152,152	1,043	288,866
Deferred tax liabilities	22,092	27,243	48,570	-	-	97,905
Tax payables	4,817	-	407	674	-	5,898
	<b>85,409</b>	<b>36,679</b>	<b>116,712</b>	<b>152,826</b>	<b>1,043</b>	<b>392,669</b>
<b>Other information</b>						
Amortisation of:						
- deferred income	-	-	(1,180)	-	-	(1,180)
- right-of-use assets	13	2,750	4,607	-	-	7,370
Reversal of impairment loss						
on trade and other receivables	(779)	-	(213)	-	-	(992)
Impairment losses on:						
- trade receivables	2,800	-	-	-	-	2,800
- other receivables	-	-	-	72,749	-	72,749
Bad debts written off	-	-	20	-	-	20
Capital expenditure	1	129	678	-	-	808
Written down of inventories	-	-	6	-	-	6
Depreciation of property, plant and equipment						
	140	465	1,729	33	-	2,367

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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
<b>Group</b>						
<b>2022</b>						
<b>Revenue</b>						
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
<b>Results</b>						
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)
Profit/(Loss) before tax	(49,881)	(10,462)	(35,066)	(10,160)	(719)	(106,288)
Income tax (expense)/credit	(331)	50	(687)	(341)	-	(1,309)
Profit/(Loss) for the financial year	(50,212)	(10,412)	(35,753)	(10,501)	(719)	(107,597)
<b>Assets</b>						
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
<b>Liabilities</b>						
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
<b>Other information</b>						
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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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:

	2023 RM'000	2022 RM'000
<b>Group</b>		
<b>Financial assets</b>		
<b><i>At fair value through other comprehensive income</i></b>		
Other investments	2,000	2,000
<b><i>At amortised cost</i></b>		
Other investments	337	337
Trade receivables	14,123	17,265
Other receivables	21,752	20,140
Deposits with licensed banks	2,711	2,140
Cash and bank balances	8,782	7,898
	49,705	49,780
<b>Financial liabilities</b>		
<b><i>At amortised cost</i></b>		
Trade payables	27,807	42,090
Other payables	177,196	112,369
Loans and borrowings	42,139	181,746
Lease liabilities	8,565	8,686
	255,707	344,891
<b>Company</b>		
<b>Financial assets</b>		
<b><i>At amortised cost</i></b>		
Other investments	337	337
Other receivables	2,640	3,928
Amount due from subsidiary companies	449,151	45,625
Cash and bank balances	31	38
	452,159	49,928
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Other payables	103,566	14,594
Amount due to subsidiary companies	631,106	162,995
Loans and borrowings	40,831	113,456
	775,503	291,045

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**35. Financial Instruments (Cont'd)**

- (b) Net loss arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net loss on impairment of financial instruments:				
- Financial assets at amortised cost	(74,557)	(8,028)	(72,749)	-

- (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 RM36,097,000 (2022: RM66,495,000), 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 2023

**35. Financial Instrument (Cont'd)**

## (c) Financial risk management objectives and policies (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.

	<b>On demand or within 1 years RM'000</b>	<b>1 to 2 years RM'000</b>	<b>2 to 5 years RM'000</b>	<b>After 5 years RM'000</b>	<b>Total contractual cash flows RM'000</b>	<b>Total carrying amount RM'000</b>
<b>Group</b>						
<b>2023</b>						
<b>Non-derivative financial liabilities</b>						
Trade payables	27,807	-	-	-	27,807	27,807
Other payables	97,822	79,374	-	-	177,196	177,196
Loans and borrowings	33,557	13,907	195	-	47,659	42,139
Lease liabilities	2,342	2,172	4,536	-	9,050	8,565
Financial guarantee*	750	-	-	-	750	-
	162,278	95,453	4,731	-	262,474	255,707
<b>Group</b>						
<b>2022</b>						
<b>Non-derivative financial liabilities</b>						
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

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

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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
<b>Company</b>				
<b>2023</b>				
<b>Non-derivative financial liabilities</b>				
Other payables	26,637	76,929	103,566	103,566
Amount due to subsidiary companies	631,106	-	631,106	631,106
Loans and borrowings	32,613	13,713	46,326	40,831
Financial guarantee *	36,097	-	36,097	-
	726,453	90,642	817,095	775,503
<b>2022</b>				
<b>Non-derivative financial liabilities</b>				
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

\* 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.

