



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-22 RM'000	Changes %	CURRENT YEAR TO DATE 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-22 RM'000	Changes %
Revenue	4	11,261	9,250	22%	11,261	9,250	22%
Cost of sales		(3,769)	(2,643)		(3,769)	(2,643)	
Gross profit		7,492	6,607	13%	7,492	6,607	13%
Interest income		10	6		10	6	
Other operating income		3,151	8,289		3,151	8,289	
Selling and marketing expenses		(1,282)	(1,154)		(1,282)	(1,154)	
Administrative expenses		(3,065)	(625)		(3,065)	(625)	
Other operating expenses		(6,474)	(6,744)		(6,474)	(6,744)	
Finance costs		(2,677)	(2,834)	6%	(2,677)	(2,834)	6%
(Loss)/Profit before tax		(2,845)	3,545	180%	(2,845)	3,545	180%
Income tax expenses	19	(213)	(200)		(213)	(200)	
(Loss)/Profit after tax		(3,058)	3,345	191%	(3,058)	3,345	191%
Other comprehensive (loss)/income, net of tax							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations		(48)	151		(48)	151	
Total comprehensive (loss)/income for the period		(3,106)	3,496	189%	(3,106)	3,496	189%

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-22 RM'000	Changes %	CURRENT YEAR TO DATE 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-22 RM'000	Changes %
(Loss)/Profit attributable to :							
Equity holders of the Company		(2,962)	2,028	246%	(2,962)	2,028	246%
Non-controlling interests		(96)	1,317		(96)	1,317	
(Loss)/Profit for the period		<u>(3,058)</u>	<u>3,345</u>	<u>191%</u>	<u>(3,058)</u>	<u>3,345</u>	<u>191%</u>
Total comprehensive (loss)/income attributable to :							
Equity holders of the Company		(3,010)	2,179	238%	(3,010)	2,179	238%
Non-controlling interests		(96)	1,317		(96)	1,317	
Total comprehensive (loss)/income for the period		<u>(3,106)</u>	<u>3,496</u>	<u>189%</u>	<u>(3,106)</u>	<u>3,496</u>	<u>189%</u>
(Loss)/Earnings per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(1.00)	0.69		(1.00)	0.69	
- Diluted	30 (b)	(1.00)	0.48		(1.00)	0.48	

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 MARCH 2023**

	Note	31-Mar-23 (Unaudited) RM'000	31-Dec-22 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	17,959	18,471
Right-of-use-assets	9	534,706	535,619
Investment properties	9	259,930	259,930
Inventories	24	127,835	127,835
Other investments		2,337	2,337
Trade receivables-non-current portion		2,241	2,241
Deferred tax assets		196	196
		<u>945,204</u>	<u>946,629</u>
Current assets			
Inventories	23	214,162	215,633
Trade and other receivables		41,704	37,501
Contract assets		44	44
Tax recoverable		661	633
Cash and bank balances		8,552	10,038
		<u>265,123</u>	<u>263,849</u>
TOTAL ASSETS		<u>1,210,327</u>	<u>1,210,478</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		383,155	383,155
Treasury shares		(3,470)	(3,470)
Warrant reserves		58,777	58,777
Other reserves		66,268	66,733
Retained earnings		223,415	225,960
Equity attributable to equity holders of the Company		728,145	731,155
Non-controlling interests		(8,609)	(8,513)
Total equity		<u>719,536</u>	<u>722,642</u>
Non-current liabilities			
Loans and borrowings	25	12,190	87,391
Other payables		78,080	2,299
Contract liabilities		33,983	32,805
Lease liabilities		4,251	4,239
Deferred tax liabilities		101,344	101,343
		<u>229,848</u>	<u>228,077</u>
Current liabilities			
Loans and borrowings	25	95,573	94,355
Trade and other payables		153,707	152,160
Tax payables		5,515	5,548
Lease liabilities		4,416	4,447
Contract liabilities		1,732	3,249
		<u>260,943</u>	<u>259,759</u>
Total Liabilities		<u>490,791</u>	<u>487,836</u>
TOTAL EQUITY AND LIABILITIES		<u>1,210,327</u>	<u>1,210,478</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.45	2.46

