



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019

|   | Note | INDIVIDUAL QUARTER                    |   |           | CUMULATIVE QUARTERS                   |  |           |
|---|------|---------------------------------------|---|-----------|---------------------------------------|--|-----------|
|   |      | CURRENT YEAR QUARTER 30-Sep-19 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-18 RM'000 | Changes % | CURRENT YEAR TO DATE 30-Sep-19 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-18 RM'000 | Changes % |
| Revenue   | 4    | 23,937                                | 21,166  | 13%       | 65,126                                | 57,834   | 13%       |
| Cost of sales   |      | (7,277)                               | (6,622)   |           | (20,566)                              | (18,492)   |           |
| Gross profit  |      | 16,660                                | 14,544  | 15%       | 44,560                                | 39,342   | 13%       |
| Interest income   |      | 95                                    | 39  |           | 144                                   | 124  |           |
| Other operating income  |      | 1,163                                 | 129,426   |           | 3,074                                 | 132,266  |           |
| Selling and marketing expenses  |      | (1,872)                               | (1,778)   |           | (6,057)                               | (4,486)  |           |
| Administrative expenses   |      | (7,404)                               | (7,415)   |           | (20,697)                              | (20,301)   |           |
| Other operating expenses  |      | (10,615)                              | (7,817)   |           | (27,715)                              | (25,995)   |           |
| Finance costs   |      | (3,130)                               | (2,387)   | -31%      | (8,810)                               | (6,702)  | -31%      |
| (Loss)/Profit before tax  |      | (5,103)                               | 124,612   | -104%     | (15,501)                              | 114,248  | -114%     |
| Income tax (expense)/credit   | 19   | (3,435)                               | 6,307   |           | 550                                   | 6,762  |           |
| (Loss)/Profit for the period  |      | (8,538)                               | 130,919   | -107%     | (14,951)                              | 121,010  | -112%     |
| <b>Other comprehensive income/(loss), net of tax</b>                  |      |                                       |   |           |                                       |  |           |
| <i>Items that may be reclassified subsequently to profit or loss:</i> |      |                                       |   |           |                                       |  |           |
| Exchange differences on translating foreign operations                |      | 12                                    | 465   |           | 12                                    | 465  |           |
| Total comprehensive loss for the period                               |      | (8,526)                               | 131,384   | -106%     | (14,939)                              | 121,475  | -112%     |

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

|  | Note   | INDIVIDUAL QUARTER                    |   |              | CUMULATIVE QUARTERS                   |  |              |
|--|--------|---------------------------------------|---|--------------|---------------------------------------|--|--------------|
|  |        | CURRENT YEAR QUARTER 30-Sep-19 RM'000 | PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-18 RM'000 | Changes %    | CURRENT YEAR TO DATE 30-Sep-19 RM'000 | PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-18 RM'000 | Changes %    |
| <b>Profit/(Loss) attributable to :</b>   |        |                                       |   |              |                                       |  |              |
| Equity holders of the Company  |        | (8,932)                               | 131,171   | -107%        | (15,186)                              | 121,779  | -112%        |
| Non-controlling interests  |        | 394                                   | (252)   |              | 235                                   | (769)  |              |
| Loss for the period  |        | <u>(8,538)</u>                        | <u>130,919</u>  | <u>-107%</u> | <u>(14,951)</u>                       | <u>121,010</u>                                       | <u>-112%</u> |
| <b>Total comprehensive income/(loss) attributable to :</b>                         |        |                                       |   |              |                                       |  |              |
| Equity holders of the Company  |        | (8,920)                               | 131,636   | -107%        | (15,174)                              | 122,244  | -112%        |
| Non-controlling interests  |        | 394                                   | (252)   |              | 235                                   | (769)  |              |
| Total comprehensive loss for the period  |        | <u>(8,526)</u>                        | <u>131,384</u>  | <u>-106%</u> | <u>(14,939)</u>                       | <u>121,475</u>                                       | <u>-112%</u> |
| Earnings / (Loss) per share attributable to ordinary equity holders of the Company |        |                                       |   |              |                                       |  |              |
| - Basic  | 30 (a) | (3.27)                                | 47.95   |              | (5.55)                                | 44.52  |              |
| - Diluted  | 30 (b) | (2.18)                                | NA  |              | (3.70)                                | NA   |              |

