

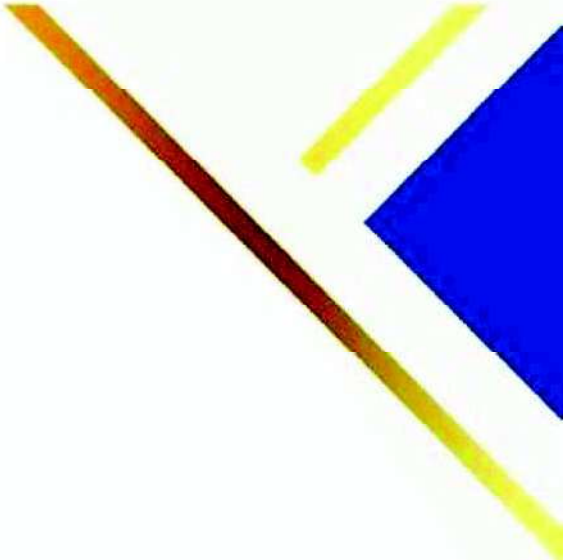


ANNUAL REPORT

2023

**SUNWAY LAGOON
CLUB BERHAD**

198901008175 (185477-W)



CONTENTS

02 Corporate Information

03 Chairman's Statement

04 Key Financial Highlights

05 Notice of 35th Annual General Meeting

07 Minutes of 34th Annual General Meeting

- Proxy Form

CORPORATE INFORMATION

BOARD OF DIRECTORS

Representing Class 'A' Shareholder (Sunway City Sdn Bhd)

Dato' Tan Kia Loke
Goh Hai Thun @ Ng Hai Thun
Kelly Leong Wai Keong
Fong Foo Tat
Tan Siew Hin

Representing Class 'B' Shareholders

Poh Siau Jane
Bernard Anand A/L Paul
Goh Geok Chuan
Tan Chuan Yong
Ong Sin Moy

CLUB MANAGER

Nina Chua Siok Pin

COMPANY SECRETARIES

Tan Kim Aun
(SSM PC No. 202008001249)
(MAICSA 7002988)
Chin Lee Chin
(SSM PC No. 202008001355)
(MAICSA 7012347)
Ong Mei Naar
(SSM PC No. 202008001510)
(MAICSA 7040490)

REGISTERED OFFICE

Level 16, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel no. : (603) 5639 8889
Fax no. : (603) 5639 9507

SHARE REGISTRAR

Sunway Management Sdn Bhd
Registration No. 197901006377 (50661-X)
Level 16, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel no. : (603) 5639 8889
Fax no. : (603) 5639 9507

ADDRESS OF THE CLUB

No. 3, Jalan Lagoon Timur
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel no. : (603) 5639 8600
Fax no. : (603) 5639 9588

AUDITORS

Messrs BDO PLT
Chartered Accountants

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad
Malayan Banking Berhad

CHAIRMAN'S STATEMENT



Dear Members,

I am reaching out to provide insights into our ongoing efforts to manage the impact of asset depreciation while ensuring the effective management of Sunway Lagoon Club's facilities.

Financial Performance

For Year 2023, the Club reported a loss after tax of RM1,149,824. This is mainly due to accounting adjustments made for the non-cash items under MFRS 9, MFRS 16 and depreciation of its assets amounting to RM1,149,907.

Operationally, we will continue to maintain the Club's facilities and services to meet the evolving needs of the Club's members. We prioritize the efficient management of the Club's facilities to maximize their utilization and revenue-generating potential. This includes implementing cost-effective maintenance practices and exploring ways to monetize the Club's facilities through events and partnerships, provision of services such as sport classes, and rental income from the vending machines placed in the Club.

Through the adoption of lean management principles, we have optimized workflows and minimized waste across the organization. Our procurement team has worked diligently to negotiate for favorable terms with suppliers and leverage on bulk purchases to achieve cost savings.

In line with our commitment to prudent resource management, we have undertaken initiatives to rationalize our human capital. This includes right-sizing our workforce.

The year ahead

We acknowledge that the road ahead may still be challenging with economic uncertainties, geopolitical tensions and rapid technological advancements. However, the Management team will continue to navigate these challenges to provide good serviceable level to ensure the comfort of the Club's members.

In closing, I would like to express my gratitude to the Club's members for their continued support, to our employees for their dedication and hard work, and to our customers and suppliers for their collaboration and loyalty. Together, we will continue to maintain the operation of the Club.

Yours sincerely

Dato' Tan Kia Loke

Chairman

29 May 2024



SUNWAY LAGOON CLUB BERHAD

198901008175 (185477-W)

FINANCIAL HIGHLIGHTS

	FINANCIAL YEAR ENDED		
	2023 RM'000	2022 RM'000	2021 RM'000
OPERATING RESULTS			
Revenue	3,278	3,227	2,977
(Loss)/Profit before tax	(1,037)	931	768
Income tax expense	(113)	(131)	(12)
(Loss)/Profit net of tax	(1,150)	800	756
KEY BALANCE SHEET DATA			
Property, plant and equipment	10,225	6,967	7,417
Trade receivables	73	388	395
Other current assets	5,131	4,343	3,783
Total assets	15,429	11,698	11,595
Non-current liabilities	(4,716)	-	(979)
Current liabilities	(4,028)	(3,864)	(3,582)
Total liabilities	(8,744)	(3,864)	(4,561)
Net assets	6,684	7,834	7,034
Share capital	16,650	16,650	16,650
Accumulated losses	(9,966)	(8,816)	(9,616)
Total equity	6,684	7,834	7,034
FINANCIAL RATIOS			
(Loss)/Profit before tax margin (%)	(31.64)	28.85	25.80
Basic earnings per share (RM)	(47.91)	33.33	31.50
Return on equity (ROE) (%)	(17.20)	10.21	10.75
Net assets per share (RM)	278.52	326.42	293.08

KEY FINANCIAL HIGHLIGHTS FOR YEAR 2023

For Year 2023, the Club reported a loss after tax of RM1,149,824. This is mainly due to accounting adjustments made for the non-cash items under MFRS 9, MFRS 16 and depreciation of its assets amounting to RM1,149,907.

NOTICE OF 35TH ANNUAL GENERAL MEETING

To: Class 'A' and Class 'B' Shareholders of Sunway Lagoon Club Berhad ("the Company")

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of the Company will be held at the Poolside Cove, Sunway Lagoon Club, No. 3, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on **Friday, 21 June 2024 at 6.00 p.m.** for the following purposes:-

AS ORDINARY BUSINESS

1. To confirm minutes of the 34th Annual General Meeting held on 23 June 2023.
2. To discuss matters arising from the minutes of previous meeting.
3. To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon.
(Please refer to Explanatory Note No. 1)
4. To re-elect the following Class 'A' Directors:-
 - (a) Mr Goh Hai Thun @ Ng Hai Thun who retires by rotation pursuant to Clause 80(1) of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 1)
 - (b) Dato' Tan Kia Loke who retires by rotation pursuant to Clause 86 of the Company's Constitution and being eligible, offers himself for re-election. (Ordinary Resolution 2)
5. To re-elect the following Class 'B' Directors retiring pursuant to Clause 80(2) of the Company's Constitution [The following Directors have been recommended by the Board of Directors for re-election]:-
 - (a) Ms Poh Siau Jane (Ordinary Resolution 3)
 - (b) Mr Bernard Anand A/L Paul (Ordinary Resolution 4)
 - (c) Mr Goh Geok Chuan (Ordinary Resolution 5)
 - (d) Mr Tan Chuan Yong (Ordinary Resolution 6)
 - (e) Ms Ong Sin Moy. (Ordinary Resolution 7)
6. To re-appoint Messrs BDO PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Ordinary Resolution 8)

BY ORDER OF THE BOARD

TAN KIM AUN (SSM PC No. 202008001249) (MAICSA 7002988)
CHIN LEE CHIN (SSM PC No. 202008001355) (MAICSA 7012347)
ONG MEI NAAR (SSM PC No. 202008001510) (MAICSA 7040490)
Company Secretaries

Bandar Sunway
29 May 2024

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTES:

1. A Member of the Company who is entitled to attend and vote at the meeting, is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a Member of the Company. If a Member is a corporation, it may appoint its representative as a proxy to attend and vote at the general meetings of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. If a Member appoints 2 or more proxies, the Member shall specify the proportion of his/her shareholding to be represented by each proxy.
4. To be valid, the Proxy Form must be completed and deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan not less than 48 hours before the meeting or adjourned meeting.

