



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-19 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000	Changes %
Revenue	4	6,501	19,686	-67%	17,747	41,189	-57%
Cost of sales		(951)	(6,239)		(4,220)	(13,289)	
Gross profit		5,550	13,447	-59%	13,527	27,900	-52%
Interest income		36	29		49	49	
Other operating income		1,056	1,172		1,640	1,911	
Selling and marketing expenses		(528)	(2,140)		(1,637)	(4,185)	
Administrative expenses		(2,922)	(6,475)		(8,807)	(13,293)	
Other operating expenses		(5,792)	(8,564)		(14,290)	(17,100)	
Finance costs		(2,616)	(2,584)	-1%	(4,767)	(5,680)	16%
Loss before tax		(5,216)	(5,115)	2%	(14,285)	(10,398)	-37%
Income tax expenses/(credit)	19	(5)	(294)		(9)	3,985	
Loss for the period		(5,221)	(5,409)	3%	(14,294)	(6,413)	-123%
<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		(2)	40		(2)	40	
Total comprehensive loss for the period		(5,223)	(5,369)	3%	(14,296)	(6,373)	-124%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-19 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000	Changes %
<b>Profit/(Loss) attributable to :</b>							
Equity holders of the Company		(5,749)	(5,382)	-7%	(12,717)	(6,254)	-103%
Non-controlling interests		528	(27)		(1,577)	(159)	
Loss for the period		<u>(5,221)</u>	<u>(5,409)</u>	3%	<u>(14,294)</u>	<u>(6,413)</u>	-123%
<b>Total comprehensive income/(loss) attributable to :</b>							
Equity holders of the Company		(5,751)	(5,342)	-8%	(12,719)	(6,214)	-105%
Non-controlling interests		528	(27)		(1,577)	(159)	
Total comprehensive loss for the period		<u>(5,223)</u>	<u>(5,369)</u>	3%	<u>(14,296)</u>	<u>(6,373)</u>	-124%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(2.10)	(1.97)		(4.65)	(2.29)	
- Diluted	30 (b)	(1.40)	(1.31)		(3.10)	(1.52)	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	<b>Note</b>	<b>30-Jun-20 (Unaudited) RM'000</b>	<b>31-Dec-19 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	53,147	55,523
Right-of-use-assets	9	551,911	553,727
Investment properties	9	271,140	271,140
Inventories	24	158,992	158,954
Investment in associate		50	-
Other investments		2,718	2,718
Trade receivables-non-current portion		8,755	7,138
Deferred tax assets		26,046	26,046
		<u>1,072,759</u>	<u>1,075,246</u>
<b>Current assets</b>			
Inventories	24	220,288	219,900
Trade and other receivables		37,890	39,038
Tax recoverable		207	741
Cash and bank balances		7,441	12,744
		<u>265,826</u>	<u>272,423</u>
Non-current asset held for sale		<u>42,313</u>	<u>42,313</u>
		<u>308,139</u>	<u>314,736</u>
<b>TOTAL ASSETS</b>		<b><u>1,380,898</u></b>	<b><u>1,389,982</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		65,809	66,644
Retained earnings		331,655	343,539
Equity attributable to equity holders of the Company		<u>809,201</u>	<u>821,920</u>
Non-controlling interests		<u>12,683</u>	<u>14,260</u>
<b>Total equity</b>		<b><u>821,884</u></b>	<b><u>836,180</u></b>
<b>Non-current liabilities</b>			
Loans and borrowings	26	137,900	143,334
Other payables		2,114	2,122
Contract liabilities		39,949	39,664
Lease liabilities		3,290	3,282
Deferred tax liabilities		124,931	124,931
		<u>308,184</u>	<u>313,333</u>
<b>Current liabilities</b>			
Loans and borrowings	26	55,437	74,433
Trade and other payables		187,230	156,309
Tax payables		2,267	2,933
Lease liabilities		3,084	3,250
Contract liabilities		2,812	3,544
		<u>250,830</u>	<u>240,469</u>
<b>Total Liabilities</b>		<b><u>559,014</u></b>	<b><u>553,802</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,380,898</u></b>	<b><u>1,389,982</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.96	3.00

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE JUNE MONTHS PERIOD ENDED 30 JUNE 2020**

