

**THIS STATEMENT/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”), Part I and the Proposed Renewal of Shareholders’ Mandate for RRPT in Part II of this Circular are not required to be reviewed by Bursa Securities and have 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.



**PART I**

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY COUNTRY HEIGHTS HOLDINGS BERHAD OF ITS OWN SHARES**

**PART II**

**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 resolutions in respect of the above proposals will be tabled at the 39th Annual General Meeting (“AGM”) of the Company. The Notice of the 39th AGM and Proxy Form are available online at the Company’s website at [www.countryheights.com.my](http://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, 26 June 2023, at 11.00 a.m.

Date and time of the 39th AGM : Wednesday, 28 June 2023 at 11.00 a.m.

Venue of the 39th AGM : Members Lounge  
The Mines Resort & Golf Club  
Jalan Kelikir, Mines Resort City  
43300 Seri Kembangan  
Selangor Darul Ehsan  
Malaysia

This Circular is dated 28 April 2023

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## DEFINITIONS

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

<b>Act</b>	– The Malaysian Companies Act 2016 as amended from time to time and any re-enactment thereof
<b>AGM</b>	– Annual General Meeting
<b>ARMC</b>	– Audit & Risk Management Committee
<b>Arm’s Length</b>	– The price which would have been determined if such transactions are made between independent parties under the same or similar circumstances
<b>BGHSB</b>	– Bee Garden Holdings Sdn. Bhd. [198201009277(89001-D)]
<b>Board</b>	– The Board of Directors of the Company
<b>Bursa Securities</b>	– Bursa Malaysia Securities Berhad [200301033577 (635998-W)]
<b>CHHB or Company</b>	– Country Heights Holdings Berhad [198401006901(119416-K)]
<b>CHHB Group</b>	– CHHB and/or its subsidiaries and/or joint ventures and/or jointly-controlled entities
<b>Code</b>	– Malaysian Code on Take-overs and Mergers 2016
<b>CHISB</b>	– Country Heights International Sdn. Bhd. [199201005154(236658-D)]
<b>CHVSB</b>	– Country Heights Venture Sdn. Bhd. [198201007582(87340-X)]
<b>Directors</b>	– 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
<b>EPS</b>	– Earnings per share
<b>General Mandate</b>	– A shareholders’ general mandate pursuant to Chapter 10.09 of the MMLR permitting the CHHB Group to enter into General Transactions
<b>General Transactions</b>	– 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
<b>GTAMSB</b>	– Golden Touch Asset Management Sdn. Bhd. [199501025043(354248-X)]
<b>GTCMSB</b>	– Golden Touch Capital Management Sdn. Bhd. [199501025043 (354248-X)]
<b>GTIBL</b>	– Golden Touch Investment Bank Ltd [LL 16431]
<b>GHDIBL</b>	– Golden Horse Digital Investment Bank Ltd (formerly known as Golden Horse Investment Bank Ltd [LL 16429])
<b>Latest Practicable Date or LPD</b>	– The information in the Circular is based on the latest practicable date, i.e. 20 April 2023 before printing of the Circular
<b>Major Shareholder</b>	– 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

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**DEFINITIONS (cont'd)**

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<b>MMLR</b>	– Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
<b>NA</b>	– Net assets attributable to ordinary equity holders of the Company
<b>Proposals</b>	– Proposed Share Buy-Back and Proposed Shareholders' Mandate collectively
<b>Person Connected</b>	– As defined in Chapter 1 Paragraph 1.01 of the MMLR
<b>Proposed Shareholders' Mandate</b>	– 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
<b>Proposed Share Buy-Back</b>	– The proposal to enable CHHB to purchase CHHB shares of an amount up to 10% of the issued and paid-up share capital of CHHB
<b>Related Party(ies)</b>	– Director(s), major shareholder(s) or person(s) connected with such Director(s) or major shareholder(s)
<b>RM and Sen</b>	– Ringgit Malaysia and Sen respectively
<b>Puan Sri Tan Bee Hong</b>	YBhg Puan Sri Tan Bee Hong
<b>SC</b>	– Securities Commission Malaysia
<b>Share(s)</b>	– Ordinary share(s) in CHHB
<b>Shareholders</b>	– Shareholders of CHHB
<b>Substantial Shareholder</b>	– 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
<b>Tan Sri Lee Kim Yew</b>	– YBhg Tan Sri Lee Kim Tiong @ Lee Kim Yew
<b>Warrants</b>	– Warrants issued by the Company pursuant to the Deed Poll dated 3 December 2018, constituting the Warrants 2018/2023 which will expire on 20 December 2023

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**TABLE OF CONTENTS**

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**LETTER TO SHAREHOLDERS CONTAINING:**

