



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-21 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-21 RM'000	Changes %
Revenue	4	9,287	8,379	11%	18,537	16,131	15%
Cost of sales		(2,773)	(2,260)		(5,416)	(3,910)	
Gross profit		6,514	6,119	6%	13,121	12,221	7%
Interest income		5	3		11	62	
Other operating income		965	1,421		9,254	2,125	
Selling and marketing expenses		(1,445)	(908)		(2,599)	(1,982)	
Administrative expenses		(3,265)	(3,039)		(3,890)	(5,860)	
Other operating expenses		(6,168)	(5,604)		(12,912)	(11,724)	
Finance costs		(2,719)	(2,730)	0%	(5,553)	(4,773)	-16%
Loss before tax		(6,113)	(4,738)	-29%	(2,568)	(9,931)	74%
Income tax expense	19	(175)	(129)		(375)	(243)	
Loss for the period		(6,288)	(4,867)	-29%	(2,943)	(10,174)	71%
Other comprehensive income/(loss), net of tax							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations		144	(7)		144	(7)	
Total comprehensive income/(loss) for the period		(6,144)	(4,874)	-26%	(2,799)	(10,181)	73%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-21 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-21 RM'000	Changes %
Loss attributable to :							
Equity holders of the Company		(6,275)	(4,895)	-28%	(4,273)	(10,013)	57%
Non-controlling interests		(13)	28		1,330	(161)	
Loss for the period		<u>(6,288)</u>	<u>(4,867)</u>	-29%	<u>(2,943)</u>	<u>(10,174)</u>	71%
Total comprehensive loss attributable to :							
Equity holders of the Company		(6,131)	(4,902)	-25%	(4,129)	(10,020)	59%
Non-controlling interests		(13)	28		1,330	(161)	
Total comprehensive loss for the period		<u>(6,144)</u>	<u>(4,874)</u>	-26%	<u>(2,799)</u>	<u>(10,181)</u>	73%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(2.09)	(1.79)		(1.42)	(3.66)	
- Diluted	30 (b)	(1.46)	(1.19)		(1.00)	(2.44)	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	Note	30-Jun-22 (Unaudited) RM'000	31-Dec-21 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	47,294	48,515
Right-of-use-assets	9	539,390	542,570
Investment properties	9	260,360	260,360
Inventories	24	159,633	159,633
Investment in associate		-	-
Other investments		2,337	2,337
Trade receivables-non-current portion		7,595	7,595
Deferred tax assets		196	196
		<u>1,016,805</u>	<u>1,021,206</u>
Current assets			
Inventories	24	231,967	232,522
Trade and other receivables		65,878	45,376
Tax recoverable		625	608
Cash and bank balances		12,158	13,723
		<u>310,628</u>	<u>292,229</u>
Non-current asset held for sale		-	-
		<u>310,628</u>	<u>292,229</u>
TOTAL ASSETS		<u>1,327,433</u>	<u>1,313,435</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		383,143	352,006
Treasury shares		(2,986)	(2,914)
Warrant reserves		58,782	62,645
Other reserves		67,436	64,261
Retained earnings		305,726	309,167
Equity attributable to equity holders of the Company		<u>812,101</u>	<u>785,165</u>
Non-controlling interests		15,542	12,962
Total equity		<u>827,643</u>	<u>798,127</u>
Non-current liabilities			
Loans and borrowings	26	164,670	167,938
Other payables		2,322	2,322
Contract liabilities		35,415	34,906
Lease liabilities		4,886	5,005
Deferred tax liabilities		101,340	101,339
		<u>308,633</u>	<u>311,510</u>
Current liabilities			
Loans and borrowings	26	29,603	37,535
Trade and other payables		150,775	154,506
Tax payables		6,001	6,420
Lease liabilities		3,354	3,360
Contract liabilities		1,425	1,977
		<u>191,158</u>	<u>203,798</u>
Total Liabilities		<u>499,791</u>	<u>515,308</u>
TOTAL EQUITY AND LIABILITIES		<u>1,327,434</u>	<u>1,313,435</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.71	2.87

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE JUNE MONTHS PERIOD ENDED 30 JUNE 2022**

	Attributable to Equity Holders of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2022	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127
Loss for the period	-	-	-	-	(4,273)	(4,273)	1,330	(2,943)
Other comprehensive income	-	-	-	144	-	144	-	144
Total comprehensive income	-	-	-	144	(4,273)	(4,129)	1,330	(2,799)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
New issuance shares - Private	21,017	-	-	-	-	21,017	-	21,017
Conversion shares Warrant	10,120	-	(3,863)	3,863	-	10,120	-	10,120
Share buy back	-	(72)	-	-	-	(72)	-	(72)
Change in ownership interest in a subsidiary company	-	-	-	-	-	-	1,250	1,250
At 30 June 2022	383,143	(2,986)	58,782	67,436	305,726	812,101	15,542	827,643
At 1 January 2021	352,006	-2,914	62,645	65,422	311,319	788,478	12,290	800,768
Loss for the period	-	-	-	-	(10,013)	(10,013)	(161)	(10,174)
Other comprehensive income	-	-	-	(7)	-	(7)	-	(7)
Total comprehensive income/(loss)	-	-	-	(7)	(10,013)	(10,020)	(161)	(10,181)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	(163)	(163)	495	332
At 30 June 2021	352,006	(2,914)	62,645	64,583	301,975	778,295	12,624	790,919

