



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-19 RM'000	Changes %	CURRENT YEAR TO DATE 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-19 RM'000	Changes %
Revenue	4	7,924	23,937	-67%	25,671	65,126	-61%
Cost of sales		(1,909)	(7,277)		(6,129)	(20,566)	
Gross profit		6,015	16,660	-64%	19,542	44,560	-56%
Interest income		47	95		96	144	
Other operating income		994	1,163		2,634	3,074	
Selling and marketing expenses		(1,002)	(1,872)		(2,639)	(6,057)	
Administrative expenses		(4,376)	(7,404)		(13,183)	(20,697)	
Other operating expenses		(4,257)	(10,615)		(18,546)	(27,715)	
Finance costs		(2,574)	(3,130)	18%	(7,341)	(8,810)	17%
Loss before tax		(5,153)	(5,103)	-1%	(19,437)	(15,501)	-25%
Income tax expenses/(credit)	19	(6)	(3,435)		(15)	550	
Loss for the period		(5,159)	(8,538)	40%	(19,452)	(14,951)	-30%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations		(3)	12		(3)	12	
Total comprehensive loss for the period		(5,162)	(8,526)	39%	(19,455)	(14,939)	-30%

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-19 RM'000	Changes %	CURRENT YEAR TO DATE 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-19 RM'000	Changes %
Loss attributable to :							
Equity holders of the Company		(5,368)	(8,932)	40%	(17,666)	(15,186)	-16%
Non-controlling interests		209	394		(1,786)	235	
Loss for the period		<u>(5,159)</u>	<u>(8,538)</u>	40%	<u>(19,452)</u>	<u>(14,951)</u>	-30%
Total comprehensive loss attributable to :							
Equity holders of the Company		(5,371)	(8,920)	40%	(17,669)	(15,174)	-16%
Non-controlling interests		209	394		(1,786)	235	
Total comprehensive loss for the period		<u>(5,162)</u>	<u>(8,526)</u>	39%	<u>(19,455)</u>	<u>(14,939)</u>	-30%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(1.96)	(3.27)		(6.46)	(5.55)	
- Diluted	30 (b)	(1.31)	(2.18)		(4.31)	(3.70)	

(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 SEPTEMBER 2020**

	Note	30-Sep-20 (Unaudited) RM'000	31-Dec-19 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	52,752	55,523
Right-of-use-assets	9	550,392	553,727
Investment properties	9	271,140	271,140
Inventories	24	159,137	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>1,070,990</u>	<u>1,075,246</u>
Current assets			
Inventories	24	220,975	219,900
Trade and other receivables		41,021	39,038
Tax recoverable		206	741
Cash and bank balances		7,401	12,744
		<u>269,603</u>	<u>272,423</u>
Non-current asset held for sale		<u>42,313</u>	<u>42,313</u>
		<u>311,916</u>	<u>314,736</u>
TOTAL ASSETS		<u>1,382,906</u>	<u>1,389,982</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		352,006	352,006
Treasury shares		(2,914)	(2,914)
Warrant reserves		62,645	62,645
Other reserves		65,393	66,644
Retained earnings		327,121	343,539
Equity attributable to equity holders of the Company		<u>804,251</u>	<u>821,920</u>
Non-controlling interests		<u>12,474</u>	<u>14,260</u>
Total equity		<u>816,725</u>	<u>836,180</u>
Non-current liabilities			
Loans and borrowings	26	137,910	143,334
Other payables		2,114	2,122
Contract liabilities		39,560	39,664
Lease liabilities		2,823	3,282
Deferred tax liabilities		124,931	124,931
		<u>307,338</u>	<u>313,333</u>
Current liabilities			
Loans and borrowings	26	56,444	74,433
Trade and other payables		191,900	156,309
Tax payables		1,800	2,933
Lease liabilities		3,501	3,250
Contract liabilities		5,198	3,544
		<u>258,843</u>	<u>240,469</u>
Total Liabilities		<u>566,181</u>	<u>553,802</u>
TOTAL EQUITY AND LIABILITIES		<u>1,382,906</u>	<u>1,389,982</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.94	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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	Attributable to Equity Holders of the Company					Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Non-distributable		Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000			
At 1 January 2020	352,006	(2,914)	62,645	66,644	343,539	821,920	14,260	836,180
Loss for the period	-	-	-	(3)	(17,666)	(17,669)	(1,786)	(19,455)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(3)	(17,666)	(17,669)	(1,786)	(19,455)
Transfer to retained earnings	-	-	-	(1,248)	1,248	-	-	-
At 30 September 2020	352,006	(2,914)	62,645	65,393	327,121	804,251	12,474	816,725
At 1 January 2019	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/(loss)	-	-	-	12	(15,186)	(15,174)	235	(14,939)
Transfer to retained earnings	-	-	-	(1,248)	1,248	-	-	-
interest	-	-	-	-	-	-	(693)	(693)
Changes in ownership interest in a subsidiary company	-	-	-	-	(173)	(173)	589	416
At 30 September 2019	352,006	(2,914)	62,645	66,540	362,741	841,018	18,963	859,981