EXPLANATORY NOTES ON ORDINARY BUSINESS

To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon.

1. The Audited Financial Statements are for discussion only as they do not require shareholders' approval pursuant to the provisions of Section 340(1) of the Companies Act 2016. As such, this agenda will not be put for voting.

PERSONAL DATA NOTICE

The Personal Data Protection Act 2010 ("**Act**") which regulates the processing of personal data in commercial transactions, applies to Sunway Management Sdn Bhd, the Share Registrar of Sunway Lagoon Club Berhad.

The personal data processed by Sunway Management Sdn Bhd may include your name, contact details, mailing address and any other personal data derived from any documentation.

Sunway Management Sdn Bhd may use or disclose your personal data to any person engaged for the purposes of issuing the above notice of meeting and convening the meeting.

Subject to the requirements under the Act, if you would like to make any enquiries on your personal data, please contact us at:

Address : Sunway Management Sdn Bhd
Level 16, Menara Sunway
Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan
Tel No : (603) 5639 8889 Fax No: (603) 5639 9507

SUNWAY LAGOON CLUB BERHAD

Registration No. 198901008175 (185477-W)
(Incorporated in Malaysia)

MINUTES OF THE 34TH ANNUAL GENERAL MEETING OF SUNWAY LAGOON CLUB BERHAD (“THE COMPANY” OR “THE CLUB”) HELD AT THE POOLSIDE COVE, SUNWAY LAGOON CLUB, NO. 3, JALAN LAGOON TIMUR, BANDAR SUNWAY, 47500 SUBANG JAYA, SELANGOR DARUL EHSAN ON FRIDAY, 23 JUNE 2023 AT 6.08 P.M.

PRESENT : **Class ‘A’ Board of Directors:**
Dato’ Jeffrey Ng Tiong Lip (*Chairman*)
Mr Goh Hai Thun @ Ng Hai Thun (*Chairman*)
Ms Irene Tan Siew Hin
Mr Fong Foo Tat

Class ‘B’ Board of Directors:
Mr Bernard Anand A/L Paul
Mr Matthew Goh Geok Chuan
Ms Poh Siau Jane
Mr Tan Chuan Yong

ABSENT WITH APOLOGIES: Mr Kelly Leong Wai Keong
Mr Cheng Jew Keng

**MEMBERS/PROXIES/
GUESTS** : As per Attendance Lists

IN ATTENDANCE : Ms Chin Lee Chin (*Company Secretary*)

OPENING ADDRESS

In view that Dato’ Jeffrey Ng Tiong Lip (“**Dato’ Chairman**”) would be late for the Meeting as he was caught in a traffic congestion, Mr Goh Hai Thun @ Ng Hai Thun (“**Chairman**” or “**Mr Goh**”) was appointed as Chairman of the Meeting. He also explained that Mr Fong Foo Tat would be late for the Meeting due to the same reason.

He then welcomed all members present and made a brief introduction of his fellow Class ‘A’ and ‘B’ Directors, the Company Secretary as well as the representatives from Messrs BDO PLT, the external auditors. He further extended the apologies of Mr Kelly Leong Wai Keong who was outstation and Mr Cheng Jew Keng who was on medical leave for not being able to attend the Meeting.

CONFIRMATION OF QUORUM

Upon enquiry from the Chairman, the Secretary explained that pursuant to the Company’s Constitution, two members present in person or by proxy shall be a quorum. She then confirmed that there was sufficient quorum for the Meeting.

CONFIRMATION OF PROXIES

Upon enquiry from the Chairman, the Secretary reported that a total of 20,000 Class ‘A’ shares and 770 Class ‘B’ shares were represented by proxies.

CONFIRMATION OF NOTICE SENT

Upon enquiry from the Chairman, the Secretary confirmed that the notice convening the Meeting had been duly sent to all members and was displayed on the members' notice board as well as uploaded onto the Club's website.

The Chairman declared that the notice of the Meeting which had been sent to all members within the prescribed period, be taken as read.

1. CONFIRMATION OF MINUTES OF 33RD ANNUAL GENERAL MEETING HELD ON 24 JUNE 2022

The minutes of the 33rd Annual General Meeting held on 24 June 2022 which was contained in the Annual Report 2022, was tabled at the Meeting for confirmation by the members present.

After having obtained the members' agreement, the minutes of the 33rd Annual General Meeting held on 24 June 2022 was confirmed and subsequently signed by the Chairman of the Meeting as a true and correct record of the proceedings thereat.

2. MATTERS ARISING FROM THE MINUTES OF PREVIOUS MEETING

2.1 Attrition of Staff

Mr Marvin Lee Mah Wan ("**Mr Marvin Lee**") enquired whether the Club encountered any attrition of staff since its lease would be terminated.

The Chairman informed that the Club members had at the last Annual General Meeting, approved the extension of the Club's lease for another 5 years commencing from 15 July 2023. There was no issue of staff attrition as the Club's operation was still on-going. The Club would have to employ new staff if there was any staff resignation as the Club would still need to maintain its operating activities.

As there were no more questions raised from the members, the Chairman proceeded to the next agenda.

3. AUDITED FINANCIAL STATEMENTS, DIRECTORS' AND AUDITORS' REPORTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Audited Financial Statements for the financial year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon were tabled to the members for discussion.

Mr Marco Winter complimented the Club's Management on the substantial increase in the Club's revenue for year 2022 particularly the banquet revenue which had picked up after the COVID-19 pandemic.

The Chairman noted the compliment and encouraged the members to continuously support the Club such as patronising its restaurant outlet and holding more events such as birthday, wedding or functions at the Club's venue in order to increase the Club's revenue.

Mr Marco Winter then enquired on the huge decrease in the net cash from operating activities of RM511,760 recorded in year 2022 as compared with RM1.038 million in 2021.

Ms Irene Tan Siew Hin explained that the reduction in net cash from operating activities in 2022 was mainly due to the following:

- Higher placement amount with related company; and
- Rental deposit paid to landlord following the increase in the lease rental every 2 years.

She added that there were some savings recorded in year 2021 as there were less expenses incurred during the Movement Control Order (“MCO”) period. However, the operating costs of the Club such as utilities and administrative expenses had increased post MCO in 2022.

Mr Marvin Lee complimented Management on the upload of the notices of meetings onto the Club’s website so that the members were informed of the meetings. He then suggested that Sunway Group together with the Club should leverage on the synergy of the various businesses of Sunway Group to make the Club more attractive e.g. offer discounts/privileges as well as organise talks on Sunway’s products/facilities such as Sunway XFarms, Sunway Sanctuary and Sunway Healthcare to the Club’s members. He felt that this would help to increase the value of the Club’s membership. He also highlighted the idea put forth by the members at the previous meeting on putting up a form for members who wished to sell their membership and members of the public who wished to buy the Club membership on the Club’s website. This would enable the relevant parties to connect with each other for the sale/acquisition of the Club membership. He further enquired whether the employees of Sunway Group were allowed to use the Club’s facilities.