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:

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**35. Financial Instrument (Cont'd)**

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

(iii) Market risks (Cont'd)

Interest rate risk (Cont'd)

	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
<b>Floating rate instruments</b>		
Term loans	41,389	180,296
Revolving credit	750	1,450
	<hr/> 42,139	<hr/> 181,746
<b>Fixed rate instruments</b>		
Lease liabilities	8,565	8,686
<hr/>		
<b>Company</b>		
<b>Floating rate instruments</b>		
Term loans	40,831	38,226
	<hr/> 40,831	<hr/> 38,226

**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 loss before tax by RM105,348 (2022: RM288,005) and RM102,078 (2022: RM95,565) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

## 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 Fair value RM'000	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		
<b>Group</b>										
<b>2023</b>										
<b>Financial assets</b>										
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
<b>Group</b>										
<b>2022</b>										
<b>Financial assets</b>										
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
<b>Company</b>										
<b>2023</b>										
Other investment:										
Memberships	-	-	-	-	-	-	337	337	337	337
<b>Company</b>										
<b>2022</b>										
<b>Financial assets</b>										
Other investment:										
Memberships	-	-	-	-	-	-	337	337	337	337

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Total loans and borrowings	42,139	181,746	40,831	113,456
Less: Deposits, cash and bank balances	(11,493)	(10,038)	(31)	(38)
Net debt	30,646	171,708	40,800	113,418
Shareholders' equity	619,979	731,155	(263,705)	(180,834)
Gearing ratio	0.05	0.23	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 2023

### 37. Significant 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.

On 1 August 2023, a winding-up order has been issued against MWBP on the application by Petitioners and an Official Receiver has been appointed liquidator of MWBP.

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

On 17 November 2022, the Company announced that Country Heights Sea Resort Sdn. Bhd. ("CHSRB"), 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 Auctioneer") 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.

Subsequently, 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.

- (iv) Default in payment to MBSB Bank Berhad

The Group announced that Mines Waterfront Business Park Sdn Bhd ("MWPB") and Mines International Exhibition Centre Sdn Bhd ("MIEC" or "Chargor"), both indirect wholly-owned subsidiaries of the Company, received a statutory notice of default of charge on 10 August 2023 and 11 August 2023, respectively, from Hisham Sobri & Kadir, advocates & solicitors, sent on behalf of MBSB Bank Berhad in respect of charge created pursuant to Section 254 of the National Land Code 1965 as security for an Islamic Term Financing Facility of RM82,700,000 and an Islamic Bridging Financing Facility up to a limit of RM17,300,000 obtained by MWBP (collectively known as "the Facilities").

MBSB Bank Berhad recalled the Facilities granted to MWBP as a result of the winding-up petition announced to Bursa Securities on 1 August 2023. Following that, MBSB Bank Berhad will have the right to file legal action against MWBP and MIEC in order to enforce their respective security interests in the Facilities. The Company is currently working towards the settlement of the liquidation. Details are outlined under material litigation.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**38. 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 20/5/2021. The issuance of the Notice of Arbitration signifies the commencement of the arbitration process. On 26/7/2021, the Asian International Arbitration Centre (AIAC) appointed Mr. Nandakumar Ponniya as the sole arbitrator for the arbitration. The arbitration hearing is tentatively scheduled on 26/6/2024 to 5/7/2024 has been vacated to 24/1/2025 to schedule in Singapore.

**(ii) COURT OF APPEAL CASE NO.: B-02(IM)(NCC)-1133-06/2023 & SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-137-12/2020 BETWEEN CHHB (PLAINTIFF) AND MONALIZA BINTI ZAIDEL, DATU HAJI SUDARSONO BIN OSMAN & BHSB (DEFENDANTS).**

This suit is for declaration and injunction against 2 directors of Borneo Heights Sdn. Bhd. (BHSB). The Directors from Land Custody Development Authority (LCDA) issued a letter to the Directors from Country Heights Holdings Berhad (CHHB) to challenge the appointment of 3 other Directors nominated by CHHB. On 18/12/2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28/12/2020. This notice was only issued to 2 out of the 5 directors nominated by CHHB and had disregarded the 3 new directors nominated/appointed by CHHB. The Defendants proceed to convene the meeting on 25/1/2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. It was for this reason that CHHB felt compelled to move the Court for an injunction to prevent the meeting from taking place.

On 23/12/2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restraint the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28/12/2020. The meeting scheduled for 28/12/2020 did not happen. The Defendants proceed to convene the meeting on 25/1/2021 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 4/5/2021, 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 28/5/2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The appeal is fixed for hearing on 16/6/2022 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 5/10/2022.