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2019**

|   | Note | 30-Sep-19<br>(Unaudited)<br>RM'000 | 31-Dec-18<br>(Audited)<br>RM'000 |
|---|------|------------------------------------|----------------------------------|
| <b>ASSETS</b>   |      |                                    |                                  |
| <b>Non-current assets</b>   |      |                                    |                                  |
| Property, plant and equipment   | 9    | 308,462                            | 312,710                          |
| Investment properties   | 9    | 271,661                            | 271,640                          |
| Prepaid land lease payments   |      | 294,571                            | 295,826                          |
| Inventories   | 24   | 205,509                            | 201,672                          |
| Investment in associate   |      | 2                                  | -                                |
| Other investments   |      | 2,734                              | 2,734                            |
| Trade receivables-non-current portion   |      | 5,522                              | 6,912                            |
| Deferred tax assets   |      | 26,101                             | 26,166                           |
|   |      | <u>1,114,562</u>                   | <u>1,117,660</u>                 |
| <b>Current assets</b>   |      |                                    |                                  |
| Inventories   | 24   | 217,188                            | 215,583                          |
| Trade and other receivables   |      | 51,598                             | 43,188                           |
| Tax recoverable   |      | 229                                | 4,039                            |
| Cash and bank balances  |      | 10,149                             | 11,766                           |
|   |      | <u>279,164</u>                     | <u>274,576</u>                   |
| <b>TOTAL ASSETS</b>   |      | <b><u>1,393,726</u></b>            | <b><u>1,392,236</u></b>          |
| <b>EQUITY AND LIABILITIES</b>   |      |                                    |                                  |
| <b>Capital and Reserves</b>   |      |                                    |                                  |
| Share capital   |      | 352,006                            | 352,006                          |
| Treasury shares   |      | (2,914)                            | (2,914)                          |
| Warrant reserves  |      | 62,645                             | 62,645                           |
| Other reserves  |      | 66,540                             | 67,776                           |
| Retained earnings   |      | 362,741                            | 376,852                          |
| Equity attributable to equity holders of the Company                                |      | 841,018                            | 856,365                          |
| Non-controlling interests   |      | 18,963                             | 18,832                           |
| <b>Total equity</b>   |      | <b><u>859,981</u></b>              | <b><u>875,197</u></b>            |
| <b>Non-current liabilities</b>  |      |                                    |                                  |
| Loans and borrowings  | 26   | 175,860                            | 183,052                          |
| Other payables  |      | 1,851                              | 1,736                            |
| Contract liabilities  |      | 40,592                             | 39,317                           |
| Deferred tax liabilities  |      | 125,058                            | 125,059                          |
|   |      | <u>343,361</u>                     | <u>349,164</u>                   |
| <b>Current liabilities</b>  |      |                                    |                                  |
| Loans and borrowings  | 26   | 51,128                             | 41,879                           |
| Trade and other payables  |      | 137,055                            | 117,198                          |
| Tax payables  |      | 1,067                              | 1,685                            |
| Contract liabilities  |      | 1,134                              | 7,113                            |
|   |      | <u>190,384</u>                     | <u>167,875</u>                   |
| <b>Total Liabilities</b>  |      | <b><u>533,745</u></b>              | <b><u>517,039</u></b>            |
| <b>TOTAL EQUITY AND LIABILITIES</b>   |      | <b><u>1,393,726</u></b>            | <b><u>1,392,236</u></b>          |
| Net assets per share attributable to ordinary equity holders<br>of the Company (RM) |      | 3.07                               | 3.13                             |

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)



**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

|   | Attributable to Equity Holders of the Company |                           |                            |                          |                             | Non-Controlling Interests | Total Equity  |                |
|---|---|---------------------------|----------------------------|--------------------------|-----------------------------|---------------------------|---------------|----------------|
|   | Non-distributable                             |                           | Distributable              |                          |                             |                           |               |                |
|   | Share Capital<br>RM'000                       | Treasury Shares<br>RM'000 | Warrant Reserves<br>RM'000 | Other Reserves<br>RM'000 | Retained Earnings<br>RM'000 | Total<br>RM'000           | RM'000        |                |
| <b>At 1 January 2019</b>                              | 352,006                                       | (2,914)                   | 62,645                     | 67,776                   | 376,852                     | 856,365                   | 18,832        | 875,197        |
| Loss for the period                                   | -   | -                         | -                          | -                        | (15,186)                    | (15,186)                  | 235           | (14,951)       |
| Other comprehensive income                            | -   | -                         | -                          | 12                       | -                           | 12                        | -             | 12             |
| Total comprehensive income                            | -   | -                         | -                          | 12                       | (15,186)                    | (15,174)                  | 235           | (14,939)       |
| Transfer to retained earnings                         | -   | -                         | -                          | (1,248)                  | 1,248                       | -                         | -             | -              |
| Dividends Paid  | -   | -                         | -                          | -                        | -                           | -                         | (693)         | (693)          |
| Changes in ownership interest in a subsidiary company | -   | -                         | -                          | -                        | (173)                       | (173)                     | 589           | 416            |
| <b>At 30 September 2019</b>                           | <b>352,006</b>                                | <b>(2,914)</b>            | <b>62,645</b>              | <b>66,540</b>            | <b>362,741</b>              | <b>841,018</b>            | <b>18,963</b> | <b>859,981</b> |
| <b>At 1 January 2018</b>                              | <b>352,006</b>                                | <b>(2,914)</b>            | <b>-</b>                   | <b>130,689</b>           | <b>293,125</b>              | <b>772,906</b>            | <b>20,542</b> | <b>793,448</b> |
| Profit for the period                                 | -   | -                         | -                          | -                        | 121,779                     | 121,779                   | (769)         | 121,010        |
| Other comprehensive income                            | -   | -                         | -                          | 465                      | -                           | 465                       | -             | 465            |
| Total comprehensive income/(loss)                     | -   | -                         | -                          | 465                      | 121,779                     | 122,244                   | (769)         | 121,475        |
| <b>At 30 September 2018</b>                           | <b>352,006</b>                                | <b>(2,914)</b>            | <b>-</b>                   | <b>131,154</b>           | <b>414,904</b>              | <b>895,150</b>            | <b>19,773</b> | <b>914,923</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 2018 and the accompanying explanatory notes attached to the interim financial statements)