	<i>Page</i>
1.0 INTRODUCTION	1
2.0 PROPOSED SHARE BUY-BACK	2
2.1 Details of the Proposed Share Buy-Back	2
2.2 Funding	3
2.3 Pricing	3
2.4 Treatment of Shares Purchased	3
2.5 Rationale of the Proposed Share Buy-Back	4
2.6 Effects of the Proposed Share Buy-Back	4
2.7 Shareholdings of Directors and Substantial Shareholders	5
2.8 Potential Advantages and Disadvantages of the Proposed Share Buy-Back	8
2.9 Public Shareholding Spread	8
2.10 Implication of the Code	8
2.11 Previous Purchase, Resale and Cancellation of Treasury Shares	8
2.12 Historical Share Prices	9
2.13 Directors' Recommendation	9
3.0 PROPOSED SHAREHOLDERS' MANDATE	9
3.1 Details of the Proposed Shareholders' Mandate	9
3.2 The General Transactions	10
3.3 Details of the General Transactions	11
3.4 Review Procedures for the General Transactions	14
3.5 ARMC Statement	15
3.6 Rationale for and Benefit of the General Transactions	15
3.7 Thresholds for Approval	16
3.8 Statement on Transaction with Unrelated Third Parties	16
3.9 Interested Directors, Interested Major Shareholders and/or Persons Connected	16
3.10 Directors' Recommendation	17
4.0 AGM	17
5.0 Further Information	18

**APPENDIX I: FURTHER INFORMATION****APPENDIX II: PROPOSED RESOLUTIONS ON THE PROPOSALS**



**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

28 April 2023

**Board of Directors:**

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

Dato' Mircle Yap Ching Chai (*Managing Director*)

Dr. Yip Chun Mun (*Deputy Managing Director*)

Chua Hee Boon (*Executive Director-Finance*)

Chuah Tian Pong (*Executive Director-Project*)

Xiong Wei (*Executive Director-Digital Technology*)

Lee Sow Lin (*Non-Independent Non-Executive Director*)

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

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

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

To: The Shareholders of Country Heights Holdings Berhad

Dear Shareholders

**PART I : PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY COUNTRY HEIGHTS HOLDINGS BERHAD OF ITS OWN SHARES (“PROPOSED SHARE BUY-BACK”)**

**PART II : 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 38th AGM held on 30 June 2022, the shareholders gave approval for:

- (a) the Directors to purchase and/or hold up to 10% of the total number of issued shares of the Company; and
- (b) the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions.

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

On 27 April 2023, the Company announced to Bursa Securities that it would seek approval from its shareholders for the Proposed Share Buy-Back and Proposed Shareholders' Mandate at the forthcoming AGM of the Company.

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

## **2.0 PART I: PROPOSED SHARE BUY-BACK**

### **2.1 DETAILS OF THE PROPOSED SHARE BUY-BACK**

The Board proposes to seek the approval from the Shareholders of the Company to renew the authority to enable CHHB to purchase up to 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase subject to compliance with Section 127 of the Act and all other applicable and prevailing laws, rules, regulations, orders, guidelines and requirements.

The purchase of the Company's own Shares will be carried out through Bursa Securities through one or more appointed stockbrokers.

The approval from the Shareholders for the Proposed Share Buy-Back shall be effective upon the passing of the resolution for the Proposed Share Buy-Back in the forthcoming 39th AGM until:

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the Shareholders in general meeting;

whichever is earlier.

The actual number of Shares to be purchased, impact on cash flow and the timing of the purchase(s) will depend on market conditions and sentiments of Bursa Securities as well as the retained profits and financial resources available to the Company at the time of the purchase(s).

For illustrative purposes, as at 31 March 2023, the total number of issued shares of the Company stood at 296,738,903 Shares (excluding treasury shares of 3,250,000). Assuming that:

- (i) no further Shares are issued;
- (ii) no outstanding Warrants are exercised by the entitled warrant holders; and
- (iii) no options or Shares are granted to any eligible executives of CHHB Group.

As at 31 March 2023, the maximum number of Shares that can be purchased pursuant to the Proposed Renewal of Share Buy-Back Authority is 29,673,890 Shares.

For the avoidance of doubt, for illustrative purposes throughout this Circular including the proforma effects as disclosed in Section 2.6 below, we have not taken into account:

- (i) any purchase of Shares by CHHB pursuant to the share buy-back authority approved by shareholders after 31 March 2023; and
- (ii) any issuance of additional Shares pursuant to Section 75 and 76 of the Act after 31 March 2023.

As at 31 March 2023, the Company has 128,335,101 outstanding Warrants, which remain unexercised and entitle the warrant holders to subscribe for 128,335,101 new Shares at an exercise price of RM1.20 per Share.