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	CURRENT YEAR TO DATE 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-21 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(2,568)	(9,931)
Adjustments for:		
Impairment losses on trade and other receivables	303	166
Reversal of impairment losses on trade and other receivables	-	(747)
Amortisation of deferred income	-	(590)
Amortisation of rights-of-use assets	3,180	2,267
Bad debts written off	17	-
Depreciation of property, plant and equipment	2,476	3,480
Interest expense	5,553	4,773
Interest income	(11)	(62)
Gain on disposal of other property, plant and equipment	8	-
Bad debts recovered	(164)	(17)
Net unrealised (loss)/gain on foreign exchange	-	345
Property, plant & equipment written off	-	2
Operating loss before working capital changes	8,794	(314)
Changes in working capital:		
Inventories	555	(386)
Receivables	(20,657)	(5,574)
Contract liabilities	(43)	554
Payables	(3,593)	2,705
Cash generated used in operations	(14,944)	(3,015)
Tax paid	(809)	(488)
Interest paid	(5,556)	(4,776)
Net cash generated used in operating activities	(21,309)	(8,279)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2022**

	CURRENT YEAR TO DATE 30-Jun-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-21 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(1,256)	(262)
Expenditure on hotel properties and exhibition centre & showroom	174	-
Expenditure on investment properties	-	(12)
Proceeds from disposal of other property, plant & equipment	(173)	-
Proceeds from disposal of subsidiaries	-	332
Interest received	11	62
Proceed from partial disposal of stakes in a subsidiary company	1,250	-
Net cash used in investing activities	6	120
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	-	234
Drawdown of term loan	3,000	9,273
Repayment of lease liabilities	(125)	(119)
Drawdown of revolving credits	(250)	2,000
Repayment of term loans	(13,951)	(472)
Proceed from issuance of share capital	31,064	-
Net cash from financing activities	19,738	10,916
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(1,565)	2,757
Effects of foreign exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	13,723	9,327
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,158	12,084

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

2. Significant Accounting Policies

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2021, except for adoption of the following new/revised FRSs, Amendments to FRSs and IC Interpretations which are effective for financial periods beginning on or after:

1 January 2022

- Amendments to MFRS 3, References to the Conceptual Framework
- Annual Improvements to MFRS Standards 2018 – 2020
 - Amendments to MFRS 1
 - Amendments to MFRS 9
 - Amendments to MFRS 16
 - Amendments to MFRS 141
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Costs of Fulfilling a Contract



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

2. Significant Accounting Policies (Cont'd)

1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Disclosure of Accounting Policies
- Amendments to MFRS 108, Definition of Accounting Estimates

Deferred until further notice

- Amendments to MFRS 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company intend to adopt the above MFRSs when they become effective.

The Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

3. Audit Opinion on 2021 Financial Statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2021 was not subject to any qualification.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

4. Segment Reporting

Quarter Ended 30 June 2022	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	6,147	1,626	315	1,199	9,287
Results					
Segment results	503	(931)	(1,255)	(1,712)	(3,395)
Finance costs					(2,719)
Profit before tax					(6,114)
Income tax expense					(175)
Loss after tax					(6,289)
Non-controlling interests					13
Loss for the period					(6,276)
Quarter Ended 30 June 2021	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	5,422	1,078	491	1,388	8,379
Results					
Segment results	259	(896)	(916)	(455)	(2,008)
Finance costs					(2,730)
Loss before tax					(4,738)
Income tax expense					(129)
Loss after tax					(4,867)
Non-controlling interests					(28)
Loss for the period					(4,895)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

4. Segment Reporting (Cont'd)

**Year Ended
30 June 2022**

	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	11,920	2,693	1,152	2,772	18,537
Results					
Segment results	1,213	5,113	(2,271)	(1,071)	2,984
Finance costs					(5,553)
Profit before tax					(2,569)
Income tax expenses					(375)
Loss after tax					(2,944)
Non-controlling interests					(1,330)
Loss for the period					(4,274)

**Year Ended
30 June 2021**

	Grand Wellness RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Consolidated RM'000
Revenue					
External sales	10,476	2,050	806	2,799	16,131
Results					
Segment results	780	(2,056)	(1,962)	(1,920)	(5,158)
Finance costs					(4,773)
Loss before tax					(9,931)
Income tax expense					(243)
Loss after tax					(10,174)
Non-controlling interests					161
Loss for the period					(10,013)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

6. Changes in Estimates

There were no changes in estimates that have a material effect in the financial year-to-date results.

7. Seasonal or Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

8. Dividends Paid

There were no dividends paid during the current financial period under review.

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2021. Investment properties have been revalued at fair value as of 31 December 2021.

10. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial period under review.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current financial period under review.