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 31/3/2023. The next case management is scheduled on 16/7/2024.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 38. 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)

**(iii) KUALA LUMPUR HIGH COURT ORIGINATING SUMMON NO. WA-24NCVC-68-01/2023 (SUIT 68) BETWEEN HUN TEE SIANG & 31 ORS (PLAINTIFFS) AND MEGA PALM SDN BHD (MPSB) & COUNTRY HEIGHTS PROPERTIES SDN BHD (CHP) (DEFENDANTS)**

The Plaintiffs filed an Originating Summons No. WA-24NCVC-69-01/2021 ("OS 69") against CHP and MPSB seeking amongst others, injunctive reliefs for the Defendants to jointly and severally pay the sum of RM1.75 million and for compliance with the Consent Order dated 16/5/2017. By a Notice of Application (Ex Parte) dated 11/1/2021 ("Enclosure 6"), the Plaintiff applied and obtained an Ex Parte Order dated 27/1/2021 compelling the Defendants to deposit the sum of RM1.75 million into Court, which was then followed by an Ad Interim Injunction Order dated 10/2/2021 pending inter parte Hearing of Enclosure 6.

On 23/2/2021, the Defendants filed a Notice of Application ("**Enclosure 32**") to set aside the Ex Parte Order and Ad Interim Injunction Order. In the meantime, Defendants have complied with the said Ex Parte Order and Ad Interim Injunction Order on a without prejudice basis to Enclosure 32.

On 2/6/2022, the High Court ordered the OS 69 to be converted into a Writ action and is registered as WA-22NCVC-371-07/2022 ("Writ 371") and for Enclosure 6 and 32 to be dealt with in Writ 371.

On the Hearing of Enclosure 6 and Enclosure 32 on 31/1/2024, the Court has fixed the two (2) applications for continued Hearing on 20/2/2024. On the Continue Hearing of Enclosure 6 and Enclosure 32, Court had adjourned the Hearing to 1/4/2024 to hear along with Notice of Application for Stay of Proceedings (Enclosure 212). The Court has given direction for Parties on Enclosure 212 for Plaintiff to file Affidavit in Support 26/2/2024, Defendant to file Affidavit in Reply by 11/3/2024, Plaintiff to file Affidavit in Reply by 25/3/2024 and Parties to submit oral submission on Enclosure 212 on 1/4/2024. The Court on 1/4/2024 for the Hearing of Enclosure 6, Enclosure 32 and Enclosure 212, the Court have dismissed application of Enclosure 212 with no order as to costs and to proceeded to hear parties on Enclosure 6 and Enclosure 32. The Court have fixed for Decision of Enclosure 6 and Enclosure 32 on 6/5/2024.

The case Management for the Plaintiff's COA Appeal is fixed on Case Management on 15/5/2024; and the Suit is fixed for Trial on 26/8/2024 - 29/8/2024.

**(iv) SHAH ALAM HIGH COURT WRIT SUMMON NO. BA-22M-205-08/2023 BETWEEN MBSB BANK BERHAD (PLAINTIFF) AND COUNTRY HEIGHTS HOLDINGS BERHAD (CHHB) (DEFENDANT)**

The action is brought by Plaintiff arising from the default in payment of the Islamic Term Financing Facility of RM82,700,000 and the Islamic Bridging Financing Facility up to limit of RM17,300,000 obtained by Mines Waterfront Business Park Sdn Bhd ("MWBP") from MBSB Bank Berhad in 2014 with the Defendant being a Corporate Guarantor. The Writ Summons and Statement of Claim were served on 21/8/2023.

The Defendant filed the Statement of Defence on 12/10/2023. The Plaintiff filed an application for Summary Judgment on 8/11/2023. The Defendant has engaged solicitors to act on this matter.

The Defendant has filed the Affidavit in Reply to oppose the Plaintiff's Summary Judgment application on 22/12/2023.

The Defendant has also filed its Amended Statement of Defence on 26/01/2024. The case management on 15/2/2024 to hear matter arising from Enclosure No 9, the Court has given directions for Parties to file for written submission on 5/3/2024, Parties to then file for written submission in reply by 12/3/2024 and Hearing is schedule on 19/3/2024.