Based on the Company's total number of issued shares as at 31 March 2023 and the assumption that all Warrants are converted into new Shares, the Proposed Renewal of Share Buy-Back Authority will enable the Company to purchase up to a maximum of 42,832,400 Shares, representing 10% of the proforma enlarged total number of issued shares of the Company.

As such, the maximum number of Shares, representing 10% of the total number of issued shares of the Company that it can purchase pursuant to the Proposed Renewal of Share Buy-Back Authority may change from time to time during the validity period of the Proposed Renewal of Share Buy-Back Authority.

Pursuant to Paragraph 12.17 of the MMLR, the Company may only purchase its own shares at a price which is not more than 15% above the weighted average market price of the shares for the five (5) market days immediately before the purchase.

## **2.2 FUNDING**

Paragraph 12.10(1) of the MMLR stipulates that a listed issuer must ensure that the proposed purchase(s) of its own shares is made wholly out of retained profits of the listed corporation.

The maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of retained profits of the Company subject to compliance with Section 127 of the Act and any prevailing laws, including compliance with the 25% public shareholding spread in the hands of public shareholders, as required by Paragraphs 8.02(1) and 3.06(1) of the MMLR. The audited accumulated losses of the Company as at 31 December 2022 is RM560,519,493.

The Proposed Share Buy-Back will be funded from internally generated funds and/or bank borrowing. In the event that the Proposed Share Buy-Back is funded by bank borrowings, the Board will ensure that there are sufficient funds to repay the bank borrowings and that the repayment will not have any material effect on the cash flow of the Group.

## **2.3 PRICING**

The Company may only purchase its own Shares at a price which is not more than 15% above the weighted average market price of the Shares for the five (5) market days immediately before the purchase.

In the case of resale or transfer of the treasury shares, the Company may only resell the treasury shares on Bursa Securities or transfer the treasury shares pursuant to Section 127(7) of the Act at:

- (i) a price which is not less than the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer; or
- (ii) a discounted price of not more than 5% to the weighted average market price for the Shares for the five (5) market days immediately before the resale or transfer provided that:
  - the resale or transfer takes place not earlier than 30 days from the date of purchase; and
  - the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

## **2.4 TREATMENT OF SHARES PURCHASED**

Pursuant to Section 127 of the Act, the Directors may deal with the Shares purchased in either of the following manners:

- (i) cancel the Shares so purchased;
- (ii) retain the Shares so purchased in treasury which is referred to as 'treasury shares' in the Act; or
- (iii) retain part of the Shares so purchased as treasury shares and cancel the remainder of the Shares.

Where such shares are held as treasury shares, the Directors may:

- (i) distribute the Share as dividends to Shareholders, such dividends to be known as 'share dividends';
- (ii) resell the Shares or any of the Shares in accordance with the relevant rules of the stock exchange;
- (iii) transfer the Shares or any of the Shares for the purposes of or under an employees' share scheme;
- (iv) transfer the Shares or any of the Shares as purchase consideration;
- (v) cancel the Shares or any of the Shares; or
- (vi) sell, transfer or otherwise use the Shares for such other purposes as the Ministry may by order prescribe.

In the event that the Shares so purchased are held as treasury shares, the rights attached to these Shares as to voting, dividends and participation in other distribution or otherwise will be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares, or of a class of Shares in the Company for any purposes, including the provisions of any law or requirements of the Constitution of the Company or the listing requirements of Bursa Securities on substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

In the event that the Board decides to cancel the Shares so purchased, or cancel any treasury shares, the issued capital of the Company shall be diminished by the said cancellation.

An immediate announcement will be made to Bursa Securities in respect of the intention of the Directors to either retain the Shares so purchased as treasury shares or cancel them or a combination of both following any transactions executed pursuant to the authority granted under the Proposed Share Buy-Back.

## 2.5 RATIONALE OF THE PROPOSED SHARE BUY-BACK

The Proposed Share Buy-Back, if implemented, will enable CHHB Group to utilise any of its surplus financial resources which is not immediately required for other uses, to purchase its own Shares from the market. The Proposed Share Buy-Back is expected to stabilise the supply and demand, as well as the price of the Shares.

All things being equal, the Proposed Share Buy-Back will improve the EPS of CHHB as, whether the Shares so purchased are maintained as treasury shares or cancelled, it will result in a lower number of the Shares being used for the purpose of computing EPS.

The Shares so purchased may be held as treasury shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares of the Company. Should any treasury shares be distributed as share dividends, this would serve to reward the Shareholders of the Company.