12. Capital Commitments

There were no material changes in capital commitments since the last audited Statement of Financial Position as at 31 December 2021.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART A – Explanatory Notes Pursuant to FRS 134

13. Contingent Liabilities / Assets

On 2nd November 2020, Country Heights Holdings Bhd (“CHHB”) receive a notice of termination from Land Custody and Development Authority (“LCDA”) stating the intention of the allegation that CHHB had failed, neglected or refused to remedy the breaches stipulated in the notice dated 17th September 2020 (“Termination”). CHHB had upon the receipt of the notice dated 17th September 2020 immediately refuted the allegation made by LCDA. CHHB intends to challenge the unilateral termination.

On 10th May 2021, CHHB received an order of Forfeiture of Land from the Director of Land and Surveys Department Sarawak. The said order affect Lot 48, 49 and 51 Block 11 Pangkalan Ampat Land District.

CHHB has sought legal opinion to recover losses and/or damages from the LCDA due to LCDA’s wrongful unilateral termination.

14. Subsequent event

There was no material event subsequent to the end of the current financial period that has not been reflected in these financial statements. Directors.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Operating Segment Review

(a) 2nd Quarter 2022 vs 2nd Quarter 2021

	Current Year Quarter 30-Jun-22 RM'000	Preceding Year Corresponding Quarter 30-Jun-21 RM'000	Charges (%)
Revenue	9,287	8,379	11%
Operating Profit/(Loss)	(3,395)	(2,008)	-69%
Loss Before Interest and Tax	(3,395)	(2,008)	-69%
Loss Before Tax	(6,114)	(4,738)	-29%
Loss After Tax	(6,289)	(4,867)	-29%
Loss Attributable to Ordinary Equity Holders of the Parent	(6,276)	(4,895)	-28%

The Group recorded total revenue of RM9.3 million for the current year quarter ended 30 June 2022 as compared to RM8.4 million in the preceding year corresponding quarter ended 30 June 2021.

The Group recorded a loss before tax of RM6.1 million for the current year quarter ended 30 June 2022 compared to RM4.7 million loss before tax in the preceding year corresponding quarter ended 30 June 2021.

Healthcare Division

The Division Revenue for the second quarter of 2022 was RM6.1 million as compared to RM5.4 million in the same quarter of 2021. The increase in revenue was mainly contributed by the Covid-19 RT PCR testing service and vaccine services. The GHHS Healthcare revenue has increased by 20% from RM4.4 million in the second quarter of 2021 to RM5.3 million in the second quarter of 2022. The segment profit for the second quarter of 2022 was recorded at RM0.5 million as compared to RM0.3 million for the same quarter of 2021.

The participation of GHHS Healthcare in the National Vaccination Program has vaccinated over 350,000 vaccines at its premise at GHHS Healthcare, and it's one of the mega PPV's Malaysia International Exhibition Convention Centre (MIECC). The revenue from testing for Covid-19, treating patients, and administering vaccination for the disease likely will continue in the year 2022.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Operating Segment Review (Cont'd)

(a) 2nd Quarter 2022 vs 2nd Quarter 2021 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM1.6 million in the second quarter of 2022 compared to RM1.1 million for the second quarter of 2021. The Resorts & Hospitality Division has assumed the operation of Mines Beach Resort from the previous operator in the current quarter. Mines Beach Resort has contributed an additional revenue of RM0.5 million to the current quarter. Mines Beach Resort is currently under refurbishment and will relaunch in September 2022. The segment loss was recorded at RM0.9 million for both the current quarter and second quarter of 2021.

Exhibition & Convention Division

Exhibition & Convention Division has contributed RM0.3 million of revenue in the current quarter as compared to RM0.5 million in the second quarter of 2021. This was mainly due to a lower car park collection revenue for MIECC of RM0.1 million in the current quarter as compared to RM0.3 million in the second quarter of 2021, which resulted from the national vaccine service program carried out at MIECC in the second quarter of 2021. The segment loss of RM1.3 million was recorded in the current quarter as compared to RM0.9 million in the second quarter of 2021.

Property Division

The revenue for Property Division was RM1.2 million in the current quarter compared to RM1.4 million for the second quarter of 2021. The segment loss recorded was RM1.7 million for the current quarter as compared to the segment loss of RM0.5 million for the second quarter of 2021. The increase in the segment loss before tax was resulted from the higher operation cost incurred to refurbish the Garden Resort(Pajam) and Sawtelle Project show unit; and legal cost incurred to recover losses and/or damages from LCDA pertaining to an order of Forfeiture of land from the Director of Land and Surveys Department Sarawak.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Operating Segment Review (Cont'd)

(b) YTD June 2022 vs YTD June 2021

	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000	Changes (%)
Revenue	18,537	16,131	15%
Operating Profit/(Loss)	2,984	(5,158)	158%
Profit/(Loss) Before Interest and Tax	2,984	(5,158)	158%
Profit/(Loss) Before Tax	(2,569)	(9,931)	74%
Profit/(Loss) Profit After Tax	(2,944)	(10,174)	71%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(4,274)	(10,013)	57%

The total revenue of the Group for the period ended 30 June 2022 was increased to RM18.5 million from RM16.1 million for the period ended 30 June 2021.

