



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-21 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-21 RM'000	Changes %
Revenue	4	14,083	18,205	-23%	45,844	104,909	-56%
Cost of sales		(5,130)	(3,611)		(16,214)	(44,151)	
Gross profit		8,953	14,594	-39%	29,630	60,758	-51%
Interest income		19	44		35	161	
Other operating income		258	6,530		10,320	7,773	
Selling and marketing expenses		(1,419)	(1,321)		(5,255)	(4,636)	
Administrative expenses		(878)	(1,799)		(8,499)	(11,107)	
Other operating expenses		(95,023)	(15,705)		(116,215)	(31,178)	
Finance costs		(3,081)	(2,949)	-4%	(12,299)	(10,230)	-20%
(Loss)/Profit before tax		(91,171)	(606)	-14945%	(102,283)	11,541	986%
Income tax expense	19	(350)	(4,456)		(1,364)	(8,422)	
(Loss)/Profit for the year		(91,521)	(5,062)	-1708%	(103,647)	3,119	3423%

**Other comprehensive income/(loss), net of tax**

*Items that may be reclassified subsequently to profit or loss:*

Exchange differences on translating foreign operations	269	503		269	502	
Total comprehensive income/(loss) for the year	(91,252)	(4,559)	-1902%	(103,378)	3,621	2955%

(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 YEAR ENDED 31 DECEMBER 2022**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-22 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-21 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-22 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-21 RM'000	Changes %
<b>(Loss)/Income attributable to :</b>							
Equity holders of the Company		(68,291)	(5,407)	-1163%	(81,632)	2,639	3193%
Non-controlling interests		(23,230)	345		(22,015)	480	
(Loss)/Profit for the year		<u>(91,521)</u>	<u>(5,062)</u>	<u>-1708%</u>	<u>(103,647)</u>	<u>3,119</u>	<u>3423%</u>
<b>Total comprehensive (loss)/income attributable to :</b>							
Equity holders of the Company		(68,022)	(4,904)	-1287%	(81,363)	3,141	2690%
Non-controlling interests		(23,230)	345		(22,015)	480	
Total comprehensive (loss)/income for the period		<u>(91,252)</u>	<u>(4,559)</u>	<u>-1902%</u>	<u>(103,378)</u>	<u>3,621</u>	<u>2955%</u>
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(23.01)	(1.98)		(27.51)	0.96	
- Diluted	30 (b)	(16.06)	(6.06)		(19.20)	1.02	

(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 31 DECEMBER 2022**

	<b>Note</b>	<b>31-Dec-22 (Unaudited) RM'000</b>	<b>31-Dec-21 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	18,416	48,515
Right-of-use-assets	9	535,590	542,570
Investment properties	9	260,430	260,360
Inventories	24	127,977	159,633
Investment in associate		-	-
Other investments		2,337	2,337
Trade receivables-non-current portion		7,607	7,595
Deferred tax assets		196	196
		<u>952,553</u>	<u>1,021,206</u>
<b>Current assets</b>			
Inventories	24	215,547	232,522
Trade and other receivables		51,622	45,376
Tax recoverable		631	608
Cash and bank balances		9,464	13,723
		<u>277,264</u>	<u>292,229</u>
Non-current asset held for sale		-	-
		<u>277,264</u>	<u>292,229</u>
<b>TOTAL ASSETS</b>		<b><u>1,229,817</u></b>	<b><u>1,313,435</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital		383,155	352,006
Treasury shares		(3,470)	(2,914)
Warrant reserves		58,777	62,645
Other reserves		66,733	64,261
Retained earnings		229,200	309,167
Equity attributable to equity holders of the Company		<u>734,395</u>	<u>785,165</u>
Non-controlling interests		(7,803)	12,962
<b>Total equity</b>		<b><u>726,592</u></b>	<b><u>798,127</u></b>
<b>Non-current liabilities</b>			
Loans and borrowings	26	158,453	167,938
Other payables		2,301	2,322
Contract liabilities		34,323	34,906
Lease liabilities		4,304	5,005
Deferred tax liabilities		101,359	101,339
		<u>300,740</u>	<u>311,510</u>
<b>Current liabilities</b>			
Loans and borrowings	26	31,152	37,535
Trade and other payables		159,939	154,506
Tax payables		5,584	6,420
Lease liabilities		4,428	3,360
Contract liabilities		1,382	1,977
		<u>202,485</u>	<u>203,798</u>
<b>Total Liabilities</b>		<b><u>503,225</u></b>	<b><u>515,308</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,229,817</u></b>	<b><u>1,313,435</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.45	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 YEAR ENDED 31 DECEMBER 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		
<b>At 1 January 2022</b>	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127
Loss for the period	-	-	-	-	(81,632)	(81,632)	(22,015)	(103,647)
Other comprehensive income	-	-	-	269	-	269	-	269
Total comprehensive income	-	-	-	269	(81,632)	(81,363)	(22,015)	(103,378)
Transfer to retained earnings	-	-	-	(1,665)	1,665	-	-	-
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	-	(556)	-	-	-	(556)	-	(556)
Change in ownership interest in a subsidiary company	-	-	-	-	-	-	1,250	1,250
<b>At 31 December 2022</b>	<b>383,155</b>	<b>(3,470)</b>	<b>58,777</b>	<b>66,733</b>	<b>229,200</b>	<b>734,395</b>	<b>(7,803)</b>	<b>726,592</b>
<b>At 1 January 2021</b>	352,006	(2,914)	62,645	65,422	304,865	782,024	12,150	794,174
Profit for the year	-	-	-	-	2,639	2,639	480	3,119
Other comprehensive income	-	-	-	502	-	502	-	502
Total comprehensive income/(loss)	-	-	-	502	2,639	3,141	480	3,621
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	-	-	332	332
<b>At 31 December 2021</b>	<b>352,006</b>	<b>(2,914)</b>	<b>62,645</b>	<b>64,261</b>	<b>309,167</b>	<b>785,165</b>	<b>12,962</b>	<b>798,127</b>

