



**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 2021**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000	Changes %
Revenue	4	8,379	6,501	29%	16,131	17,747	-9%
Cost of sales		(2,260)	(951)		(3,910)	(4,220)	
Gross profit		6,119	5,550	10%	12,221	13,527	-10%
Interest income		3	36		62	49	
Other operating income		1,421	1,056		2,125	1,640	
Selling and marketing expenses		(908)	(528)		(1,982)	(1,637)	
Administrative expenses		(3,039)	(2,922)		(5,860)	(8,807)	
Other operating expenses		(5,604)	(5,792)		(11,724)	(14,290)	
Finance costs		(2,730)	(2,616)	-4%	(4,773)	(4,767)	0%
Loss before tax		(4,738)	(5,216)	9%	(9,931)	(14,285)	30%
Income tax expense	19	(129)	(5)		(243)	(9)	
Loss for the period		(4,867)	(5,221)	7%	(10,174)	(14,294)	29%
<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		(7)	(2)		(7)	(2)	
Total comprehensive loss for the period		(4,874)	(5,223)	7%	(10,181)	(14,296)	29%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2021**

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-20 RM'000	Changes %	CURRENT YEAR TO DATE 30-Jun-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000	Changes %
<b>Profit/(Loss) attributable to :</b>							
Equity holders of the Company		(4,895)	(5,749)	15%	(10,013)	(12,717)	21%
Non-controlling interests		28	528		(161)	(1,577)	
Loss for the period		<u>(4,867)</u>	<u>(5,221)</u>	7%	<u>(10,174)</u>	<u>(14,294)</u>	29%
<b>Total comprehensive loss attributable to :</b>							
Equity holders of the Company		(4,902)	(5,751)	15%	(10,020)	(12,719)	21%
Non-controlling interests		28	528		(161)	(1,577)	
Total comprehensive loss for the period		<u>(4,874)</u>	<u>(5,223)</u>	7%	<u>(10,181)</u>	<u>(14,296)</u>	29%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(1.79)	(2.10)		(3.66)	(4.65)	
- Diluted	30 (b)	(1.19)	(1.40)		(2.44)	(3.10)	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2021**

	<b>Note</b>	<b>30-Jun-21 (Unaudited) RM'000</b>	<b>31-Dec-20 (Audited) RM'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	49,727	52,944
Right-of-use-assets	9	544,479	546,746
Investment properties	9	259,382	259,370
Inventories	24	159,309	159,197
Investment in associate		-	-
Other investments		2,387	2,387
Trade receivables-non-current portion		7,276	7,276
Deferred tax assets		6,254	6,254
		<u>1,028,814</u>	<u>1,034,174</u>
<b>Current assets</b>			
Inventories	24	219,956	219,682
Trade and other receivables		39,330	33,158
Tax recoverable		773	760
Cash and bank balances		12,084	9,326
		<u>272,143</u>	<u>262,926</u>
Non-current asset held for sale		<u>42,313</u>	<u>42,313</u>
		<u>314,456</u>	<u>305,239</u>
<b>TOTAL ASSETS</b>		<b><u>1,343,270</u></b>	<b><u>1,339,413</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		64,583	66,644
Retained earnings		301,975	310,097
Equity attributable to equity holders of the Company		<u>778,295</u>	<u>788,478</u>
Non-controlling interests		<u>12,624</u>	<u>12,290</u>
<b>Total equity</b>		<b><u>790,919</u></b>	<b><u>800,768</u></b>
<b>Non-current liabilities</b>			
Loans and borrowings	26	118,597	107,887
Other payables		2,224	2,224
Contract liabilities		38,880	38,259
Lease liabilities		3,646	3,652
Deferred tax liabilities		98,079	98,137
		<u>261,426</u>	<u>250,159</u>
<b>Current liabilities</b>			
Loans and borrowings	26	92,159	91,833
Trade and other payables		188,195	185,140
Tax payables		2,711	2,884
Lease liabilities		2,194	2,307
Contract liabilities		5,666	6,322
		<u>290,925</u>	<u>288,486</u>
<b>Total Liabilities</b>		<b><u>552,351</u></b>	<b><u>538,645</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>1,343,270</u></b>	<b><u>1,339,413</u></b>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.85	2.88