**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

|   | <b>CURRENT YEAR<br/>TO DATE<br/>30-Sep-19<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD<br/>30-Sep-18<br/>RM'000</b> |
|---|--|---|
| <b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>                |  |   |
| (Loss)/Profit before tax                                      | (15,501)   | 114,248   |
| Adjustments for:  |  |   |
| Impairment losses on trade and other receivables              | 496  | 441   |
| Reversal of impairment losses on trade and other receivables  | -  | (7)   |
| Amortisation of deferred income                               | (885)  | (885)   |
| Amortisation of debts issuance costs                          | 60   | 60  |
| Amortisation of prepaid land lease payment                    | 1,255  | 1,291   |
| Bad debts written off   | (1)  | 1   |
| Depreciation of property, plant and equipment                 | 6,414  | 6,459   |
| Dividend income   | (200)  | (150)   |
| Fair value adjustment to investment properties                | -  | (127,455)   |
| Interest expense  | 8,810  | 6,702   |
| Interest income   | (144)  | (124)   |
| Gain on disposal of other property, plant and equipment       | (10)   | -   |
| Bad debts recovered   | (11)   | (18)  |
| Net unrealised gain on foreign exchange                       | (12)   | (48)  |
| <b>Operating profit before working capital changes</b>        | <b>271</b>   | <b>515</b>  |
| Changes in working capital:                                   |  |   |
| Inventories   | (5,441)  | 323   |
| Receivables   | (7,503)  | (25,736)  |
| Contract liabilities  | (805)  | 1,379   |
| Payables  | 16,897   | 29,058  |
| <b>Cash generated (used in)/from operations</b>               | <b>3,419</b>   | <b>5,539</b>  |
| Tax refund  | 4,405  | -   |
| Tax paid  | (597)  | (1,411)   |
| Interest paid   | (8,751)  | (6,642)   |
| <b>Net cash generated (used in)/from operating activities</b> | <b>(1,524)</b>   | <b>(2,514)</b>  |



**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019**

|  | <b>CURRENT YEAR<br/>TO DATE<br/>30-Sep-19<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD<br/>30-Sep-18<br/>RM'000</b> |
|--|--|---|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |  |   |
| Purchase of other property, plant and equipment                  | (2,143)  | (2,299)   |
| Expenditure on hotel properties and exhibition centre & showroom | -  | (1)   |
| Expenditure on investment properties                             | (22)   | -   |
| Proceeds from disposal of other property, plant & equipment      | 8  | -   |
| Net of cash and cash equivalent acquired investment in associate | (2)  | -   |
| Proceeds from disposal of subsidiaries                           | 418  | -   |
| Interest received  | 144  | 124   |
| Payment dividend income to non-controlling interest              | (693)  | -   |
| Net dividend received  | 200  | 150   |
| <b>Net cash used in investing activities</b>                     | <b><u>(2,090)</u></b>                                    | <b><u>(2,026)</u></b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |  |   |
| Repayment of bank overdrafts                                     | (55)   | (3,490)   |
| Drawdown of term loan  | 10,000   | 10,007  |
| Hire purchase and lease creditors                                | (41)   | (214)   |
| Repayment of term loans  | (7,907)  | (7,123)   |
| <b>Net cash from/(used in) financing activities</b>              | <b><u>1,997</u></b>                                      | <b><u>(820)</u></b>   |
| <b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>                 | <b>(1,617)</b>   | <b>(5,360)</b>  |
| Effects of foreign exchange rate changes                         | -  | -   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>            | <b>11,766</b>  | <b>16,167</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>                | <b><u>10,149</u></b>                                     | <b><u>10,807</u></b>  |

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2018. 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 2018.

**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 2018, 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 2019**

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 9, Prepayment Features with Negative Compensation
- Amendments to MFRS 119, Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128, Long – term interests in Associates and Joint Ventures
- Annual Improvements to MFRSs 2015 – 2017 Cycle :
  - Amendments to MFRS 3
  - Amendments to MFRS 11
  - Amendments to MFRS 112
  - Amendments to MFRS 123



**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 2020**

- Amendments to MFRS Standards, References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 101, Definition of Material

**1 January 2021**

- MFRS 17, Insurance Contracts
- Amendments to MFRS 10 and MFRS 128, Sales or Contributions 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 2018 Financial Statements**

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2018 was not subject to any qualification.





