



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

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

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-21 RM'000	Changes %	CURRENT YEAR TO DATE 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-21 RM'000	Changes %
Revenue	4	13,224	70,574	-81%	31,761	86,705	-63%
Cost of sales		(5,668)	(36,630)		(11,084)	(40,540)	
Gross profit		7,556	33,944	-78%	20,677	46,165	-55%
Interest income		5	55		16	117	
Other operating income		808	1,246		10,062	3,371	
Selling and marketing expenses		(1,237)	(1,334)		(3,836)	(3,316)	
Administrative expenses		(3,731)	(3,448)		(7,621)	(9,308)	
Other operating expenses		(8,281)	(5,878)		(21,193)	(17,601)	
Finance costs		(3,665)	(2,508)	-46%	(9,218)	(7,281)	-27%
(Loss)/Profit before tax		(8,545)	22,077	139%	(11,113)	12,147	191%
Income tax expense	19	(639)	(3,724)		(1,014)	(3,967)	
(Loss)/Profit for the period		(9,184)	18,353	150%	(12,127)	8,180	248%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations	164	(72)		164	(72)	
Total comprehensive income/(loss) for the period	(9,020)	18,281	149%	(11,963)	8,108	248%

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-21 RM'000	Changes %	CURRENT YEAR TO DATE 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-21 RM'000	Changes %
(Loss)/Income attributable to :							
Equity holders of the Company		(9,299)	18,649	150%	(13,342)	8,045	266%
Non-controlling interests		115	(296)		1,215	135	
(Loss)/Profit for the period		<u>(9,184)</u>	<u>18,353</u>	150%	<u>(12,127)</u>	<u>8,180</u>	248%
Total comprehensive (loss)/income attributable to :							
Equity holders of the Company		(9,135)	18,577	149%	(13,178)	7,973	265%
Non-controlling interests		115	(296)		1,215	135	
Total comprehensive (loss)/income for the period		<u>(9,020)</u>	<u>18,281</u>	149%	<u>(11,963)</u>	<u>8,108</u>	248%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(3.13)	6.82		(4.50)	2.94	
- Diluted	30 (b)	(2.19)	4.54		(3.14)	1.96	

(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 SEPTEMBER 2022**

	Note	30-Sep-22 (Unaudited) RM'000	31-Dec-21 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	46,431	48,515
Right-of-use-assets	9	538,148	542,570
Investment properties	9	260,360	260,360
Inventories	24	159,853	159,633
Investment in associate		-	-
Other investments		2,337	2,337
Trade receivables-non-current portion		7,595	7,595
Deferred tax assets		149	196
		<u>1,014,873</u>	<u>1,021,206</u>
Current assets			
Inventories	24	231,928	232,522
Trade and other receivables		63,819	45,376
Tax recoverable		616	608
Cash and bank balances		9,598	13,723
		<u>305,961</u>	<u>292,229</u>
Non-current asset held for sale		-	-
		<u>305,961</u>	<u>292,229</u>
TOTAL ASSETS		<u>1,320,834</u>	<u>1,313,435</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		383,155	352,006
Treasury shares		(3,473)	(2,914)
Warrant reserves		58,777	62,645
Other reserves		67,045	64,261
Retained earnings		297,073	309,167
Equity attributable to equity holders of the Company		<u>802,577</u>	<u>785,165</u>
Non-controlling interests		15,427	12,962
Total equity		<u>818,004</u>	<u>798,127</u>
Non-current liabilities			
Loans and borrowings	26	169,163	167,938
Other payables		2,322	2,322
Contract liabilities		35,075	34,906
Lease liabilities		5,201	5,005
Deferred tax liabilities		101,292	101,339
		<u>313,053</u>	<u>311,510</u>
Current liabilities			
Loans and borrowings	26	30,845	37,535
Trade and other payables		148,704	154,506
Tax payables		6,109	6,420
Lease liabilities		3,322	3,360
Contract liabilities		797	1,977
		<u>189,777</u>	<u>203,798</u>
Total Liabilities		<u>502,830</u>	<u>515,308</u>
TOTAL EQUITY AND LIABILITIES		<u>1,320,834</u>	<u>1,313,435</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.68	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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	Attributable to Equity Holders of the Company					Total RM'000	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			
At 1 January 2022	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127
Loss for the period	-	-	-	-	(13,342)	(13,342)	1,215	(12,127)
Other comprehensive income	-	-	-	164	-	164	-	164
Total comprehensive income	-	-	-	164	(13,342)	(13,178)	1,215	(11,963)
Transfer to retained earnings	-	-	-	(1,248)	1,248	-	-	-
New issuance shares - Private	21,017	-	-	-	-	21,017	-	21,017
Conversion shares Warrant	10,132	-	(3,868)	3,868	-	10,132	-	10,132
Share buy back	-	(559)	-	-	-	(559)	-	(559)
Change in ownership interest in a subsidiary company	-	-	-	-	-	-	1,250	1,250
At 30 September 2022	383,155	(3,473)	58,777	67,045	297,073	802,577	15,427	818,004
At 1 January 2021	352,006	(2,914)	62,645	65,422	311,319	788,478	12,290	800,768
Loss for the period	-	-	-	(72)	8,045	7,973	135	8,108
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	(72)	8,045	7,973	135	8,108
Transfer to retained earnings	-	-	-	(1,248)	1,248	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	477	477	(145)	332
At 30 September 2021	352,006	(2,914)	62,645	64,102	321,089	796,928	12,280	809,208