(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 NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	CURRENT YEAR TO DATE 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-19 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(19,437)	(15,501)
Adjustments for:		
Impairment losses on trade and other receivables	112	496
Amortisation of deferred income	(1,100)	(885)
Amortisation of debts issuance costs	-	60
Amortisation of rights-of-use assets	3,335	1,255
Bad debts written off	356	-
Depreciation of property, plant and equipment	5,298	6,414
Dividend income	(250)	(200)
Interest expense	7,341	8,810
Interest income	(96)	(144)
Inventories written off	21	-
Gain on disposal of other property, plant and equipment	-	(10)
Bad debts recovered	(79)	(12)
Net unrealised gain on foreign exchange	(64)	(12)
Operating (loss)/profit before working capital changes	(4,563)	271
Changes in working capital:		
Inventories	(1,280)	(5,441)
Receivables	(3,988)	(7,503)
Contract liabilities	2,643	(805)
Payables	34,650	16,897
Cash generated from operations	27,462	3,419
Tax refund	-	4,405
Tax paid	(613)	(597)
Interest paid	(7,341)	(8,751)
Net cash generated from/(used in) operating activities	19,508	(1,524)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020**

	CURRENT YEAR TO DATE 30-Sep-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-19 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(1,526)	(2,143)
Expenditure on investment properties	-	(22)
Payment dividend income to non-controlling interest	-	(693)
Proceeds from disposal of other property, plant & equipment	-	8
Net of cash and cash equivalent acquired investment in associate	(50)	(2)
Proceeds from disposal of subsidiaries	-	418
Interest received	96	144
Net dividend received	250	200
Net cash used in investing activities	<u>(1,230)</u>	<u>(2,090)</u>
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	411	(55)
Drawdown of term loan	-	10,000
Repayment of lease liabilities	(209)	(41)
Repayment of term loans	(23,823)	(7,907)
Net cash (used in)/from financing activities	<u>(23,621)</u>	<u>1,997</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(5,343)	(1,617)
Effects of foreign exchange rate changes	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,744	11,766
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>7,401</u>	<u>10,149</u>

(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

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

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 Sept 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
Revenue						
External sales	6,032	786	251	-	855	7,924
Results						
Segment results	1,184	(1,501)	(1,116)	-	(1,146)	(2,579)
Finance costs						(2,574)
Loss before tax						(5,153)
Income tax expense						(6)
Loss after tax						(5,159)
Non-controlling interests						(209)
Loss for the period						(5,368)

Quarter Ended 30 Sept 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
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)



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

4. Segment Reporting (Cont'd)

Year Ended 30 Sept 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
Revenue						
External sales	15,036	7,610	1,396	-	1,629	25,671
Results						
Segment results	3,223	(7,776)	(4,177)	(1)	(3,365)	(12,096)
Finance costs						(7,341)
Loss before tax						(19,437)
Income tax expenses						(15)
Loss after tax						(19,452)
Non-controlling interests						1,786
Loss for the period						(17,666)

Year Ended 30 Sept 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
Revenue						
External sales	24,398	26,076	9,138	-	5,514	65,126
Results						
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)



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

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

6. Changes in Estimates

There were no changes in estimates that have a material effect in the financial year-to-date results.

7. Seasonal or Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

8. Dividends Paid

There were no dividends paid during the current financial period under review.

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 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

Save as disclosed below, there are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2019.