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

**4. Segment Reporting**

| Quarter Ended<br>30 Sept 2019 | Grand<br>Wellness<br>RM'000 | Resorts &<br>Hospitality<br>RM'000 | Car City<br>Centre<br>RM'000 | Cheng<br>Ho<br>RM'000 | Property<br>Development<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------|-----------------------------|------------------------------------|------------------------------|-----------------------|-----------------------------------|------------------------|
| Revenue                       |                             |                                    |                              |                       |                                   |                        |
| External sales                | 8,574                       | 8,836                              | 4,876                        | -                     | 1,651                             | 23,937                 |
| Results                       |                             |                                    |                              |                       |                                   |                        |
| Segment results               | 2,973                       | (2,702)                            | 599                          | (1)                   | (2,842)                           | (1,973)                |
| Finance costs                 |                             |                                    |                              |                       |                                   | (3,130)                |
| Loss before tax               |                             |                                    |                              |                       |                                   | (5,103)                |
| Income tax expense            |                             |                                    |                              |                       |                                   | (3,435)                |
| Loss after tax                |                             |                                    |                              |                       |                                   | (8,538)                |
| Non-controlling interests     |                             |                                    |                              |                       |                                   | (394)                  |
| Loss for the period           |                             |                                    |                              |                       |                                   | (8,932)                |

| Quarter Ended<br>30 Sept 2018 | Grand<br>Wellness<br>RM'000 | Resorts &<br>Hospitality<br>RM'000 | Car City<br>Centre<br>RM'000 | Cheng<br>Ho<br>RM'000 | Property<br>Development<br>RM'000 | Consolidated<br>RM'000 |
|-------------------------------|-----------------------------|------------------------------------|------------------------------|-----------------------|-----------------------------------|------------------------|
| Revenue                       |                             |                                    |                              |                       |                                   |                        |
| External sales                | 7,947                       | 9,258                              | 2,265                        | -                     | 1,696                             | 21,166                 |
| Results                       |                             |                                    |                              |                       |                                   |                        |
| Segment results               | 60,315                      | 172                                | (160)                        | (2)                   | 66,674                            | 126,999                |
| Finance costs                 |                             |                                    |                              |                       |                                   | (2,387)                |
| Profit before tax             |                             |                                    |                              |                       |                                   | 124,612                |
| Income tax credit             |                             |                                    |                              |                       |                                   | 6,307                  |
| Profit after tax              |                             |                                    |                              |                       |                                   | 130,919                |
| Non-controlling interests     |                             |                                    |                              |                       |                                   | 252                    |
| Profit for the period         |                             |                                    |                              |                       |                                   | 131,171                |



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

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

| Year Ended<br>30 Sept 2019 | Grand<br>Wellness<br>RM'000 | Resorts &<br>Hospitality<br>RM'000 | Car City<br>Centre<br>RM'000 | Cheng Ho<br>RM'000 | Property<br>Development<br>RM'000 | Consolidated<br>RM'000 |
|----------------------------|-----------------------------|------------------------------------|------------------------------|--------------------|-----------------------------------|------------------------|
| <b>Revenue</b>             |                             |                                    |                              |                    |                                   |                        |
| External sales             | 24,398                      | 26,076                             | 9,138                        | -                  | 5,514                             | 65,126                 |
| <b>Results</b>             |                             |                                    |                              |                    |                                   |                        |
| Segment results            | 8,162                       | (6,109)                            | (864)                        | (2)                | (7,878)                           | (6,691)                |
| Finance costs              |                             |                                    |                              |                    |                                   | (8,810)                |
| Loss before tax            |                             |                                    |                              |                    |                                   | (15,501)               |
| Income tax credit          |                             |                                    |                              |                    |                                   | 550                    |
| Loss after tax             |                             |                                    |                              |                    |                                   | (14,951)               |
| Non-controlling interests  |                             |                                    |                              |                    |                                   | (235)                  |
| Loss for the period        |                             |                                    |                              |                    |                                   | (15,186)               |
| <br>                       |                             |                                    |                              |                    |                                   |                        |
| Year Ended<br>30 Sept 2018 | Grand<br>Wellness<br>RM'000 | Resorts &<br>Hospitality<br>RM'000 | Car City<br>Centre<br>RM'000 | Cheng Ho<br>RM'000 | Property<br>Development<br>RM'000 | Consolidated<br>RM'000 |
| <b>Revenue</b>             |                             |                                    |                              |                    |                                   |                        |
| External sales             | 19,139                      | 23,547                             | 5,186                        | -                  | 9,962                             | 57,834                 |
| <b>Results</b>             |                             |                                    |                              |                    |                                   |                        |
| Segment results            | 63,655                      | (5,435)                            | (2,064)                      | (6)                | 64,800                            | 120,950                |
| Finance costs              |                             |                                    |                              |                    |                                   | (6,702)                |
| Profit before tax          |                             |                                    |                              |                    |                                   | 114,248                |
| Income tax credit          |                             |                                    |                              |                    |                                   | 6,762                  |
| Profit after tax           |                             |                                    |                              |                    |                                   | 121,010                |
| Non-controlling interests  |                             |                                    |                              |                    |                                   | 769                    |
| Profit for the period      |                             |                                    |                              |                    |                                   | 121,779                |



**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 2018. Investment properties have been revalued at fair value as of 31 December 2018.

**10. Issuance or Repayment of Debt and Equity Securities**

The Company issued a two for one bonus warrants, total warrants 136,778,702 during the financial year ended 31 December 2018.