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	CURRENT YEAR TO DATE 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-21 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
(Loss)/profit before tax	(11,113)	12,147
Adjustments for:		
Impairment losses on trade and other receivables	34	195
Reversal of impairment losses on trade and other receivables	-	(747)
Amortisation of deferred income	-	(885)
Amortisation of rights-of-use assets	4,808	3,139
Depreciation of property, plant and equipment	3,703	5,218
Dividend income	(150)	(300)
Interest expense	9,218	7,281
Interest income	(16)	(117)
Inventories written off	33	1
Gain on disposal of other property, plant and equipment	(32)	(83)
Bad debts recovered	(164)	(23)
Net unrealised (loss)/gain on foreign exchange	2,090	424
Property, plant & equipment written off	-	2
Operating loss before working capital changes	8,411	26,252
Changes in working capital:		
Inventories	341	(14,302)
Receivables	(18,311)	(9,024)
Contract liabilities	(1,011)	282
Payables	(5,194)	8,377
Cash generated used in operations	(15,764)	11,585
Tax paid	(1,331)	(910)
Interest paid	(9,221)	(7,284)
Net cash generated used in operating activities	(26,316)	3,391



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

	CURRENT YEAR TO DATE 30-Sep-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-21 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(2,005)	(1,585)
Proceeds from disposal of other property, plant & equipment	(133)	737
Proceeds from disposal of subsidiaries	-	332
Interest received	16	117
Proceed from partial disposal of stakes in a subsidiary company	1,250	-
Net dividend received	150	300
Net cash used in investing activities	(722)	(99)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	-	(9,983)
Drawdown of term loan	4,800	9,280
Repayment of lease liabilities	(190)	(178)
Drawdown of revolving credits	-	2,000
Repayment of revolving credits	(550)	-
Repayment of term loans	(11,736)	(1,990)
Proceed from issuance of share capital	30,589	-
Net cash from financing activities	22,913	(871)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(4,125)	2,421
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	9,598	11,748

(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 Sept 2022	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	5,774	1,596	3,508	2,346	13,224
Results					
Segment results	739	(1,978)	(407)	(3,234)	(4,880)
Finance costs					(3,665)
Loss before tax					(8,545)
Income tax expense					(639)
Loss after tax					(9,184)
Non-controlling interests					(115)
Loss for the period					(9,299)
Quarter Ended 30 Sept 2021	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	9,388	196	4,115	56,875	70,574
Results					
Segment results	1,953	(1,989)	1,088	23,533	24,585
Finance costs					(2,508)
Profit before tax					22,077
Income tax expense					(3,724)
Profit after tax					18,353
Non-controlling interests					296
Profit for the period					18,649



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

4. Segment Reporting (Cont'd)

**Year Ended
30 Sept 2022**

	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	17,694	4,289	4,660	5,118	31,761
Results					
Segment results	1,953	3,135	(2,678)	(4,305)	(1,895)
Finance costs					(9,218)
Loss before tax					(11,113)
Income tax expenses					(1,014)
Loss after tax					(12,127)
Non-controlling interests					(1,215)
Loss for the period					(13,342)

**Year Ended
30 Sept 2021**

	Grand Wellness RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Consolidated RM'000
Revenue					
External sales	19,864	2,246	4,921	59,674	86,705
Results					
Segment results	2,733	(4,045)	(874)	21,614	19,428
Finance costs					(7,281)
Profit before tax					12,147
Income tax expense					(3,967)
Profit after tax					8,180
Non-controlling interests					(135)
Profit for the period					8,045



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.