(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 YEAR ENDED 31 DECEMBER 2022**

	<b>CURRENT YEAR TO DATE 31-Dec-22 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-21 RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(102,283)	11,541
Adjustments for:		
Impairment losses on trade and other receivables	34	1,983
Reversal of impairment losses on trade and other receivables	(1,435)	(2,128)
Amortisation of deferred income	(1,180)	(3,884)
Amortisation of rights-of-use-assets	6,406	6,995
Bad debts written off	371	732
Depreciation of property, plant and equipment	4,945	4,861
Dividend income	(150)	(300)
Fair value adjustment to investment properties	(70)	(990)
Fair value adjustment to long term receivables	-	(403)
Gain on disposal on right-of use assets	-	(9)
Impairment gain in value of other investments	-	-
Interest expense	12,299	10,230
Interest income	(35)	(161)
Inventories written off	46,839	8
Gain on disposal of other property, plant and equipment	(41)	(82)
Bad debts recovered	-	(185)
Net unrealised (loss)/gain on foreign exchange	2,758	742
Property, plant & equipment written off	28,345	4
Reversal of impairment losses in value of other investments	-	50
<b>Operating loss before working capital changes</b>	<b>(3,197)</b>	<b>29,004</b>
Changes in working capital:		
Inventories	1,792	(13,820)
Receivables	(4,466)	(12,363)
Deferred Income	2	(3,814)
Payables	(2,603)	11,075
<b>Cash generated used in operations</b>	<b>(8,472)</b>	<b>10,082</b>
Tax refund	-	2
Tax paid	(2,198)	(1,531)
Interest paid	(8,646)	(10,230)
<b>Net cash generated used in operating activities</b>	<b>(19,316)</b>	<b>(1,677)</b>



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>CURRENT YEAR TO DATE 31-Dec-22 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-21 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other property, plant and equipment	(2,047)	(1,472)
Proceeds from disposal of other property, plant & equipment	41	737
Proceeds from disposal of right-of-use-assets	-	174
Proceed from partial disposal of stakes in a subsidiary company	-	332
Interest received	35	161
Net dividend received	150	300
<b>Net cash used in investing activities</b>	<b>(1,821)</b>	<b>232</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in bank overdrafts	-	(9,983)
Drawdown of term loan	9,210	15,280
Payment of lease liabilities	(257)	(577)
Drawdown of revolving credits	-	2,000
Repayment of revolving credits	(550)	-
Repayment of term loans	(22,830)	(1,544)
Proceed from issuance of share capital	30,592	-
Drawdown of lease liabilities	624	-
<b>Net cash from financing activities</b>	<b>16,789</b>	<b>5,176</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(4,348)</b>	<b>3,731</b>
Effects of foreign exchange rate changes	89	666
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>13,723</b>	<b>9,326</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>9,464</b>	<b>13,723</b>

