

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

Pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Proposed Renewal of Shareholders’ Mandate for RRPT in this Circular is not required to be reviewed by Bursa Securities and has not been perused by Bursa Securities before the issuance. Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF
SHAREHOLDERS’ MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

The ordinary resolution in respect of the above proposal will be tabled at the 40th Annual General Meeting (“AGM”) of the Company. The Notice of the 40th AGM and Proxy Form are available online at the Company’s website at www.countryheights.com.my

The Proxy Form should be completed and returned in accordance with the instructions therein.

Last date and time for lodging the Proxy Form	:	Monday, 24 June 2024, at 11.00 a.m.
Date and time of the 40th AGM	:	Wednesday, 26 June 2024 at 11.00 a.m.
Venue of the 40th AGM	:	Hall of Fame The Mines Resort & Golf Club Jalan Kelikir, Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan Malaysia

This Circular is dated 30 April 2024

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	– The Malaysian Companies Act 2016 as amended from time to time and any re-enactment thereof
AGM	– Annual General Meeting
ARMC	– Audit & Risk Management Committee
Arm’s Length	– The price which would have been determined if such transactions are made between independent parties under the same or similar circumstances
BGHSB	– Bee Garden Holdings Sdn. Bhd. [198201009277(89001-D)]
Board	– The Board of Directors of the Company
Bursa Securities	– Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
CHHB or Company	– Country Heights Holdings Berhad [198401006901(119416-K)]
CHHB Group	– CHHB and/or its subsidiaries and/or joint ventures and/or jointly-controlled entities
Code	– Malaysian Code on Take-overs and Mergers 2016
CHISB	– Country Heights International Sdn. Bhd. [199201005154(236658-D)]
CHVSB	– Country Heights Venture Sdn. Bhd. [198201007582(87340-X)]
Directors	– Directors shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and include any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Director of the Company (or any other company which is its subsidiary or holding company) or a Chief Executive Officer of the Company, its subsidiary or holding company
EPS	– Earnings per share
General Mandate	– A shareholders’ general mandate pursuant to Chapter 10.09 of the MMLR permitting the CHHB Group to enter into General Transactions
General Transactions	– Recurrent related party transactions of a revenue or trading nature which are necessary for the day-to-day operations and are in the ordinary course of business of CHHB Group
GTCMSB	– Golden Touch Capital Management Sdn. Bhd. [200301022882 (625302-D)]
GTIBL	– Golden Touch Investment Bank Ltd [LL 16431]
GHDIBL	– Golden Horse Digital Investment Bank Ltd (formerly known as Golden Horse Investment Bank Ltd [LL 16429])
Latest Practicable Date or LPD	– The information in the Circular is based on the latest practicable date, i.e. 17 April 2024 before printing of the Circular

DEFINITIONS (cont'd)

- Major Shareholder** – A person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares is:
- (a) 10% or more of the total number of voting shares in the Company; or
 - (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company.
- For the purpose of this definition, “interests” shall have the meaning of “interests in shares” given in Section 8 of the Act
- MMLR** – Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
- NA** – Net assets attributable to ordinary equity holders of the Company
- Proposal** – Proposed Shareholders’ Mandate
- Person Connected** – As defined in Chapter 1 Paragraph 1.01 of the MMLR
- Proposed Shareholders’ Mandate** – Proposed renewal of shareholders’ mandate for recurrent related party transaction of a revenue or trading nature which is necessary for the day-to-day operations of CHHB Group
- Related Party(ies)** – Director(s), major shareholder(s) or person(s) connected with such Director(s) or major shareholder(s)
- RM and Sen** – Ringgit Malaysia and Sen respectively
- Puan Sri Tan Bee Hong** – YBhg Puan Sri Tan Bee Hong
- SC** – Securities Commission Malaysia
- Share(s)** – Ordinary share(s) in CHHB
- Shareholders** – Shareholders of CHHB
- Substantial Shareholder** – A person who has an interest in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the Company. For the purpose of this definition, “interests” shall have the meaning of “interests in shares” given in Section 8 of the Act
- Tan Sri Lee Kim Yew** – YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew

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COUNTRY HEIGHTS HOLDINGS BERHAD

[Registration No. 198401006901 (119416-K)]

(Incorporated in Malaysia)

Registered Office:

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

30 April 2024

Board of Directors:

Admiral Tan Sri Dato' Setia Mohd Anwar Bin 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*)

Ong Tee Chin (*Senior Independent Non-Executive Director*)

Tan Meng Khong (*Independent Non-Executive Director*)

Chuah Peng San (*Independent Non-Executive Director*)

Dr. Zhang Yan (*Independent Non-Executive Director*)

Shafina Binti Syafei (*Executive Director-Group Public Relations & Marketing Communications*)

Khavitha Devi A/P Pothuraju (*Executive Director-Legal & Compliance*)

To: The Shareholders of Country Heights Holdings Berhad

Dear Shareholders

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")

1.0 INTRODUCTION

At the Company's 39th AGM held on 28 June 2023, the shareholders gave approval for the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions.