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) 3rd Quarter 2022 vs 3rd Quarter 2021

	Current Year Quarter 30-Sep-22 RM'000	Preceding Year Corresponding Quarter 30-Sep-21 RM'000	Changes (%)
Revenue	13,224	70,574	-81%
Operating (Loss)/Profit	(4,880)	24,585	-120%
(Loss)/Profit Before Interest and Tax	(4,880)	24,585	-120%
(Loss)/Profit Before Tax	(8,545)	22,077	-139%
(Loss)/Profit After Tax	(9,184)	18,353	-150%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(9,299)	18,649	-150%

The Group recorded total revenue of RM13.2 million for the third quarter ended 30 September 2022 compared to RM70.6 million in the previous year corresponding quarter ended 30 September 2021. The decrease in revenue was mainly due there was a sale of a piece of land located at Country Heights Damansara of RM54 million in preceding year corresponding quarter.

The Group recorded a loss before tax of RM8.5 million for the current year quarter ended 20 September 2022 as compared to RM22.1 million profit before tax in preceding year corresponding quarter.

Healthcare Division

The revenue for the third quarter ended 30 September 2022 for the division was RM5.8 million as compared to RM9.4 million in the same quarter of 2021. This was mainly due to a lower vaccine services revenue of RM0.05 million in the third quarter ended 30 September 2022 as compared to RM5.6 million vaccine services revenue contributed by the national vaccine service program in the preceding year corresponding quarter.

The segment profit of RM0.7 million was recorded for the current year quarter ended 30 September 2022 as compared to RM1.9 million for the same quarter of 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)

(a) 3rd Quarter 2022 v 3rd Quarter 2021 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM1.6 million in third quarter of 2022 as compared to RM0.2 million in the third quarter of 2021. The Resorts & Hospitality Division has assumed the operation of Mines Beach Resort (MBR) from the previous operator in the second quarter of 2022. MBR has further contributed additional revenue of RM1.2 million in the current quarter. Segment loss of RM2.0 million was recorded in both current and preceding year same quarter.

Exhibition & Convention Division

The Exhibition & Convention Division has contributed RM3.5 million of revenue in the current quarter as compared to RM4.1 million in the third quarter of 2021. This was mainly due to the decrease in Malaysia International Exhibition Convention Centre (MIECC) car park collection revenue by RM1.4 million from RM1.5 million in the third quarter of 2021 to RM0.01 million in the current quarter mainly due to national vaccine service program carried out at MIECC during preceding year's same quarter. Segment loss of RM0.4 million was recorded in the current quarter compared to segment profit of RM1.1 million in the preceding same quarter.

Property Division

The revenue for Property Division was RM2.3 million in the current quarter compared to RM56.9 million for the third quarter of 2021. This was mainly due there was a sale of a piece of land located at Country Heights Damansara of RM54 million in third quarter of 2021. Segment loss recorded was RM3.2 million for the third quarter of 2022 as compared to a segment profit of RM23.5 million for the same quarter of 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 Sept 2022 vs YTD Sept 2021

	Current Year To Date 30-Sep-22 RM'000	Preceding Year Corresponding Period 30-Sep-21 RM'000	Changes (%)
Revenue	31,761	86,705	-63%
Operating Profit	(1,895)	19,428	-110%
Profit Before Interest and Tax	(1,895)	19,428	-110%
(Loss)/Profit Before Tax	(11,113)	12,147	-191%
(Loss)/Profit Profit After Tax	(12,127)	8,180	-248%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(13,342)	8,045	-266%

The total revenue of the Group for the period ended 30 September 2022 has reduced to RM31.8 million as compared to RM86.7 million for the period ended 30 September 2021. This was mainly due there was a sale of a piece of land located at Country Heights Damansara of RM54 million in period ended 30 September 2021.

The Group recorded a loss before tax of RM11.1 million for the current period as compared to profit before tax of RM12.1 million for the preceding year corresponding period.

