

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).

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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.



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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.



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- **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

