



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 2024

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30-Jun-24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-23 RM'000	CURRENT YEAR TO DATE 30-Jun-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-23 RM'000
Revenue	14	11,970	11,884	24,192	23,145
Cost of sales		(4,236)	(3,606)	(9,307)	(7,375)
Gross profit		7,734	8,278	14,885	15,770
Interest income		14	8	26	18
Other operating income		729	(8)	1,085	3,143
Selling and marketing expenses		(494)	(1,002)	(1,276)	(2,284)
Administrative expenses		(2,777)	(2,668)	(5,628)	(5,733)
Other operating expenses		(8,950)	(8,002)	(16,590)	(14,476)
Finance costs		(1,490)	(2,659)	(2,752)	(5,336)
Loss before tax	18	(5,234)	(6,053)	(10,250)	(8,898)
Income tax expense	19	(115)	(152)	(529)	(365)
Loss for the year		(5,349)	(6,205)	(10,779)	(9,263)
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		(248)	(63)	(248)	(63)
Total comprehensive loss for the year		(5,597)	(6,268)	(11,027)	(9,326)

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 2024

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 30-Jun-24 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-23 RM'000	CURRENT YEAR TO DATE 30-Jun-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-23 RM'000
Loss attributable to :					
Equity holders of the Company		(4,733)	(6,192)	(9,342)	(9,154)
Non-controlling interests		(616)	(13)	(1,437)	(109)
Loss for the year		<u>(5,349)</u>	<u>(6,205)</u>	<u>(10,779)</u>	<u>(9,263)</u>
Total comprehensive loss attributable to :					
Equity holders of the Company		(4,981)	(6,255)	(9,590)	(6,217)
Non-controlling interests		(616)	(13)	(1,437)	(109)
Total comprehensive loss for the year		<u>(5,597)</u>	<u>(6,268)</u>	<u>(11,027)</u>	<u>(6,326)</u>
Loss per share attributable to ordinary equity holders of the Company (sen):					
- Basic	27 (a)	(1.60)	(2.06)	(3.15)	(3.05)
- Diluted	27 (b)	(1.60)	(2.06)	(3.15)	(3.05)

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 2024**

	Note	30-Jun-24 (Unaudited) RM'000	31-Dec-23 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	8	14,561	15,980
Right-of-use-assets	8	589,886	593,581
Investment properties	8	91,842	91,842
Inventories	22	127,402	128,362
Other investments		2,337	2,337
Trade receivables-non-current portion		2,241	2,241
Deferred tax assets		196	196
		<u>828,465</u>	<u>834,539</u>
Current assets			
Inventories	22	125,374	127,461
Trade and other receivables		35,335	33,856
Tax recoverable		79	93
Cash and bank balances		12,428	11,493
		<u>173,216</u>	<u>172,903</u>
TOTAL ASSETS		<u>1,001,681</u>	<u>1,007,442</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		383,155	383,155
Treasury shares		(3,470)	(3,470)
Other reserves		123,025	124,105
Retained earnings		107,679	116,189
Equity attributable to equity holders of the Company		<u>610,389</u>	<u>619,979</u>
Non-controlling interests		(6,643)	(5,206)
Total equity		<u>603,746</u>	<u>614,773</u>
Non-current liabilities			
Loans and borrowings	24	8,733	10,667
Other payables		79,692	79,374
Contract liabilities		30,531	32,364
Lease liabilities		5,697	4,071
Deferred tax liabilities		97,905	97,905
		<u>222,558</u>	<u>224,381</u>
Current liabilities			
Loans and borrowings	24	30,596	31,472
Trade and other payables		136,104	125,629
Tax payables		5,560	5,898
Lease liabilities		2,320	4,494
Contract liabilities		797	795
		<u>175,377</u>	<u>168,288</u>
Total Liabilities		<u>397,935</u>	<u>392,669</u>
TOTAL EQUITY AND LIABILITIES		<u>1,001,681</u>	<u>1,007,442</u>

Net assets per share attributable to ordinary equity holders of the Company (RM)

2.06

2.07

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 SIX MONTHS PERIOD ENDED 30 JUNE