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2021**

	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 2021</b>	352,006	(2,914)	62,645	65,422	311,319	788,478	12,290	800,768
Loss for the period	-	-	-	(7)	(10,013)	(10,020)	(161)	(10,181)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(7)	(10,013)	(10,020)	(161)	(10,181)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	(163)	(163)	495	332
<b>At 30 June 2021</b>	<b>352,006</b>	<b>(2,914)</b>	<b>62,645</b>	<b>64,583</b>	<b>301,975</b>	<b>778,295</b>	<b>12,624</b>	<b>790,919</b>
<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	-	-	-	-	(12,717)	(12,717)	(1,577)	(14,294)
Other comprehensive income	-	-	-	(2)	-	(2)	-	(2)
Total comprehensive income/(loss)	-	-	-	(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>

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2021**

	<b>CURRENT YEAR TO DATE 30-Jun-21 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000</b>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>		
Loss before tax	(9,931)	(14,285)
Adjustments for:		
Impairment losses on trade and other receivables	166	112
Reversal of impairment losses on trade and other receivables	(747)	-
Amortisation of deferred income	(590)	(310)
Amortisation of rights-of-use assets	2,267	1,815
Bad debts written off	-	356
Depreciation of property, plant and equipment	3,480	3,477
Interest expense	4,773	4,767
Interest income	(62)	(49)
Inventories written off	-	28
Bad debts recovered	(17)	(79)
Net unrealised (loss)/gain on foreign exchange	345	(110)
<b>Operating loss before working capital changes</b>	<b>(314)</b>	<b>(4,278)</b>
Changes in working capital:		
Inventories	(386)	(455)
Receivables	(5,574)	(857)
Contract liabilities	554	(145)
Payables	2,705	31,027
<b>Cash generated used in operations</b>	<b>(3,015)</b>	<b>25,292</b>
Tax paid	(488)	(141)
Interest paid	(4,776)	(4,767)
<b>Net cash generated used in operating activities</b>	<b>(8,279)</b>	<b>20,384</b>



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2021**

	<b>CURRENT YEAR TO DATE 30-Jun-21 RM'000</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-20 RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of other property, plant and equipment	(262)	(1,099)
Expenditure on investment properties	(12)	-
Net of cash and cash equivalent acquired investment in associate	-	(50)
Proceeds from disposal of subsidiaries	332	-
Interest received	62	49
<b>Net cash used in investing activities</b>	<b>120</b>	<b>(1,100)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank overdrafts	234	202
Drawdown of term loan	9,273	773
Repayment of lease liabilities	(119)	(158)
Drawdown of revolving credits	2,000	-
Repayment of term loans	(472)	(25,404)
<b>Net cash from financing activities</b>	<b>10,916</b>	<b>(24,587)</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>2,757</b>	<b>(5,303)</b>
Effects of foreign exchange rate changes	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>9,327</b>	<b>12,744</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>12,084</b>	<b>7,441</b>

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 2020. 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 2020.

**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 2020, 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 2021**

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendments to MFRS 16, Covid-19 – Related Rent Concessions Beyond 30 June 2021

**1 January 2022**

- Amendments to MFRS 3, References to the Conceptual Framework
- Annual Improvements to MFRS Standards 2018 – 2020
  - Amendments to MFRS 1
  - Amendments to MFRS 9
  - Amendments to MFRS 16
  - Amendments to MFRS 141
- Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use



**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**

- Amendments to MFRS 137, Onerous Contracts – Costs of Fulfilling a Contract

**1 January 2023**

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Disclosure of Accounting Policies
- Amendments to MFRS 108, Definition of Accounting Estimates