**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 2018.

**13. Contingent Liabilities / Assets**

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2018. There are no material contingent assets as at the date of this report.

**14. Subsequent event**

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



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

**15. Operating Segment Review**

**(a) 3rd Quarter 2019 vs 3rd Quarter 2018**

|   | <b>Current Year<br/>Quarter<br/>30-Sep-19<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Quarter<br/>30-Sep-18<br/>RM'000</b> | <b>Changes (%)</b> |
|---|--|--|--------------------|
| Revenue   | 23,937   | 21,166   | 13%                |
| Operating (Loss)/Profit   | (1,973)  | 126,999  | -102%              |
| (Loss)/Profit Before Interest and Tax                               | (1,973)  | 126,999  | -102%              |
| (Loss)/Profit Before Tax  | (5,103)  | 124,612  | -104%              |
| (Loss)/Profit After Tax   | (8,538)  | 130,919  | -107%              |
| (Loss)/Profit Attributable to Ordinary Equity Holders of the Parent | (8,932)  | 131,171  | -107%              |

The Group recorded a total revenue of RM23.9 million for the third quarter ended 30 September 2019 compared to RM21.2 million in the previous corresponding quarter ended 30 September 2018.

The Group recorded a loss before tax of RM5.1 million for the current quarter compared to a RM124.6 million profit before tax in the previous year corresponding quarter due to the Group adjusted the investment properties to reflect the fair value of the properties at RM127.4 million.

Grand Wellness Hub Division

The revenue for the third quarter of 2019 for the division was RM8.6 million as compared to RM7.9 million in the same quarter of 2018. The segment profit of RM3.0 million was recorded for the third quarter of 2019 as compared to a segment profit of RM60.3 million for the same quarter of 2018. The division recorded higher profit in previous quarter due to the fair value adjustment of RM56.9 million on the investment properties.



**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) 3rd Quarter 2019 vs 3rd Quarter 2018 (Cont'd)**

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM8.8 million in the current quarter of 2019 as compared to RM9.3 million in the third quarter of 2018. The segment loss was recorded at RM2.7 million for the third quarter of 2019 as compared to the segment profit of RM0.2 million for the same quarter of 2018.

Car City Centre Division

Car City Centre Division contributed RM4.9 million of revenue in the current quarter of 2019 as compared to RM2.3 million in the third quarter of 2018. The segment profit of RM0.6 million was recorded in the current quarter of 2019 as compared to the segment loss of RM0.2 million in the same quarter of 2018.

Cheng Ho Islamic Finance and Trade Centre Division

Segment loss of RM0.001 million was recorded in the current quarter of 2019 as compared to the segment loss of RM0.002 million in the third quarter of 2018.

Property Development Division

The revenue for Property Development Division was RM1.7 million in the current quarter of 2019 same as previous corresponding quarter of 2018. A segment loss of RM2.8 million was recorded for the third quarter of 2019 as compared to the segment profit of RM66.7 million for the same quarter of 2018. The division recorded higher profit in previous quarter due to the fair value adjustment of RM70.5 million on the investment properties.



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

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

**(b) YTD Sept 2019 vs YTD Sept 2018**

|   | <b>Current Year To Date</b><br><b>30-Sep-19</b><br><b>RM'000</b> | <b>Preceding Year Corresponding Period</b><br><b>30-Sep-18</b><br><b>RM'000</b> | <b>Changes (%)</b> |
|---|--|---|--------------------|
| Revenue   | 65,126   | 57,834  | 13%                |
| Operating (Loss)/Profit   | (6,691)  | 120,950   | -106%              |
| (Loss)/Profit Before Interest and Tax                               | (6,691)  | 120,950   | -106%              |
| (Loss)/Profit Before Tax  | (15,501)   | 114,248   | -114%              |
| (Loss)/Profit After Tax   | (14,951)   | 121,010   | -112%              |
| (Loss)/Profit Attributable to Ordinary Equity Holders of the Parent | (15,186)   | 121,779   | -112%              |

The total revenue of the Group for the period ended 30 September 2019 was increased to RM65.1 million from RM57.8 million for the period ended 30 September 2018 due to higher sales from Grand Wellness Hub and Car City Centre division.

The Group recorded a loss before tax of RM15.5 million for the current period to date as compared to a profit before tax of RM114.2 million in the same period of the preceding year. The group recorded higher profit in previous quarter due to the fair value adjustment of RM127.4 million on the investment properties.

Grand Wellness Hub Division

The revenue contributed by Grand Wellness Hub Division for the period ended 30 September 2019 was RM24.4 million as compared to RM19.1 million for the period ended 30 September 2018.

The division recorded a segment profit of RM8.2 million for the period ended 30 September 2019 as compared to RM63.7 million for the period ended 30 September 2018.



**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)**

**(b) YTD September 2019 vs YTD September 2018 (Cont'd)**

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the period ended 30 September 2019 was recorded at RM26.1 million as compared to RM23.5 million for the period ended 30 September 2018. The segment loss was recorded for the current period was RM6.1 million as compared to RM5.4 million for the period ended 30 September 2018.