The above approval shall, in accordance with the MMLR, lapse at the conclusion of the forthcoming AGM unless fresh approval is obtained.

On 29 April 2024, the Company announced to Bursa Securities that it would seek approval from its shareholders for the Proposed Shareholders' Mandate at the forthcoming AGM of the Company.

The purpose of this Circular is to provide you with information on the Proposal and to seek your approval for the proposed resolution to be tabled at the forthcoming AGM of the Company.

2.0 PROPOSED SHAREHOLDERS' MANDATE

CHHB is principally an investment holding company, while its subsidiaries are involved in property development, property investment, property trading, investment holding, ownership of land held for property development, provision of marketing services, letting of exhibition centre and event management, education services, management services, ownership and operation of golf courses, boat clubs and resorts, operator and management of hotels and resorts, letting of office and promotional space, provision of health programmes and timeshare membership, tour operator and leisure related services.

The Board wishes to seek approval of the shareholders of CHHB for the Proposed Shareholders' Mandate. It would enable the CHHB Group to enter into existing RRPT provided such transactions are in the ordinary course of business and undertaken at Arm's Length, on normal commercial terms of the CHHB Group which are not more favourable to the Related Parties than those generally available to the public (where applicable) and are not to the detriment of the minority shareholders. These include transactions such as those described in Section 3.3 of this Circular.

2.1 DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

Pursuant to Paragraph 10.09 (2) of the MMLR, a listed issuer may seek a mandate from its shareholders for RRPT subject to the following:

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or more than the following threshold in relation to a listed issuer with an issued and paid-up capital of RM60 million and above:
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more;whichever is higher;
- (iii) the listed issuer's circular to shareholders for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. In the case of new RRPT (if any), the draft circular must be submitted to Bursa Securities together with a checklist showing compliance with such information;
- (iv) in a meeting to obtain shareholders' mandate,
 - (a) a related party with any interest, direct or indirect ("interested related party"), must not vote on the resolution in respect of the related party transaction;
 - (b) an interested related party who is a Director or major shareholder must ensure that persons connected with him abstain from voting on the resolution in respect of the related party transaction;
 - (c) where the interested related party is a person connected with a Director or major shareholder, such person must not vote on the resolution in respect of the related party transaction; and
- (v) the listed issuer immediately announces to Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured shareholders' mandate pursuant to Paragraph 10.09(2) of the MMLR, the provisions of Paragraph 10.08 of the MMLR will not apply.

It is anticipated that companies within CHHB Group would, in the ordinary course of business, enter into the General Transactions as stated in Section 2.2 below, the nature of which are detailed in Section 2.3 below.

In compliance with Paragraph 10.09 of the MMLR, CHHB now proposes to seek the approval of its Shareholders for the Proposed Shareholders' Mandate as set out in Section 2.3 below. Such General Transactions will be subjected to the review procedures as set out in Section 2.4 below.

If approved at the AGM, the Proposed Shareholders' Mandate is subject to annual renewal. In this respect, any authority conferred by the aforesaid mandate shall only continue to be in force until:

- (i) the conclusion of the next AGM of the Company at which time such approval will lapse, unless by a resolution passed at a general meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM of CHHB is required by law to be held pursuant to Section 340(2) of the Act [but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act]; or
- (iii) revoked or varied by resolution passed by the Shareholders in general meeting;

whichever is earlier.

Approval from Shareholders will be sought for the Proposed Shareholders' Mandate at the forthcoming AGM and at each subsequent AGM of the Company, subject to satisfactory review by the ARMC of its continued application to the General Transactions.