(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**

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### **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**

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**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**

<b>Quarter Ended 31 Dec 2022</b>	<b>Healthcare RM'000</b>	<b>Resorts &amp; Hospitality RM'000</b>	<b>Exhibition &amp; Convention RM'000</b>	<b>Property RM'000</b>	<b>Total operations RM'000</b>
<b>Revenue</b>					
External sales	6,509	1,360	2,243	3,971	14,083
<b>Results</b>					
Segment results	642	(35,348)	128	(53,512)	(88,090)
Finance costs					(3,081)
Loss before tax					(91,171)
Income tax expense					(350)
Loss after tax					(91,521)
Non-controlling interests					23,230
Loss for the period					(68,291)
<b>Quarter Ended 31 Dec 2021</b>					
	<b>Healthcare RM'000</b>	<b>Resorts &amp; Hospitality RM'000</b>	<b>Exhibition &amp; Convention RM'000</b>	<b>Property RM'000</b>	<b>Total operations RM'000</b>
<b>Revenue</b>					
External sales	6,851	5,768	883	4,703	18,205
<b>Results</b>					
Segment results	1,517	80	(459)	1,205	2,343
Finance costs					(2,949)
Loss before tax					(606)
Income tax expense					(4,456)
Loss after tax					(5,062)
Non-controlling interests					(345)
Loss for the period					(5,407)



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

**4. Segment Reporting (Cont'd)**

Year Ended 31 Dec 2022	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
<b>Revenue</b>					
External sales	24,203	5,649	6,903	9,089	45,844
<b>Results</b>					
Segment results	2,595	(32,213)	(2,550)	(57,816)	(89,984)
Finance costs					(12,299)
Loss before tax					(102,283)
Income tax expenses					(1,364)
Loss after tax					(103,647)
Non-controlling interests					22,015
Loss for the year					(81,632)

Year Ended 31 Dec 2021	Grand Wellness RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Consolidated RM'000
<b>Revenue</b>					
External sales	26,715	8,014	5,804	64,376	104,909
<b>Results</b>					
Segment results	4,250	(3,965)	(1,333)	22,819	21,771
Finance costs					(10,230)
Profit before tax					11,541
Income tax expense					(8,422)
Profit after tax					3,119
Non-controlling interests					(480)
Profit for the year					2,639



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

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**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**

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**13. Contingent Liabilities / Assets**

On 2<sup>nd</sup> 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 10<sup>th</sup> 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 (Borneo Highlands Resort).

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) 4th Quarter 2022 vs 4th Quarter 2021**

	<b>Current Year Quarter 31-Dec-22 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Dec-21 RM'000</b>	<b>Charges (%)</b>
Revenue	14,083	18,205	-23%
Operating (Loss)/Profit	(88,090)	2,343	-3860%
(Loss)/Profit Before Interest and Tax	(88,090)	2,343	-3860%
Loss Before Tax	(91,171)	(606)	-14945%
Loss After Tax	(91,521)	(5,062)	-1708%
Loss Attributable to Ordinary Equity Holders of the Parent	(68,291)	(5,407)	1163%

The Group recorded total revenue of RM14.1 million for the fourth quarter ended 31 December 2022 compared to RM18.2 million in the previous year corresponding quarter ended 31 December 2021. The decrease was mainly due to there were a higher deferred Palace Vacation Club (PVC) membership income of RM2.7 million recognized in preceding quarter ended 31 December 2021.

The Group recorded a loss before tax of RM91.2 million for the current year quarter ended 31 December 2022 as compared to RM0.6 million loss before tax in preceding year corresponding quarter was mainly due to the impairment loss for Borneo Highlands Resort and related assets of RM75.2 million<sup>(1)</sup>, accrued construction cost for Country Heights Damansara's water supply handover of RM1.8 million, allowance for doubtful debts of RM4.5 million and provision for liquidated ascertained damages of RM1.7 million.

**Note (1)** The company is optimistic that we are able to obtain a compensation amount of RM150 million from LCDA.

Healthcare Division

The revenue for the fourth quarter ended 31 December 2022 for the division was RM6.5 million as compared to RM6.8 million in the same quarter of 2021. This was mainly due to the decrease in Traditional Chinese Medicine (TCM) revenue from RM0.9 million to RM0.3 million.