**Deferred until further notice**

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

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

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

**3. Audit Opinion on 2020 Financial Statements**

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2020 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 2021	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
<b>Revenue</b>					
External sales	5,422	1,078	491	1,388	8,379
<b>Results</b>					
Segment results	259	(896)	(916)	(455)	(2,008)
Finance costs					(2,730)
Loss before tax					(4,738)
Income tax expense					(129)
Loss after tax					(4,867)
Non-controlling interests					(28)
Loss for the period					(4,895)
Quarter Ended 30 June 2020	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
<b>Revenue</b>					
External sales	2,519	2,616	126	1,240	6,501
<b>Results</b>					
Segment results	(61)	(2,146)	(1,325)	932	(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)



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

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

**Year Ended**  
**30 June 2021**

	<b>Healthcare</b>	<b>Resorts &amp; Hospitality</b>	<b>Exhibition &amp; Convention</b>	<b>Property</b>	<b>Total Operation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
External sales	10,476	2,050	806	2,799	16,131
<b>Results</b>					
Segment results	780	(2,056)	(1,962)	(1,920)	(5,158)
Finance costs					(4,773)
Loss before tax					(9,931)
Income tax expense					(243)
Loss after tax					(10,174)
Non-controlling interests					161
Loss for the period					(10,013)

**Year Ended**  
**30 June 2020**

	<b>Healthcare</b>	<b>Resorts &amp; Hospitality</b>	<b>Exhibition &amp; Convention</b>	<b>Property</b>	<b>Total Operation</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
External sales	5,224	8,295	1,145	3,083	17,747
<b>Results</b>					
Segment results	(275)	(5,581)	(3,061)	(601)	(9,518)
Finance costs					(4,767)
Loss before tax					(14,285)
Income tax expense					(9)
Loss after tax					(14,294)
Non-controlling interests					1,577
Loss for the period					(12,717)



**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 2020. Investment properties have been revalued at fair value as of 31 December 2020.

**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 2020.

**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 2020.



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

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**13. Contingent Liabilities / Assets**

On 2<sup>nd</sup> November 2020, Country Heights Holdings Bhd (“CHHB”) receive a notice of termination from Land Custody and Development Authority (“LCDA”) stating the intention of the allegation that CHHB had failed, neglected or refused to remedy the breaches stipulated in the notice dated 17th September 2020 (“Termination”). CHHB had upon the receipt of the notice dated 17th September 2020 immediately refuted the allegation made by LCDA. CHHB intends to challenge the unilateral termination.

On 10<sup>th</sup> May 2021, CHHB received an order of Forfeiture of Land from the Director of Land and Surveys Department Sarawak. The said order affect Lot 48, 49 and 51 Block 11 Pangkalan Ampat Land District.

CHHB has sought legal opinion to recover losses and/or damages from the LCDA due to LCDA’s wrongful unilateral termination.

On 23<sup>rd</sup> July 2021, Mega Palm Sdn Bhd received a notice from the Lembaga Hasil Dalam Negeri (LHDN) imposing a tax assessment of RM24.2 million on the sale of piece of land.

Mega Palm Sdn Bhd is appealing against this assessment.

**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 2021 vs 2nd Quarter 2020**

	<b>Current Year Quarter 30-Jun-21 RM'000</b>	<b>Preceding Year Corresponding Quarter 30-Jun-20 RM'000</b>	<b>Charges (%)</b>
Revenue	8,379	6,501	29%
Operating Loss	(2,008)	(2,600)	23%
Loss Before Interest and Tax	(2,008)	(2,600)	23%
Loss Before Tax	(4,738)	(5,216)	9%
Loss After Tax	(4,867)	(5,221)	7%
Loss Attributable to Ordinary Equity Holders of the Parent	(4,895)	(5,749)	15%

The Group recorded total revenue of RM8.4 million for the second quarter ended 30 June 2021 compared to RM6.5 million in the previous year corresponding quarter ended 30 June 2020. The difference was mainly due to lower contribution from Resorts and Hospitality.