## 2.6 EFFECTS OF THE PROPOSED SHARE BUY-BACK

### (i) SHARE CAPITAL

In the event that the Company acquires all the Shares authorised under the Proposed Share Buy-Back and such Shares so acquired are cancelled, the total number of issued shares of the Company will be as follows:

**Scenario I:** Assuming that none of the outstanding Warrants are exercised and the Proposed Share Buy-Back is implemented in full.

**Scenario II:** Assuming that all of the outstanding Warrants are exercised and the Proposed Share Buy-Back is implemented in full.

	<u>No. of Shares*</u>	
	<b>Scenario I</b>	<b>Scenario II</b>
Total number of issued shares	299,988,903	299,988,903
Shares to be issued upon full exercise of the Warrants	-	128,335,101
Enlarged total number of issued Shares	299,988,903	428,324,004
Proposed Share Buy-Back	(29,998,890)	(42,832,400)
Total number of issued shares after cancellation of Shares purchased under the Proposed Share Buy-Back	269,990,013	385,491,604

\* The number of CHHB Shares stated above is inclusive of 3,250,000 treasury shares currently held by the Company.



However, the Proposed Share Buy-Back will have no effect on the total number of issued shares of CHHB assuming that all Shares so purchased are to be retained as treasury shares but the rights attaching to the treasury shares as to voting, dividends and participation in other distribution or otherwise will be suspended and the treasury shares shall not be taken into account in calculating the number or percentage of Shares in the Company for any purposes, including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for a meeting and the result of a vote on a resolution at a meeting.

**(ii) NA AND WORKING CAPITAL**

The effect of the Proposed Share Buy-Back on the NA of CHHB Group will depend on the purchase prices of the Shares or any loss in interest income to the Company, and whether the Shares so purchased are cancelled or retained as treasury shares.

If all the Shares so purchased are cancelled or are kept as treasury shares, the Proposed Share Buy-Back will reduce the NA of CHHB Group if the purchase price exceeds the audited NA per Share, and conversely will increase the NA of CHHB Group if the purchase price is less than the audited NA per Share at the time of purchase.

If the treasury shares are resold on Bursa Securities, the NA per Share would increase if the Company realises a gain from the resale, and vice versa. If the treasury shares are distributed as share dividends, the NA per Share will decrease by the cost of the treasury shares.

The Proposed Share Buy-Back will reduce the working capital of CHHB Group, the quantum of which will depend on the number of Shares eventually purchased and the purchase prices of the Shares. For Shares so purchased which are kept as treasury shares, upon resale, the working capital of the Company will increase assuming that a gain has been realised. Again, the quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

**(iii) EARNINGS AND EPS**

The effect of the Proposed Share Buy-Back on the earnings and EPS of CHHB Group is dependent on the purchase price of the Shares, the number of Shares purchased and the effective funding cost or loss in interest income to the Company.

Assuming that the Shares purchased are retained as treasury shares and resold, the effects on the earnings of CHHB Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest saving arising from the exercise.

If the Shares purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of CHHB Group provided that the income foregone on the Shares purchased is less than the EPS before the share buy-back.

**(iv) DIVIDENDS**

The Proposed Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividend, if any, to the Shareholders.

**2.7 SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Based on the Register of Directors' Shareholdings and Substantial Shareholders as at 31 March 2023 and assuming that the Proposed Share Buy-Back is implemented in full (up to 10% of the issued and paid-up share capital) and that the Shares so purchased are from Shareholders other than the Directors and Substantial Shareholders, the effect of the Proposed Share Buy-Back on the shareholdings of the existing Directors and Substantial Shareholders of CHHB by virtue of Section 127(9) of the Act are as set out below:

**Scenario I:** Assuming that none of the outstanding Warrants are exercised and the Proposed Share Buy-Back is implemented in full.

Directors	Before Proposed Share Buy-Back*				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	-	-	-	-	-	-	-	-
Dato' Mircle Yap Ching Chai	-	-	-	-	-	-	-	-
Dr. Yip Chun Mun	11,000	_(iii)	-	-	11,000	_(iii)	-	-
Chua Hee Boon	200,000	0.07	51,100 <sup>(ii)</sup>	0.02	200,000	0.07	51,100 <sup>(ii)</sup>	0.02
Chuah Tian Pong	-	-	-	-	-	-	-	-
Xiong Wei	-	-	-	-	-	-	-	-
Lee Sow Lin	5,000	_(iii)	-	-	5,000	_(iii)	-	-
Ong Tee Chin	-	-	-	-	-	-	-	-
Tan Meng Khong	-	-	-	-	-	-	-	-
Chuah Peng San	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>								
Tan Sri Lee Kim Yew	77,766,389	26.21	93,257,931 <sup>(i)</sup>	31.43	77,766,389	29.12	93,257,931 <sup>(i)</sup>	34.92
Puan Sri Tan Bee Hong	1,000,000	0.34	170,024,320 <sup>(iv)</sup>	57.30	1,000,000	0.37	170,024,320 <sup>(iv)</sup>	63.67
CHISB	35,931,600	12.11	-	-	35,931,600	13.45	-	-
CHVSB	39,425,000	13.29	-	-	39,425,000	14.76	-	-

Notes:

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

(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(ii)(c) of the Act.