Car City Centre Division

Car City Centre Division contributed RM9.1 million of revenue for the period ended 30 September 2019 as compared to RM5.2 million for the period ended 30 September 2018. The segment loss of RM0.9 million was recorded for the current period ended 30 September 2019 as compared to the segment loss of RM2.1 million for the period ended 30 September 2018.

Cheng Ho Islamic Finance and Trade Centre Division

The segment loss of RM0.002 million was recorded for the period ended 30 September 2019 as compared to RM0.006 million for the period ended 30 September 2018.

Property Development Division

Property Development Division contributed RM5.5 million of revenue for the period ended 30 September 2019 as compared to RM10.0 million for the period ended 30 September 2018. The segment loss of RM7.9 million was recorded for the the period ended 30 September 2019 as compared to the segment profit of RM64.8 million for the period ended 30 September 2018. The differences mainly due to fair value adjustment of the RM70.5 million on the investment properties.



**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**

|  | <b>Current Quarter</b><br><b>30-Sep-19</b><br><b>RM'000</b> | <b>Immediate Preceding Quarter</b><br><b>30-Jun-19</b><br><b>RM'000</b> | <b>Charges (%)</b> |
|--|---|---|--------------------|
| Revenue  | 23,937  | 19,686  | 22%                |
| Operating Loss   | (1,973)   | (2,531)   | 22%                |
| Loss Before Interest and Tax                               | (1,973)   | (2,531)   | 22%                |
| Loss Before Tax  | (5,103)   | (5,115)   | 0%                 |
| Loss After Tax   | (8,538)   | (5,409)   | -58%               |
| Loss Attributable to Ordinary Equity Holders of the Parent | (8,932)   | (5,382)   | -66%               |

The Group's revenue for the third quarter ended 30 September 2019 was RM23.9 million compared to the preceding second quarter ended 30 June 2019 of RM19.7 million and the Group's loss before tax for the third quarter ended 30 September 2019 was RM5.1 million same as in the preceding second quarter ended 30 June 2019.

**17. Commentary on Prospects**

The international economic and financial landscape is to remain challenging and will be key factor that influence the prospects of Malaysian economy in 2019. According to Bank Negara Malaysia, the Malaysian economy is projected to grow by 4.5% (2018 : 4.6%) in 2019 although the preceding quarter the GDP growth was 4.9%. The global economic uncertainties, slowdown in property development market, increasing cost of living in the country coupled with the high borrowing cost and difficulty in obtaining bank loans and end financing are of great concern as these will dampen sentiments and affect demand in certain sectors.





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

Notwithstanding the above, the Group intends to transform itself and realign the business to focus on five key ventures moving forward. They are:-

- **Grand Wellness Hub**

A medically and holistically integrated health and wellness solution which represents the future system of continuum care, with a total of over 2 million sqft space and a gross development value of RM2 billion.

New Strategies and Innovative project development in pipeline:

A. WELLNESS 4 & WELLNESS 5 – (A total gross build up of 245,000 sq ft )

With the GHHS Healthcare's Integrative preventive health solutions and the strategic partnerships, new strategies are introduced for Total Wellness Concept with Medical and Wellness operations such as:

1. Comprehensive and one stop Confinement Centre
2. European Wellness and Yunohana Beauty Centre
3. GHHS Healthcare & Specialist clinic & Medical Suite
4. Physiotherapy Centre & Senior Gym
5. Elderly Living Care Centre

B. AQUALIS – 4 block services apartment with a total 933,500 sft gross built up sq ft

A new phase of life, Anti-Aging Living at The Mines with the aim providing retirees with a retirement village environment to live longer, healthier lives by introducing the 4 steps Integrated Total Wellness Concept:

1. **Diagnosis:** Health screening & Checkup, Chinese Medical Diagnosis, Heavy Metal Screening, DNA Test, Food intolerance, Cancer life span profiling
2. **Detox:** Plaqx Therapy, colon therapy, liver detox, TCM Detox therapy etc
3. **Repair:** Hormonal imbalances therapy, Hyperthermia, Hyperbaric, Traditional Chinese Medicine
4. **Rejuvenation:** Bio molecular / cellular therapy, Beauty & Aesthetic, Yunohana Hokutolite negative ion, Anti-oxidant, Supplement

With the total GDC of RM294 million, the total 650 units of Aqualis apartment is cater for Independent Living, short term and respite care, assisted living as Personal Care 24/7 and Memory Care, equip with Health & Medical Community Services and Wellness activities.



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

- **Resorts and Hospitality**

This integrated project will have a proposed total GDV of RM3.7 billion and includes the Golf Villa (serviced apartments and SOHO located next to the Palace of the Golden Horses Hotel, Kuala Lumpur). The projects are focusing on high net worth individuals looking for a combination of resort lifestyle and luxury hospitality.

**Palace of the Golden Horses**

Refurbishment is on-going and measures have been put in place to increase M.I.C.E marketing with more international and local corporate events and promotions. These include international marketing and branding exercises, and working very closely with Ministry of Tourism & Culture and its agencies such as Tourism Malaysia and Tourism Selangor in marketing the hotel. Palace of the Golden Horses participates in MATTA Fairs in key states, Tourism Selangor local exhibitions and international destination weddings exhibitions.