	Attributable to Equity Holders of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
<b>At 1 January 2020</b>	352,006	(2,914)	62,645	66,644	343,539	821,920	14,260	836,180
Loss for the period	-	-	-	(2)	(12,717)	(12,719)	(1,577)	(14,296)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(2)	(12,717)	(12,719)	(1,577)	(14,296)
Transfer to retained earnings	-	-	-	(833)	833	-	-	-
<b>At 30 June 2020</b>	<b>352,006</b>	<b>(2,914)</b>	<b>62,645</b>	<b>65,809</b>	<b>331,655</b>	<b>809,201</b>	<b>12,683</b>	<b>821,884</b>
<b>At 1 January 2019</b>	352,006	(2,914)	62,645	67,776.00	376,852	856,365	18,832	875,197
Loss for the period	-	-	-	-	(6,254)	(6,254)	(159)	(6,413)
Other comprehensive income	-	-	-	40	-	40	-	40
Total comprehensive income/(loss)	-	-	-	40	(6,254)	(6,214)	(159)	(6,373)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	175	175	(176)	(1)
<b>At 30 June 2019</b>	<b>352,006</b>	<b>(2,914)</b>	<b>62,645</b>	<b>66,984</b>	<b>371,605</b>	<b>850,326</b>	<b>18,497</b>	<b>868,823</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 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	<b>CURRENT YEAR TO DATE 30-Jun-20 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before tax	(14,285)	(10,398)
Adjustments for:		
Impairment losses on trade and other receivables	112	265
Amortisation of deferred income	(310)	(590)
Amortisation of debts issuance costs	-	40
Amortisation of rights-of-use assets	1,815	837
Bad debts written off	356	4
Depreciation of property, plant and equipment	3,477	4,003
Interest expense	4,767	5,680
Interest income	(49)	(49)
Inventories written off	28	-
Bad debts recovered	(79)	(4)
Net unrealised gain on foreign exchange	(110)	(12)
<b>Operating loss before working capital changes</b>	<b>(4,278)</b>	<b>(224)</b>
Changes in working capital:		
Inventories	(455)	(5,348)
Receivables	(857)	(9,440)
Contract liabilities	(145)	(581)
Payables	31,027	15,143
<b>Cash generated used in operations</b>	<b>25,292</b>	<b>(450)</b>
Tax refund	-	3,681
Tax paid	(141)	80
Interest paid	(4,767)	(5,640)
<b>Net cash generated used in operating activities</b>	<b>20,384</b>	<b>(2,329)</b>



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020**

	<b>CURRENT YEAR TO DATE 30-Jun-20 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-19 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other property, plant and equipment	(1,099)	(1,260)
Expenditure on investment properties	-	(22)
Net of cash and cash equivalent acquired investment in associate	(50)	(100)
Interest received	49	49
<b>Net cash used in investing activities</b>	<b><u>(1,100)</u></b>	<b><u>(1,333)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank overdrafts	202	(349)
Drawdown of term loan	773	11,736
Repayment of lease liabilities	(158)	(30)
Repayment of term loans	(25,404)	(4,941)
<b>Net cash from financing activities</b>	<b><u>(24,587)</u></b>	<b><u>6,416</u></b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(5,303)</b>	<b>2,754</b>
Effects of foreign exchange rate changes	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>12,744</u></b>	<b><u>11,766</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>7,441</u></b>	<b><u>14,520</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 2019 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 2019. 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 2019.

**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 2019, 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 2020**

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108, Definition of Material

**1 June 2020**

- Amendments to MFRS 16, Covid-19 Related Rent Concessions

**1 January 2021**

- MFRS 17, Insurance Contracts



**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 2022**

- Annual Improvements to MFRS 2018 – 2020
  - MFRS 1
  - MFRS 9
  - MFRS 16
  - MFRS 141
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 3, Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment-Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract

**Deferred until further notice**

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

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

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

**3. Audit Opinion on 2019 Financial Statements**

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2019 was not subject to any qualification.