(iii) Less than 0.01%.

(iv) 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.

**Scenario II** : Assuming that all of the outstanding Warrants are exercised and the Proposed Share Buy-Back is implemented in full.

	Before Proposed Share Buy-Back*				Assuming Full Exercise of Warrants				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>												
Admiral Tan Sri Dato' Setia Mohd Anwar Bin Mohd Nor (R)	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Miracle Yap Ching Chai	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Yip Chun Mun	11,000	_(iii)	-	-	16,500	_(iii)	-	-	16,500	_(iii)	-	-
Chua Hee Boon	200,000	0.07	51,100 <sup>(ii)</sup>	0.02	200,000	0.05	51,100 <sup>(ii)</sup>	0.01	200,000	0.05	51,100 <sup>(ii)</sup>	0.01
Chuah Tian Pong	-	-	-	-	-	-	-	-	-	-	-	-
Xiong Wei	-	-	-	-	-	-	-	-	-	-	-	-
Lee Sow Lin	5,000	_(iii)	-	-	5,000	_(iii)	-	-	5,000	_(iii)	-	-
Ong Tee Chin	-	-	-	-	-	-	-	-	-	-	-	-
Tan Meng Khong	-	-	-	-	-	-	-	-	-	-	-	-
Chuah Peng San	-	-	-	-	-	-	-	-	-	-	-	-
<b>Substantial Shareholders</b>												
Tan Sri Lee Kim Yew	77,766,389	26.21	93,257,931 <sup>(i)</sup>	31.43	96,055,804	22.60	140,973,380 <sup>(i)</sup>	33.16	96,055,804	25.11	140,973,380 <sup>(i)</sup>	36.85
Puan Sri Tan Bee Hong	1,000,000	0.34	170,024,320 <sup>(iv)</sup>	57.30	24,510,584	5.77	212,518,600 <sup>(iv)</sup>	50.00	24,510,584	6.41	212,518,600 <sup>(iv)</sup>	55.55
CHISB	35,931,600	12.11	-	-	-	-	-	-	-	-	-	-
CHVSB	39,425,000	13.29	-	-	59,137,500	13.81	-	-	59,137,500	15.46	-	-

Notes:

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

(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) Less than 0.01%.

(iv) 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 for the proportionate increase in the percentage of shareholdings and/or voting rights in their capacity as shareholders as a consequence of the Proposed Share Buy-Back, none of the Directors, Major Shareholders of the Company or Persons Connected with them has any interest, direct or indirect, in the Proposed Share Buy-Back, or in the resale or cancellation of the treasury shares, if any.

## **2.8 POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED SHARE BUY-BACK**

The Proposed Share Buy-Back, if implemented, will reduce the financial resources of CHHB Group. This may result in CHHB Group forgoing future investment opportunities and any income that may be derived from the deposit of funds in interest bearing instruments. The Proposed Share Buy-Back may also reduce the amount of financial resources available for repayment of the CHHB Group's borrowings, for working capital or for distribution in the form of dividends to Shareholders.

However, the financial resources of CHHB Group may increase upon the resale of the purchased Shares held as treasury shares at higher prices than the purchase price.

The Board will be mindful of the interests of the Company and its Shareholders in undertaking the Proposed Share Buy-Back and in subsequent resale.

## **2.9 PUBLIC SHAREHOLDING SPREAD**

As at 31 March 2023, the public shareholding spread of the Company was approximately 42.29%. The Company will endeavour to ensure that the Proposed Share Buy-Back will not breach Paragraph 12.14 of the MMLR, which states that a listed corporation must not purchase its own shares if the purchase(s) will result in the listed corporation being in breach of Paragraph 3.06(1) and 8.02(1) of the MMLR.

## **2.10 IMPLICATION OF THE CODE**

Pursuant to the Code, a person or a group of persons acting in concert will be required to make a mandatory general offer if his/their shareholding(s) in the Company is/are increased to beyond 33% of its total number of issued shares or if his/their existing shareholding(s) is/are more than 33% but less than 50% and it exceeds by another 2% in any period of six (6) months.

In the event that the share buy-back exercise results in the shareholdings of any of the above parties being affected, the said person or group of persons acting in concert will be obliged to make a mandatory general offer for the remaining Shares not held by him/them. However, an exemption from a mandatory general offer obligation may be granted by the SC under the Code, subject to the affected person and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation.