The Chairman responded that the members could utilise the Sunway Super App (formerly known as Sunway PALs), a loyalty program to enjoy the discounts, facilities and reward points offered by Sunway Group’s business divisions as well as other retail merchants. He then requested Ms Nina Chua, the Club’s Manager to promote Sunway Super App in the Club’s website. In respect to the members who wished to sell their membership, he informed that Management would upload the information on the Club’s website. The said members could register at the website or at the Club’s office. However, the Club would not be able to ascertain when the transaction would take place. As for the recent increase in the employees of Sunway Group using the Club’s facilities, he clarified that it was due to higher nominations made by Sunway Group’s corporate members to allow its employees to utilise the Club’s facilities as part of the employees’ benefits. The Class B members were restricted to 4,000 memberships only. He felt that the current membership fees were considered relatively cheap as compared with the facilities and value offered by the Club.

At this juncture, Dato’ Jeffrey Ng (“**Dato’ Chairman**”) joined the Meeting. Mr Goh then handed back the chairmanship to Dato’ Chairman.

Dato’ Chairman apologised for being late as he was caught in a bad traffic congestion when returning from an important meeting in Port Klang earlier.

Dato’ Chairman then proceeded to the next agenda.

4. ORDINARY RESOLUTION NO. 1
- RE-ELECTION OF CLASS 'A' DIRECTOR

Dato' Chairman informed that the Class 'A' Director namely Mr Kelly Leong Wai Keong was retiring by rotation in accordance with Clause 80(1) of the Company's Constitution and being eligible, had offered himself for re-election.

On the motion duly proposed by Mr Narasingam A/L Arumugam ("Mr Narasingam") and seconded by Mr Marvin Lee, the members RESOLVED THAT Mr Kelly Leong Wai Keong be hereby re-elected as Class 'A' Director of the Company.

Dato' Chairman then announced that he would also retire by rotation pursuant to Clause 80(1) of the Company's Constitution. However, he had expressed his intention not to seek for re-election. Hence, he would retire after the conclusion of the Meeting.

On behalf of the Board, Mr Goh thanked Dato' Chairman for his invaluable contribution during his tenure as Chairman and Director of the Company. The Board wished Dato' Chairman all the best in his future endeavours.

5. ORDINARY RESOLUTIONS NO. 2 TO 6
- RE-ELECTION OF CLASS 'B' DIRECTORS

Dato' Chairman informed that the Class 'B' Directors namely Mr Cheng Jew Keng, Ms Poh Siau Jane, Mr Bernard Anand A/L Paul, Mr Goh Geok Chuan and Mr Tan Chuan Yong had been recommended by the Board of Directors for re-election pursuant to Clause 80(2) of the Company's Constitution.

At the proposal of Dato' Chairman, all the members present unanimously consented that the motion for the re-election of the Class 'B' Directors be carried out concurrently by a single resolution.

On the motion duly proposed by Mr Marco Winter and seconded by Mr Narasingam, the members RESOLVED THAT Mr Cheng Jew Keng, Ms Poh Siau Jane, Mr Bernard Anand A/L Paul, Mr Goh Geok Chuan and Mr Tan Chuan Yong be hereby re-elected as Class 'B' Directors of the Company.

6. ORDINARY RESOLUTION NO. 7
- RE-APPOINTMENT OF MESSRS BDO PLT AS AUDITORS

On the motion duly proposed by Mr Marco Winter and seconded by Mr Loh Pak Lin, the members RESOLVED THAT Messrs BDO PLT, having indicated their willingness to continue in office, be hereby re-appointed as Auditors of the Company for the ensuing year until the next Annual General Meeting at a remuneration to be fixed by the Directors.

Dato' Chairman informed that all the agenda for the Meeting had been completed and declared the Meeting closed. He then thanked the attendees for attending the Meeting. He also extended a note of appreciation to the Board members and Company Secretary for their contribution.

CONCLUSION

The Meeting concluded at 6.40 p.m. with a vote of thanks to the Chair.

Confirmed as a true and correct record of the proceedings thereof:-

.....
CHAIRMAN

Dated this:

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SUNWAY LAGOON CLUB BERHAD
REGISTRATION NO. 198901008175 (185477-W)

PROXY FORM
35TH ANNUAL GENERAL MEETING

Registered Office:
Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia
Tel No: 03-56398850/8774 Fax No: 03-56399507

I/We (Full Name) *NRIC/Passport/Company No.
Membership No. (see Note 6) of
..... being a *Class 'A'/Class 'B' Shareholder of **SUNWAY LAGOON CLUB BERHAD** hereby
appoint *NRIC No./Passport No.*Membership No.
(see Note 6)..... or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for
me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held at the Poolside Cove,
Sunway Lagoon Club, No. 3, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on
Friday, 21 June 2024 at 6.00 p.m. and at any adjournment thereof.

*** Strike out whichever is not applicable**

(Please indicate with an "X" in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting on the resolutions at his/her/their discretion.)

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
	To-elect Class 'A' Directors:		
1.	Goh Hai Thun @ Ng Hai Thun		
2.	Dato' Tan Kia Loke		
	To-elect Class 'B' Directors:		
3.	Poh Siau Jane		
4.	Bernard Anand A/L Paul		
5.	Goh Geok Chuan		
6.	Tan Chuan Yong		
7.	Ong Sin Moy		
8.	To re-appoint Messrs BDO PLT as Auditors and to authorize the Directors to fix their remuneration		

Dated this day of 2024

Class 'A' Class 'B'

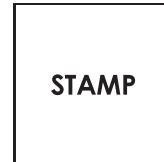
No. of Share(s) held

Signature of Member

NOTES:

1. A Member of the Company who is entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a Member of the Company. If a Member is a corporation, it may appoint its representative as a proxy to attend and vote at the general meetings of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. If a Member appoints 2 or more proxies, the Member shall specify the proportion of his/her shareholding to be represented by each proxy.
4. To be valid, the Proxy Form must be completed and deposited at the Registered Office of the Company at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan not less than 48 hours before the meeting or adjourned meeting.
5. The definition of 'Member' in this context shall mean every natural person or corporation who is a registered shareholder of the Company as provided under the Company's Constitution.
6. This is your Membership number with Sunway Lagoon Club. Please leave this blank if you have nominated someone else to use the facilities of the Club.

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THE SHARE REGISTRAR
SUNWAY LAGOON CLUB BERHAD
REGISTRATION NO. 198901008175 (185477-W)
LEVEL 16, MENARA SUNWAY
JALAN LAGOON TIMUR
BANDAR SUNWAY
47500 SUBANG JAYA
SELANGOR DARUL EHSAN
MALAYSIA

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If you have changed your address, please fill in the details below and return to the above address.

Name:

.....
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Address:

.....
.....
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SUNWAY®



SUNWAY LAGOON CLUB BERHAD

198901008175 (185477-W)



No. 3, Jalan Lagoon Timur, Bandar Sunway
47500 Subang Jaya, Selangor Darul Ehsan



Tel : (603) 5639 8600



Fax: (603) 5639 9588



Website : www.sunway.com.my/club

SUNWAY LAGOON CLUB BERHAD
Registration No. 198901008175 (185477-W)
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2023

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Contents	Page
Directors' report	1 - 7
Statement by Directors	8
Statutory declaration	8
Independent auditors' report	9 - 12
Statement of profit or loss and other comprehensive income	13
Statement of financial position	14 - 15
Statement of changes in equity	16
Statement of cash flows	17 - 18
Notes to the financial statements	19 - 43

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Directors' report

The Directors hereby present their report together with the audited financial statements of the Company for the financial year ended 31 December 2023.

Principal activities

The principal activities of the Company are the operation of a recreational club and the establishment, maintenance and provision of recreational facilities. There have been no significant changes in the nature of these principal activities during the financial year.

Results

	RM
Loss for the financial year	<u>1,149,824</u>

Dividend

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Board of Directors does not recommend any payment of dividend in respect of the financial year ended 31 December 2023.