The Court has instructed the parties to file Written Submission on 3/7/2024 and Written Submission in Reply on 17/7/2024. The Hearing for this matter is fixed on 31/7/2024.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

**38. 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)

**(v) SHAH ALAM HIGH COURT, ORIGINATING SUMMON NO BA-24MFC-1362-11/2023 BETWEEN MBSB BANK BERHAD (PLAINTIFF) AND MINES INTERNATIONAL EXHIBITION CENTRE SDN BHD ("MIEC") (DEFENDANT)**

The action is brought by the Plaintiff pursuant to the provisions of the National Land Code 1965, for an Order for Sale of the land held under Pajakan Negeri 30898, Lot 1586, Pekan Baru Sungai Besi, Daerah Petaling, Selangor ("Property") which has been charged to the Plaintiff by the Defendant via third party charge through Charge Presentation No: 51388/2015 which was registered on 21/5/2015 ("Charge"). The Plaintiff is seeking for an Order for Sale of the said Property by way of public auction.

The action was brought for the amount due and owing by the Defendant under the Charge documents, based on the computation of the interest accrued, ta'widh, ibra', partial payment which has been received by the Plaintiff and other related costs which is payable to the Plaintiff in accordance to the terms of the Charge.

Based on the Statement of Account issued by the Plaintiff, as of 1/8/2023, the amount due and owing to the Plaintiff is RM89,673,782.57. The Sealed Originating Summons and Affidavit in Support were served on 28/11/2023.

The first Hearing was fixed on 9/1/2024. The Defendant has engaged solicitors to act on this matter.

During the first Hearing, the Defendant has obtained an extension of time to file the Affidavit in Reply. The said Affidavit in Reply was filed on 15/1/2024.

The Case Management fixed on 15/2/2024, Court has given direction for Parties to file for written submission by 3/7/2024, Parties then to file for submission in reply by 17/7/2024 and Hearing is scheduled on 31/7/2024.

**(vi) SHAH ALAM HIGH COURT, ORIGINATING SUMMON NO BA-24MFC-1363-11/2023 BETWEEN MBSB BANK BERHAD (PLAINTIFFS) AND MINES WATERFRONT BUSINESS PARK SDN BHD [IN LIQUIDATION] ("MWBP") (DEFENDANTS)**

The action is brought by the Plaintiff pursuant to the provisions of the National Land Code 1965, for an Order for Sale of the Land held under Hakmilik HS(D) 59887, PT 16715, Mukim Petaling, Daerah Petaling, Selangor ("**Property**") which has been charged to the Plaintiff by the Defendant via Charge Presentation No: 51374/2015 ("**Charge**"). The Plaintiff is seeking for an Order for Sale of the said Property by way of public auction.

The action was brought for the amount due and owing by the Defendant under the Charge documents, based on the computation of the interest accrued, ta'widh, ibra', partial payment which has been received by the Plaintiff and other related costs which is payable to the Plaintiff in accordance to the terms of the Charge.

Based on the Statement of Account issued by the Plaintiff, as of 9/5/2023, the amount due and owing to the Plaintiff is RM91,443,836.58, the Sealed Originating Summons and Affidavit In Support were served on 28/11/2023.

The Defendant had obtained the sanction of the Official Assignee on 11/3/2024, to defend this matter filed by the Plaintiff. The Defendant's solicitors had informed the Court of the same during the Case Management on 12/3/2024.

After discussions between the Plaintiff's solicitors and the Defendant's solicitors, the Plaintiff's solicitors informed the Court that Plaintiff decided to withdraw the Originating Summons with liberty to file afresh, during the Case Management on 27/3/2024. A Notice of Discontinuance was filed on the same day.

The Case Management on 15/02/2024, the Court has instructed Defendant to update the status of sanction application on the next Case Management on 12/03/2024.

As such, following the Plaintiff's withdrawal of the Originating Summons, this action filed under Suit No. BA-24MFC-1363-11/2023 is duly withdrawn and currently, there is no pending court proceeding against the Defendant regarding this Charge.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

### 39. Subsequent Events

Demand for full repayment of outstanding sums to CGS International Capital Singapore Pte. Ltd. (formerly known as CGS-CIMB Pte. Ltd.)

On 27 February 2024, the Company has received a notice of default pursuant to a charge for failing to meet the indebtedness under the financing facilities granted by CGS International Capital Singapore Pte. Ltd. (formerly known as CGS-CIMB Pte. Ltd.) through a Facility Letter dated 23 October 2019, with a remaining balance of SGD10,834,271.