Healthcare Division

The revenue contributed by Healthcare Division for the current period ended 30 September 2022 was RM17.7 million as compared to RM20.0 million for the period ended 30 September 2021. This was mainly due a higher vaccine services revenue of RM5.9 million, which contributed by the national vaccine service program in period ended 30 September 2021. However, the RT PCR test revenue in current period ended 30 September 2022 was higher by RM1.8 million as compared to the period ended 30 September 2021.

The division has recorded a segment profit of RM2.0 million for the period ended 30 September 2022 as compared segment profit to RM2.7 million for the period ended 30 September 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 September 2022 vs YTD September 2021 (Cont'd)

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the current period ended 30 September 2022 was recorded at RM4.3 million as compared to RM2.2 million for the period ended 30 September 2021. The increase in the Division revenue was mainly contributed by the revenue from Mines Beach Resort (MBR) operation of RM1.7 million since the Division assumed the operation of MBR from the previous operator in Second Quarter of 2022. The segment profit of RM3.1 million for the current period ended 30 September 2022 was mainly due to the waiver of debts of RM7.2 million from the Resorts and Hospitality Division under the scheme of arrangement in the period ended 30 September 2021.

Exhibition & Convention Division

The Exhibition & Convention Division contributed RM4.7 million of revenue for the current period ended 30 September 2022 as compared to RM4.9 million for the period ended 30 September 2021. This was mainly due to the car park collection revenue has reduced by RM1.4 million, which was from RM1.5 million for the period ended 30 September 2021 to RM0.01 million in current period ended 30 September 2022 as there was a national vaccine services program at MIECC in the preceding year correspondence period. However, the above-mentioned decrease in revenue was offset by a higher exhibition event revenue of RM1.3 million the current period ended 30 September 2022. The segment loss of RM2.7 million was recorded for the current period ended 30 September 2022 as compared to the segment loss of RM0.9 million for the period ended 30 September 2021.

Property Division

The Property Division has contributed RM0.5 million of revenue for the period ended 30 September 2022 as compared to RM60.0 million of the preceding period ended 30 September 2021. This was mainly due to there was a sale of a piece of land located at Country Heights Damansara of RM54 million in the preceding period ended 30 September 2021. The segment loss of RM4.3 million was recorded for the period ended 30 September 2022 as compared to the segment profit of RM21.6 million for the period ended 30 September 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

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

	Current Quarter	Immediate Preceding Quarter	
	30-Sep-22	30-Jun-22	Charges (%)
	RM'000	RM'000	
Revenue	13,224	9,287	42%
Operating Loss	(4,880)	(3,394)	-44%
Loss Before Interest and Tax	(4,880)	(3,394)	-44%
Loss Before Tax	(8,545)	(6,113)	-40%
Loss After Tax	(9,184)	(6,288)	-46%
Loss Attributable to Ordinary Equity Holders of the Parent	(9,299)	(6,275)	-48%

The Group's revenue for the third quarter ended 30 September 2022 was RM13.2 million as compared to the preceding second quarter ended 30 June 2022 of RM9.3 million. The Group's loss before tax for the third quarter ended 30 September 2022 was RM8.5 million as compared to a profit before tax in the preceding second quarter ended 30 June 2022 of RM6.1 million was mainly due to the higher operation cost in Property division for the completion of Country Heights Damansara water tank and water reticulation system in order to handover to Air Selangor and unrealised loss on foreign exchange for foreign loan.

Healthcare Division

The revenue for the third quarter of 2022 for the division was RM5.8 million as compared to RM6.1 million in the preceding second quarter ended 30 June 2022. The segment profit of RM0.7 million was recorded for the third quarter ended 30 September 2022 as compared to the segment profit of RM0.5 million for the preceding second quarter ended 30 June 2022. This is mainly due to there was an impairment losses in Healthcare membership by RM0.3 million in the preceding second quarter ended 30 June 2022.



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

Resorts & Hospitality Division

The Division Revenue for both third quarter of 2022 and second quarter ended 30 June 2022 was recorded at RM1.6 million. The segment loss of RM2.0 million was recorded for the third quarter of 2022 as compared to the segment loss of RM0.9 million for the preceding second quarter ended 30 June 2022. This was mainly due to reversal of uncollectable Palace Vacation Club annual maintenance fee of RM0.5 million.