The emphasized are given to:

- a) Service improvement programs – art and culture activities; new improved gastronomic experience (new menus, engagement with International Chefs and new F&B line-up); monthly carnival program; inter connected water taxi services, orchid garden, men grooming product & services; and customers loyalty program.
- b) New Online marketing and new strategy to encourage booking via Palace of the Golden Horses internet booking engine.
- c) Strategic partnerships and collaborations to help stimulate the business and joint branding and marketing efforts.

- **Car City Centre**

MINES International Exhibition and Convention Centre is currently undergoing infrastructure upgrades to further develop the Mines Car City Centre Concept. A total of approximately 155,000sqft will be converted into a holistic one stop automotive sales centre, together with an automotive themed lifestyle cafe and a centre of excellence for long term product display.

This project will rejuvenate MINES International Exhibition and Convention Centre into Asean's largest automotive expo centre in Asean with showcasing the latest automotive technology and trends.

A part of being the largest indoor automotive vehicle and products show case, Mines International Exhibition and Convention Centre will also provide a co-working space called the Mines Workpool.



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

With the successful inaugural event, the Asia GT festival heads into 2020 with bigger plans collaborating with the Ministry of Tourism to hold the first international motorsport race event at the Sepang International Circuit in March 2020.

- **Cheng Ho Islamic Finance and Trade Centre**

A total of 62 acres of land in Alor Gajah, Malacca, to be transformed to an exhibition centre, a mixed development of SOHO, business hotel, open street trading mall & retail outlets, exhibition centre, business suites and centralized warehouses.

With strategic partnership with China's 'One Belt One Road' initiative, this future epicenter of Islamic trade and finance projects a GDV of RM1.3 billion, creating job opportunities and attract Islamic financial technology companies, Insuretech, Halal Logistics, Haji & Umrah, Islamic Tourism, pharmaceuticals and related industries.

It is positioned to be the world's 1<sup>st</sup> Shariah-attested blockchain development strategically poised to tap into the RM5.8 trillion economies by year 2022.

- **Property Development**

The Group still has plenty of land banks for future property development purpose but the Group has the intention to source for more land banks in the market.

**Country Heights Property Development** in its next phase of its expansion the division is working to create urban spaces that sets new standards in both property investment and development, scoring high on the liveability index.

Property Development Division is currently sourcing for strategic partners on any potential of joint venture development.

Property Development Division has a few projects in the pipeline for launching in 2019.

Amongst projects scheduled for launching in 2019 (barring any unforeseen circumstances) are:-

- a) **Mines Waterfront Suites Phase 3:** Upon completing Phase 2 of Mines Waterfront Suites, Phase 3 is ready to embark under the same brand name which consists of 2 towers with total gross floor area 308,858 sq ft.



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

- b) **Pajam Hub88 Terrace Factory** – Hub88 industrial lots serve a multitude of purposes including manufacturing and warehousing, offering convenience and accessibility as well as the versatility to use the space to meet any demand. Hub88 comprises of 60 units on 4 acres freehold land.

With the recent unveiling of master development of the Malaysia vision valley – a multibillion ringgit development project across the region of Nilai, Pajam is poised to benefit in the form of booming, long lasting growth.

- c) **College Heights Utara Phase 4, 200 acres.** Development order has been approved on 21 Oct 2019 for following developments.

- i. 199 Units – Double Storey Shop Office
- ii. 2 lots – Commercial Centre
- iii. 118 Units – Double Storey Semi Detached
- iv. 42 Units Double Storey Bungalow
- v. 86 Units Double Storey Terrace (Phase A)
- vi. 190 Units Double Storey Terrace (Phase B)
- vii. 200 Units Double Storey Terrace PPA1M (Phase C)
- viii. 615 Units 5 Storey walk up Apartment with car parking facilities and retail shop lots
- ix. 270 units 5 Storey Affordable Apartment Aman Kedah
- x. 375 units 5 Storey Affordable Apartment Makmur Kedah
- xi. 580 units 5 Storey Medium Cost Cluster Apartment

The progress and development are subject to obtaining all regulatory approval, completion of the feasibility study, and financial close.



**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**

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

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

**19. Income Tax (Expense)/Credit**

|                                 | <b>Nine Months Ended</b> |                  |
|---------------------------------|--------------------------|------------------|
|                                 | <b>30-Sep-19</b>         | <b>30-Sep-18</b> |
|                                 | <b>RM'000</b>            | <b>RM'000</b>    |
| Income tax                      |                          |                  |
| - Current year                  | (595)                    | (8)              |
| - Under provision in prior year | (3,424)                  | (322)            |
| - Over provision in prior year  | 4,634                    | 7,182            |
| Deferred tax                    |                          |                  |
| - Current year                  |                          | -                |
| - Under provision in prior year | (65)                     | (90)             |
|                                 | 550                      | 6,762            |

**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>30-Sep-19</b> | <b>30-Sep-18</b> |
|--|------------------|------------------|
|  | <b>RM'000</b>    | <b>RM'000</b>    |
| Depreciation and amortisation                                | 7,669            | 7,750            |
| Impairment losses on trade and other receivables             | 496              | 441              |
| Reversal of impairment losses on trade and other receivables | -                | (7)              |
| Net unrealised foreign exchange gain                         | (12)             | (48)             |
| Bad debt written off   | (1)              | 1                |
| Bad debt recovered   | (11)             | (18)             |
| Gain on disposal of other property, plant and equipment      | (10)             | -                |
| Fair value adjustment  | -                | (127,455)        |

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



**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**

**23. Corporate Proposals**

**(a) Status of Corporate Proposals**

There were no corporate proposals.