### 40. 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 29 April 2024.

# ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

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	139	3.33	1,882	- <sup>(1)</sup>
100 - 1,000	1,245	29.81	1,053,116	0.36
1,001 - 10,000	2,085	49.93	8,054,218	2.71
10,001 - 100,000	562	13.46	17,673,593	5.96
100,001 - less than 5% of issued shares	140	3.35	129,658,536	43.69
5% and above of issued shares	5	0.12	140,297,558	47.28
<b>Total (excluding treasury shares)</b>	<b>4,176</b>	<b>100.00</b>	<b>296,738,903</b>	<b>100.00</b>

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.	Chua Hee Boon	847,500	0.29	51,100 <sup>(2)</sup>	0.02
3.	Chuah Tian Pong	-	-	-	-
4.	Xiong Wei	-	-	-	-
5.	Khavitha Devi A/P Pothuraju	-	-	-	-
6.	Shafina Binti Syafei	-	-	-	-
7.	Dr. Zhang Yan	-	-	-	-
8.	Tan Meng Khong	-	-	-	-
9.	Ong Tee Chin	-	-	-	-
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 29 MARCH 2024

**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.	Tan Sri Lee Kim Tiong @ Lee Kim Yew	77,766,389	26.21	71,157,931 <sup>(1)</sup>	23.98
3.	Puan Sri Tan Bee Hong	1,000,000	0.34	147,924,320 <sup>(2)</sup>	49.85
4.	Lim Chow Sen @ Lim Chow Soon	28,835,700	9.72	-	-

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 International Nominees Malaysia (Tempatan) Sdn. Bhd. Exempt An for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	30,004,000	10.11
3.	Lim Chow Sen @ Lim Chow Soon	26,335,700	8.88
4.	Citigroup Nominees (Tempatan) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client a/c-R ES)	25,189,189	8.49
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Exempt An for Lim & Tan Securities Pte. Ltd. (Clients a/c)	19,343,669	6.52
6.	Maybank Securities Nominees (Asing) Sdn. Bhd. Maybank Securities Pte. Ltd. for Bluebay Investments Group Corporation	14,500,000	4.89
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Wai Choo (T. Mutiara-CL)	9,995,600	3.37
8.	Country Heights International Sdn. Bhd.	7,551,790	2.54
9.	Ooi Chieng Sim	6,750,000	2.27
10.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Wai Yuan (8077425)	5,319,900	1.79

## ANALYSIS OF SHAREHOLDINGS

AS AT 29 MARCH 2024

No.	Name	No. of Shares Held	%
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.	Tan Eng Hock	3,973,300	1.34
14.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik (8058967)	3,400,000	1.15
15.	Lee Cheng Wen	3,389,831	1.14
16.	Tang Kiah Ming	3,000,000	1.01
17.	Lee Kim Tiong @ Lee Kim Yew	2,654,700	0.89
18.	Tan Kian Aik	2,455,000	0.83
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Choon Hwa (7007201)	2,419,100	0.82
20.	Lee Yan Chong	2,300,000	0.77
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teh Chee Teong	2,129,500	0.72
22.	Sim Teck Seng	2,061,442	0.69
23.	Ooi Chieng Sim	2,000,000	0.67
24.	Chin Kim Lee	1,283,600	0.43
25.	Ng Choon Hua	1,280,000	0.43
26.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tai Tean Seng	1,273,700	0.43
27.	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
28.	Phun Chin Tung	1,188,900	0.40
29.	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client a/c-NR)	1,150,211	0.39
30.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ling Heng Seek	1,122,000	0.38
<b>Total</b>		<b>231,904,632</b>	<b>78.15</b>

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Mukim of Kajang District of Ulu Langat Selangor	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	25	Freehold	Residential - bungalow land	11.73		2,056	13/07/87
HSD 20047 P.T. No. 12956 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	1 & half storey detached Kindergarten Commercial Land & Building Within development known as Country Heights Kajang		33	2,000	21/02/24
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	21/02/24
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	21/02/24
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten Commercial Land Within development known as Country Heights Kajang	0.22		1,370	21/02/24
Lot 37653 HM 122934 Bandar Country Heights District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Convenience Centre Hall & Clubhouse	6.41	33	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	27	80,000	21/02/24
HSD 232191 P.T. No. 852 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	1	Leasehold (expiring 4.6.2105)	Residential land - Proposed Condo	1.69		467	15/06/93
PN 11297 Lot 1591 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	21	Leasehold (expiring 20.03.2091)	Residential - bungalow land Mines Bungalow Lots	5.29		2,282	15/06/93
Mukim of Setul District of Seremban	College Valley Industrial Park	60	Freehold	Industrial land	3.69		2,610	31/03/95