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Directors

The Directors who have held office during the financial year and up to the date of this report are as follows:

Representing Class A

Goh Hai Thun @ Ng Hai Thun
Kelly Leong Wai Keong
Fong Foo Tat
Tan Siew Hin
Dato' Tan Kia Loke (Appointed on 24 June 2023)
Dato' Ng Tiong Lip (Retired on 23 June 2023)

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Directors (contd.)

The Directors who have held office during the financial year and up to the date of this report are as follows:
(contd.)

Representing Class B

Poh Siau Jane
Bernard Anand A/L Paul
Goh Geok Chuan
Tan Chuan Yong
Ong Sin Moy (Appointed on 10 August 2023)
Cheng Jew Keng (Deceased on 7 August 2023)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as may arise from warrants and irredeemable convertible preference shares issued by Sunway Berhad.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the remunerations received by certain Directors as Directors or Executives of the related corporations.

Directors' interests

According to the register of Directors' shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of Directors in office at the end of the financial year in shares and warrants in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			As at 31.12.2023
	As at 1.1.2023	Acquired	Sold	
The Company				
Holding registered in the name of Director:				
Class B Share				
Goh Hai Thun @ Ng Hai Thun	1	-	-	1

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Directors' interests (contd.)

	Number of ordinary shares				
	As at 1.1.2023/ Date of Appointment	Allotment pursuant to DRS ^	Acquired	Sold	As at 31.12.2023
Intermediate holding company					
Sunway Berhad					
Direct interests:					
Goh Hai Thun @ Ng Hai Thun	491,517	7,100	-	(50,000)	448,617
Fong Foo Tat	303	-	-	-	303
Tan Siew Hin	16,900	-	-	(16,900)	-
Poh Siau Jane	16,734	200	-	-	16,934
Goh Geok Chuan	51	-	-	-	51
Dato' Tan Kia Loke	10,249,680	-	-	-	10,249,680
Ong Sin Moy	195,000	-	-	(43,900)	151,100

	Number of irredeemable convertible preference shares			
	As at 1.1.2023/ Date of Appointment	Acquired	Sold	As at 31.12.2023
Intermediate holding company				
Sunway Berhad				
Direct interests:				
Goh Hai Thun @ Ng Hai Thun	98,303	-	-	98,303
Tan Siew Hin	11,300	-	-	11,300
Poh Siau Jane	28,280	-	-	28,280
Dato' Tan Kia Loke	2,445,931	-	-	2,445,931
Ong Sin Moy	30,000	-	-	30,000

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Directors' interests (contd.)

	Number of ordinary shares			As at 31.12.2023
	As at 1.1.2023/ Date of Appointment	Acquired	Sold	
Related company				
Sunway Construction Group Berhad				
Direct interests:				
Goh Hai Thun @ Ng Hai Thun	21,290	-	-	21,290
Tan Siew Hin	40,080	-	(40,000)	80
Poh Siau Jane	1,000	-	-	1,000
Goh Geok Chuan	92	-	-	92
Tan Chuan Yong	3,300	-	-	3,300
Ong Sin Moy	19,756	-	-	19,756

	Number of warrants 2017/2024			As at 31.12.2023
	As at 1.1.2023/ Date of Appointment	Acquired	Sold	
Intermediate holding company				
Sunway Berhad				
Direct interests:				
Goh Hai Thun @ Ng Hai Thun	65,840	-	-	65,840
Fong Foo Tat	26,570	-	(26,500)	70
Poh Siau Jane	11,159	-	-	11,159
Goh Geok Chuan	6	-	-	6
Dato' Tan Kia Loke	1,370,325	-	-	1,370,325

The other Directors in office at the end of the financial year did not have any interests in shares or warrants in the Company or its related corporations during the financial year.

^Allotment of ordinary shares pursuant to the dividend reinvestment scheme ("DRS") applicable to the second interim dividend for the financial year ended 31 December 2022 on 5 May 2023.

Directors' remuneration

There was no remuneration paid or payable to any Directors of the Company during the financial year.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Holding companies

The immediate, intermediate, penultimate and ultimate holding companies are Sunway City Sdn. Bhd., Sunway Berhad, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, all of which are incorporated in Malaysia. Sunway Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad.

Indemnity and insurance for officers and auditors

No indemnity was given to any Director or officer of the Company during the financial year. The corporate liability insurance was however effected for all the Directors and officers of Sunway Berhad and its subsidiaries. The cost of such insurance thereon is disclosed in the Directors' Report of Sunway Berhad.

There were no indemnity given to or insurance effected for the auditors of the Company during the financial year.

Issue of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

Other statutory information

(I) As at the end of the financial year

- (a) Before the financial statements of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Other statutory information (contd.)

(II) From the end of the financial year to the date of this report

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Company to meet its obligations as and when they fall due.

(III) As at the date of this report

- (e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Company misleading.

Significant event during the financial year

On 6 January 2023, the Company had entered into a new lease agreement with the Lessor for the purpose of accepting a lease over the area of approximately 4.08 acres for a period of five (5) years commencing from 15 July 2023 and ending on 14 July 2028 at a monthly rental of Ringgit Malaysia One Hundred and Six Thousand and Five Hundred (RM106,500) only with a minimum increase of fifteen percent (15%) every two (2) years. The Company will depreciate the building based on the lease term effective year 2023. Hence, the leasehold building will be fully depreciated as at 14 July 2028.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Auditors

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditor's remuneration of the Company for the financial year ended 31 December 2023 amounted to RM9,970.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2024.



Dato' Tan Kia Loke



Goh Hai Thun @ Ng Hai Thun

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Tan Kia Loke and Goh Hai Thun @ Ng Hai Thun, being two of the Directors of Sunway Lagoon Club Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 13 to 43 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 29 March 2024.



Dato' Tan Kia Loke



Goh Hai Thun @ Ng Hai Thun

Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Tan Siew Hin, being the Director primarily responsible for the financial management of Sunway Lagoon Club Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 13 to 43 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Tan Siew Hin
at Petaling Jaya in the State of
Selangor Darul Ehsan on 29 March 2024



Tan Siew Hin

Before me,



No. 71-1, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor

**Independent Auditors' Report to the Members of
Sunway Lagoon Club Berhad
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sunway Lagoon Club Berhad, which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.



**Independent Auditors' Report to the Members of
Sunway Lagoon Club Berhad (contd.)
(Incorporated in Malaysia)**

Information Other than the Financial Statements and Auditors' Report Thereon (contd.)

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



**Independent Auditors' Report to the Members of
Sunway Lagoon Club Berhad (contd.)
(Incorporated in Malaysia)**

Auditors' Responsibilities for the Audit of the Financial Statements (contd.)

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

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

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

Registration No.
198901008175 (185477-W)



**Independent Auditors' Report to the Members of
Sunway Lagoon Club Berhad (contd.)
(Incorporated in Malaysia)**

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
29 March 2024

A handwritten signature in black ink, appearing to read 'Shahira'.