Attributable to Equity Holders of the Company

	Non-distributable				Distributable		Non-Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2023	383,155	(3,470)	58,777	66,733	225,960	731,155	(8,513)	722,642
Loss for the period	-	-	-	-	(9,154)	(9,154)	(110)	(9,264)
Other comprehensive income	-	-	-	(63)	-	(63)	-	(63)
Total comprehensive income	-	-	-	(63)	(9,154)	(9,217)	(110)	(9,327)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
Change in ownership interest in a subsidiary company	-	-	-	-	-	-	(300)	(300)
At 30 June 2023	383,155	(3,470)	58,777	65,838	217,638	721,938	(8,923)	713,015
At 1 January 2024	383,155	(3,470)	-	124,105	116,189	619,979	(5,206)	614,773
Loss for the period	-	-	-	-	(9,342)	(9,342)	(1,437)	(10,779)
Other comprehensive income	-	-	-	(248)	-	(248)	-	(248)
Total comprehensive income/(loss)	-	-	-	(248)	(9,342)	(9,590)	(1,437)	(11,027)
Transfer to retained earnings	-	-	-	(832)	832	-	-	-
At 30 June 2024	383,155	(3,470)	-	123,025	107,679	610,389	(6,643)	603,746

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 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 2024**

	CURRENT YEAR TO DATE 30-Jun-24 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-23 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(10,250)	(8,898)
Adjustments for:		
Impairment losses on trade and other receivables	2	117
Reversal of impairment losses on trade and other receivables	(67)	-
Amortisation of deferred income	(590)	(590)
Amortisation of rights-of-use assets	3,696	1,920
Bad debts written off	70	-
Depreciation of property, plant and equipment	1,800	2,237
Interest expense	2,752	5,336
Interest income	(26)	(18)
Net unrealised gain on foreign exchange	1,472	1,435
Operating (loss)/gain before working capital changes	(1,141)	1,539
Changes in working capital:		
Inventories	3,047	2,349
Receivables	(1,484)	(5,473)
Contract liabilities	(579)	(768)
Payables	3,764	2,275
Cash generated from/(used in) operations	3,607	(78)
Tax paid	(853)	(388)
Interest paid	(93)	(328)
Net cash generated from/(used in) operating activities	2,661	(794)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(381)	(495)
Interest received	26	18
Net cash used in investing activities	(355)	(477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of revolving credit	(750)	(350)
Payment of lease liabilities	(548)	(183)
Repayment of term loans	(73)	(70)
Net cash from financing activities	(1,371)	(603)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	935	(1,874)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,493	10,038
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,428	8,164

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements)



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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“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 2023. 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 2023.

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 2023, 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 2024

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Non-current Liabilities with Covenants
- Amendments to MFRS 107, Supplier Finance Arrangements

1 January 2025

- Amendments to MFRS 121, Lack of Exchangeability

Deferred until further notice

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

The Group and the Company intend to adopt the above new standard and amendments to standards, if applicable, when they become effective. (Cont'd)



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

2. Significant Accounting Policies (Cont'd)

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 2023 Financial Statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2023 was not subject to any qualification.

4. 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 for the current financial quarter .

5. Material Changes in Estimates

There were no changes in estimates that have material effect the annual reported for the current financial quarter.

6. Seasonal or Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors, apart from general economic environment.

7. Dividends Paid

There were no dividends paid during the current financial quarter.

8. Carrying Amount of Revalued Assets

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

9. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the current financial quarter .

10. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current financial quarter .

11. Capital Commitments

There were no material capital commitments since the last audited Statement of accounts as at 31 December 2023.



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

12. Contingent Liabilities

There were no material contingent liabilities during the current financial quarter.

13. Material Subsequent Event

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

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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

14. Operating Segment Review

(a) 2nd Quarter 2024 vs 2nd Quarter 2023

	Current Year Quarter 30-Jun-24 RM'000	Preceding Year Corresponding Quarter 30-Jun-23 RM'000	Charges (%)
Revenue	11,970	11,884	1%
Operating Loss	(3,744)	(3,394)	(10%)
Loss Before Interest and Tax	(3,744)	(3,394)	(10%)
Loss Before Tax	(5,234)	(6,053)	14%
Loss After Tax	(5,349)	(6,205)	14%
Loss Attributable to Ordinary Equity Holders of the Parent Company	(4,733)	(6,192)	(24%)

The Group recorded total revenue of RM12.0 million in the current quarter ended 30 June 2024 as compared to RM11.9 million in the preceding year corresponding quarter ended 30 June 2023. The increase of revenue mainly contributed by the sale of completed pajam industries lots by a subsidiary company, Country Heights Industries Sdn Bhd.