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

Title	Location/Address	No. of lots/units	Tenure	Existing Use	Land Area (Acres)	Approximate		Revaluation*/Acquisition Date
						Age of Building (Years)	Net Book Value (RM'000)	
HSD 107578 PT 15456 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Industrial land	0.93		340	31/03/95
Mukim of Setul District of Seremban	College Heights Garden Resort	29	Freehold	Bungalow Houses	5.49	25	13,859	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	288	Freehold	Bungalow Land	56.65		19,626	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	34	Freehold	2-storey shop-office and 3-storey shop-office	1.58	20	9,671	01/06/94
Mukim of Setul District of Seremban	Pangsa Rakyat, Pajam	86	Freehold	Low cost flat	1.21	18	3,098	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	7	Freehold	Institution land	79.43		10,415	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56		1,909	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	3	Leasehold (Expiring 23/08/2095)	Agriculture land	5.37		3,001	06/08/01
Mukim of Setul District of Seremban	College Heights Garden Resort	6	Freehold	Residential and commercial land Residential, hotel, stall, petrol station	9.71		319	01/06/94
Mukim of Setul District of Seremban	College Heights Garden Resort	154	Freehold	Commercial land Shophouse, CC Plaza, Business	12.87		2,635	01/06/94
Lot 23034 (formerly PT12881) Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	CHGR Bungalow Lot 534	0.17		160	27/01/24
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)	Theme Park & service apartments	3.82	16	8,270	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	27/01/24

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot No.15 section 11 Gunung Penrissen Padawan Kuching, Pangkalan Ampat Land District of Sarawak	Borneo Heights	55	Leasehold 198 years	Residential - bungalow land Phase 2-4	26.12*		-	20/09/94
	Borneo Heights	6	Leasehold 198 years	Residential - bungalow land Phase 1	1.78		878	20/09/94
	Borneo Heights	1	Leasehold 198 years	Residential land Future Development	1,103.95*		-	20/09/94
	The Hornbill Golf & Jungle Club	1	Leasehold 198 years	Golf Course & Golf Hotel	162.60*	21	-	27/06/00
M/T Lot 4 (Lot 4756) Geran No. 44342	Jenan Estate, Kubang Pasu, Kedah	75	Freehold	Bungalow Lots KHU Ph1-3 Bungalow Lot	11.16		4,321	08/11/95
M/T Lot 4 (Lot 4756) Geran No. 44342	Jenan Estate, Kubang Pasu, Kedah	7	Freehold	Bungalow House KHU Bungalow House (Precinct 1 & 2)	1.39		2,779	08/11/95
M/T Lot 7 Geran No. 217913, 217914, 217915 No (10733, 10017, 10020)	Jenan Estate, Kubang Pasu, Kedah	3	Freehold	185 acres Future Development	121.05		11,258	08/11/95
M/T Lot 8873 Geran No. 217746	Jenan Estate, Kubang Pasu, Kedah	1	Freehold	185 acres Future Development	43.32		4,029	08/11/95
M/T lot 1962 GM 432	Jenan Estate, Kubang Pasu, Kedah	1	Freehold	185 acres Future Development	3.05		284	08/11/95
M/T Lot 11 GM 205	Jenan Estate, Kubang Pasu, Kedah	1	Freehold	185 acres Future Development	7.46		694	08/11/95
M/T Lot 1710 (10018,10019) GM 1833	Jenan Estate, Kubang Pasu,	2	Freehold	185 acres Future Development	7.89		734	08/11/95
PT 1763-1765, 1348, 2040-2041 (HSD 17918-17920, 17177, 19880-19881)	Jenan Estate, Kubang Pasu, Kedah	6	Freehold	Commercial Lot	4.83		1,345	08/11/95
M/T Lot 513-692/1363- 1364 (HSD 16809- 16988/ HSD 18189- 17190)	Jenan Estate, Kubang Pasu, Kedah	182	Freehold	40 acres future development	41.68		10,467	08/11/95
PT 1991-2038 (HSD 19831-19838)	Jenan Estate, Kubang Pasu, Kedah	48	Freehold	Future Development KHU Phase 2 SHOP OFFICE 48 Lot	2.07		2,805	08/11/95
M/T Lot 4 (Lot 4756) Geran No. 44342 Jenan, Kedah	Jenan Estate, Kubang Pasu, Kedah	37	Freehold	Terrance House Double Storey Belleza Ph3	4.14		7,069	08/11/95

\* These properties were in dispute and under arbitration. Net book value amounting to RM75.6m had been written down and impaired to nil in year ended 31 December 2022.