The Group recorded a loss before tax of RM2.6 million for the current period as compared to RM9.9 million for the preceding year current period. The lower loss before tax was resulted from the waiver of debts amount of RM7.2 million from the Resorts and Hospitality Division under the scheme of arrangement.

Healthcare Division

The revenue contributed by Healthcare Division for the period ended 30 June 2022 was RM11.9 million as compared to RM10.5 million for the period ended 30 June 2021. This is mainly contributed by the increase in GHHS Healthcare revenue by 20% from RM8.8 million in the preceding period ended 30 June 2021 to RM10.6 million in the current period. The division has recorded a segment profit of RM1.2 million for the period ended 30 June 2022 as compared to a segment profit of RM0.8 million for the period ended 30 June 2021.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

15. Operating Segment Review (Cont'd)

(b) YTD June 2022 vs YTD June 2021 (Cont'd)

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the period ended 30 June 2022 was recorded at RM2.7 million as compared to RM2.0 million for the period ended 30 June 2021. The Resorts & Hospitality Division has assumed the operation of Mines Beach Resort from the previous operator in the current quarter. Mines Beach Resort has contributed an additional revenue of RM0.5 million to the current quarter. Mines Beach Resort is currently under refurbishment and will relaunch in September 2022. The segment profit for the current period was recorded at RM5.1 million as compared to the segment loss of RM2.1 million for the period ended 30 June 2021. The increased in the segment profit was resulted from the waiver of debts amount of RM7.2 million from the Resorts and Hospitality Division under the scheme of arrangement.

Exhibition & Convention Division

The Exhibition & Convention Division has contributed RM1.2 million of revenue for the period ended 30 June 2022 as compared to RM0.8 million for the period ended 30 June 2021. The increase in revenue was mainly contributed by the event function revenue of RM0.8 million in the period ended 30 June 2022, whereas there were no event function revenue in the period ended 30 June 2021. The segment loss of RM2.3 million was recorded for the current period ended 30 June 2022 as compared to the segment loss of RM2.0 million for the period ended 30 June 2021.

Property Division

The Property Division has contributed RM2.8 million of revenue for both period ended 30 June 2022 and the preceding period ended 30 June 2021. The segment loss of RM1.1 million was recorded for the period ended 30 June 2022 as compared to the segment loss of RM1.9 million for the period ended 30 June 2021. This was mainly due to the reversal of provisioned operating cost and legal cost incurred.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	
	30-Jun-22	31-Mar-22	
	RM'000	RM'000	Changes (%)
Revenue	9,287	9,250	0%
Operating Profit/(Loss)	(3,395)	6,379	-153%
Profit Before Interest and Tax	(3,395)	6,379	-153%
Profit/(Loss) Before Tax	(6,114)	3,545	272%
Profit/(Loss) After Tax	(6,289)	3,345	288%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(6,276)	2,028	409%

The Group's revenue for the second quarter ended 30 June 2022 was RM9.3 million compared to the preceding first quarter ended 31 March 2022 of RM9.2 million and the Group's loss before tax for the second quarter ended 30 June 2022 was RM6.1 million compared to a profit before tax in the preceding first quarter ended 31 March 2022 of RM5.2 million.

Healthcare Division

Revenue for the second quarter ended 30 June 2022 for the division was RM6.1 million as compared to RM5.8 million in the preceding first quarter ended 31 March 2022. This was mainly contributed by the higher European Wellness Retreat revenue of RM0.3 million in the second quarter ended 30 June 2022. The segment profit of RM0.5 million was recorded for the second quarter ended 30 June 2022 as compared to the segment profit of RM0.7 million for the preceding first quarter ended 31 March 2022.

Resorts & Hospitality Division

Revenue for the second quarter ended 30 June 2022 of the division was RM1.6 million as compared to RM1.1 million in the preceding first quarter ended 31 March 2022. The segment loss of RM0.9 million was recorded for the second quarter ended 30 June 2022 as compared to the segment profit of RM6.0 million for the preceding first quarter ended 31 March 2022. The higher segment loss in the current quarter was mainly due to there was a waiver of debts amount of RM7.2 million for the Resorts and Hospitality Division under the scheme of arrangement in the preceding first quarter ended 31 March 2022.



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16. Material Changes in the Quarterly Results as Compared with the Immediate Preceding Quarter (Cont'd)

Exhibition & Convention Division

Revenue for the second quarter ended 30 June 2022 of the division was RM0.3 million compared to RM0.8 million in the preceding first quarter ended 31 March 2022. This was mainly due to a lower of event function revenue by RM0.5 million in second quarter ended 30 June 2022 as compared to the preceding first quarter ended 31 March 2022. The segment loss of RM1.3 million was recorded for the second quarter ended 30 June 2022 as compared to the segment loss of RM1.0 million for the preceding first quarter ended 31 March 2022.