As it is not intended for the share buy-back exercise to trigger the obligation to undertake a mandatory general offer by any of its Substantial Shareholders and/or parties acting in concert with them, the Company is mindful that only such number of shares are purchased, retained as treasury shares, cancelled or distributed such that the Code will not be triggered. However, in the event that an obligation to undertake a mandatory general offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make the necessary application to the SC for an exemption from undertaking a mandatory general offer under the Code before a mandatory general offer is triggered.

## **2.11 PREVIOUS PURCHASE, RESALE AND CANCELLATION OF TREASURY SHARES**

The Company had bought back 1,100,000 of its own shares in the preceding 12 months ended 31 March 2023. Details of the shares bought back and currently held as treasury shares are as follows:

Date	No. of shares bought back and held as treasury shares	Highest price paid per share (RM)	Lowest price paid per share (RM)	Average price paid per share (RM)	Total Consideration Paid (RM)
27.5.22	100,000	0.720	0.710	0.72	71,632.50
8.7.22	150,000	0.500	0.500	0.50	75,000.00
14.7.22	400,000	0.495	0.470	0.48	192,000.00
15.7.22	450,000	0.490	0.475	0.48	217,855.00

As at 31 March 2023, the Company bought back a total of 3,250,000 Shares and all these Shares purchased were retained as treasury shares. None of the treasury shares held were resold or cancelled in the previous 12 months.

As at the date of this Circular, the Company has not decided on the action to be taken on the CHHB Shares purchased. The decision will be made by the Board at the appropriate time.

## 2.12 HISTORICAL SHARE PRICES

The monthly highest and lowest of CHHB Shares as traded on Bursa Securities for the past 12 months from April 2022 to March 2023, are as follows:

<u>Month</u>	<u>High (RM)</u>	<u>Low (RM)</u>
Apr 2022	1.630	1.330
May 2022	1.460	0.670
June 2022	0.770	0.680
July 2022	0.690	0.465
August 2022	0.575	0.435
September 2022	0.440	0.340
October 2022	0.405	0.340
November 2022	0.400	0.335
December 2022	0.470	0.365
January 2023	0.445	0.375
February 2023	0.515	0.410
March 2023	0.415	0.360

The closing price of CHHB Shares on 20 April 2023, being the LPD prior to the printing of this Circular was RM0.355.

*(Source: Yahoo! Finance)*

## 2.13 DIRECTORS' RECOMMENDATION

The Directors, having considered all aspects of the Proposed Share Buy-Back, are of the opinion that the Proposed Share Buy-Back 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 Share Buy-Back to be tabled at the forthcoming 39th AGM.

## 3.0 PART II: 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.

### 3.1 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 3.2 below, the nature of which are detailed in Section 3.3 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 3.3 below. Such General Transactions will be subjected to the review procedures as set out in Section 3.4 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.

### **3.2 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:

### 3.3 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	2023		2022	Variance
				Proposed	Actual	Estimated Value* of Transactions from the Validity Period**	
				Estimated Value* of Transactions from the Validity Period** (RM' Million)	Transacted Value and Loan Ending Balance as of 31.12.2022 (RM' Million)	Estimated Value* of Transactions from the Validity Period** (RM' Million)	
<b>Income</b>							
Rental of Premises (Note 1)	GTAMSB Group	CHHB Group	Tan Sri Lee Kim Yew, Lee Cheng Wen, Lee Thai Young Matahari, Chua Hee Boon, CHVSB, CHISB, BGHSB, GTIBL (Note a)	0.06	0.06	0.06	-
<b>Expenses</b>							
Financing Services (Note 2)	GTCMSB Group	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)	20.00	12.28	20.08	(0.08)
Financing Services (Note 3)	GTIBL Group	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	5.65	4.22	1.78
Financing Services (Note 4)	GHDIBL Group	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 d)	6.00	5.60	6.51	(0.51)

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:**

Landlord	Tenant	Location of Rented Premises	Purpose	Net Area (sq. ft.)	Monthly Rental (RM)	Tenor	Annual Rental (RM)
CHHB Group	GTAMSB	Unit A-06-02, 6th Floor, Block A, Mines Waterfront Business Park, No. 3, Jalan Tasik, Mines Resort City, 43300 Seri Kembangan, Selangor.	Corporate Office	1,328	4,829	Subject to annual renewal	57,943
<b>Total</b>							<b>57,943</b>

**Note 2:**

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GTCMSB Group	CHHB Group	Financing Services	20,000,000	12,283,800	Subject to annual renewal	20,075,360	(7,791,560)
<b>Total</b>				<b>12,283,800</b>		<b>20,075,360</b>	<b>(7,791,560)</b>