**(b) Status of Utilisation of Proceeds from Corporate Proposal**

There was no utilisation of proceeds derived from the Company's corporate proposal.

**24. Inventories**

|                                    | <b>As at<br/>30-Sep-19<br/>RM'000</b> | <b>As at<br/>30-Sep-18<br/>RM'000</b> |
|------------------------------------|---------------------------------------|---------------------------------------|
| Land held for property development | 205,189                               | 200,469                               |
| Property development cost          | 133,292                               | 134,745                               |
| Others                             | 83,896                                | 77,807                                |
|                                    | <u>217,188</u>                        | <u>212,552</u>                        |

**25. Details of Treasury Shares**

As at the end of the reporting period, all the shares purchased by the company were retained as treasury shares as at 30 September 2019 as follows:

|  | <b>As at<br/>30-Sep-19<br/>RM'000</b> | <b>As at<br/>30-Sep-18<br/>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 | 2,150,000                             | 2,150,000                             |
| Number of treasury shares resold         | -                                     | -                                     |



**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**

**26. Borrowings**

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

|                                   | As at 3rd quarter ended September 2019 |                 |                   |                 |                   |                 |
|-----------------------------------|--|-----------------|-------------------|-----------------|-------------------|-----------------|
|                                   | Long-term                              |                 | Short-term        |                 | Total borrowings  |                 |
|                                   | Foreign<br>RM'000                      | Local<br>RM'000 | Foreign<br>RM'000 | Local<br>RM'000 | Foreign<br>RM'000 | Local<br>RM'000 |
| <b>Secured</b>                    |  |                 |                   |                 |                   |                 |
| Bank overdrafts                   | -                                      | -               | -                 | 20,743          | -                 | 20,743          |
| Term loan                         | -                                      | 75,880          | -                 | 30,385          | -                 | 106,265         |
| <b>Total secured borrowings</b>   | -                                      | 75,880          | -                 | 51,128          | -                 | 127,008         |
| <b>Unsecured</b>                  |  |                 |                   |                 |                   |                 |
| Term Loan                         | -                                      | 99,887          | -                 | -               | -                 | 99,887          |
| Hire purchase & lease creditors   | -                                      | 93              | -                 | -               | -                 | 93              |
| <b>Total unsecured borrowings</b> | -                                      | 99,980          | -                 | -               | -                 | 99,980          |
| <b>Total loans and borrowings</b> | -                                      | 175,860         | -                 | 51,128          | -                 | 226,988         |
|                                   | As at 3rd quarter ended September 2018 |                 |                   |                 |                   |                 |
|                                   | Long-term                              |                 | Short-term        |                 | Total borrowings  |                 |
|                                   | Foreign<br>RM'000                      | Local<br>RM'000 | Foreign<br>RM'000 | Local<br>RM'000 | Foreign<br>RM'000 | Local<br>RM'000 |
| <b>Secured</b>                    |  |                 |                   |                 |                   |                 |
| Bank overdrafts                   | -                                      | -               | -                 | 26,486          | -                 | 26,486          |
| Term loan                         | -                                      | 76,563          | -                 | 14,450          | -                 | 91,013          |
| <b>Total secured borrowings</b>   |  | 76,563          |                   | 40,936          |                   | 117,499         |
| <b>Unsecured</b>                  |  |                 |                   |                 |                   |                 |
| Term Loan                         | -                                      | 110,800         | -                 | -               | -                 | 110,800         |
| Hire purchase & lease creditors   | -                                      | 160             | -                 | 37              | -                 | 197             |
| <b>Total unsecured borrowings</b> | -                                      | 110,960         | -                 | 37              | -                 | 110,997         |
| <b>Total loans and borrowings</b> | -                                      | 187,523         | -                 | 40,973          | -                 | 228,496         |

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



**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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**27. Disclosure requirements pursuant to implementation of MFRS 139**

**(a) Disclosure of Derivatives**

There are no outstanding derivatives as at 30 September 2019 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. Dividend Payable**

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

**30. Earnings/(Loss) Per Share**

**(a) Basic**

Basic earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM15.2 million (30 September 2018: profit of RM121.8 million) over the number of 273,557,403 (30 September 2018: 273,557,403) ordinary shares issued during the current financial period under review.

**(b) Diluted**

Diluted earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM15.2 million (30 September 2018: profit of RM121.8 million) over the number of 273,557,403 (30 September 2018: 273,557,403) ordinary shares issued and 136,778,702 (30 September 2018: Nil) warrants issued and listed in December 2018.





**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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**31. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 November 2019.

By Order of the Board

**Phua Kia Pau**

Chief Financial Officer