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	Attributable to Equity Holders of the Company						Non-Controlling Interests	Total Equity
	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	RM'000	RM'000
At 1 January 2023	383,155	(3,470)	58,777	66,733	225,960	731,155	(8,513)	722,642
Loss for the period	-	-	-	-	(2,962)	(2,962)	(96)	(3,058)
Other comprehensive loss	-	-	-	(48)	-	(48)	-	(48)
Total comprehensive loss	-	-	-	(48)	(2,962)	(3,010)	(96)	(3,106)
Transfer to retained earnings	-	-	-	(417)	417	-	-	-
At 31 March 2023	383,155	(3,470)	58,777	66,268	223,415	728,145	(8,609)	719,536
At 1 January 2022	352,006	(2,914)	62,645	64,261	309,167	785,165	12,962	798,127
Other comprehensive income	-	-	-	-	2,028	2,028	1,317	3,345
Total comprehensive income/(loss)	-	-	-	151	-	151	-	151
	-	-	-	151	2,028	2,179	1,317	3,496
Transfer to retained earnings	-	-	-	(417)	417	-	-	-
New issuance shares - Private Placement	21,017	-	-	-	-	21,017	-	21,017
Conversion shares - Warrant	5,585	-	(2,132)	2,132	-	5,585	-	5,585
At 31 March 2022	378,608	(2,914)	60,513	66,127	311,612	813,946	14,279	828,225

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	CURRENT YEAR TO DATE 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-22 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
(Loss)/Profit before tax	(2,845)	3,545
Adjustments for:		
Impairment losses on trade and other receivables	-	203
Reversal of impairment losses on trade and other receivables	(579)	-
Amortisation of deferred income	(295)	-
Amortisation of rights-of-use assets	983	1,571
Bad debts written off	-	17
Depreciation of property, plant and equipment	902	1,234
Interest expense	2,677	2,834
Interest income	(10)	(6)
Gain on disposal of other property, plant and equipment	-	8
Bad debts recovered	-	(164)
Net unrealised gain on foreign exchange	418	-
Operating profit before working capital changes	1,251	9,242
Changes in working capital:		
Inventories	1,471	271
Receivables	(3,623)	(20,105)
Contract liabilities	(44)	126
Payables	733	(7,949)
Net cash used in operations	(212)	(18,415)
Tax paid	(274)	(336)
Interest paid	(161)	(2,837)
Net cash used in operating activities	(647)	(21,588)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2023**

	CURRENT YEAR TO DATE 31-Mar-23 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-22 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(390)	(454)
Proceeds from disposal of right-of-use-assets	-	174
Proceeds from disposal of other property, plant & equipment	-	(173)
Interest received	10	6
Net cash used in investing activities	<u>(380)</u>	<u>(447)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of revolving credits	(350)	(250)
Drawdown of term loan	-	3,000
Repayment of lease liabilities	(88)	(59)
Repayment of term loans	(21)	(8,431)
Proceed from issuance of share capital	-	26,601
Net cash (used in)/generated from financing activities	<u>(459)</u>	<u>20,861</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(1,486)	(1,174)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>10,038</u>	<u>13,723</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>8,552</u>	<u>12,549</u>

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]
PART A – Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 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 2022. 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 2022.

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 2022, 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 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Initial application of MFRS 17 and MFRS 19
- Comparative Information
- 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
- Amendments to MFRS 112, Deferred Tax related to Assets and Liabilities arising from a Single Transaction



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]
PART A – Explanatory Notes Pursuant to MFRS 134

2. Significant Accounting Policies (Cont'd)

1 January 2024

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Non-current Liabilities with Covenants

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 new standard and amendments to standards, if applicable, 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 2022 Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2022 was not subject to any qualification.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]
PART A – Explanatory Notes Pursuant to MFRS 134

4. Segment Reporting

Quarter Ended 31 Mar 2023	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property operations RM'000	Total RM'000
Revenue					
External sales	4,942	2,346	881	3,092	11,261
Results					
Segment results	(35)	(624)	(944)	1,435	(168)
Finance costs					(2,677)
Loss before tax					(2,845)
Income tax expense					(213)
Loss after tax					(3,058)
Non-controlling interests					96
Loss for the period					(2,962)
Quarter Ended 31 Mar 2022	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property operations RM'000	Total RM'000
Revenue					
External sales	5,773	1,067	837	1,573	9,250
Results					
Segment results	710	6,044	(1,016)	641	6,379
Finance costs					(2,834)
Profit before tax					3,545
Income tax expense					(200)
Profit after tax					3,345
Non-controlling interests					(1,317)
Profit for the period					2,028



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]
PART A – Explanatory Notes Pursuant to MFRS 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. Material 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 quarter under review.

9. Carrying Amount of Revalued Assets

There was no valuation of assets during the current financial quarter under review.