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

**4. Segment Reporting**

Quarter Ended 30 June 2020	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	3,991	1,984	126	-	400	6,501
<b>Results</b>						
Segment results	1,537	(2,750)	(1,325)	-	(62)	(2,600)
Finance costs						(2,616)
Loss before tax						(5,216)
Income tax expense						(5)
Loss after tax						(5,221)
Non-controlling interests						(528)
Loss for the period						(5,749)

Quarter Ended 30 June 2019	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	8,273	8,201	1,944	-	1,268	19,686
<b>Results</b>						
Segment results	2,998	(2,297)	(669)	-	(2,563)	(2,531)
Finance costs						(2,584)
Loss before tax						(5,115)
Income tax expense						(294)
Loss after tax						(5,409)
Non-controlling interests						27
Loss for the period						(5,382)



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

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

Year Ended 30 June 2020	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	9,004	6,824	1,145	-	774	17,747
<b>Results</b>						
Segment results	2,039	(6,276)	(3,061)	(1)	(2,219)	(9,518)
Finance costs						(4,767)
Loss before tax						(14,285)
Income tax expenses						(9)
Loss after tax						(14,294)
Non-controlling interests						1,577
Loss for the period						(12,717)

Year Ended 30 June 2019	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
<b>Revenue</b>						
External sales	15,824	17,240	4,262	-	3,863	41,189
<b>Results</b>						
Segment results	5,189	(3,407)	(1,463)	(1)	(5,036)	(4,718)
Finance costs						(5,680)
Loss before tax						(10,398)
Income tax credit						3,985
Loss after tax						(6,413)
Non-controlling interests						159
Loss for the period						(6,254)



**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 2019. Investment properties have been revalued at fair value as of 31 December 2019.

**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 2019.

**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 2019.

**13. Contingent Liabilities / Assets**

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2019. There are no material contingent assets as at the date of this report.



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

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**14. Subsequent event**

The Directors of the Company have closely monitored the development of the outbreak of coronavirus pandemic (“COVID-19”) infection in Malaysia that may affect business performances and financial position of the Group and of the Company movement restriction order and other precautionary measures imposed by relevant local authorities that affected the Group and the Company business operations. As at the date of this report, the financial impact of the COVID-19 outbreak to the Group and to the Company cannot be reasonably estimated due to the inherent unpredictable nature and rapid development relating to COVID-19, the extent of the impact depends on the on-going precautionary measures introduced by our government to address this pandemic and the durations of the pandemic. As such, the Directors of the Company will continue to closely monitor the situations and respond proactively to mitigate the impact on the Group’s and the Company’s financial performance and financial position.



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

**15. Operating Segment Review**

**(a) 2nd Quarter 2020 vs 2nd Quarter 2019**

	<b>Current Year Quarter 30-Jun-20 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-Jun-19 RM'000</b>	<b>Changes (%)</b>
Revenue	6,501	19,686	-67%
Operating Loss	(2,600)	(2,531)	-3%
Loss Before Interest and Tax	(2,600)	(2,531)	-3%
Loss Before Tax	(5,216)	(5,115)	-2%
Loss After Tax	(5,221)	(5,409)	3%
Loss Attributable to Ordinary Equity Holders of the Parent	(5,749)	(5,382)	-7%

The Group recorded a total revenue of RM6.5 million for the second quarter ended 30 June 2020 compared to RM19.7 million in the previous corresponding quarter ended 30 June 2019.

The Group recorded a loss before tax of RM5.2 million for the current quarter compared to a RM5.1 million loss before tax in the previous corresponding quarter as the business for all segments have been disrupted by the Movement Control Order (MCO) imposed by the Malaysian government to curb the spread of the COVID-19 pandemic.

Grand Wellness Hub Division

The revenue for the second quarter of 2020 for the division was RM4.0 million as compared to RM8.3 million in the same quarter of 2019. The segment profit of RM1.5 million was recorded for the second quarter of 2020 as compared to a segment profit of RM3.0 million for the same quarter of 2019.



**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) 2nd Quarter 2020 vs 2nd Quarter 2019 (Cont'd)**

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM2.0 million in the current quarter of 2020 as compared to RM8.2 million in the second quarter of 2019. The segment loss was recorded at RM2.8 million for the second quarter of 2020 as compared to the segment loss of RM2.3 million for the same quarter of 2019 due to the temporary suspension of Hotel operations until 1st January 2021.