The Group recorded loss before tax of RM5.2 million for the current quarter ended 30 June 2024 as compared to RM6.0 million loss before tax in the preceding year corresponding quarter ended 30 June 2023. This is mainly due to cost saving in settlement of revolving credit during the current financial quarter.

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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

14. Operating Segment Review (Cont'd)

(a) 2nd Quarter 2024 vs 2nd Quarter 2023 (Cont'd)

Quarter Ended 30 June 2024	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	3,363	2,893	1,549	4,165	11,970
Results					
Segment results	(404)	(1,976)	(416)	(948)	(3,744)
Finance costs					(1,490)
Loss before tax					(5,234)
Income tax expense					(115)
Loss after tax					(5,349)
Non-controlling interests					616
Loss for the period					(4,733)
Quarter Ended 30 June 2023	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	5,226	2,681	503	3,474	11,884
Results					
Segment results	381	(1,258)	(1,133)	(1,384)	(3,394)
Finance costs					(2,659)
Loss before tax					(6,053)
Income tax expense					(152)
Loss after tax					(6,205)
Non-controlling interests					13
Loss for the period					(6,192)



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

14. Operating Segment Review (Cont'd)

(a) 2nd Quarter 2024 vs 2nd Quarter 2023 (Cont'd)

Healthcare Division

The Division recorded revenue of RM3.4 million in the current quarter ended 30 June 2024 as compared to RM5.2 million in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to lower revenue from health screening subscription and membership during the current financial quarter.

The segment loss recorded of RM0.4 million in the current quarter ended 30 June 2024 as compared to RM0.4 million segment profit in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to lower revenue of RM1.9 million during the current financial quarter.

Resorts & Hospitality Division

The Division recorded revenue of RM2.9 million in the current quarter ended 30 June 2024 as compared to RM2.7 million in the preceding year corresponding quarter ended 30 June 2023. The increase in the Division revenue was mainly contributed by conference events and promotion activities during the current financial quarter.

The segment loss recorded of RM2.0 million in the current quarter ended 30 June 2024 as compared to RM1.3 million segment loss in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to higher of equipment rental of banquet and operation cost during the current financial quarter.

Exhibition & Convention Division

The Division recorded revenue of RM1.5 million in the current quarter ended 30 June 2024 as compared to RM0.5 million in the preceding year corresponding quarter ended 30 June 2023. This is mainly due to increase event function and rental income during the current financial quarter.

The segment loss recorded of RM0.4 million in the current quarter ended 30 June 2024 as compared to RM1.1 million segment loss in preceding year corresponding quarter ended 30 June 2023. This is mainly due to cost saving in settlement of revolving credit during the current financial quarter.



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

14. Operating Segment Review (Cont'd)

(a) 2nd Quarter 2024 vs 2nd Quarter 2023 (Cont'd)

Property Division

The Division recorded revenue of RM4.2 million in the current quarter ended 30 June 2024 as compared to RM3.5 million in the preceding year corresponding quarter ended 30 June 2023. The increase was mainly contributed by the sale of completed pajam industries lots by a subsidiary company Country Heights Industries Sdn Bhd during the current financial period.

The segment loss recorded of RM0.9 million in the current quarter ended 30 June 2024 as compared to RM1.4 million segment loss in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to the increase in revenue during the financial .