The Group recorded a loss before tax of RM4.7 million for the current quarter compared to a RM5.2 million loss before tax in the previous year corresponding quarter.

Healthcare Division

Revenue for the second quarter of 2021 for the division was RM5.4 million as compared to RM2.5 million in the same quarter of 2020. Segment profit of RM0.3 million was recorded for the second quarter as compared to a segment loss of RM0.06 million for the same quarter of 2020.



**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 2021 vs 2nd Quarter 2020 (Cont'd)**

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM1.1 million in the current quarter compared to RM2.6 million for the second quarter of 2020. Segment loss was recorded at RM0.9 million for the second quarter of 2021 as compared to a segment loss of RM2.1 million for the same quarter of 2020.

Exhibition & Convention Division

Exhibition & Convention Division contributed RM0.5 million of revenue in the current quarter as compared to RM0.1 million in the second quarter of 2020. Segment loss of RM0.9 million was recorded in the current quarter compared to RM1.3 million in the same quarter of 2020.

Property Division

The revenue for Property Division was RM1.4 million in the current quarter compared to RM1.2 million for the second quarter of 2020. Segment loss recorded was RM0.5 million for the second quarter of 2021 as compared to a segment profit of RM0.9 million for the same quarter of 2020..



**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 June 2021 vs YTD June 2020**

	<b>Current Year To Date</b> <b>30-Jun-21</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>30-Jun-20</b> <b>RM'000</b>	<b>Changes (%)</b>
Revenue	16,131	17,747	-9%
Operating Loss	(5,158)	(9,518)	46%
Loss Before Interest and Tax	(5,158)	(9,518)	46%
Loss Before Tax	(9,931)	(14,285)	30%
Loss Profit After Tax	(10,174)	(14,294)	29%
Loss Attributable to Ordinary Equity Holders of the Parent	(10,013)	(12,717)	21%

The total revenue of the Group for the period ended 30 June 2021 was decreased to RM16.1 million from RM17.7 million for the period ended 30 June 2020. The different was mainly due to lower contribution from Resorts and Hospitality and Exhibition & Convention Division.

The Group recorded a loss before tax of RM9.9 million for the current period as compared to RM14.3 of the current period preceding year.

Healthcare Division

The revenue contributed by Healthcare Division for the period ended 30 June 2021 was RM10.5 million as compared to RM5.2 million for the period ended 30 June 2020.

The division recorded a segment profit of RM0.8 million for the period ended 30 June 2021 as compared segment loss to RM0.3 million for the period ended 30 June 2020.



**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 2021 was recorded at RM2.0 million as compared to RM8.3 million for the period ended 30 June 2020. The segment loss was recorded for the current period was RM2.1 million as compared to segment loss of RM5.6 million for the period ended 30 June 2020.

Exhibition & Convention Division

Exhibition & Convention Division contributed RM0.8 million of revenue for the period ended 30 June 2021 as compared to RM1.1 million for the period ended 30 June 2020. The segment loss of RM2.0 million was recorded for the current period ended 30 June 2021 as compared to the segment loss of RM3.1 million for the period ended 30 June 2020.

Property Division

Property Development Division contributed RM2.8 million of revenue for the period ended 30 June 2021 as compared to RM3.1 million for the period ended 30 June 2020. The segment loss of RM1.9 million was recorded for the period ended 30 June 2021 as compared to the segment loss of RM0.6 million for the period ended 30 June 2020.