On 2nd November 2020, Country Heights Holdings Bhd (“**CHHB**”) receive a notice of termination from Land Custody and Development Authority (“**LCDA**”) stating the intention of LCDA to terminate a Joint Venture Agreement (“**JVA**”) dated 20 September 1994 entered into between CHHB and LCDA. The letter of termination was unilaterally sent by LCDA on



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

13. Contingent Liabilities / Assets (Cont'd)

the allegation that CHHB had failed, neglected or refused to remedy the breaches stipulated in the notice dated 17th September 2020 (“**Termination**”). CHHB had upon the receipt of the notice dated 17th September 2020 immediately refuted the allegation made by LCDA. CHHB intends to challenge the unilateral termination.

CHHB has sought legal opinion and CHHB is of the opinion that there is good case for CHHB to recover losses and/or damages from the LCDA due to LCDA’s wrongful unilateral termination.

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) 3rd Quarter 2020 vs 3rd Quarter 2019

	Current Year Quarter 30-Sep-20 RM'000	Preceding Year Corresponding Quarter 30-Sep-19 RM'000	Changes (%)
Revenue	7,924	23,937	-67%
Operating Loss	(2,579)	(1,973)	-31%
Loss Before Interest and Tax	(2,579)	(1,973)	-31%
Loss Before Tax	(5,153)	(5,103)	-1%
Loss After Tax	(5,159)	(8,538)	40%
Loss Attributable to Ordinary Equity Holders of the Parent	(5,368)	(8,932)	40%

The Group recorded a total revenue of RM7.9 million for the third quarter ended 30 September 2020 compared to RM23.9 million in the previous corresponding quarter ended 30 September 2019.

The Group recorded a loss before tax of RM5.1 million for the current quarter same as 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 third quarter of 2020 for the division was RM6.0 million as compared to RM8.6 million in the same quarter of 2019. The segment profit of RM1.2 million was recorded for the third 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

15. Operating Segment Review (Cont'd)

(a) 3rd Quarter 2020 vs 3rd Quarter 2019 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM0.8 million in the current quarter of 2020 as compared to RM8.8 million in the third quarter of 2019. The segment loss was recorded at RM1.5 million for the third quarter of 2020 as compared to the segment loss of RM2.7 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 RM0.3 million of revenue in the current quarter of 2020 as compared to RM4.9 million in the third quarter of 2019. The segment loss of RM1.1 million was recorded in the current quarter of 2020 as compared to the segment profit of RM0.6 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 as compared to the segment loss of RM0.001 million in the third quarter of 2019.

Property Development Division

The revenue for Property Development Division was RM0.9 million in the current quarter of 2020 as compared to RM1.7 million in the third quarter of 2019. A segment loss of RM1.2 million was recorded for the third quarter of 2020 as compared to the segment loss of RM2.8 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

15. Operating Segment Review (Cont'd)

(b) YTD Sept 2020 vs YTD Sept 2019

	Current Year To Date 30-Sep-20 RM'000	Preceding Year Corresponding Period 30-Sep-19 RM'000	Changes (%)
Revenue	25,671	65,126	-61%
Operating Loss	(12,096)	(6,691)	-81%
Loss Before Interest and Tax	(12,096)	(6,691)	-81%
Loss Before Tax	(19,437)	(15,501)	-25%
Loss Profit After Tax	(19,452)	(14,951)	-30%
Loss Attributable to Ordinary Equity Holders of the Parent	(17,666)	(15,186)	-16%

The total revenue of the Group for the period ended 30 September 2020 decreased to RM25.7 million from RM65.1 million for the period ended 30 September 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 RM19.4 million for the current period as compared to RM15.5 of the current period preceding year.

Grand Wellness Hub Division

The revenue contributed by Grand Wellness Hub Division for the period ended 30 September 2020 was RM15.0 million as compared to RM24.4 million for the period ended 30 September 2019.

The division recorded a segment profit of RM3.2 million for the period ended 30 September 2020 as compared to RM8.2 million for the period ended 30 September 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

15. Operating Segment Review (Cont'd)

(b) YTD September 2020 vs YTD September 2019 (Cont'd)

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the period ended 30 September 2020 was recorded at RM7.6 million as compared to RM26.1 million for the period ended 30 September 2019. The segment loss was recorded for the current period was RM7.8 million as compared to RM6.1 million for the period ended 30 September 2019.