2.2 THE GENERAL TRANSACTIONS

It is anticipated that CHHB Group would, in the ordinary course of business, enter into transactions with the related parties as set out below:

2.3 DETAILS OF THE GENERAL TRANSACTIONS

The nature of the transactions within the General Transactions, the parties to the transactions and their respective estimated value are set out below:

General Transactions	Name of Related Party	Name of Company/ Group Involved	Interested Directors and/or Major Shareholders and Person(s) Connected	2024		2023	Variance
				Proposed	Actual	Estimated Value*	
				Estimated Value* of Transactions from the Validity Period** (RM' Million)	Transacted Value and Loan Ending Balance as of 31.12.2023 (RM' Million)	of Transactions from the Validity Period** (RM' Million)	
Expenses							
Financing Services (Note 1)	GTCMSB	CHHB Group	Tan Sri Lee Kim Yew, Puan Sri Tan Bee Hong, Lee Cheng Wen, Lee Thai Young Matahari, Chua Hee Boon, CHVSB, CHISB, BGHSB, GTIBL (Note a)	20.00	1.74	20.00	-
Financing Services (Note 2)	GTIBL	CHHB Group	Tan Sri Lee Kim Yew, Puan Sri Tan Bee Hong, Lee Cheng Wen, Lee Thai Young Matahari, Chua Hee Boon, CHVSB, CHISB, BGHSB, GTIBL (Note b)	6.00	4.26	6.00	-
Financing Services (Note 3)	GHDIBL	CHHB Group	Tan Sri Lee Kim Yew, Puan Sri Tan Bee Hong, Lee Cheng Wen, Lee Thai Young Matahari, Chua Hee Boon, CHVSB, CHISB, BGHSB, GTIBL (Note c)	6.00	5.60	6.00	-

Notes:

* Estimated Value - The actual value may vary from the estimated value disclosed.

** Validity Period refers to the validity period for the Proposed Shareholders' Mandate from the date of CHHB's forthcoming AGM to the next AGM or the relevant Extraordinary General Meeting, whichever is earlier.

Note 1:

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GTCMSB	CHHB Group	Financing Services	20,000,000	1,740,000	Subject to annual renewal	20,000,000	(18,260,000)
Total				1,740,000		20,000,000	(18,260,000)

Note 2:

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GTIBL	CHHB Group	Financing Services	6,000,000	4,260,000	Subject to annual renewal	6,000,000	(1,740,000)
Total				4,260,000		6,000,000	(1,740,000)

Note 3:

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GHDIBL	CHHB Group	Financing Services	6,000,000	5,602,000	Subject to annual renewal	6,000,000	(398,000)
Total				5,602,000		6,000,000	(398,000)

Note a:

- (i) GTCMSB is principally engaged as a licensed moneylender.
- (ii) There is an interest bearing on the financial services.
- (iii) Tan Sri Lee Kim Yew is a Major Shareholder of CHHB. He is also a Major Shareholder of GTCMSB. Puan Sri Tan Bee Hong, the spouse of Tan Sri Lee Kim Yew, is a Major Shareholder of GTCMSB.
- (iv) Puan Sri Tan Bee Hong is a Major Shareholder of CHHB. She is also the spouse of Tan Sri Lee Kim Yew.
- (v) Ms. Lee Cheng Wen is a Shareholder of CHHB. She is also a daughter of Tan Sri Lee Kim Yew.
- (vi) CHVSB is a Major Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hong are Major Shareholders of CHVSB. Mr. Chua Hee Boon is a director of CHVSB.
- (vii) CHISB is a Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hong are Major Shareholders of CHISB and their son, Mr. Lee Thai Young Matahari is a director of CHISB. Mr. Chua Hee Boon is a director of CHISB.
- (viii) BGHSB is a Shareholder of CHHB. Puan Sri Tan Bee Hong, the spouse of Tan Sri Lee Kim Yew, is a Major Shareholder of BGHSB. Mr. Chua Hee Boon is a director of BGHSB.
- (ix) GTIBL is a Shareholder of CHHB.

Note b:

- (i) GTIBL is principally engaged as an investment bank.
- (ii) There is an interest bearing on the financial services.
- (iii) Tan Sri Lee Kim Yew is a Major Shareholder of CHHB.
- (iv) Puan Sri Tan Bee Hong is a Shareholder of CHHB. She is also the spouse of Tan Sri Lee Kim Yew.
- (v) Ms. Lee Cheng Wen is a Shareholder of CHHB. She is also a daughter of Tan Sri Lee Kim Yew.
- (vi) CHVSB is a Major Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hong are Major Shareholders of CHVSB. Mr. Chua Hee Boon is a director of CHVSB.
- (vii) CHISB is a Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hon are Major Shareholders of CHISB and their son, Mr. Lee Thai Young Matahari is a director of CHISB. Mr. Chua Hee Boon is a director of CHISB.
- (viii) BGHSB is a Shareholder of CHHB. Puan Sri Tan Bee Hong, the spouse of Tan Sri Lee Kim Yew, is a Major Shareholder of BGHSB. Mr. Chua Hee Boon is a director of BGHSB.
- (ix) GTIBL is a Shareholder of CHHB.
- (x) Mr. Ong Tee Chin is a director of GTIBL. He is also a Director of CHHB.