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate		Revaluation*/ Acquisition Date
						Age of Building (Years)	Net Book Value (RM'000)	
Lot 1350 (HSD 17179)	PT 1351 HSD 17179 Bandar Darul Aman Kubang Pasu, Kedah	1	Freehold	Sports Living Clubhouse 2 storey Club House with swimming pool and multi-purpose hall	6.46	17	15,000	21/02/24
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Cyber Residency	0.08	17	293	11/02/99
Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	31	Freehold	Sawtelle Suites	0.62		9,262	11/02/99
HSD 34517 P.T. No. 48507 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Signature Villa - Mansion Park	6.96		29,249	11/02/99
HSD 34516 P.T. No. 48506 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Proposed Mixed Development Cyberjaya Ph5 (488 Condo + 45 Double Storey)	9.33		13,530	11/02/99
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Future Development Cyberjaya Ph3B Commercial Land	3.59		1,887	11/02/99
HSD 220869 P.T. No. 27695	Cyber Heights	1	Freehold	Club House	3.66	17	7,116	11/02/99
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	1	Freehold	Bungalow House	0.22	11	6,086	14/11/00
Lot 8242 HM 34157 Mukim of Durian Tunggal District of Alor Gajah Melaka	Melaka Land	1	Leasehold (expiring 21.4.2103)	Future Mixed Development Agricultural land principally approved for residential development	62.02		10,555	14/04/04
Lot 1578 HSD 91910 Pekan Baru Sungai Besi District of Petaling Selangor	Golf View Apartments PT 16714 HSD 59886	2	Leasehold (expiring 20.3.2091)	Recreational & Commercial land PT6 and PT7	11.86		25,999	25/09/98
HSD 59885 P.T. No. 16713 Mukim of Petaling District of Petaling Selangor	Palace of the Golden Horses The Mines Resort City	1	Leasehold (expiring 20.3.2091)	Hotel	13.80	24	174,129	20/05/04

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

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 59892 P.T. No. 16720 Mukim of Petaling District of Petaling Selangor	Mines Wellness Hotel	1	Leasehold (expiring 20.3.2091)	Hotel building	5.75	27	66,353	29/02/08
		1	20.3.2091)	A parcel of troutsdale land reserved for property development	3.50		1,186	29/02/08
HSD 59893 P.T. No. 16721 Mukim of Petaling District of Petaling Selangor	Malaysia International Exhibition & Convention Centre (MIECC) PN 30898, Lot 1586	1	Leasehold (expiring 20.3.2091)	Exhibition Centre 3 and half storey exhibition cum convention centre building with 2 basement level carparks	6.74	24	170,757	01/07/03
		1	Leasehold (expiring 20.3.2091)	Venice Walk Two Link Bridges		22	751	01/07/03
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	26	2,926	01/03/10
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	4	Freehold	Apartments	0.79	24	590	12/11/01
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	6	Freehold	Apartments	0.86	10	938	12/11/01
HSM 9-93 P.T. NO. 249 Mukim of Padang Matairat District of Langkawi Langkawi, Kedah Darul Aman	Perdana Beach Resort Mukim Padang Matairat Langkawi	4	Freehold	Apartments	0.09	22	634	21/05/02
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	9	1,707	28/04/11

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2023

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 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	21	558	31/12/99	
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	23	326	01/06/03	
Portion 124	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Club Marina	9.87			01/06/03	
Erf 877	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	172.73		6,350	01/06/03	
Erf 876	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	18.03			01/06/03	
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	23		01/06/03	
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	23		01/06/03	
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	Public Open Space	0.29			01/06/03	
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52			01/06/03	
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74			01/06/03	
					<b>2,327.87</b>			<b>815,422</b>	

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 40th Annual General Meeting (“AGM”) of Country Heights Holdings Berhad will be held at the Hall of Fame, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Wednesday, 26 June 2024 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 2023 together with the Reports of the Directors and Auditors thereon.  | <b>(Please refer to<br/>Explanatory Note 1)</b> |
| 2. | To re-elect the following Directors who retire by rotation in accordance with Article 120 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)  | <b>Ordinary Resolution 1</b>                    |
|    | (ii) Mr. Chua Hee Boon   | <b>Ordinary Resolution 2</b>                    |
|    | (iii) Mr. Chuah Tian Pong  | <b>Ordinary Resolution 3</b>                    |
| 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) Dr. Zhang Yan  | <b>Ordinary Resolution 4</b>                    |
|    | (ii) Ms. Khavitha Devi A/P Pothuraju   | <b>Ordinary Resolution 5</b>                    |
|    | (iii) Ms. Shafina Binti Syafei   | <b>Ordinary Resolution 6</b>                    |
| 4. | To approve the payment of Directors' fees to the Non-Executive Directors of the Company as set out in Explanatory Note 3 in respect of the financial year ended 31 December 2023.  | <b>Ordinary Resolution 7</b>                    |
| 5. | To approve the payment of Directors' benefits to the Non-Executive Directors of the Company as set out in Explanatory Note 3, for the course of the period from 27 June 2024 until the next Annual General Meeting of the Company. | <b>Ordinary Resolution 8</b>                    |
| 6. | To re-appoint Messrs UHY as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 9</b>                    |