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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-21</b>	<b>31-Mar-21</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>Charges (%)</b>
Revenue	8,379	7,752	8%
Operating Loss	(2,008)	(3,150)	36%
Loss Before Interest and Tax	(2,008)	(3,150)	36%
Loss Before Tax	(4,738)	(5,193)	9%
Loss After Tax	(4,867)	(5,307)	8%
Loss Attributable to Ordinary Equity Holders of the Parent	(4,895)	(5,174)	5%

The Group's revenue for the second quarter ended 30 June 2021 was RM8.4 million compared to the preceding first quarter ended 31 March 2021 of RM7.8 million and the Group's loss before tax for the second quarter ended 30 June 2021 was RM4.7 million as compared to a loss before tax in the preceding first quarter ended 31 March 2021 of RM5.2 million.

**17. Commentary on Prospects**

The Covid-19 pandemic and the continued MCO measures in the country have continued to depress the performance of the Group's operations. With still record high cases and deaths being reported, management expects the Group's performance to continue to be suppressed for the remaining of the year.

The main division that continues to operate is the Healthcare Division. However, the dual factors of the extended MCO and record high covid-19 rates have resulted in a decline in footfall traffic into the wellness centre. Management is hopeful that this will change as the Selangor state continues to its vaccination program.



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

The Hospitality Division continues to suffer from pandemic with The Palace of the Golden Horses remaining closed without a clear opening timeline.

The Exhibition and Convention Division similarly has cancelled all of its events due to the pandemic. With the exception of being part of the nationwide vaccination centre program for a few months from June – August, the prospects completely depend on our government being able to bring the pandemic under control in order for events to be open.

Finally, the Property Division has had to hold back all of its plans for the launch of some of its products including Cloud Life and Country Heights Garden Resort. Management is hopeful for this to resume early next year.

**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-21</b>	<b>30-Jun-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax		
- Current year	(300)	(9)
Deferred tax		
- Current year	57	-
	(243)	(9)
	(243)	(9)

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

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



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**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-21</b>	<b>30-Jun-20</b>
	<b>RM'000</b>	<b>RM'000</b>
Depreciation and amortisation	5,747	5,292
Impairment losses on trade and other receivables	166	112
Reversal of impairment losses on trade and other receivables	(747)	
Net unrealised foreign exchange (loss)/gain	345	(110)
Bad debt written off	-	356
Bad debt recovered	(17)	(79)

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-21 RM'000</b>	<b>As at 30-Jun-20 RM'000</b>
Land held for property development	159,309	158,992
Property development cost	124,435	123,674
Others	95,521	96,614
	<u>219,956</u>	<u>220,288</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 2021 as follows :

Description of shares purchased	<b>As at 30-Jun-21 RM'000</b>	<b>As at 30-Jun-20 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 2021					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
<b>Secured</b>						
Bank overdrafts	-	-	-	10,218	-	10,218
Term loan	-	74,662	35,000	4,598	35,000	79,260
Revolving credit	-	2,000	-	-	-	2,000
<b>Total secured borrowings</b>	-	76,662	35,000	14,816	35,000	91,478
<b>Unsecured</b>						
Term Loan	-	41,935	-	42,343	-	84,278
<b>Total unsecured borrowings</b>	-	41,935	-	42,343	-	84,278
<b>Total loans and borrowings</b>	-	118,597	35,000	57,159	35,000	175,756
	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
<b>Total secured borrowings</b>	35,000	65,965	-	14,664	35,000	80,629
<b>Unsecured</b>						
Term Loan	-	36,935	-	40,773	-	77,708
<b>Total unsecured borrowings</b>	-	36,935	-	40,773	-	77,708
<b>Total loans and borrowings</b>	35,000	102,900	-	55,437	35,000	158,337

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 2021 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 RM10.0 million (30 June 2020: loss of RM12.7 million) over the number of 273,557,403 (30 June 2020: 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 RM10.0 million (30 June 2020: loss of RM12.7 million) over the number of 273,557,403 (30 June 2020: 273,557,403) ordinary shares issued and 136,778,702 (30 June 2020: 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 August 2021.

By Order of the Board

**Phua Kia Pau**

Chief Financial Officer