Note c:

- (i) GHDIBL is principally engaged as an investment bank.
- (ii) There is an interest bearing on the financial services.
- (iii) Tan Sri Lee Kim Yew is a Major Shareholder of CHHB.
- (iv) Puan Sri Tan Bee Hong is a Shareholder of CHHB. She is also the spouse of Tan Sri Lee Kim Yew.
- (v) Ms. Lee Cheng Wen is a Shareholder of CHHB. She is also a daughter of Tan Sri Lee Kim Yew.
- (vi) CHVSB is a Major Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hong are Major Shareholders of CHVSB. Mr. Chua Hee Boon is a director of CHVSB.
- (vii) CHISB is a Shareholder of CHHB. Tan Sri Lee Kim Yew and Puan Sri Tan Bee Hong are Major Shareholders of CHISB and their son, Mr. Lee Thai Young Matahari is a director of CHISB. Mr. Chua Hee Boon is a director of CHISB.
- (viii) BGHSB is a Shareholder of CHHB. Puan Sri Tan Bee Hong, the spouse of Tan Sri Lee Kim Yew, is a Major Shareholder of BGHSB. Mr. Chua Hee Boon is a director of BGHSB.
- (ix) GTIBL is a Shareholder of CHHB.
- (x) Mr. Ong Tee Chin is a director of GHDIBL. He is also a Director of CHHB.

2.4 REVIEW PROCEDURES FOR THE GENERAL TRANSACTIONS

CHHB Group has internal control systems to ensure that the General Transactions are undertaken on an arm's length basis and on normal commercial terms consistent with the CHHB Group's usual business practices and policies, which are not more favourable to the Related Parties than those extended to third parties/public and are not to the detriment of the minority shareholders of the Company. These include transacting at the prevailing market rates/prices of the services or product providers' usual commercial terms, or otherwise in accordance with the applicable industry norms.

The procedures established by CHHB Group are as follows:

- (i) An updated list of Related Parties shall be circulated to the Management from time to time for reference in ensuring that all transactions with such Related Parties are undertaken on arms' length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public.
- (ii) All operating subsidiary companies shall review the existing information systems to ensure that features are incorporated into the systems for capturing information on General Transactions at source, for instance, when purchase requisitions/orders are raised.
- (iii) A register will be maintained by the Company to record all General Transactions (and the basis of the General Transactions, including the quotations obtained to support such basis, on which they are entered into) pursuant to the General Mandate. Details of all General Transactions made during the financial year shall be disclosed in the annual report in accordance with the applicable accounting standards.
- (iv) The authority limits for approval of capital expenditure which includes leasing or renting of premises/assets for a period of over one year is set. Details of the transacting parties, particularly if they are Related Parties, and terms of the transactions must be furnished in the proposals.
- (v) The requirements for an Internal Audit team to review the internal control systems of CHHB Group so as to reasonably provide assurance to the Board and the ARMC as well as to manage the proper conduct and adherence to controls and procedures.
- (vi) CHHB Group's policy on purchases of CHHB Group's products and services shall not be on terms that are more favourable than those offered to the third parties/public.
- (vii) The tendering procedures to ensure competitive bidding principles are observed in the procurement of goods and services. These include having sufficient number of vendors (normally not less than three) to bid with all priced bids received on sealed basis and appropriately documented and witnessed upon opening.
- (viii) The annual Internal Audit Plan shall incorporate a review of all General Transactions entered into pursuant to the General Mandate. The ARMC shall review the Internal Audit Reports to ascertain that the guidelines and procedures established to monitor the General Transactions have been complied with.
- (ix) Any Director who has an interest in any transaction shall abstain from deliberation and voting on the relevant resolution(s) in respect of the General Transactions.

2.5 ARMC STATEMENT

The ARMC has seen and reviewed the procedures mentioned in Section 2.4 above and is of the view that the said procedures are sufficient to ensure that the General Transactions are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company. Any member of the ARMC who is interested in any General Transactions shall not be involved in the review of the General Transactions.