Car City Centre Division

Car City Centre Division contributed RM0.1 million of revenue in the current quarter of 2020 as compared to RM1.9 million in the second quarter of 2019. The segment loss of RM1.3 million was recorded in the current quarter of 2020 as compared to the segment loss of RM0.7 million in the same quarter of 2019.

Cheng Ho Islamic Finance and Trade Centre Division

There is no segment result recorded in the current quarter of 2020 same as second quarter of 2019.

Property Development Division

The revenue for Property Development Division was RM0.4 million in the current quarter of 2020 compared to RM1.3 million in the second quarter of 2019. A segment loss of RM0.06 million was recorded for the second quarter of 2020 as compared to the segment loss of RM2.6 million for the same quarter of 2019.



**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 June 2020 vs YTD June 2019**

	<b>Current Year To Date 30-Jun-20 RM'000</b>	<b>Preceding Year Corresponding Period 30-Jun-19 RM'000</b>	<b>Charges (%)</b>
Revenue	17,747	41,189	-57%
Operating Loss	(9,518)	(4,718)	-102%
Loss Before Interest and Tax	(9,518)	(4,718)	-102%
Loss Before Tax	(14,285)	(10,398)	-37%
Loss Profit After Tax	(14,294)	(6,413)	-123%
Loss Attributable to Ordinary Equity Holders of the Parent	(12,717)	(6,254)	-103%

The total revenue of the Group for the period ended 30 June 2020 was decreased to RM17.7 million from RM41.2 million for the period ended 30 June 2019 as the business for all segments have been disrupted Movement Control Order (MCO) imposed by the Malaysian government during by the Second Quarter 2020 to curb the spread of the COVID-19 pandemic.

The Group recorded a loss before tax of RM14.3 million for the current period as compared to RM10.4 of the current period preceding year.

Grand Wellness Hub Division

The revenue contributed by Grand Wellness Hub Division for the period ended 30 June 2020 was RM9.0 million as compared to RM15.8 million for the period ended 30 June 2019.

The division recorded a segment profit of RM2.0 million for the period ended 30 June 2020 as compared to RM5.2 million for the period ended 30 June 2019.



**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 June 2020 vs YTD June 2019 (Cont'd)**

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the period ended 30 June 2020 was recorded at RM6.8 million as compared to RM17.2 million for the period ended 30 June 2019. The segment loss was recorded for the current period was RM6.3 million as compared to RM3.4 million for the period ended 30 June 2019.

Car City Centre Division

Car City Centre Division contributed RM1.1 million of revenue for the period ended 30 June 2020 as compared to RM4.3 million for the period ended 30 June 2019. The segment loss of RM3.1 million was recorded for the current period ended 30 June 2020 as compared to the segment loss of RM1.5 million for the period ended 30 June 2019.

Cheng Ho Islamic Finance and Trade Centre Division

The segment loss of RM0.001 million was recorded for the period ended 30 June 2020 as compared to RM0.001 million for the period ended 30 June 2019.

Property Development Division

Property Development Division contributed RM0.7 million of revenue for the period ended 30 June 2020 as compared to RM3.9 million for the period ended 30 June 2019. The segment loss of RM2.2 million was recorded for the period ended 30 June 2020 as compared to the segment loss of RM5.0 million for the period ended 30 June 2019.





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

	<b>Current Quarter</b>	<b>Immediate Preceding Quarter</b>	
	<b>30-Jun-20</b>	<b>31-Mar-20</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>Changes (%)</b>
Revenue	17,747	11,246	58%
Operating Loss	(9,518)	(6,918)	-38%
Loss Before Interest and Tax	(9,518)	(6,918)	-38%
Loss Before Tax	(14,285)	(9,069)	-58%
Loss After Tax	(14,294)	(9,073)	-58%
Loss Attributable to Ordinary Equity Holders of the Parent	(12,717)	(8,024)	-58%

The Group's revenue for the second quarter ended 30 June 2020 was RM17.7 million compared to the preceding first quarter ended 31 March 2020 of RM11.2 million and the Group's loss before tax for the second quarter ended 30 June 2020 was RM14.3 million as compared to a loss before tax in the preceding first quarter ended 31 March 2020 of RM9.1 million.

**17. Commentary on Prospects**

While the group maintain its vision on its 4 key ventures that has been detailed previously, the impact of the COVID-19 pandemic has brought a change in the new norm in all aspects of our businesses and workplaces.