Exhibition & Convention Division

The Division Revenue for the third quarter of 2022 for the division was RM3.5 million as compared to RM0.3 million in the preceding second quarter ended 30 June 2022 was mainly due to the increase of exhibition event revenue by RM3.0 million in the third quarter of 2022. The segment loss of RM0.4 million was recorded for the current quarter as compared to the segment loss of RM1.3 million for the preceding second quarter ended 30 June 2022.

Property Division

The Revenue for the third quarter of 2022 for the division was RM2.3 million as compared to RM1.2 million in the preceding second quarter ended 30 June 2022 was mainly contributed by the sale of a Belleza Phase 3 completed unit at RM0.4 million. The segment loss of RM4.3 million was recorded for the third quarter as compared to the segment loss of RM1.7 million for the preceding second quarter ended 30 June 2022. This was mainly due to unrealised loss on foreign exchange for foreign loan.



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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 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



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17. Commentary on Prospects (cont'd)

a) Healthcare Division (cont'd)

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.

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 temporary suspend the hotel's operation and upgrade before an eventual opening when the pandemic is moved under.



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17. Commentary on Prospects (cont'd)

b) Hospitality Division: (cont'd)

- 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 sqft 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.

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.



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17. Commentary on Prospects (cont'd)

d) Property Division: (cont'd)
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.

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.



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17. Commentary on Prospects (cont'd)

d) Property Division: (cont'd)
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

	Nine Months Ended	
	30-Sep-22	30-Sep-21
	RM'000	RM'000
Income tax		
- Current year	(648)	(844)
- (Under)/Over provision in prior year	(365)	2
Deferred tax		
- Current year	(1)	(3,181)
- Under provision in prior year	-	56
	<u>(1,014)</u>	<u>(3,967)</u>

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)/Profit before Tax

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

	Nine Months ended	
	30-Sep-22	30-Sep-21
	RM'000	RM'000
Depreciation and amortisation	8,511	8,357
Impairment losses on trade and other receivables	34	195
Net unrealised foreign exchange (loss)/gain	2,090	424
Bad debt recovered	(164)	(23)
Gain on disposal of other property, plant and equipment	(32)	(83)

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.

The six (6) months extension of time for the private placement has lapsed on 7 November 2022.



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23. Corporate Proposals

(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-Sep-22 RM'000	As at 30-Sep-21 RM'000
Land held for property development	159,853	159,269
Property development cost	137,161	138,219
Others	94,767	95,692
	231,928	233,911

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 September 2022 as follows :

	As at 30-Sep-22 RM'000	As at 30-Sep-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	2,150
Number of treasury shares resold	-	-



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26. Borrowings

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

	As at 3rd quarter ended Sept 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	-	76,185	28,310	1,985	28,310	78,170
Revolving credit	-	900	-	550	-	1,450
Total secured borrowings	-	77,085	28,310	2,535	28,310	79,620
Unsecured						
Term Loan	-	92,078	-	-	-	92,078
Total unsecured borrowings	-	92,078	-	-	-	92,078
Total loans and borrowings	-	169,163	28,310	2,535	28,310	171,698
	As at 3rd quarter ended Sept 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	-	-	-	-	-	-
Term loan	-	73,150	35,000	4,598	35,000	77,748
Revolving credit	-	2,000	-	-	-	2,000
Total secured borrowings	-	75,150	35,000	4,598	35,000	79,748
Unsecured						
Term Loan	-	41,935	-	42,343	-	84,278
Total unsecured borrowings	-	41,935	-	42,343	-	84,278
Total loans and borrowings	-	117,085	35,000	46,941	35,000	164,026

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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27. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 30 September 2022 and there have been no changes in derivatives since the last financial year.

(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.



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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 22 November 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 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.



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29. Material Litigation (cont'd)

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.

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.



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29. Material Litigation (cont'd)

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 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.



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29. Material Litigation (cont'd)

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 RM13.3 million (30 September 2021: profit of RM8.0 million) over the number of 296,738,903 (30 September 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 RM13.3 million (30 September 2021: profit of RM8.0 million) over the number of 296,738,903 (30 September 2021: 273,557,403) ordinary shares issued and 128,335,101 (30 September 2021: 136,778,702) warrants issued and listed in December 2018.

32. 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 30 November 2022.