The ARMC is also of the view that CHHB Group has in place adequate procedures and processes to monitor, track and identify General Transactions in a timely and orderly manner. The ARMC has reviewed these procedures and processes annually.

2.6 RATIONALE FOR AND BENEFIT OF THE GENERAL TRANSACTIONS

The General Transactions entered or to be entered into by CHHB Group with the Related Parties as disclosed in Section 2.3 above are all in the ordinary course of business.

They are General Transactions which are likely to occur with some degree of frequency and arise from time to time.

These transactions may be time-sensitive in nature and it may be impractical to seek Shareholders' approval on a case by case basis before entering into such related party transactions. As such, the Board is seeking a General Mandate to enter into such transactions.

The Proposed Shareholders' Mandate would also reduce substantial administrative time, inconvenience and expenses associated with the convening of a separate meeting for approval of each transaction, without compromising the corporate objectives of CHHB Group or adversely affecting the business opportunities available to CHHB Group.

Disclosure shall be made in the annual report of the breakdown of the aggregate value of transactions conducted pursuant to the General Mandate during the financial year based on the following information:

- (i) the type of the recurrent transactions made; and
- (ii) the names of the related parties involved in each type of the recurrent transactions made and their relationships with the Company.

The General Transactions are mainly between CHHB Group and the Related Parties. The close commercial relationships that had been established with the Related Parties have created an effective network that the Company can draw upon to support its operational needs, deriving synergistic and operational benefits to support its operational functions. The continuous support that is extended by the Related Parties forms an integral part of the Company's corporate strategy which serves to benefit CHHB Group.

2.7 THRESHOLDS FOR APPROVAL

There are no thresholds for the approval of General Transactions within CHHB Group. If it is determined that the procedures stated in Section 2.4 of this Circular are inadequate to ensure that:

- (i) the General Transactions will be conducted at arm's length and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (ii) such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the Shareholders,

the Company will obtain a fresh Shareholders' mandate based on new guidelines and procedures.

The ARMC shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of Shareholders provided that they are more stringent than the existing limits or procedures.

2.8 STATEMENT ON TRANSACTION WITH UNRELATED THIRD PARTIES

Where practical and/or feasible, at least two (2) other contemporaneous transactions with unrelated third parties for similar services will be used as comparison for determining the price and terms offered by/to the Related Party are fair and reasonable as compared with those offered by unrelated third parties.

In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item) the transaction prices will be reviewed by the Executive Directors (provided they are not party to the transactions) and based on their knowledge and experience in the particular industry to ensure that the General Transactions are not detrimental to CHHB Group.

2.9 INTERESTED DIRECTORS, INTERESTED MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

The direct and indirect interest of the interested Director, interested Major Shareholders of CHHB and Persons Connected with them as at 31 March 2024 are as follows:

Interested Director	Shareholding*			
	← Direct Shares	→ %	← Indirect Shares	→ %
Chua Hee Boon [#]	847,500	0.29	51,100 ⁽ⁱⁱ⁾	0.02
Interested Major Shareholders				
Tan Sri Lee Kim Yew	77,766,389	26.21	57,878,121 ⁽ⁱ⁾	19.51
Puan Sri Tan Bee Hong	1,000,000	0.34	134,644,510 ⁽ⁱⁱⁱ⁾	45.38
CHVSB	39,425,000	13.29	-	-

Persons Connected with Interested Director/Major Shareholders

Lee Cheng Wen	3,389,831	1.14	-	-
CHISB	7,551,790	2.54	-	-
BGHSB	2,157,400	0.73	-	-
GTIBL	4,354,100	1.47	-	-

Notes:

* Total number of issued shares of 296,738,903 Ordinary Shares (excluding treasury shares of 3,250,000).

A person who is accustomed or under an obligation, to act in accordance with the directions, instructions, or wishes of a major shareholder.

(i) Deemed interested by virtue of interests in CHVSB, CHISB and GTIBL pursuant to Section 8(4) of the Act, and his spouse's and child's interests in CHHB pursuant to Section 59(11)(c) of the Act.

(ii) Interest of spouse by virtue of Section 59(11)(c) of the Act.

(iii) Deemed interested by virtue of interests in BGHSB, CHVSB, CHISB and GTIBL pursuant to Section 8(4) of the Act, and her spouse's and child's interests in CHHB pursuant to Section 59(11)(c) of the Act.