Shahira Binti Shahar
03646/03/2026 J
Chartered Accountant

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of profit or loss and other comprehensive income
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Revenue	4	3,278,511	3,227,230
Other income		652,730	630,611
Administrative expenses		(2,583,153)	(1,502,808)
Net reversals of impairment losses/(impairment losses) on financial assets	7(b)	24,747	(171,192)
Selling and marketing expenses		(25,459)	(37,858)
Other expenses		(2,162,984)	(1,187,364)
Operating (loss)/profit		<u>(815,608)</u>	<u>958,619</u>
Finance income	6	123,061	72,124
Finance costs	6	(344,751)	(100,223)
(Loss)/Profit before tax	7(a)	<u>(1,037,298)</u>	<u>930,520</u>
Income tax expense	9	(112,526)	(130,525)
(Loss)/Profit for the financial year		<u>(1,149,824)</u>	<u>799,995</u>
Other comprehensive income, net of tax		-	-
Total comprehensive (loss)/income for the financial year		<u>(1,149,824)</u>	<u>799,995</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Non-current assets			
Property, plant and equipment	10	10,224,976	6,967,408
Deferred tax assets	11	-	-
		<u>10,224,976</u>	<u>6,967,408</u>
Current assets			
Trade receivables	12	73,267	387,686
Other receivables	13	505,340	480,020
Cash and bank balances	14	4,360,524	60,827
Amount due from immediate holding company	15	-	248
Amount due from intermediate holding company	15	7,028	265
Amounts due from related companies	15	123,959	3,638,144
Amounts due from related parties	15	2,801	4,718
Tax recoverable		130,965	159,134
		<u>5,203,884</u>	<u>4,731,042</u>
Total assets		<u>15,428,860</u>	<u>11,698,450</u>
Equity and liabilities			
Current liabilities			
Other payables	16	981,835	1,089,820
Lease liabilities	18	970,895	979,207
Club members' refundable deposits	19	2,046,935	1,623,133
Amount due to intermediate holding company	17	1,000	1,000
Amounts due to related parties	17	4,896	8,076
Amounts due to related companies	17	22,677	163,002
		<u>4,028,238</u>	<u>3,864,238</u>
Non-current liability			
Lease liabilities	18	4,716,234	-
		<u>4,716,234</u>	<u>-</u>
Total liabilities		<u>8,744,472</u>	<u>3,864,238</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2023 (contd.)

	Note	2023 RM	2022 RM
Equity attributable to owners of the Company			
Share capital	20	16,650,000	16,650,000
Accumulated losses		<u>(9,965,612)</u>	<u>(8,815,788)</u>
Total equity		<u>6,684,388</u>	<u>7,834,212</u>
Total equity and liabilities		<u>15,428,860</u>	<u>11,698,450</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the financial year ended 31 December 2023

	Share capital			Total equity
	Class A (Note 20) RM	Class B (Note 20) RM	Accumulated losses RM	
2023				
At beginning of financial year	2,000,000	14,650,000	(8,815,788)	7,834,212
Loss for the financial year	-	-	(1,149,824)	(1,149,824)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss	-	-	(1,149,824)	(1,149,824)
At end of financial year	2,000,000	14,650,000	(9,965,612)	6,684,388
2022				
At beginning of financial year	2,000,000	14,650,000	(9,615,783)	7,034,217
Profit for the financial year	-	-	799,995	799,995
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	799,995	799,995
At end of financial year	2,000,000	14,650,000	(8,815,788)	7,834,212

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
(Loss)/Profit before tax		(1,037,298)	930,520
Adjustments for:			
Reversal of impairment losses on:			
- trade receivables	12	(37,442)	(831)
- other receivables	13	(10)	(16)
- amounts due from related companies	15	(1,295)	-
Depreciation of property, plant and equipment	10	2,237,784	486,676
Allowance for impairment losses on:			
- trade receivables	12	-	171,043
- other receivables	13	14,000	-
- amounts due from related companies	15	-	996
Finance costs	6	344,751	100,223
Finance income	6	(123,061)	(72,124)
Operating profit before working capital changes		<u>1,397,429</u>	<u>1,616,487</u>
Changes in working capital:			
Trade receivables		351,861	(162,630)
Other receivables		(39,310)	(241,497)
Other payables and refundable deposits		315,817	99,145
Net changes in inter-company indebtedness		<u>3,367,377</u>	<u>(576,199)</u>
Cash flows generated from operations		<u>5,393,174</u>	<u>735,306</u>
Tax paid		<u>(84,357)</u>	<u>(223,546)</u>
Net cash from operating activities		<u><u>5,308,817</u></u>	<u><u>511,760</u></u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the financial year ended 31 December 2023 (contd.)

	Note	2023 RM	2022 RM
Cash flows from investing activities			
Acquisitions of property, plant and equipment	10	(1,000)	(36,977)
Interest received		123,061	72,124
Net cash from investing activities		<u>122,061</u>	<u>35,147</u>
Cash flows from financing activity			
Repayments of lease liabilities	18	(1,131,181)	(1,004,916)
Net cash used in financing activity		<u>(1,131,181)</u>	<u>(1,004,916)</u>
Net increase/(decrease) in cash and cash equivalents		4,299,697	(458,009)
Cash and cash equivalents at beginning of the financial year		60,827	518,836
Cash and cash equivalents at end of the financial year	14	<u>4,360,524</u>	<u>60,827</u>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

Notes to the financial statements
For the financial year ended 31 December 2023

1. Corporate information

Sunway Lagoon Club Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office is located at Level 16, Menara Sunway, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan. The principal place of business is located at No. 3, Jalan Lagoon Timur, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal activities of the Company are the operation of a recreational club and the establishment, maintenance and provision of recreational facilities. There have been no significant changes in the nature of the principal activities during the financial year.

The immediate, intermediate, penultimate and ultimate holding companies are Sunway City Sdn. Bhd., Sunway Berhad, Sungei Way Corporation Sdn. Bhd. and Active Equity Sdn. Bhd. respectively, all of which are incorporated in Malaysia. Sunway Berhad is listed on the Main Market of Bursa Malaysia Securities Berhad and produces financial statements available for public use. Related companies in these financial statements refer to companies within the Sunway Berhad group of companies.

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution by the Board of Directors on 29 March 2024.

2. Basis of preparation

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

The new MFRSs and amendments to MFRSs adopted during the financial year are set out in Note 25(a) to the financial statements.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

3. Capital and financial risk management

(a) Capital management

The primary objective of the Company's capital management is the maintenance of a strong credit rating and healthy capital ratio, in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholders', return capital to its shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2023 and 31 December 2022.

The Company is not subject to any externally imposed capital requirements.

(b) Financial risk management objectives and policies

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its interest rate risks (both fair value and cash flow), liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Company's policy that no trading in derivative financial instrument shall be undertaken.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from interest-bearing advances received from a related company.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 12, 14, 15 and 18 to the financial statements.

Liquidity risk

The Company manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 16, 17, 18 and 19 to the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

3. Capital and financial risk management (contd.)

(b) Financial risk management objectives and policies (contd.)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables and amounts due from immediate holding company, intermediate holding company, related companies and related parties. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The credit risk concentration profiles have been disclosed in Notes 12, 13 and 15 to the financial statements.

4. Revenue

	2023	2022
	RM	RM
Revenue from contracts with customers:		
Subscription fees	2,954,284	2,988,758
Banquet room rental	324,227	238,472
	<u>3,278,511</u>	<u>3,227,230</u>
Timing of revenue recognition:		
Services transferred at a point in time	<u>3,278,511</u>	<u>3,227,230</u>

Revenue from sale of services rendered is recognised at a point in time when the services have been rendered to the customers and coincide with the delivery of services and acceptance by customers.

(a) Subscription fees

Subscription fees are recognised on an accrual basis.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

4. Revenue (contd.)

(b) Banquet room rental

Banquet room rental is recognised on accrual basis unless recoverability is in doubt, in which case, it is recognised on receipt basis.