**Note 3:**

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GTIBL Group	CHHB Group	Financing Services	6,000,000	5,650,026	Subject to annual renewal	4,224,080	1,425,946
<b>Total</b>				<b>5,650,026</b>		<b>4,224,080</b>	<b>1,425,946</b>

**Note 4:**

Services Provider	Buyer	Type of Transaction	Proposed (RM)	Actual (RM)	Tenor	Annual Fees (RM)	Variance
GHDIBL Group	CHHB Group	Financing Services	6,000,000	5,602,050	Subject to annual renewal	6,510,697	(908,647.20)
<b>Total</b>				<b>5,602,050</b>		<b>6,510,697</b>	<b>(908,647.20)</b>



**Note a:**

- (i) GTAMSB is principally involved in fund management.
- (ii) Tan Sri Lee Kim Yew is a Major Shareholder of CHHB. He is also a Major Shareholder of GTAMSB.
- (iii) Puan Sri Tan Bee Hong is a Shareholder of CHHB. She is also the spouse of Tan Sri Lee Kim Yew.
- (iv) Ms. Lee Cheng Wen is a Shareholder of CHHB. She is also a daughter of Tan Sri Lee Kim Yew.
- (v) 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.
- (vi) CHISB is a Major 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.
- (vii) 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.
- (viii) GTIBL is a Shareholder of CHHB. Tan Sri Lee Kim Yew is a director of GTIBL.

**Note b:**

- (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 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 Major 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.
- (ix) GTIBL is a Shareholder of CHHB. Tan Sri Lee Kim Yew is a Director of GTIBL.

**Note c:**

- (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. He is also a Director of GTIBL.
- (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 Major 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.
- (ix) GTIBL is a Shareholder of CHHB.

**Note d:**

- (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. He is also a Director of GHDIBL.
- (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 Major 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.
- (ix) GTIBL is a Shareholder of CHHB. Tan Sri Lee Kim Yew is a Director of GTIBL.

### **3.4 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.

### **3.5 ARMC STATEMENT**

The ARMC has seen and reviewed the procedures mentioned in Section 3.4 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.

### **3.6 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 3.3 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.

### 3.7 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 3.4 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.

### 3.8 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.

### 3.9 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 2023 are as follows:

Interested Director	Shareholding*			
	← Direct Shares	→ %	← Indirect Shares	→ %
Chua Hee Boon <sup>#</sup>	200,000	0.07	51,100 <sup>(ii)</sup>	0.02
<b>Interested Major Shareholders</b>				
Tan Sri Lee Kim Yew	77,766,389	26.21	93,257,931 <sup>(i)</sup>	31.43
Puan Sri Tan Bee Hong	1,000,000	0.34	170,024,320 <sup>(iii)</sup>	57.30
Lee Cheng Wen	10,389,831	3.50	-	-
CHVSB	39,425,000	13.29	-	-
CHISB	35,931,600	12.11	-	-
<b>Persons Connected with Interested Director/Major Shareholders</b>				
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 are 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, Ms. Lee Cheng Wen, CHVSB and CHISB) 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.

### **3.10 DIRECTORS' RECOMMENDATION**

The Directors (except for the interested Director as disclosed in Section 3.9), 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 39th AGM.

## **4.0 AGM**

The AGM, the notice of which is set out in the Annual Report 2022, will be held at the Members Lounge, The Mines Resort & Golf Club, Jalan Kelikir, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Wednesday, 28 June 2023 at 11.00 a.m., for the purpose of considering and, if thought fit, passing the proposed resolutions on the Ordinary Businesses and the Special Businesses of the AGM which include the proposed resolutions on the Proposals, 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

## **5.0 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 20.09.1994 for the development of the Project Land into a hill resort with tourism related infrastructure, recreational and leisure facilities and horticulture. Pursuant to the JVA, a JV company known as Borneo Heights Sdn. Bhd. (BHSB) was incorporated.

The dispute arose in June 2020 when LCDA issued a letter making various allegations as to the management of the project by CHHB. LCDA intended to carry out a due diligence exercise and discover documents. On November 2020, LCDA purportedly gave the notice to terminate the JVA and required CHHB to sell its shares in BHSB to LCDA.

LCDA issued notices of requisition of meeting to pass various resolutions including the commencement of legal proceedings against CHHB. CHHB objected to the notices and had through its solicitors' given notice to LCDA to withdraw the notices of requisition of meeting.

Pursuant to Clause 22 of the JVA, the parties agreed to refer all disputes or claim arising out of or in relation to the JVA to arbitration. Notice of Arbitration has been issued on 20.05.2021. The issuance of the Notice of Arbitration signifies the commencement of the arbitration process. On 26.07.2021, the Asian International Arbitration Centre (AIAC) appointed Mr. Nandakumar Ponniya as the sole arbitrator for the arbitration. The arbitration hearing is tentatively scheduled on 26th June 2024 to 05th July 2024.