Property Division

Revenue for the second quarter ended 30 June 2022 of the Division was RM1.2 million compared to RM1.6 million in the preceding first quarter ended 31 March 2022. The segment loss of RM1.7 million was recorded for the second quarter ended 30 June 2022 as compared to the segment profit of RM0.6 million for the preceding first quarter ended 31 March 2022. This was mainly due to there were a reversal of provisioned operating cost and legal expenses incurred in the preceding first quarter ended 31 March 2022.

17. Commentary on Prospects

While the group maintain its vision on its four key ventures that has been detailed previously, the impact of the Covid-19 pandemic has brought a change in the new norm in all aspects of our businesses and workplaces.

As a result of the already challenging financial landscape and the effects of the pandemic, the group suffered losses arising from cancelled and postponement of reservations and events for the remaining year and this has forced some drastic changes in its ongoing operations.

The group performance is expected to improve after implementation of the activities below:-

(a) Healthcare Division

GHHS Healthcare takes a holistic approach to healthcare, providing Western medical treatment and clinical pathology services alongside traditional Chinese medicine. Our



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17. Commentary on Prospects (Cont'd)

(a) Healthcare Division (Cont'd)

Wellness & Rejuvenation centre services also feature heavily as part of our integrated healthcare solution.

Despite the nation-wide Covid-19 pandemic adversely affecting business, the European Wellness Retreat (EWR) under GHHS Healthcare recorded profitable business growth, with company revenue projected to increase further. EWR has developed a Special Corporate Wellness Programme focused on health maintenance which specifically targets corporate companies with personalized and customized treatment by EWR qualified doctors. This should boost Health & Wellness Tourism once business from international markets returns to normal.

GHHS Chinese Medical Centre has entered a strategic collaboration with **Xiamen University Malaysia**, **Inti University Malaysia** and **UTAR**, in order to facilitate growth as well as the transfer of knowledge in between universities and traditional Chinese medicine industry. This will create opportunities for cooperation on industrial training, provision of social services, and employment.

GHHS has also entered a strategic collaboration with **Sinopharm (Tianjin) Asset Management Co., Ltd & Labuan Digital Authentication Centre Inc.** to enter the market for the trade of Chinese Herbs. This will provide digital authentication for Chinese herbs to attain digital-analytic rating certificates of international standards

Lunan Better Pharmaceutical Co., Ltd. is a pharmaceutical company registered in the People's Republic of China which has obtained a drug production license issued by the Shandong Provincial Drug Administration to develop 'Jingfang Granules' that can be used to relieve the symptoms of Covid-19 patients. This drug has obtained the domestic drug GMP certificate and drug registration approval. GHHS Chinese Medical centre has also partnered with **Lunan Better Pharmaceutical Co. Ltd.** to donate 'JingFang Granules' to various organisations in Malaysia.

As part of efforts to mitigate the Covid-19 crisis, GHHS participated in the national Covid-19 immunisation program by MOH and Protect Health, and successfully administered over 350,000 vaccinations.



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17. Commentary on Prospects (Cont'd)

(a) Healthcare Division (Cont'd)

GHHS was also recently appointed as a Panel PCR Service Centre for the Chinese Embassy, major corporate companies and airlines.

GHHS is also in collaboration with **Institute for Medical Research Malaysia (IMR)** & the MOH to produce & distribute maggot debridement therapy to clinics and hospitals in Malaysia for wound care treatment.

(b) Hospitality Division

- Palace of the Golden Horses was assigned as a quarantine hotel during the MCO and has successfully completed this national service. However, the hotel's result together with the forecast of the travel and MICE industry have been less than favourable. Therefore, the group has decided to temporarily suspend the hotel's operation and upgrade before an eventual opening when the pandemic is moved under.
- Philea Mines Beach Resort renamed as Mines Beach Resort managed by new management effective from 01 May 2022. Nestled midst the concrete jungle of Kuala Lumpur, Mines Beach Resort is unexpected haven offering a full experience of sophisticated style comfort, privacy and tranquility. Dubbed the only 'beach in the city', it is also the perfect choice not only for health retreats or weekends getaways but also for garden weddings, beach barbeques, family days, team-building events and other leisure or corporate activities.

(c) Exhibition and Convention Division

- In an immediate response, the industry sees a surge in the logistic industry. Hence the exhibition and convention division via MIECC has offered its 150,000 sq. ft. to be a warehouse and distribution space.
- MIECC's predominant focus is on internal upgrades and improvements while also building relationships with strategic partners for the eventual reopening of the industry.



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17. Commentary on Prospects (Cont'd)

(d) Property Division

(i) Digital Transformation

- Mines Wellness City will be the first township in Malaysia to use smart city app and will be called the M Smart City App (MSA), with cryptocurrency enablement. The Mines community would benefit from integrated digital services, cutting edge community engagement and smart city management all on one smart city app. With its mobile community platform solution users can conveniently do multiple things online on their phone and local businesses can better serve and connect with their customers.
- JD.com is one of the top 2 B2C e-commerce platforms in China. A partnership with CHHB will be a clear signal to the market that CHHB is intent on transforming its business model into the digital age. The partnership involves using MIECC to be the flag store for curated JD.com merchandise as well as warehouse centre for the initial launch; CHHB will also purchase a minimum of RMB10m of merchandise at the onset; upon successful milestone, CHHB will expand 2 more flagship stores in the south and the north of Malaysia.