**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**

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**15. Operating Segment Review (Cont'd)**

**(a) 4th Quarter 2022 v 4th Quarter 2021 (Cont'd)**

The segment profit of RM0.6 million was recorded for the current year quarter ended 31 December 2022 as compared to RM1.5 million for the same quarter of 2021.

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM1.4 million in fourth quarter of 2022 as compared to RM5.8 million in the fourth quarter of 2021 was mainly due to a higher deferred Palace Vacation Club (PVC) membership income of RM2.7 million recognized in preceding quarter ended 31 December 2021. Segment loss of RM35.3 million was recorded in the current compared to as segment profit of RM0.08 million for the same quarter of 2021 was mainly due to the impairment loss for Borneo Highlands Golf Club resort and leasehold building of RM27.9 million.

Exhibition & Convention Division

The Exhibition & Convention Division has contributed RM2.2 million of revenue in the current quarter as compared to RM0.9 million in the fourth quarter of 2021. This was mainly due to the increased of exhibition event functions from RM0.8 million to RM1.9 million for the period ended December 2022. Segment profit of RM0.1 million was recorded in the current quarter compared to segment loss of RM0.5 million in the preceding same quarter.

Property Division

The revenue for Property Division was RM4.0 million in the current quarter compared to RM4.7 million for the fourth quarter of 2021. Segment loss recorded was RM53.5 million for the fourth quarter of 2022 as compared to a segment profit of RM1.2 million for the same quarter of 2021 was mainly due the impairment loss for Borneo Highlands Resort land unsold completed units and property development cost of RM47.2 million and accrued construction cost for Country Heights Damansara's water supply handover of RM1.8 million.



**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 December 2022 vs YTD December 2021**

	<b>Current Year To Date</b> <b>31-Dec-22</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>31-Dec-21</b> <b>RM'000</b>	<b>Changes (%)</b>
Revenue	45,844	104,909	-56%
Operating (Loss)/Profit	(89,984)	21,771	-513%
(Loss)/Profit Before Interest and Tax	(89,984)	21,771	-513%
(Loss)/Profit Before Tax	(102,283)	11,541	-986%
(Loss)/Profit After Tax	(103,647)	3,119	-3423%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(81,632)	2,639	-3193%

The total revenue of the Group for the year ended 31 December 2022 has reduced to RM104.9 million as compared to RM45.8 million for the year ended 31 December 2021. This was mainly due there was a sale of a piece of land located at Country Heights Damansara of RM54 million in year ended 31 December 2021.

The Group recorded a loss before tax of RM102.3 million for the current period as compared to profit before tax of RM11.5 million for the preceding year corresponding was mainly due to the impairment loss for Borneo Highlands Resort and related assets of RM75.2 million<sup>(1)</sup>, accrued construction cost for Country Heights Damansara's water supply handover of RM1.8 million, allowance for doubtful debts of RM4.5 million and provision for liquidated ascertained damages of RM1.7 million.

**Note (1)** The company is optimistic that we are able to obtain a compensation amount of RM150 million from LCDA.

Healthcare Division

The revenue contributed by Healthcare Division for the current period ended 31 December 2022 was RM24.2 million as compared to RM26.7 million for the year ended 31 December 2021 was mainly due to the decrease of TCM revenue from RM7.0 million to RM1.5 million



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for period ended 31 December 2022. However, there was an increase in Covid19 PCR test of RM2.0 million during the current period ended 31 December 2022.

**15. Operating Segment Review (Cont'd)**

**(b) YTD December 2022 vs YTD December 2021 (Cont'd)**

The division has recorded a segment profit of RM2.6 million for the period ended 31 December 2022 as compared segment profit to RM4.3 million for the period ended 31 December 2021.

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the current period ended 31 December 2022 was recorded at RM5.6 million as compared to RM8.0 million for the period ended 31 December 2021 was mainly due to there were higher deferred Palace Vacation Club (PVC) membership income of RM2.7 million recognized in preceding quarter ended 31 December 2021. The increase in the Division revenue was mainly contributed by the revenue from Mines Beach Resort (MBR) operation of RM3.1 million since the Division assumed the operation of MBR from the previous operator in Second Quarter of 2022. The segment loss of RM32.2 million for the current period ended 31 December 2022 compared to RM4.0 million for the period ended 31 December 2021. There was mainly due to the impairment loss of Borneo Highlands Golf Club resort and leasehold building of RM27.9 million.