#### (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) as the 1st and 2nd Defendants and BHSB as the 3rd Defendant. The 1st and 2nd Defendants, who were nominees by Land Custody Development Authority (LCDA), issued a letter to the Directors nominated by Country Heights Holdings Berhad (CHHB) to challenge the appointment of 3 other Directors nominated by CHHB. On 18.12.2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28.12.2020. This notice was only issued to 2 out of the 5 directors nominated by CHHB and had disregarded the 3 new directors nominated/appointed by CHHB. The Defendants proceed to convene the meeting on 25.01.2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. It was for this reason that CHHB felt compelled to move the Court for an injunction to prevent the meeting from taking place.

On 23.12.2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restraint the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28.12.2020. The meeting scheduled for 28.12.2020 did not happen. The Defendants proceed to convene the meeting on 25.01.2021 instead 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 1st and 2nd Defendants.

The Defendant has filed an application to strike out the Originating Summons and CHHB's application for the injunction. On 04.05.2021, the High Court allowed the Defendants application to strike out the Originating Summons and CHHB's application for injunction with a cost of RM10,000. On 28.05.2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The Court of Appeal allowed CHHB's appeal 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 1st and 2nd Defendants thereafter filed a stay of the proceedings in High Court pending the determination of the arbitration at item (i) above 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 sued MPSB and CHP for breach of a Consent Order recorded in Kuala Lumpur High Court in 2015. The Plaintiffs seek to enforce the Consent Order. The Plaintiffs also had filed an application for Mareva Injunction wherein an Ex-Parte Order dated 27.01.2021 and Ad Interim Order dated 10.02.2021 were obtained.

Defendants had filed 2 separate Notice of Application to strike out the Plaintiffs claim and to set aside the Ex-Parte Order and the Ad Interim Order.

The High Court had dismissed the striking out application filed by MPSB with costs of RM10,000.00. A notice of appeal dated 18.08.2021 has been filed by MPSB against the High Court decision. Pending the disposal of an appeal, the High Court judge had deferred his decision for the Mareva Injunction application by Plaintiff and also MPSB's application to set aside the Ex-Parte Order and Ad Interim Order.

On 10.03.2022, the Court of Appeal dismissed the Appeal on the basis that the Consent Order was beyond the scope of the original Writ in Suit 698. The Appeal was dismissed with costs of RM15,000.00. Pursuant to the dismissal of the appeal, the High Court will proceed to hear the Plaintiffs claim against MPSB.

The plaintiff now have filed and served the amended Writ and Statement of Claim. The Court had granted an extension of time until 3.09.2022 for MPSB to file the Statement of Defence or any necessary application and the Statement of Defence has been filed. The Court has now fix the matter for Trial on 4th to 6th of October 2023.

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

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

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

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



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

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

Claimant have filed an arbitration suit for termination of contract by Respondant with the following prayers as:- a) a declaration that Respondent had unlawfully and wrongly terminated the Contract with Claimant, b) Further and/or in the alternative, a declaration that the Respondent repudiated the Contract with Claimant, c) Damages for loss of profit in the sum of RM 2,532,428.25 or such other sum as may be determined by the Tribunal, d) The value of Claimant’s completed works as certified under Interim Payment Certificate No 2 dated 19.01.2016 in the sum of RM 43,901.51 which has been wrongfully and or unlawfully retained by the Respondent, e) General damages arising from the unlawfully and wrongful termination and the repudiation of the Contract by the Respondent to be assessed by the Tribunal, f) interest, g) Cost of the arbitration proceedings to be borne by the Respondent and h) Such further and other relief as deemed fit and proper by the Tribunal.

The suit is currently ongoing at stages for parties to file their list of documents which is fixed on 28.04.2023 upon which Hearing date would be fixed.

**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 Statement/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 2021 and 31 December 2022 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 RESOLUTIONS ON THE PROPOSALS****EXTRACT OF THE NOTICE OF 39TH ANNUAL GENERAL MEETING****SPECIAL BUSINESS**

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

**PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY COUNTRY HEIGHTS HOLDINGS BERHAD OF ITS OWN SHARES**

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

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

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

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

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

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

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

(Ordinary Resolution 13)

**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 3.3 of the Company’s Circular to Shareholders dated 28 April 2023 provided that such arrangements and/or transactions are recurrent transactions of a revenue or trading nature which are necessary for the day-to-day operations and are carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not, in the Company’s opinion, to the detriment of the minority shareholders (“Shareholders’ Mandate”).

THAT such approval shall continue to be in force until:

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

whichever occurs first.

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

(Ordinary Resolution 14)

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