(ii) Launch of Cloud Life at Mines Wellness City

Cloud Life is an exclusive development of 268 units of office suites specially designed to meet the needs of health and wellness operators with built up areas varies from 481 sqft to 1,220 sqft. The building is equipped with safe green infrastructure such as solar panel with smart digital features for smart parking; energy efficiency management; Wifi 6 and 5G enabled and autonomous driving vehicle facilities. .For efficiency and productivity, Cloud Life offers a complete high-tech and IoT features such as facial attendance identification; finger-print and card swiping to improve sign-in efficiency and user experience..

Equipped with a signature fitness center; a first-to-market food court concept that promotes a sustainable and healthy-eating concept; roof terrace for herbs and urban farming; a remedy wellness bar at 6th floor and a 30,000 sq. ft. unify concept retail spaces, this development is a perfect investment.



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17. Commentary on Prospects (Cont'd)

(d) Property Division (Cont'd)

Construction work for Wellness 4 of Cloud Life has been completed and Certificate of Completion and Compliance (CCC) is in progress. 60% of Wellness 4 has been sold and whereas Wellness 5 of Cloud Life was intended for a single investor to purchase the entire block. There is a potential RM120 million of growth development value from Block 4 and 5.

The team is preparing for the launch with the following selling points such as guaranteed rentals, tax free incentives for operators and Wifi 6 enabled by Huawei.

(iii) Relaunch of College Heights Garden Resort, Pajam, Negeri Sembilan (College Heights Estate)

College Heights Garden Resort is Malaysia's first academic township and this exclusive Malaysia oasis for living and learning offers the perfect atmosphere for the international stimulation with the country living themed with the conveniences of modern urban lifestyle. The township emphasizes on healthy resort living within an academic environment with the luxury of space, garden, and greenery. It is a freehold land of 1,111 acres comprehensive self-contained community.

There is a potential growth development value of RM60 million-70 million. The Group's immediate direction is to enhance the attraction of the development by investing in a more complete eco-system including creating a retail village and a private parkland for the community.

iv) Belleza Garden Homes at Kolej Heights Utara in Jitra, Kedah

Belleza Garden Homes is located in the peaceful pastures of Kolej Heights Utara in Jitra, Kedah. Belleza Garden Homes Phase 3 is the continuation of Belleza Garden Homes Phase 1 and 2. It is an exclusive freehold development consisting of 90 units of two-storey linked villas. It has a similar concept as Belleza Garden Homes Phase 1 and 2 with linear gardens and private lawns, the first of its kind in the northern states, a gated and guarded community emphasizing on security and safety of the owners with clubhouse facilities.



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18. Variance on Profit Forecast / Profit Guarantee

There was no profit forecast / profit guarantee issued by the Group.

19. Income Tax Expenses

	Six Months Ended	
	30-Jun-22	30-Jun-21
	RM'000	RM'000
Income tax		
- Current year	(374)	(300)
Deferred tax		
- Current year	(1)	57
	(375)	(243)

20. Sale of Unquoted Investments / Properties

There was no sale of unquoted investments/ properties during the financial year-to-date.

21. Purchase and Sale of Quoted Securities

There were no sales or purchase of quoted securities during the financial year-to-date.

22. Loss before Tax

Loss before tax has been arrived at after charging/(crediting):

	30-Jun-22	30-Jun-21
	RM'000	RM'000
Depreciation and amortisation	5,656	5,747
Impairment losses on trade and other receivables	303	166
Reversal of impairment losses on trade and other receivables	-	(747)
Net unrealised foreign exchange (loss)/gain	-	345
Bad debt written off	17	-
Bad debt recovered	(164)	(17)

There were no gain or loss on derivatives, exceptional items and allowance for and write off of inventories.



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23. Corporate Proposals

(a) Status of Corporate Proposals

On 21 August 2021, the Company has announced to undertake a private placement of up to 54,711,400 new ordinary shares of the Company Share(s) or “Placement Share(s)”, representing approximately 20% of the existing issued shares. The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) and the “Additional Temporary Relief Measures to Listed Issuers” announced by Bursa Malaysia Securities Berhad.

On 9 February 2022, the Company is pleased to announce that the Company has fixed the issue price of the Placement Shares at RM1.3270 per Placement Share to be issued pursuant to the Private Placement.

The company has fixed the issue price of the Placement Shares at RM1.3270 per Placement Share exercised of 15,837,900 shares with the total value of net received of RM21,016,893.30 on 22 February 2022.

On 21 April 2022, the company wishes to announce that an application for extension of time of 6 months to 7 November 2022 to complete the Private Placement has been submitted to Bursa Securities.

On 26 April 2022, Bursa Securities has resolved to grant the company an extension of time of six (6) months up to 7 November 2022 to implement the private placement.