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 2022.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901(119416-K)]
PART A – Explanatory Notes Pursuant to MFRS 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. Material 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) 1st Quarter 2023 vs 1st Quarter 2022

	Current Year Quarter	Preceding Year Corresponding Quarter	
	31-Mar-23	31-Mar-22	
	RM'000	RM'000	Changes (%)
Revenue	11,261	9,250	22%
Operating (Loss)/Profit	(168)	6,379	-103%
(Loss)/Profit Before Interest and Tax	(168)	6,379	-103%
(Loss)/Profit Before Tax	(2,845)	3,545	180%
(Loss)/Profit Profit After Tax	(3,058)	3,345	191%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,962)	2,028	-246%

The Group recorded total revenue of RM11.3 million for the first quarter ended 31 March 2023 compared to RM9.3 million in previous year corresponding quarter ended 31 March 2022. The increase was mainly contributed by the sale of completed properties units from Belezza Phase 3 project during the first quarter ended 31 March 2023.

The Group recorded a loss before tax of RM2.8 million for the first quarter ended 31 March 2023 compared to RM3.5 million profit before tax in previous year corresponding quarter ended 31 March 2022. The decrease in the loss before tax is mainly due to the waiver of debts amounting to RM7.3 million from the Resorts and Hospitality Division under the creditors scheme of arrangement and the reversal of provided operating costs in previous year corresponding quarter ended 31 March 2022.



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

15. Operating Segment Review (Cont'd)

Healthcare Division

The revenue for the first quarter ended 31 March 2023 for the division was RM4.9 million as compared to RM5.8 million in previous year corresponding quarter ended 31 March 2022. This was mainly due to the decrease in membership subscription fees from RM1.7 million to RM1.2 million dropped by 29% and health screening from RM0.9 million to RM0.5 million dropped by 44%.

The segment loss of RM0.03 million was recorded for the first quarter ended 31 March 2023 as compared to a segment profit of RM0.7 million in previous year corresponding quarter ended 31 March 2022. There was mainly due to bad debt recovered incurred of RM0.1 million in previous year corresponding quarter ended 31 March 2022.

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM2.3 million in first quarter ended 31 March 2023 as compared to RM1.1 million in previous year corresponding quarter ended 31 March 2022. The increase in the Division revenue was mainly contributed by the higher revenue from Mines Beach Resort of RM1.8 million managed by new management effective from May 2022.

The segment loss of RM0.6 million was recorded in first quarter ended 31 March 2023 as compared to a segment profit of RM6.0 million in previous year corresponding quarter ended 31 March 2022 mainly due to waiver of debts amount to RM7.3 million from the Resorts and Hospitality Division under the creditors scheme of arrangement in previous year corresponding quarter ended 31 March 2022.



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

15. Operating Segment Review (Cont'd)

Exhibition & Convention Division

The Exhibition & Convention Division has contributed RM0.9 million of revenue in first quarter ended 31 March 2023 as compared to RM0.8 million in previous year corresponding quarter ended 31 March 2022. There is no material changes.

The segment loss of RM0.9 million was recorded in first quarter ended 31 March 2023 as compared to segment loss of RM1.0 million in previous year corresponding quarter ended 31 March 2022. There was mainly due to cost saving of operating costs implemented during the first quarter ended 31 March 2023.

Property Division

The revenue for Property Division was RM3.1 million in the first quarter ended 31 March 2023 as compared to RM1.6 million in previous year corresponding quarter ended 31 March 2022.

The segment profit recorded was RM1.4 million for the first quarter ended 31 March 2022 as compared to a segment profit of RM0.6 million in previous year corresponding quarter ended 31 March 2022 was mainly due the higher revenue from the sale of completed properties of Belezza Phase 3 project.



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	Charges (%)
	31-Mar-23 RM'000	31-Dec-22 RM'000	
Revenue	11,261	14,577	-23%
Operating Profit/(Loss)	(168)	(92,214)	100%
Profit/(Loss) Before Interest and Tax	(168)	(92,214)	100%
Loss Before Tax	(2,845)	(95,176)	97%
Loss After Tax	(3,058)	(95,471)	97%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,962)	(71,530)	96%

The Group's revenue for the first quarter ended 31 March 2023 was RM11.3 million as compared to the preceding fourth quarter ended 31 December 2022 of RM14.6 million. This is mainly due to higher revenue from the sale of completed properties of Pangsa Rakyat Pajam and Sawtelle in preceding quarter ended 31 December 2022.