Exhibition & Convention Division

The Exhibition & Convention Division contributed RM6.9 million of revenue for the current period ended 31 December 2022 as compared to RM5.8 million for the period ended 31 December 2021. This was mainly due to the exhibition events functions increased by RM2.5 million for period ended 31 December 2022. However the car park collection has reduced from RM1.6 million to RM0.3 million in current period ended 31 December 2022 as there was a national vaccine services program at MIECC in the preceding year correspondence period. The segment loss of RM2.6 million was recorded for the current period ended 31 December 2022 as compared to the segment loss of RM1.3 million for the period ended 31 December 2021.





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**15. Operating Segment Review (Cont'd)**

**(b) YTD December 2022 vs YTD December 2021 (Cont'd)**

Property Division

The Property Division has contributed RM9.1 million of revenue for the period ended 31 December 2022 as compared to RM64.4 million of the preceding period ended 31 December 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 31 December 2021. The segment loss of RM57.8 million was recorded for the period ended 31 December 2022 as compared to the segment profit of RM22.8 million for the period ended 31 December 2021 mainly due to the Forfeiture of Land inventories written off from Sarawak of RM44.4 million.

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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	
	<b>31-Dec-22</b>	<b>30-Sep-22</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>Changes (%)</b>
Revenue	14,083	13,224	6%
Operating Loss	(88,090)	(4,880)	-1705%
Loss Before Interest and Tax	(88,090)	(4,880)	-1705%
Loss Before Tax	(91,171)	(8,545)	-967%
Loss After Tax	(91,521)	(9,184)	-897%
Loss Attributable to Ordinary Equity Holders of the Parent	(68,291)	(9,299)	-634%

The Group's revenue for the fourth quarter ended 31 December 2022 was RM14.1 million as compared to the preceding third quarter ended 30 September 2022 of RM13.2 million. This was mainly due to higher revenue recognized from the sale of completed properties units of Pangsa Rakyat Pajam and Sawtelle.

The Group's loss before tax for the fourth quarter ended 31 December 2022 was RM91.2 million as compared to a loss before tax in the preceding third quarter ended 30 September 2022 of RM8.5 million was mainly due to the impairment loss for Borneo Highlands Resort



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

and related assets of RM75.2 million<sup>(1)</sup> , accrued construction cost for Country Heights Damansara's water supply handover of RM1.8 million, allowance for doubtful debts of RM4.5 million and provision for liquidated ascertained damages of RM1.7 million.

**Note (1)** The company is optimistic that we are able to obtain a compensation amount of RM150 million from LCDA.

Healthcare Division

The revenue for the fourth quarter of 2022 for the division was RM6.5 million as compared to RM5.8 million in the preceding third quarter ended 30 September 2022 mainly due to increase revenue in HU Plus membership from RM1.1 million RM1.8million. The segment profit for the fourth quarter of 2022 for the division was RM0.6 as compared to RM0.7 in preceding third quarter ended 30 September 2022.

Resorts & Hospitality Division

The revenue for the fourth quarter of 2022 for the division was RM1.4 million as compared to RM1.6 million in the preceding third quarter ended 30 September 2022 mainly due to higher revenue of membership from Palace Vacation Club RM2.0 million in preceding quarter ended 31 December 2021. The segment loss of RM35.3 million was recorded for the fourth quarter of 2022 as compared to the segment loss of RM2.0 million for the preceding third quarter ended 30 September 2022. This was mainly due to the impairment loss for Borneo Highlands Golf Club resort and leasehold building of RM27.9 million.

Exhibition & Convention Division

The Division Revenue for the fourth quarter of 2022 for the division was RM2.2 million as compared to RM3.5 million in the preceding third quarter ended 30 September 2022 was mainly due to the decrease of exhibition event revenue by RM1.1 million in the third quarter of 2022. The segment profit of RM0.1 million was recorded for the current quarter as compared to the segment loss of RM0.4 million for the preceding third quarter ended 30 September 2022.