5. Other income

Included in other income is the following:

	2023	2022
	RM	RM
Rental income	<u>446,964</u>	<u>394,727</u>

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

6. Finance income and finance costs

	2023	2022
	RM	RM
Finance income		
Interest income from:		
- advances to a related company (Note 23)	76,194	72,124
- deposits with financial institutions	46,867	-
	<u>123,061</u>	<u>72,124</u>
Finance costs		
Interest expense in relation to:		
- lease liabilities (Note 18)	<u>(344,751)</u>	<u>(100,223)</u>

Interest income from advances and deposits with financial institutions are recognised on an accrual basis, using the effective interest method.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

7. (Loss)/Profit before tax

(a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at (loss)/profit before tax:

	2023	2022
	RM	RM
Auditors' remuneration		
- statutory audit		
- current year	9,970	8,927
- under provision in prior years	7,904	561
- other services		
- current year	2,156	2,200
- under/(over) provision in prior years	100	(96)
	<u>100</u>	<u>(96)</u>

(b) Net (reversals of impairment losses)/impairment losses on financial assets recognised in profit or loss were as follows:

	2023	2022
	RM	RM
Impairment losses on:		
- trade receivables (Note 12)	-	171,043
- other receivables (Note 13)	14,000	-
- amounts due from related companies (Note 15)	-	996
	<u>14,000</u>	<u>172,039</u>
Reversals of impairment losses on:		
- trade receivables (Note 12)	(37,442)	(831)
- other receivables (Note 13)	(10)	(16)
- amounts due from related companies (Note 15)	(1,295)	-
	<u>(38,747)</u>	<u>(847)</u>
Net (reversals of impairment losses)/impairment losses on financial assets	<u>(24,747)</u>	<u>171,192</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

8. Employee benefits expense

	2023	2022
	RM	RM
Wages, salaries and bonuses	983,677	924,184
Social security contributions	14,877	13,803
Contributions to defined contribution plan	97,859	96,792
Other benefits	113,198	91,847
	<u>1,209,611</u>	<u>1,126,626</u>

9. Income tax expense

	2023	2022
	RM	RM
Malaysian income tax:		
- current year	87,490	124,722
- under provision in prior years	25,036	5,803
	<u>112,526</u>	<u>130,525</u>

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

(b) A reconciliation of income tax expense to (loss)/profit before tax at the statutory income tax rate to income tax expense of the effective income tax rate of the Company is as follows:

	2023	2022
	RM	RM
(Loss)/Profit before tax	<u>(1,037,298)</u>	<u>930,520</u>
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	(248,952)	223,325
Expenses not deductible for tax purposes	301,058	80,952
Income not subject to tax	(11,559)	(4)
Deferred tax asset not recognised	46,943	-
Utilisation of deferred tax assets not recognised	-	(179,551)
Under provision of income tax expense in prior years	25,036	5,803
Income tax expense for the year	<u>112,526</u>	<u>130,525</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

10. Property, plant and equipment

	Building RM	Equipment RM	Furniture and fittings RM	Subtotal RM	Right-of-use land RM	Total RM
At 31 December 2023						
Cost						
At beginning of financial year	14,200,003	3,465,824	1,661,133	19,326,960	5,130,011	24,456,971
Additions	-	1,000	-	1,000	5,494,352	5,495,352
At end of financial year	14,200,003	3,466,824	1,661,133	19,327,960	10,624,363	29,952,323
Accumulated depreciation						
At beginning of financial year	7,388,575	3,422,428	1,634,157	12,445,160	5,044,403	17,489,563
Depreciation charge for the year	1,219,958	13,508	7,800	1,241,266	996,518	2,237,784
At end of financial year	8,608,533	3,435,936	1,641,957	13,686,426	6,040,921	19,727,347
Net carrying amount	5,591,470	30,888	19,176	5,641,534	4,583,442	10,224,976

* Leasehold land are in respect of right-of-use assets for which the Company has land titles.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

10. Property, plant and equipment (contd.)

At 31 December 2022

Cost

At beginning of financial year
Additions
At end of financial year

	Building RM	Equipment RM	Furniture and fittings RM	Subtotal RM	Right-of-use land RM	Total RM
At beginning of financial year	14,200,003	3,428,847	1,661,133	19,289,983	5,130,011	24,419,994
Additions	-	36,977	-	36,977	-	36,977
At end of financial year	14,200,003	3,465,824	1,661,133	19,326,960	5,130,011	24,456,971

Accumulated depreciation

At beginning of financial year
Depreciation charge for the year
At end of financial year

At beginning of financial year	7,104,576	3,398,838	1,626,285	12,129,699	4,873,188	17,002,887
Depreciation charge for the year	283,999	23,590	7,872	315,461	171,215	486,676
At end of financial year	7,388,575	3,422,428	1,634,157	12,445,160	5,044,403	17,489,563

Net carrying amount

Net carrying amount	6,811,428	43,396	26,976	6,881,800	85,608	6,967,408
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Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

10. Property, plant and equipment (contd.)

- (a) Right-of-use land represents right-of-use assets arising from lease arrangements that do not meet the definition of investment property.
- (b) All items of property, plant and equipment (excluding right-of-use assets) are initially recorded at cost. After initial recognition, property, plant and equipment (excluding right-of-use assets) are stated at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Building	2 - 9
Equipment	20
Furniture and fittings	10

The useful lives and residual values of property, plant and equipment (excluding right-of-use assets) are estimated based on common life expectancies and commercial factors applied in the various respective industries.

Changes in expected level of usage, occupancy rates and economic development could impact the economic useful lives and the residual values of these assets, and hence future depreciation charges on such assets could be revised.

- (c) The right-of-use assets under property, plant and equipment are initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the end of lease term. The principal depreciation periods are as follows:

Land	5 - 30 years
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- (d) The Company assessed whether there are any indications of impairment of property, plant, and equipment during the financial year. In doing this, management considered the current environment, taking into consideration the performance of Cash Generating Units (“CGUs”). Management considered CGUs which are loss-making as impairment indications.

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections derived from financial budgets approved by management.

Management has made estimates about future results and key assumptions applied to cash flow projections of the CGUs. These key assumptions are applied to cash flow projections of the CGUs and include forecast growth in future revenues and operating profit margins, as well as determining appropriate pre-tax discount rates and growth rates. No impairment loss was recorded in relation to property, plant, and equipment during the financial year.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

11. Deferred tax assets

- (a) The components and movements of deferred tax assets and liabilities during the previous financial year were as follows:

Deferred tax assets:

	Others RM
At 1 January 2022	34,154
Recognised in profit or loss	(34,154)
At 31 December 2022	<u>-</u>

Deferred tax liabilities:

	Property, plant and equipment RM
At 1 January 2022	(34,154)
Recognised in profit or loss	34,154
At 31 December 2022	<u>-</u>

- (b) Deferred tax asset has not been recognised in respect of the following item:

	2023 RM	2022 RM
Other deductible temporary differences	<u>1,429,575</u>	<u>1,233,978</u>

Deferred tax asset has not been recognised in respect of this item as the Company has a recent history of losses or its future taxable profits may be insufficient to trigger the utilisation of this item.

The amount and availability of this item to be carried forward up to the period as disclosed above are subject to the agreement of the local tax authority.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

12. Trade receivables

	2023	2022
	RM	RM
Third parties	1,050,278	1,402,139
Less: Allowance for impairment	<u>(977,011)</u>	<u>(1,014,453)</u>
Total trade receivables	<u>73,267</u>	<u>387,686</u>

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) The Company's primary exposure to credit risk arises through its trade receivables. The Company's trading terms with certain of its customers are on credit. The credit period is generally for a period of 30 days (2022: 30 days). Each customer has a maximum credit limit. The Company seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Company's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are interest bearing at 2.0% (2022: 2.0%) per month as stated in Note 12(f) to the financial statements.
- (c) Impairment for trade receivables are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company considers credit loss experience and observable data such as current changes and future forecasts in economic conditions by market segment to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

12. Trade receivables (contd.)

(c) (contd.)

The reconciliation of movements in allowance for impairment accounts in trade receivables is as follows:

	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
At 31 December 2023			
At beginning of financial year	5,255	1,009,198	1,014,453
Reversal of impairment losses	<u>(4,007)</u>	<u>(33,435)</u>	<u>(37,442)</u>
At end of financial year	<u>1,248</u>	<u>975,763</u>	<u>977,011</u>
At 31 December 2022			
At beginning of financial year	6,086	838,155	844,241
Charge for the year	-	171,043	171,043
Reversal of impairment losses	<u>(831)</u>	<u>-</u>	<u>(831)</u>
At end of financial year	<u>5,255</u>	<u>1,009,198</u>	<u>1,014,453</u>

Credit impaired refers to individually determined debtor who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

(d) Ageing analysis of trade receivables is as follows:

	Gross RM	2023 Impaired RM	Total RM
Current	179,703	167,167	12,536
1 to 30 days past due	117,683	109,473	8,210
31 to 60 days past due	111,403	103,632	7,771
61 to 90 days past due	95,701	89,025	6,676
91 to 120 days past due	85,140	79,201	5,939
More than 121 days past due	460,648	428,513	32,135
	<u>870,575</u>	<u>809,844</u>	<u>60,731</u>
	<u>1,050,278</u>	<u>977,011</u>	<u>73,267</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

12. Trade receivables (contd.)

(d) Ageing analysis of trade receivables is as follows: (contd.)