The Group's loss before tax for the first quarter ended 31 March 2023 was RM2.8 million as compared to a loss before tax in the preceding fourth quarter ended 31 December 2022 of RM95.2 million. This is mainly due to the impairment loss on Borneo Highlands Resort land, unsold completed units and property development costs amounting to RM75 million in preceding quarter ended 31 December 2022.

Healthcare Division

The revenue for the first quarter ended 31 March 2023 for the division was RM4.9 million as compared to RM6.5 million in the preceding fourth quarter ended 31 December 2022. This is mainly due to decrease revenue in health screening from RM1.1 million to RM0.5 million.

The segment loss for the first quarter ended 31 March 2023 for the division was RM0.03 million as compared to segment profit of RM1.0 million in preceding fourth quarter ended 31 December 2022. This is mainly due to decrease revenue in health screening from RM1.1 million to RM0.5 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

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

Resorts & Hospitality Division

The revenue for the first quarter ended 31 March 2023 for the division was RM2.3 million as compared to RM2.1 million in the preceding fourth quarter ended 31 December 2022. This is mainly due to higher revenue from Mines Beach Resort of RM1.8 million managed by new management effective from May 2022.

The segment loss of RM0.6 million was recorded for the first quarter ended 31 March 2023 as compared to the segment loss of RM41.9 million for the preceding fourth quarter ended 31 December 2022. This was mainly due to the impairment loss on Borneo Highlands Resort Land of RM27.9 million in preceding quarter ended 31 December 2022.

Exhibition & Convention Division

The Division Revenue for the first quarter ended 31 March 2023 for the division was RM0.9 million as compared to RM2.2 million in the preceding fourth quarter ended 31 December 2022. This is mainly due to the higher exhibition event revenue by RM1.3 million in the preceding fourth quarter ended 31 December 2022.

The segment loss of RM0.9 million was recorded for the current quarter as compared to the segment loss of RM1.8 million for the preceding fourth quarter ended 31 December 2022. This is mainly due to impairment loss on other receivable of RM2.0 million in the preceding quarter ended 31 December 2022.

Property Division

The Revenue for the first quarter ended 31 March 2023 for the division was RM3.1 million as compared to RM3.8 million in the preceding fourth quarter ended 31 December 2022. This is mainly higher revenue contributed by the sale of completed properties from Pangsa Rakyat Pajam and Sawtelle by RM3.09 million in preceding quarter ended 31 December 2022.



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

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

The segment profit of RM1.4 million was recorded for the first quarter ended 31 March 2023 as compared to the segment loss of RM49.6 million for the preceding fourth quarter ended 31 December 2022. This was mainly due to the impairment loss for Borneo Highlands unsold completed units and property development costs amounting to RM47.2 million in preceding quarter ended 31 December 2022.

17. Commentary on Prospects

While the group maintain its vision on its four key ventures that has been detailed previously.

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.

Our healthcare division will set up a centre of excellence for alternative and preventive medicine in a 36,000 sq ft space at the Mines Waterfront Business Park. It will be collaboration with a group of doctors practising both Eastern and Western alternative medicine.

(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.



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

17. Commentary on Prospects (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:

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

	Quarter Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Income tax		
- Current year	<u>(213)</u>	<u>(200)</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):

	Quarter Ended	
	31-Mar-23	31-Mar-22
	RM'000	RM'000
Depreciation and amortisation	1,885	2,805
Impairment losses on trade and other receivables	-	203
Net unrealised foreign exchange (loss)/gain	418	-
Bad debt written off	-	(17)
Bad debt recovered	<u>(579)</u>	<u>(164)</u>

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



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23. Inventories

	As at 31-Mar-23 RM'000	As at 31-Mar-22 RM'000
Land held for property development	<u>127,835</u>	<u>159,239</u>
Property development cost	115,252	137,406
Others	<u>98,910</u>	<u>94,845</u>
	<u>214,162</u>	<u>232,251</u>

24. 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 March 2023 as follows:

	As at 31-Mar-23 RM'000	As at 31-Mar-22 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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25. Borrowings and Debt Securities

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

	As at 1st quarter ended March 2023					
	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	-	10,046	29,035	66,188	29,035	76,234
Revolving credit	-	750	-	350	-	1,100
Total secured borrowings	-	10,796	29,035	66,538	29,035	77,334
Unsecured						
Term Loan	-	1,394	-	-	-	1,394
Total unsecured borrowings	-	1,394	-	-	-	1,394
Total loans and borrowings	-	12,190	29,035	66,538	29,035	78,728
	As at 1st quarter ended March 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	-	78,012	27,768	1,985	27,768	79,997
Revolving credit	-	1,200	-	550	-	1,750
Total secured borrowings	-	79,212	27,768	2,535	27,768	81,747
Unsecured						
Term Loan	-	90,278	-	-	-	90,278
Total unsecured borrowings	-	90,278	-	-	-	90,278
Total loans and borrowings	-	169,490	27,768	2,535	27,768	172,025

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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26. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 March 2023 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.