### Special Business

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

- |    |  |                               |
|----|--|-------------------------------|
| 7. | <b>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</b> | <b>Ordinary Resolution 10</b> |
|----|--|-------------------------------|

“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”)

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

## NOTICE OF ANNUAL GENERAL MEETING

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 pre-emptive 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 Shareholders' Mandate for Recurrent Related Party Transactions****Ordinary Resolution 11**

“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 2.3 of the Company’s Circular to Shareholders dated 30 April 2024 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

9. 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  
30 April 2024

### Notes:

1. A member whose name appears in the Record of Depositors of the Company as at 19 June 2024 ("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.
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.

## NOTICE OF ANNUAL GENERAL MEETING

**Explanatory Notes on Ordinary/Special Business****1. Item 1 of the Agenda - Audited Financial Statements for Financial Year Ended 31 December 2023**

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 and 6 - 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 2023.

**3. Ordinary Resolutions 7 and 8 - Directors' Fees and Benefits**

The Directors' fees payable to the Non-Executive Directors are 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 Directors' benefits payable to the Non-Executive Directors for the course of the period from 27 June 2024 until the next Annual General Meeting of the Company are as set out below:

Type of Benefits	Amount
Meeting allowance for attending Board and Board Committee meetings	RM1,000 per meeting
Claimable expenses for carrying out their duties as directors	Expense reimbursement

The Non-Executive Directors had abstained from deliberations and decisions on their remuneration at the Board meetings.

**4. Ordinary Resolution 9 - Re-appointment of Auditors**

The Audit & Risk Management Committee ("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 that the provisions of non-audit services by Messrs UHY to the Company for the financial year ended 31 December 2023 did not in any way impair their objectivity and independence as external auditors of the Company. The Board approved the ARMC's recommendation for the shareholders' approval to be sought at the 40th AGM on the re-appointment of Messrs UHY as external auditors of the Company.

**5. Ordinary Resolution 10 - Authority to Allot and Issue Shares or Grant Rights pursuant to the Companies Act 2016 and Waiver of Pre-Emptive Rights**

Ordinary Resolution 10, 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.

## NOTICE OF ANNUAL GENERAL MEETING

### 6. Ordinary Resolution 11 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions

Ordinary Resolution 11, 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 the Proposed Shareholders' Mandate for Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 30 April 2024.

### 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 40th 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.



# 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/or

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 40th Annual General Meeting ("AGM") of the Company to be held at the Hall of Fame, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Wednesday, 26 June 2024 at 11.00 a.m., and at any adjournment thereof, as indicated below:

Ordinary Resolution	Agenda	For	Against
1	To re-elect Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R) as Director pursuant to Article 120 of the Constitution		
2	To re-elect Mr. Chua Hee Boon as Director pursuant to Article 120 of the Constitution		
3	To re-elect Mr. Chuah Tian Pong as Director pursuant to Article 120 of the Constitution		
4	To re-elect Dr. Zhang Yan as Director pursuant to Article 124 of the Constitution		
5	To re-elect Ms. Khavitha Devi A/P Pothuraju as Director pursuant to Article 124 of the Constitution		
6	To re-elect Ms. Shafina Binti Syafei as Director pursuant to Article 124 of the Constitution		
7	To approve the payment of Directors' fees		
8	To approve the payment of Directors' benefits		
9	To re-appoint Messrs UHY as Auditors and to authorise the Directors to fix their remuneration		
10	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		
11	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 \_\_\_\_\_, 2024

\_\_\_\_\_  
 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 19 June 2024 ("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.
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  - (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.
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.

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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

Please fold here

- (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](mailto:ir@shareworks.com.my).

**Personal Data Privacy**

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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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[www.countryheights.com.my](http://www.countryheights.com.my)

**COUNTRY HEIGHTS HOLDINGS BERHAD** (Registration No. 198401000001 (119416-K))

8<sup>th</sup> Floor, Block A, Mines Waterfront Business Park,  
No. 3, Jalan Tasik, Mines Resort City,  
43300 Seri Kembangan, Selangor Darul Ehsan,  
Malaysia

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