	Gross RM	2022 Impaired RM	Total RM
Current	349,438	252,820	96,618
1 to 30 days past due	191,913	138,850	53,063
31 to 60 days past due	107,314	77,642	29,672
61 to 90 days past due	90,467	65,453	25,014
91 to 120 days past due	293,166	212,107	81,059
More than 121 days past due	369,841	267,581	102,260
	<u>1,052,701</u>	<u>761,633</u>	<u>291,068</u>
	<u>1,402,139</u>	<u>1,014,453</u>	<u>387,686</u>

(e) Exposure to credit risk

Concentration of credit risk relating to trade receivables is limited due to the Company's many varied customers. The Company's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Company's trade receivables.

(f) At the end of the reporting period, the interest rate profile of the interest-bearing trade receivables was:

	2023 RM	2022 RM
Fixed rate	<u>1,050,278</u>	<u>1,402,139</u>

Sensitivity analysis for fixed rate trade receivables at the end of the reporting period is not presented as it is not affected by changes in interest rates.

(g) All trade receivables of the Company are denominated in RM.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

13. Other receivables

	2023	2022
	RM	RM
Sundry receivables	430,129	402,110
Deposits	328,500	276,526
Prepayments	50,510	91,193
	<u>809,139</u>	<u>769,829</u>
Less: Allowance for impairment	<u>(303,799)</u>	<u>(289,809)</u>
Total other receivables	<u>505,340</u>	<u>480,020</u>

- (a) Total other receivables, net of prepayments are classified as financial assets measured at amortised cost.
- (b) The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- (c) Impairment for other receivables and amounts due from immediate holding company, intermediate holding company, related companies and related parties are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. At the end of the reporting period, the Company assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

The Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment trends and past due information.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

13. Other receivables (contd.)

(c) (contd.)

The probability of non-payment by other receivables and amounts due from immediate holding company, intermediate holding company, related companies and related parties is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables and amounts due from immediate holding company, intermediate holding company, related companies and related parties. The Company has identified the Gross Domestic Product, unemployment rate, inflation rate, labour force participation rate and consumer price index as the key macroeconomic factors of the forward looking information.

It requires management to exercise significant judgement in determining the probability of default by other receivables, amounts due from immediate holding company, intermediate holding company, related companies and related parties, appropriate forward looking information and significant increase in credit risk.

The reconciliation of movements in allowance for impairment accounts of other receivables is as follows:

	Lifetime ECL allowance RM	Credit impaired RM	Total allowance RM
At 31 December 2023			
At beginning of financial year	60	289,749	289,809
Charge for the year	-	14,000	14,000
Reversal of impairment losses	(10)	-	(10)
At end of financial year	<u>50</u>	<u>303,749</u>	<u>303,799</u>
At 31 December 2022			
At beginning of financial year	76	289,749	289,825
Reversal of impairment losses	(16)	-	(16)
At end of financial year	<u>60</u>	<u>289,749</u>	<u>289,809</u>

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the financial year.

(d) All other receivables of the Company are denominated in RM.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

14. Cash and bank balances

	2023	2022
	RM	RM
Cash at banks and on hand	253,657	60,827
Deposit with financial institution	4,106,867	-
Cash and bank balances, representing cash and cash equivalents as reported in statement of cash flows	4,360,524	60,827

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) No expected credit losses were recognised arising from cash and bank balances because the probability of default by these financial institutions is negligible.
- (c) Cash and bank balances are denominated in RM.
- (d) Deposits with financial institution of the Company has a weighted average effective maturity day of 1 day (2022: Nil) and is subject to fixed weighted average effective interest rate of 3.98% (2022: Nil).
- (e) Sensitivity analysis for fixed rate deposits with financial institution at the end of the reporting period is not presented as they are not affected by changes in interest rates.

15. Amounts due from immediate holding company, intermediate holding company, related companies and related parties

	2023	2022
	RM	RM
Current assets		
Amount due from immediate holding company	-	248
Amount due from intermediate holding company	7,028	265
Amounts due from related companies	123,959	3,639,439
Less : Allowance for impairment	-	(1,295)
	123,959	3,638,144
Amounts due from related parties	2,801	4,718

- (a) The amounts due from immediate holding company, intermediate holding company, related companies and related parties are classified as financial assets measured at amortised cost.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

15. Amounts due from immediate holding company, intermediate holding company, related companies and related parties (contd.)

- (b) Amounts due from immediate holding company, intermediate holding company, related companies and related parties are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents, except for an amount of RM3,550,000 due from a related company, which bore interest at rates ranging from 2.80% to 3.60% per annum in the previous year.
- (c) Impairment for amounts due from immediate holding company, intermediate holding company, related companies and related parties is recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model as disclosed in Note 13(c) to the financial statements.

The reconciliation of movements in the allowance for impairment accounts of amounts due from related companies is as follows:

	12 months ECL allowance	
	2023	2022
	RM	RM
At beginning of financial year	1,295	299
Charge for the year	-	996
Reversal of impairment losses	(1,295)	-
At end of financial year	<u>-</u>	<u>1,295</u>

No expected credit loss was recognised arising from amounts due from immediate holding company, intermediate holding company and related parties as it was negligible.

- (d) As at the end of the reporting period, the interest rate profile of the interest-bearing amount due from a related company was:

	2023	2022
	RM	RM
Fixed rate	<u>-</u>	<u>3,550,000</u>

Sensitivity analysis for the fixed rate amount due from a related company at the end of the reporting period was not presented as it was not affected by changes in interest rates.

- (e) All amounts due from immediate holding company, intermediate holding company, related companies and related parties are denominated in RM.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

16. Other payables

	2023	2022
	RM	RM
Sundry payables	225,807	382,478
Accruals	612,418	565,033
Refundable deposits	143,610	142,309
	<u>981,835</u>	<u>1,089,820</u>

- (a) Other payables are classified as financial liabilities measured at amortised cost.
- (b) The maturity profile of the Company's other payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve (12) months.
- (c) Other payables are denominated in RM.

17. Amounts due to intermediate holding company, related parties and related companies

	2023	2022
	RM	RM
Current		
Amount due to intermediate holding company	<u>1,000</u>	<u>1,000</u>
Amounts due to related parties	<u>4,896</u>	<u>8,076</u>
Amounts due to related companies	<u>22,677</u>	<u>163,002</u>

- (a) Amounts due to intermediate holding company, related parties and related companies are classified as financial liabilities measured at amortised cost.
- (b) Amounts due to intermediate holding company, related parties and related companies are unsecured, interest-free and payable within next twelve (12) months in cash and cash equivalents.
- (c) The maturity profile of amounts due to intermediate holding company, related parties and related companies at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve (12) months.
- (d) Amounts due to intermediate holding company, related parties and related companies are denominated in RM.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

18. Lease liabilities

	2023	2022
	RM	RM
Non-current liability		
Lease liabilities	4,716,234	-
Current liability		
Lease liabilities	970,895	979,207
	<u>5,687,129</u>	<u>979,207</u>

- (a) The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The corresponding right-of-use assets of the lease liabilities are presented as property, plant and equipment as disclosed in Note 10 to the financial statements.