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23. Corporate Proposals (Con't)

(b) Status of Utilisation of Proceeds from Corporate Proposals

Details of the utilization of proceeds set out in the Initial Announcement. As per Section 2.6 of the Initial Announcement, the gross proceeds to be raised from the Proposed Private Placement is approximately RM58.81 million which was expected to be utilized by the Group in the following manner:

	Proposed Amount RM'000	Utilised Amount RM'000
Utilisation of proceeds		
Repayment of bank borrowings	10,000	7,231
Partial financing of the construction cost for:		
1) Mines Wellness Suites project	7,000	2,000
2) College Heights Estate project	5,000	3,000
Business expansion in healthcare division via the setting up of :		
1) TCM hospital	5,000	4,000
2) Confinement centre	10,000	3,000
Mobile application development cost for MSA	15,000	
General working capital	5,215	1,086
Estimated expenses for the Proposed Private Placement	1,600	700
Total Utilisation of Proceeds as at 24.05.2022	58,815	21,017



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24. Inventories

	As at 30-Jun-22 RM'000	As at 30-Jun-21 RM'000
Land held for property development	159,633	159,309
Property development cost	137,173	124,435
Others	94,794	95,521
	<u>231,967</u>	<u>219,956</u>

25. Details of Treasury Shares

As at the end of the reporting period, all the shares purchased by the company were retained as treasury shares as at 30 June 2022 as follows :

	As at 30-Jun-22 RM'000	As at 30-Jun-21 RM'000
Description of shares purchased	Ordinary Shares	Ordinary Shares
Number of shares purchased	-	-
Number of shares cancelled	-	-
Number of shares held as treasury shares	3,250,000	2,150,000
Number of treasury shares resold	-	-

26. Borrowings

The Group's bank borrowings and debt securities as at end of the current financial period are:



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	As at 2nd quarter ended June 2022					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	-	-	-
Term loan	-	76,792	27,068	1,985	27,068	78,777
Revolving credit	-	1,200	-	550	-	1,750
Total secured borrowings	-	77,992	27,068	2,535	27,068	80,527
Unsecured						
Term Loan	-	86,678	-	-	-	86,678
Total unsecured borrowings	-	86,678	-	-	-	86,678
Total loans and borrowings	-	164,670	27,068	2,535	27,068	167,205
	As at 2nd quarter ended June 2021					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	10,218	-	10,218
Term loan	-	74,662	35,000	4,598	35,000	79,260
Revolving credit	-	2,000	-	-	-	2,000
Total secured borrowings	-	76,662	35,000	14,816	35,000	91,478
Unsecured						
Term Loan	-	41,935	-	42,343	-	84,278
Total unsecured borrowings	-	41,935	-	42,343	-	84,278
Total loans and borrowings	-	118,597	35,000	57,159	35,000	175,756

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.

27. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 30 June 2021 and there have been no changes in derivatives since the last financial year.



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27. Disclosure requirements pursuant to implementation of MFRS 139 (Cont'd)

(b) Disclosure of gain/losses arising from fair value changes of financial liabilities

The Group did not have any gain/losses arising from fair value changes of its financial liabilities.

28. Retained earnings

The breakdown of the retained earnings of the Group is prepared in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with guidance on special matter No. 1, Determination of Realised and Unrealised Profit or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad listing requirement as issued by the Malaysian Institute of Accountants.

29. Material Litigation

Save for the following, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, and the Directors of the Company do not have any knowledge of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of the Group, as at 18 August 2022.

(i) ARBITRATION BETWEEN COUNTRY HEIGHTS HOLDINGS BERHAD (CLAIMANT) AND LAND CUSTODY DEVELOPMENT AUTHORITY (LCDA) (RESPONDENT)

A Joint Venture Agreement (JVA) was entered into between LCDA and CHHB on 20.09.1994 for the development of the Project Land into a hill resort with tourism related infrastructure, recreational and leisure facilities and horticulture. Pursuant to the JVA, a JV company known as Borneo Heights Sdn. Bhd. (BHSB) was incorporated.

The dispute arose in June 2020 when LCDA issued a letter making various allegations as to the management of the project by CHHB. LCDA intended to carry out a due diligence exercise and discover documents. On November 2020, LCDA



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29. Material Litigation (Cont'd)

purportedly gave the notice to terminate the JVA and required CHHB to sell its shares in BHSB to LCDA.

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

Pursuant to Clause 22 of the JVA, the parties agreed to refer all disputes or claim arising out of or in relation to the JVA to arbitration. Notice of Arbitration has been issued on 20.05.2021. The issuance of the Notice of Arbitration signifies the commencement of the arbitration process. On 26.07.2021, the Asian International Arbitration Centre (AIAC) appointed Mr. Nandakumar Ponniya as the sole arbitrator for the arbitration. The arbitration hearing is tentatively scheduled on 15th – 25th November 2022.