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Property Division

The Revenue for the fourth quarter of 2022 for the division was RM4.0 million as compared to RM2.3 million in the preceding third quarter ended 30 September 2022 was mainly contributed by the sale of completed properties units for Pangsa Rakyat Pajam and Sawtelle by RM3.09 million. The segment loss of RM53.5 million was recorded for the fourth quarter as compared to the segment loss of RM3.2 million for the preceding third quarter ended 30 September 2022. This was mainly due to the impairment loss for Borneo Highlands Resort land, unsold completed units and property development cost of RM47.2 million.

**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.



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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

**17. Commentary on Prospects (cont'd)**

**(a) Healthcare Division (cont'd)**

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.

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.



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**a) 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.

**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.



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- 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.

**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.

**18. Variance on Profit Forecast / Profit Guarantee**

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



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**19. Income Tax Expenses**

	<b>Year Ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax		
- Current year	(829)	(2,164)
- (Under)/Over provision in prior year	(516)	(3,056)
Deferred tax		
- Current year	(19)	(3,196)
- (Under)/Over provision in prior year	-	(6)
	<u>(1,364)</u>	<u>(8,422)</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):

	<b>Year Ended</b>	
	<b>31-Dec-22</b>	<b>31-Dec-21</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortisation	11,351	11,856
Impairment losses on trade and other receivables	34	1,983
Reversal of impairment losses on trade and other receivables	(1,435)	(2,128)
Inventories written off	46,839	8
Net unrealised foreign exchange (loss)/gain	2,758	742
Bad debt written off	371	732
Bad debt recovered	-	(185)
Gain on disposal of other property, plant and equipment	(41)	(82)

There were no gain or loss on derivatives and exceptional items.





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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.

**(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:



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**23. Corporate Proposals (Cont'd)**

	<b>Proposed Amount RM'000</b>	<b>Utilised Amount RM'000</b>
<b>Utilisation of proceeds</b>		
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
<b>Total Utilisation of Proceeds as at 24.05.2022</b>	<b>58,815</b>	<b>21,017</b>

**24. Inventories**

	<b>As at 31-Dec-22 RM'000</b>	<b>As at 31-Dec-21 RM'000</b>
Land held for property development	127,977	159,269
Property development cost	125,072	138,219
Others	90,475	95,692
	<b>215,547</b>	<b>233,911</b>



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**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 31 December 2022 as follows:

	<b>As at 31-Dec-22 RM'000</b>	<b>As at 31-Dec-21 RM'000</b>
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 4th quarter ended December 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
<b>Secured</b>						
Bank overdrafts	-	-	-	-	-	-
Term loan	-	71,913	28,617	1,985	28,617	73,898
Revolving credit	-	900	-	550	-	1,450
Total secured borrowings	-	72,813	28,617	2,535	28,617	75,348
<b>Unsecured</b>						
Term Loan	-	85,640	-	-	-	85,640
Total unsecured borrowings	-	85,640	-	-	-	85,640
<b>Total loans and borrowings</b>	<b>-</b>	<b>158,453</b>	<b>28,617</b>	<b>2,535</b>	<b>28,617</b>	<b>160,988</b>
	As at 4th quarter ended December 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
<b>Secured</b>						
Bank overdrafts	-	-	-	-	-	-
Term loan	-	76,211	35,000	1,985	35,000	78,196
Revolving credit	-	1,449	-	550	-	1,999
Total secured borrowings	-	77,660	35,000	2,535	35,000	80,195
<b>Unsecured</b>						
Term Loan	-	90,278	-	-	-	90,278
Total unsecured borrowings	-	90,278	-	-	-	90,278
<b>Total loans and borrowings</b>	<b>-</b>	<b>167,938</b>	<b>35,000</b>	<b>2,535</b>	<b>35,000</b>	<b>170,473</b>

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 31 December 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.

**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 20 February 2023.

**(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.



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

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

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

**29. Material Litigation (cont'd)**

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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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.

**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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**29. Material Litigation (cont'd)**

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

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

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

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

**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 RM81.6 million (31 December 2021: profit of RM2.6 million) over the number of 296,738,903 (31 December 2021: 273,557,403) ordinary shares issued during the current financial period under review.



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**31. Earnings/(Loss) Per Share (cont'd)**

**(b) Diluted**

Diluted earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM81.6 million (31 December 2021: profit of RM2.6 million) over the number of 296,738,903 (31 December 2021: 273,557,403) ordinary shares issued and 128,335,101 (31 December 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 28 February 2023.