

MANAGEMENT DISCUSSION & ANALYSIS



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

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

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

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

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

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GROUP FINANCIAL PERFORMANCE

Group Financial Performance

REVENUE (RM'000)

10%



NET LOSS (RM'000)

-1%



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

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

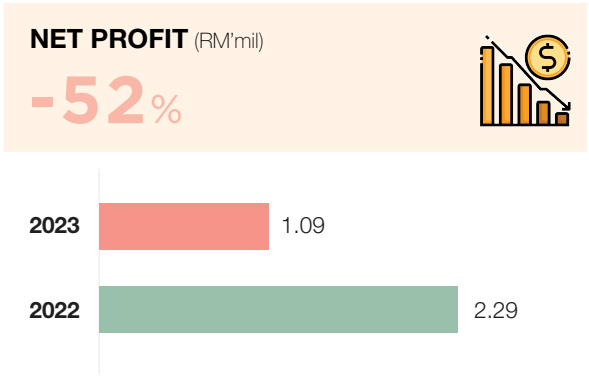
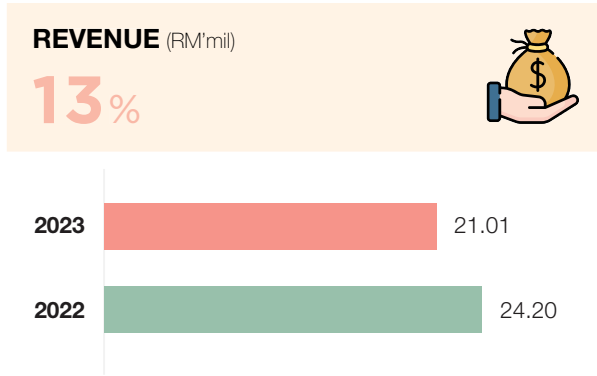
The Group recorded a segment loss of RM101.61 million in FYE 2023 as compared to a segment loss of 94.11 million in FYE 2022.

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



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A. HEALTHCARE DIVISION



The CHHB Group's very own brand GHHS Healthcare, currently offers holistic health screenings and diagnostic centre services, alongside traditional Chinese medicine; as well as Wellness & Rejuvenation centre services.

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

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

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

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

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

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

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

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

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

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

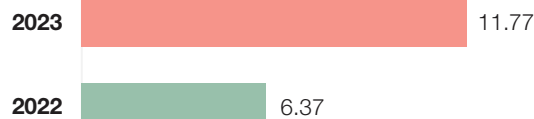


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B. RESORTS AND HOSPITALITY DIVISION

REVENUE (RM'mil)

85%



NET LOSS (RM'mil)

92%



The Resorts & Hospitality Division comprises two international award-winning brands namely Palace of the Golden Horses and Mines Beach Resort together with a time-share business – Palace Vacation Club. Through this Division, the CHHB Group continues to offer the best in hospitality, fine and casual dining, leisure, recreational activities and fitness.

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

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

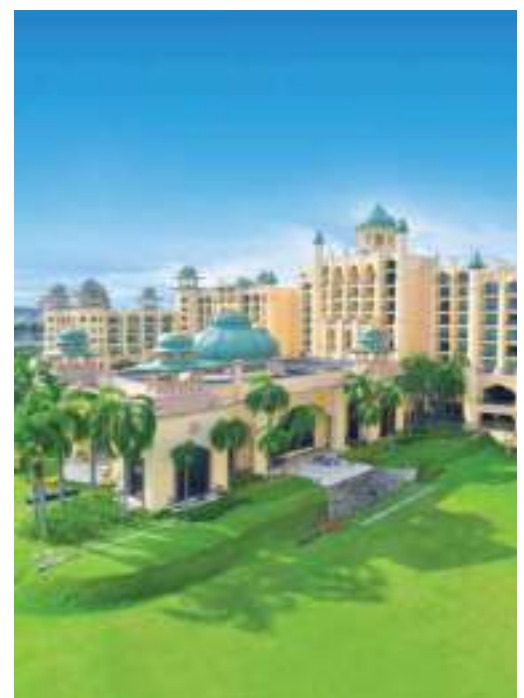
Palace of the Golden Horses

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

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

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

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



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Mines Beach Resort

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

Nestled amidst the concrete jungle at Kuala Lumpur, Mines Beach Resort is an unexpected haven offering a full experience of sophisticated style, comfort, privacy and tranquillity and has been transformed into a wellness hotel with batik and a traditional concept and dubbed the only 'beach in the city', it is also the perfect choice not only for health retreats or weekend getaways but also for garden weddings, beach barbecues, family days, team-building events, and other leisure or corporate activities. A delightful 171- room resort with a tropical design overlooking a scenic 150-acre lake, Mines Beach Resort provides the perfect escape from the hectic city life, just 15 minutes away from the Kuala Lumpur City Centre

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

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

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C. EXHIBITION AND CONVENTION DIVISION

REVENUE (RM'mil)

-14%



NET LOSS (RM'mil)

49%



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

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



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



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

MELOSAGA 2023 (January 14-15)

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



AniManGaki 2023 (August 25-27)

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



Malaysia Halal Expo 2023 (September)

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



REDLINE Fitness Games (September 23-24)

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



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Cai Xukun's KUN 2023 WORLD OUR (October 6)

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



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

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



MIAPEX 2023 (November 16-18)

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

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



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D. PROPERTY
DIVISION

Property Development

REVENUE (RM'000)

38%



2023 12.33

2022 8.94

NET LOSS (RM'000)

-58%



2023 (104.12)

2022 (65.95)

Financial Performance:

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

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

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

1. Kolej Heights Utara, Jitra, Kedah

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

2. Cyberlake Heights

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

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3. Pajam Industrial Hub

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

4. The Mines Beach Suite

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

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

Looking Ahead

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