27. 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.

28. 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 May 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 September 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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28. Material Litigation (Cont'd)

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 July 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 26 June 2024 to 5 July 2024.

- (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 December 2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28 December 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 January 2021 despite notice and demand given by CHHB for the Defendants not



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28. Material Litigation (Cont'd)

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 December 2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restrain the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28 December 2020. The meeting scheduled for 28 December 2020 did not happen. The Defendants proceeded to convene the meeting on 25 January 2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. CHHB has further filed an application for leave to commence committal proceedings against the Defendants.

The Defendant has filed an application to strike out the Originating Summons and CHHB's application for the injunction. On 4 May 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 May 2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. The appeal is fixed for hearing on 16 June 2022 and directed for the matter to be referred back to the High Court. The 1st and 2nd Defendants filed a Notice of Motion for leave to appeal to Federal Court and the same was dismissed on 5 October 2022.

The first and second Defendants thereafter filed a stay of the proceedings in High Court pending the determination of the arbitration as disclosed in Note 39(i) and the same was allowed by the High Court pursuant to parties' consent on 31 March 2023. The next case management is scheduled on 16 July 2024.



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28. Material Litigation (Cont'd)

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.

On 7 March 2023, the Federal Court has struck out the case and no appeal is available. Accordingly, the property, plant and equipment and right-of-use assets held by the Group in relation to the disputed land has been fully impaired and the inventories held by the Group in relation to the disputed land has been fully written down.



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28. Material Litigation (Cont'd)

(iv) 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 January 2021 and Ad Interim Order dated 10 February 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 August 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 March 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 September 2022 for MPSB to file the Statement of Defence or any necessary application and the Statement of Defence has been filed. The Court has now fix the matter for Trial on 4 to 6 October 2023.



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28. Material Litigation (Cont'd)

(v) 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 (MWBK) (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.

(vi) ARBITRATION BETWEEN GREAT PURPOSE SDN BHD (CLAIMANT) AND COLLEGE HEIGHTS UTARA SDN BHD (RESPONDENT)

This suit arrived due to a contractual dispute regarding to a project known as “Cadangan mendirikan 458 unit rumah Superlink di Kolej Heights Utara di atas Plot PT 1097-1269, PT 1352-1355 dan PT 1365 Mukim Bandar Darulaman dan Lot 503 Mukim Bandar Kepala Batas, Daerah Kubang Pasu, Kedah Darul Aman”.

Claimant have filed an arbitration suit for termination of contract by Respondant with the following prayers as:- (a) a declaration that Respondent had unlawfully and wrongly terminated the Contract with Claimant, (b) Further and/or in the alternative, a declaration that the Respondent repudiated the Contract with Claimant, (c) Damages



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28. Material Litigation (Cont'd)

for loss of profit in the sum of RM 2,532,428.25 or such other sum as may be determined by the Tribunal, (d) The value of Claimant's completed works as certified under Interim Payment Certificate No 2 dated 19 January 2016 in the sum of RM 43,901.51 which has been wrongfully and or unlawfully retained by the Respondent, (e) General damages arising from the unlawfully and wrongful termination and the repudiation of the Contract by the Respondent to be assessed by the Tribunal, (f) Interest, (g) Cost of the arbitration proceedings to be borne by the Respondent and (h) Such further and other relief as deemed fit and proper by the Tribunal.

The suit is currently ongoing at stages for parties to file their list of documents which is fixed on 28 April 2023 upon which Hearing date would be fixed.

29. Dividend Payable

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

30. (Loss)/Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM2.9 million (31 March 2022: profit of RM2.0 million) over the number of 296,738,903 (31 March 2022: 294,050,903) 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 RM2.9 million (31 March 2022: profit of RM2.0 million) over the number of 296,738,903 (31 March 2022: 294,050,903) ordinary shares issued and Nil (31 March 2022: 132,123,101) warrants issued and listed in December 2018.



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31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 May 2022.