As a result of the already challenging financial landscape and the effects of the pandemic, the group suffered losses arising from cancelled/postponed reservations and events for the remaining year and this has forced some drastic changes in its ongoing operations. In an immediate response, the industry sees a surge in the logistic industry. Hence the Car City Center (MIECC) has offered its 150,000 sqft to be a warehouse and distribution space.



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

The 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 to regroup and upgrade before opening its operation on 1st January as 2021. During this period, the Hotel has been the command center for the Bantu Bantu Malaysia program. It has also launched a special Employee Entrepreneur Program that offers profit sharing scheme to employees on new businesses.

The Grand Wellness via its Traditional Chinese Medicine Center has been focusing on its member servicing with its special Lung Nourishing Herbal Concoction that has been testimonial to elevate respiratory symptoms. It's Wellness and Health Screening services has just resumed to normal operation with prescribed SOP as at 04 May 2020.

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

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

**19. Income Tax Expenses**

	<b>Six Months Ended</b>	
	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax		
- Current year	(9)	(610)
- Over provision in prior year	-	4,634
Deferred tax		
- Current year	-	(39)
	(9)	3,985
	(9)	3,985



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**20. Sale of Unquoted Investments / Properties**

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

**21. Purchase and Sale of Quoted Securities**

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

**22. Loss before Tax**

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

	<b>Six Months ended</b>	
	<b>30-Jun-20</b>	<b>30-Jun-19</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortisation	5,292	4,840
Impairment losses on trade and other receivables	112	265
Net unrealised foreign exchange gain	(110)	(12)
Bad debt written off	356	4
Bad debt recovered	(79)	(4)

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

**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.



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**24. Inventories**

	<b>As at 30-Jun-20 RM'000</b>	<b>As at 30-Jun-19 RM'000</b>
Land held for property development	158,992	205,189
Property development cost	123,674	133,813
Others	96,614	83,602
	<u>220,288</u>	<u>217,415</u>

**25. Details of Treasury Shares**

As at the end of the reporting period, all the shares purchased by the company were retained as treasury shares as at 30 June 2020 as follows :

Description of shares purchased	<b>As at 30-Jun-20 RM'000</b>	<b>As at 30-Jun-19 RM'000</b>
	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	-	-



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**26. Borrowings**

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

	As at 2nd quarter ended June 2020					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
<b>Secured</b>						
Bank overdrafts	-	-	-	10,093	-	10,093
Term loan	35,000	65,965	-	4,571	35,000	70,536
Total secured borrowings	35,000	65,965	-	14,664	35,000	80,629
<b>Unsecured</b>						
Term Loan	-	36,935	-	40,773	-	77,708
Hire purchase & lease creditors	-	-	-	-	-	-
Total unsecured borrowings	-	36,935	-	40,773	-	77,708
<b>Total loans and borrowings</b>	<b>35,000</b>	<b>102,900</b>	<b>-</b>	<b>55,437</b>	<b>35,000</b>	<b>158,337</b>
	As at 2nd quarter ended June 2019					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
<b>Secured</b>						
Bank overdrafts	-	-	-	20,449	-	20,449
Term loan	-	78,829	-	30,384	-	109,213
Total secured borrowings	-	78,829	-	50,833	-	129,662
<b>Unsecured</b>						
Term Loan	-	99,887	-	1,736	-	101,623
Hire purchase & lease creditors	-	104	-	-	-	104
Total unsecured borrowings	-	99,991	-	1,736	-	101,727
<b>Total loans and borrowings</b>	<b>-</b>	<b>178,820</b>	<b>-</b>	<b>52,569</b>	<b>-</b>	<b>231,389</b>

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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

**(a) Disclosure of Derivatives**

There are no outstanding derivatives as at 30 June 2020 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 RM12.7 million (30 June 2019: loss of RM6.3 million) over the number of 273,557,403 (30 June 2019: 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 RM12.7 million (30 June 2019: loss of RM6.3 million) over the number of 273,557,403 (30 June 2019: 273,557,403) ordinary shares issued and 136,778,702 (30 June 2019: 136,778,702) 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 28 August 2020.

By Order of the Board

**Phua Kia Pau**

Chief Financial Officer