Variable lease payments, lease payments associated with short term leases and low value assets

The Company recognises variable lease payments when the condition that triggers those payments occur while lease payments associated with short term leases (leases with lease term of 12 months or less) and low value assets (leases for which the underlying asset is RM20,000 and below) are recognised on a straight-line basis over the lease terms.

- (b) The maturity profile of the Company's lease liabilities at the end of the reporting period is summarised in the table below:

	2023	2022
	RM	RM
Less than one (1) year	1,278,000	1,004,917
One (1) to two (2) years	1,366,636	-
Two (2) to three (3) years	1,469,700	-
Three (3) to four (4) years	1,571,631	-
Four (4) to five (5) years	908,686	-
Total undiscounted lease payments	<u>6,594,653</u>	<u>1,004,917</u>
Less: Future finance charges	<u>(907,524)</u>	<u>(25,710)</u>
Present value of lease liabilities	<u>5,687,129</u>	<u>979,207</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

18. Lease liabilities (contd.)

(b) (contd.)

Analysis of present value of lease liabilities:

	2023	2022
	RM	RM
Less than one (1) year	970,895	979,207
One (1) to two (2) years	1,111,959	-
Two (2) to three (3) years	1,275,069	-
Three (3) to four (4) years	1,445,854	-
Four (4) to five (5) years	883,352	-
	<u>5,687,129</u>	<u>979,207</u>
Less: Amount due within 12 months	(970,895)	(979,207)
Amount due after 12 months	<u>4,716,234</u>	<u>-</u>

(c) Lease payments relating to lease liabilities are discounted using the Company's annual incremental borrowing rate of 5.40% (2022: 5.32%).

(d) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of the reporting period is not presented as it is not affected by changes in interest rates.

(e) Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	2023	2022
	RM	RM
Lease liabilities		
At beginning of financial year	979,207	1,883,900
Cash flows		
- Payments of lease liabilities	(1,131,181)	(1,004,916)
Non-cash flow changes		
- Interest expense	344,751	100,223
- Addition (Note 10)	5,494,352	-
At end of financial year	<u>5,687,129</u>	<u>979,207</u>

(f) At the end of the financial year, the Company had total cash outflow for leases of RM1,131,181 (2022: RM1,004,916).

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

19. Club members' refundable deposits

- (a) This represents monies received from Club members to ensure the Club members' accounts with the Company are always in credit. Upon cessation of Club membership with the Company, the deposits shall be refundable after deduction of any dues and charges owing by the outgoing Club members.
- (b) The maturity profile of the Company's club's members refundable deposits at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within the next twelve (12) months.
- (c) Club members' refundable deposits are classified as financial liabilities measured at amortised cost.
- (d) All club members' refundable deposits of the Company are denominated in RM.

20. Share capital

	Number of shares		Amount	
	2023	2022	2023	2022
			RM	RM
Issued and fully paid-up with no par value				
Ordinary shares				
At beginning/end of financial year				
Class A	20,000	20,000	2,000,000	2,000,000
Class B	4,000	4,000	14,650,000	14,650,000
	<u>24,000</u>	<u>24,000</u>	<u>16,650,000</u>	<u>16,650,000</u>

There are two classes of ordinary shares in the Company namely, Class A and Class B Shares. All Class A Shares are held by the promoter of the Company.

All classes of shares are transferable subject to the restrictions laid down in the Constitution of the Company and shall rank pari passu in all respects including the right to receive dividends with the following exceptions:

- (a) Each Class B Share shall entitle the holder or its nominee to be a member of the Club owned by the Company subject to such rules and regulations of the Club as may from time to time be laid down by the Board of Directors of the Company.
- (b) On the winding-up of the Company, the holders of Class B Shares shall be entitled to be repaid in proportion to the amounts subscribed and paid up by way of capital in priority to the holders of Class A Shares.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

20. Share capital (contd.)

All classes of shares are transferable subject to the restrictions laid down in the Constitution of the Company and shall rank pari passu in all respects including the right to receive dividends with the following exceptions: (contd.)

- (c) The holders of Class A Shares shall be entitled to appoint five (5) Directors and to remove and replace the same or to fill any casual vacancies and the other five (5) Directors shall be elected by the holders of the Class B shares from amongst their members.

No Class A or Class B Shares shall be issued or allotted to nor shall it be transferred to or be held by more than one person or corporation except where required by law. Where a Class B Share is held by requirement of law by two or more persons, the right to membership of the Club shall be restricted to one person.

21. Operating lease agreements

The Company as lessor

The Company has entered into non-cancellable operating lease agreements with external parties for the use of the land and building. At the inception of the lease, it was not possible to obtain a reliable estimate of the split of the fair value of the lease interest between the land and the buildings. Therefore, the Company evaluated based on terms and conditions of the arrangement, whether the land and building were clearly operating lease or finance lease.

	2023	2022
	RM	RM
Less than one (1) year	343,296	287,003
One (1) to two (2) years	269,675	-
	<u>612,971</u>	<u>287,003</u>

22. Capital commitments

	2023	2022
	RM	RM
Capital expenditure on property, plant and equipment:		
Approved but not contracted for	-	27,413
	<u>-</u>	<u>27,413</u>

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

23. Related party disclosures

(a) Identities of related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationships with its holding companies, related companies and related parties.

(b) Significant related parties transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2023	2022
	RM	RM
Lease rental payable to a related company	<u>1,131,181</u>	<u>1,004,916</u>
IT and related expenses payable to a related company	<u>33,709</u>	<u>33,214</u>
IT and related expenses payable to a related party	<u>7,470</u>	<u>7,858</u>
Interest income from a related company	<u>(76,194)</u>	<u>(72,124)</u>
Services level agreement fee payable to related companies	<u>65,927</u>	<u>65,585</u>
Secretarial fees and share registration fees payable to a related company	<u>28,775</u>	<u>47,190</u>
Rental income from a related company/party	<u>(148,954)</u>	<u>(148,743)</u>
Banquet rental cost payable to a related company	<u>7,281</u>	<u>14,337</u>
Subscription fees receivable from holding/related companies	<u>(713,334)</u>	<u>(228,170)</u>

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2023 and 31 December 2022 are disclosed in Notes 15 and 17 to the financial statements.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

23. Related party disclosures (contd.)

(c) Remuneration of key management personnel

Key management personnel are the persons who have the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel of the Company include all the Directors of the Company who make certain critical decisions in relation to the strategic direction of the Company. The Directors did not receive any remuneration for the financial years ended 31 December 2023 and 31 December 2022.

24. Significant events during the financial year

Execution of Lease Agreement with Sunway Pyramid Development Sdn. Bhd. ("the Lessor")

On 6 January 2023, the Company had entered into a new lease agreement with the Lessor for the purpose of accepting a lease over the area of approximately 4.08 acres for a period of five (5) years commencing from 15 July 2023 and ending on 14 July 2028 at a monthly rental of Ringgit Malaysia One Hundred and Six Thousand and Five Hundred (RM106,500) only with a minimum increase of fifteen percent (15%) every two (2) years. The Company will depreciate the building based on the lease term effective year 2023. Hence, the leasehold building will be fully depreciated as at 14 July 2028.

25. Adoption of MFRSs and Amendments to MFRSs

(a) New MFRSs adopted during the financial year

The accounting policies adopted are consistent with those of the previous financial year except as follows:

During the financial year, the Company adopted the following Standards that are mandatory for annual financial periods beginning on or after 1 January 2023.

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standards did not have any material effect on the financial performance or position of the Company.

Registration No.
198901008175 (185477-W)

Sunway Lagoon Club Berhad
(Incorporated in Malaysia)

25. Adoption of MFRSs and Amendments to MFRSs (contd.)

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The Standards that are issued but not yet effective up to the date of issuance of financial statements of the Company are disclosed below. The Company intend to adopt these Standards, if applicable, when they become effective.

Title	Effective date
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Company is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.