Car City Centre Division

Car City Centre Division contributed RM1.4 million of revenue for the period ended 30 September 2020 as compared to RM9.1 million for the period ended 30 September 2019. The segment loss of RM4.2 million was recorded for the current period ended 30 September 2020 as compared to the segment loss of RM0.9 million for the period ended 30 September 2019.

Cheng Ho Islamic Finance and Trade Centre Division

The segment loss of RM0.001 million was recorded for the period ended 30 September 2020 as compared to RM0.002 million for the period ended 30 September 2019.

Property Development Division

Property Development Division contributed RM1.6 million of revenue for the period ended 30 September 2020 as compared to RM5.5 million for the period ended 30 September 2019. The segment loss of RM3.4 million was recorded for the period ended 30 September 2020 as compared to the segment loss of RM7.9 million for the period ended 30 September 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

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

	Current Quarter	Immediate Preceding Quarter	
	30-Sep-20	30-Jun-20	Charges (%)
	RM'000	RM'000	
Revenue	7,924	6,501	22%
Operating Loss	(2,579)	(2,600)	1%
Loss Before Interest and Tax	(2,579)	(2,600)	1%
Loss Before Tax	(5,153)	(5,216)	1%
Loss After Tax	(5,159)	(5,221)	1%
Loss Attributable to Ordinary Equity Holders of the Parent	(5,368)	(5,749)	7%

The Group's revenue for the third quarter ended 30 September 2020 was RM7.9 million compared to the preceding second quarter ended 30 June 2020 of RM6.5 million and the Group's loss before tax for the third quarter ended 30 September 2020 was RM5.1 million as compared to a loss before tax in the preceding second quarter ended 30 June 2020 of RM5.2 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 has offered its 150,000 sqft at the MIECC 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 in 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

	Nine Months Ended	
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Income tax		
- Current year	(15)	(595)
- Under provision in prior year	-	(3,424)
- Over provision in prior year	-	4,634
Deferred tax		
- Current year	-	(65)
	(15)	550



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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):

	Nine Months ended	
	30-Sep-20	30-Sep-19
	RM'000	RM'000
Depreciation and amortisation	8,633	7,669
Impairment losses on trade and other receivables	112	496
Net unrealised foreign exchange gain	(64)	(12)
Bad debt written off	356	-
Bad debt recovered	(79)	(12)
Gain on disposal of other property, plant and equipment	-	(10)

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

	As at 30-Sep-20 RM'000	As at 30-Sep-19 RM'000
Land held for property development	159,137	205,189
Property development cost	124,281	133,292
Others	96,694	83,896
	<u>220,975</u>	<u>217,188</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 2020 as follows :

Description of shares purchased	As at 30-Sep-20 RM'000	As at 30-Sep-19 RM'000
	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 3rd quarter ended September 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
Secured						
Bank overdrafts	-	-	-	10,302	-	10,302
Term loan	35,000	65,975	-	4,571	35,000	70,546
Total secured borrowings	35,000	65,975	-	14,873	35,000	80,848
Unsecured						
Term Loan	-	36,935	-	41,571	-	78,506
Hire purchase & lease creditors	-	29	-	-	-	29
Total unsecured borrowings	-	36,964	-	41,571	-	78,535
Total loans and borrowings	35,000	102,939	-	56,444	35,000	159,383
	As at 3rd quarter ended September 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
Secured						
Bank overdrafts	-	-	-	20,743	-	20,743
Term loan	-	75,880	-	30,385	-	106,265
Total secured borrowings	-	75,880	-	51,128	-	127,008
Unsecured						
Term Loan	-	99,887	-	-	-	99,887
Hire purchase & lease creditors	-	93	-	-	-	93
Total unsecured borrowings	-	99,980	-	-	-	99,980
Total loans and borrowings	-	175,860	-	51,128	-	226,988

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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27. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 30 September 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 RM17.7 million (30 September 2019: loss of RM15.2 million) over the number of 273,557,403 (30 September 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 RM17.7 million (30 September 2019: loss of RM15.2 million) over the number of 273,557,403 (30 September 2019: 273,557,403) ordinary shares issued and 136,778,702 (30 September 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 30 November 2020.

By Order of the Board

Phua Kia Pau

Chief Financial Officer