Save as disclosed above, none of the other Directors, Major Shareholders and Persons Connected with such Directors and/or Major Shareholders of CHHB, has any interest as defined in the MMLR, direct or indirect, in the Proposed Shareholders' Mandate

The Director of CHHB who is interested in the Proposed Shareholders' Mandate (namely Mr. Chua Hee Boon) has abstained and will continue to abstain from deliberating and voting on the resolution in respect of the Proposed Shareholders' Mandate which involve his interests at the relevant meetings of the Board.

The interested Director of CHHB will abstain from voting, and have undertaken that he will ensure that Persons Connected with him abstain from voting, in respect of their direct and/or indirect shareholdings in the Company (if any), deliberating or approving the relevant resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

The interested Major Shareholders of CHHB (namely Tan Sri Lee Kim Yew, Puan Sri Tan Bee Hong and CHVSB) will abstain from voting, and have undertaken that they will ensure that Persons Connected with them abstain from voting, in respect of their direct and/or indirect shareholdings in the Company, deliberating or approving the relevant resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming AGM.

2.10 DIRECTORS' RECOMMENDATION

The Directors (except for the interested Director as disclosed in Section 2.9), having considered all aspects of the Proposed Shareholders' Mandate, are of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Company. As such, the Directors recommend that you vote in favour of the resolution pertaining to the Proposed Shareholders' Mandate to be tabled at the forthcoming 40th AGM.

3.0 AGM

The AGM, the notice of which is set out in the Annual Report 2023, 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., for the purpose of considering and, if thought fit, passing the proposed resolution on the Ordinary Businesses and the Special Businesses of the AGM which include the proposed resolution on the Proposed Shareholders' Mandate, an extract of which is enclosed in this Circular.

Shareholders who are unable to attend and who appoint proxy(ies) to attend and vote at the AGM, must ensure that the duly completed 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 fixed 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

4.0 FURTHER INFORMATION

Shareholders are requested to refer to Appendix I for further information.

Yours faithfully,
For and on behalf of the Board of
COUNTRY HEIGHTS HOLDINGS BERHAD

ONG TEE CHIN
Senior Independent Non-Executive Director

FURTHER INFORMATION**1. RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board, and the Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by CHHB and/or its subsidiaries within two (2) years immediately preceding the LPD of this Circular:

3. MATERIAL LITIGATIONS

Saved as disclosed below, neither CHHB nor its subsidiaries up till the LPD are engaged in any material litigation, claims or arbitration either as plaintiff or defendant and the Board is not aware of any proceedings, pending or threatened, against CHHB or its subsidiaries or of any facts likely to give rise to any proceedings which might materially affect the position or business of CHHB or its subsidiaries:

(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 20/9/1994 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) SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-137-12/2020 BETWEEN CHHB (PLAINTIFF) AND MONALIZA BINTI ZAIDEL, DATU HAJI SUDARSONO BIN OSMAN & BHSB (DEFENDANTS)

This suit is for declaration and injunction against 2 directors of Borneo Heights Sdn. Bhd. (BHSB). The Directors from Land Custody Development Authority (LCDA) issued a letter to the Directors from Country Heights Holdings Berhad (CHHB) to challenge the appointment of 3 other Directors nominated by CHHB. On 18 December 2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28/12/2020. 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 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.

(iii) KUALA LUMPUR HIGH COURT ORIGINATING SUMMON NO. WA-24NCVC-68-01/2021 (SUIT 68) BETWEEN HUN TEE SIANG & 31 ORS (PLAINTIFFS) AND MEGA PALM SDN BHD (MPSB) & COUNTRY HEIGHTS PROPERTIES SDN BHD (CHP) (DEFENDANTS)

The Plaintiffs 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//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.

(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’width, 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 09/1/2024. 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’width, 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 RM 91,443,836.58, 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.

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.

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company following the publication of this Circular during normal office hours from Mondays to Fridays (except public holidays) up to and including the date of the AGM:

- (a) Constitution of CHHB;
- (b) Audited financial statements of the CHHB Group for the past two (2) financial years ended 31 December 2022 and 31 December 2023 and the latest unaudited results since the last audited financial statements; and
- (c) Relevant cause papers in respect of material litigation referred to in Section 3 above.

PROPOSED RESOLUTION ON THE PROPOSAL

EXTRACT OF THE NOTICE OF 40TH ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

“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.”

(Ordinary Resolution 11)

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