(ii) **COURT OF APPEAL CASE NO.: B-02(IM)(NCC)-1133-06/2021 & SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-137-12/2020 BETWEEN CHHB (PLAINTIFF) AND MONALIZA BINTI ZAIDEL, DATU HAJI SUDARSONO BIN OSMAN & BHSB (DEFENDANTS).**

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



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29. Material Litigation (Cont'd)

On 23.12.2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restraint the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28.12.2020. The meeting scheduled for 28.12.2020 did not happen. The Defendants proceed to convene the meeting on 25.01.2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. CHHB has further filed an application for leave to commence committal proceedings against the Defendants.

The Defendant has filed an application to strike out the Originating Summons and CHHB's application for the injunction. On 04.05.2021, the High Court allowed the Defendants application to strike out the Originating Summons and CHHB's application for injunction with a cost of RM10,000. On 28.05.2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The appeal is fixed for hearing on 16.06.2022. Our appeal was allowed. LCDA filed a Notice of Motion for leave to appeal to Federal Court and stay of the proceedings in High Court.

iii) **KUCHING HIGH COURT SUIT NO.: KCH-21NCVC-10/7-2021 BETWEEN BORNEO HEIGHTS SDN BHD & COUNTRY HEIGHTS HOLDINGS BERHAD (PLAINTIFF) AND DIRECTOR OF LANDS AND SURVEYS SARAWAK & ORS (DEFENDANTS)**

There are 11 Defendants in this suit. They were represented by State Attorney General's Chambers (SAG) and Messrs Reddi & Co. The Plaintiff alleged that the Government of Sarawak has unlawfully forfeited Lot 48, 49 and 51 of Block 11, Pangkalan Ampat Land, Gunong Penrissen, Padawan, Kuching (Disputed Lands).

The Defendants have yet to file their Defence at this time. There are currently 3 interlocutory actions in this suit. The Defendants had filed a striking out application against the Plaintiffs and CHHB had filed an application for a Judgment in Default of Defence by the Defendants.

The Striking Out Applications filed by the Defendants had been dismissed by the court. The court had granted leave to the Plaintiff's to amend their Statement of Claim ("SOC") to plead with more particularity on the claim and requested the Defendants to file the defence. Upon such amended pleadings, the Defendants are at liberty to apply



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29. Material Litigation (Cont'd)

to the court to strike out the claim regarding conspiracy if Defendant takes a view that the amended pleadings are still defective, as regards the claim of conspiracy.

Upon any such application, the court will assess whether the application should only be considered after pleadings have closed and the parties have produced their respective bundle of documents.

In the event the action is decided in the Plaintiffs' favour, the Disputed Lands could be reverted to the ownership of the Plaintiffs, and could award the Plaintiffs with damages in the amount of RM47,850,410.59 with damages to be assessed for deprivation of use of the Disputed Lands, and unquantified general damages with interests and costs.

In the event the action is dismissed, the Plaintiffs could be facing lawsuits by the stakeholders in the Disputed Lands, and the carrying amount of the leasehold land of RM31,886,679 (Note 7(a)(ii)) and property development cost incurred in relation to the leasehold land amounting to RM12,089,398 (Note 7(b)(ii)) will be written off. The proceedings is currently on going in court.

(iv) **KUCHING HIGH COURT SUIT NO.: KCH-24NCVC-3/1-2022 (HC 3) BETWEEN LCDA HOLDINGS & 2 ORS (PLAINTIFF) AND BORNEO HEIGHTS SDN BHD (BHSB) & ORS (DEFENDANTS)**

The Plaintiffs are seeking a declaration that an email dated 24.12.2021 to call for a Board of Directors meeting to be deemed invalid, null and void, any actions done in the meeting held pursuant to the email to be declared null and void, a declaration that 3 of the directors in BHSB were not validly appointed as directors and an injunction to restrain the Defendants from proceeding with a meeting pursuant to the email. The injunction application was dismissed BHSB will filed amended statement of claim.



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29. Material Litigation (cont'd)

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

The Plaintiffs sued MPSB and CHP for breach of a Consent Order recorded in Kuala Lumpur High Court in 2015. The Plaintiffs seek to enforce the Consent Order. The Plaintiffs also had filed an application for Mareva Injunction wherein an Ex-Parte Order dated 27.01.2021 and Ad Interim Order dated 10.02.2021 were obtained.

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

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

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

The plaintiff now have filed and served the amended Writ and Statement of Claim. The Court had granted an extension of time until 3.09.2022 for MPSB to file the Statement of Defence or any necessary application.



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30. Dividend Payable

No dividend has been proposed for the current financial period under review and the previous corresponding financial year.

31. Earnings/(Loss) Per Share

(a) Basic

Basic earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM4.3 million (30 June 2021: loss of RM10.0 million) over the number of 299,988,903 (30 June 2021: 273,557,403) ordinary shares issued during the current financial period under review.

(b) Diluted

Diluted earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM4.3 million (30 June 2021: loss of RM10.0 million) over the number of 299,988,903 (30 June 2021: 273,557,403) ordinary shares issued and 128,345,101 (30 June 2021: 136,778,702) warrants issued and listed in December 2018.

31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 August 2022.

By Order of the Board

Yong Sie Hoong

Chief Financial Officer