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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

14. Operating Segment Review

(b) PTD June 2024 vs PTD June 2023

	Current Period To Date 30-Jun-24 RM'000	Preceding Year Corresponding Period 30-Jun-23 RM'000	Charges (%)
Revenue	24,192	23,145	5%
Operating Loss	(7,498)	(3,562)	(110%)
Loss Before Interest and Tax	(7,498)	(3,562)	(110%)
Loss Before Tax	(10,250)	(8,898)	(15%)
Loss After Tax	(10,779)	(9,263)	(16%)
Loss Attributable to Ordinary Equity Holders of the Parent Company	(9,342)	(9,154)	(2%)

The Group recorded total revenue of RM24.10 million in the current quarter ended 30 June 2024 as compared to RM23.10 million in the preceding year corresponding quarter ended 30 June 2023. The increase of revenue mainly contributed by the sale of completed pajam industries lots by a subsidiary company, Country Heights Industries Sdn Bhd during the current financial period.

The Group recorded loss before tax of RM10.2 million for the current quarter ended 30 June 2024 as compared to RM8.9 million loss before tax in the preceding year corresponding quarter ended 30 June 2023. This was mainly due to the forfeited deposit in the preceding year corresponding quarter of 2023.

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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

14. Operating Segment Review (Cont'd)

(b) PTD June 2024 vs PTD June 2023 (Cont'd)

Year Ended 30 June 2024	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total operations RM'000
Revenue					
External sales	6,852	5,868	2,503	8,969	24,192
Results					
Segment results	(1,021)	(4,458)	(1,321)	(697)	(7,497)
Finance costs					(2,746)
Loss before tax					(10,243)
Income tax expenses					(529)
Loss after tax					(10,772)
Non-controlling interests					1,437
Loss for the period					(9,335)
Year Ended 30 June 2023	Grand Wellness RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Consolidated RM'000
Revenue					
External sales	10,168	5,027	1,384	6,566	23,145
Results					
Segment results	346	(1,882)	(2,078)	52	(3,562)
Finance costs					(5,336)
Loss before tax					(8,898)
Income tax expense					(365)
Loss after tax					(9,263)
Non-controlling interests					109
Loss for the period					(9,154)



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

14. Operating Segment Review (Cont'd)

(b) PTD June 2024 vs PTD June 2023 (Cont'd)

Healthcare Division

The Division recorded revenue of RM6.9 million in the period ended 30 June 2024 as compared to RM10.2 million in the preceding period ended 30 June 2023. This was mainly due to lower revenue from health screening subscription and membership during the current financial period.

The segment loss recorded of RM1.0 million in the period ended 30 June 2024 as compared to RM0.3 million segment profit in the preceding period ended 30 June 2023. This was mainly due to lower revenue during the current financial period.

Resorts & Hospitality Division

The Division recorded revenue of RM5.9 million in the period ended 30 June 2024 as compared to RM5.0 million in the preceding period ended 30 June 2023. The increase in the Division revenue was mainly contribution of conference events and promotion activities during the current financial period.

The segment loss recorded of RM4.4 million in the period ended 30 June 2024 as compared to RM1.9 million segment loss in the preceding period ended 30 June 2023. This was mainly due to higher of equipment rental of banquet and operation cost during the current financial period.

Exhibition & Convention Division

The Division recorded revenue of RM2.5 million in the period ended 30 June 2024 as compared to RM1.4 million in the period quarters ended 30 June 2023. The increase in the Division revenue mainly from events function and rental income during the current financial period.

The segment loss recorded of RM1.3 million in the period ended 30 June 2024 as compared to RM2.1 million segment loss in period ended 30 June 2023. This is mainly due to cost saving in settlement of revolving credit during the current financial period.



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

14. Operating Segment Review (Cont'd)

(b) PTD June 2024 vs PTD June 2023 (Cont'd)

Property Division

The Division recorded revenue of RM9.0 million in the period ended 30 June 2024 as compared to RM6.6 million in the period ended 30 June 2023. The increase was mainly contributed by the sales of completed pajam industries lots by a subsidiary company, Country Heights Industries Sdn Bhd during the current financial period.

The segment loss recorded of RM0.7 million in the current quarters ended 30 June 2024 as compared of RM0.05 million segment profit in the period ended 30 June 2023. This was mainly due to forfeited deposit in the preceding same quarters of 2023.

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

	Current Quarter	Immediate Preceding Quarter	
	30-Jun-24	31-Mar-24	Charges (%)
	RM'000	RM'000	
Revenue	11,970	12,222	(2%)
Operating Loss	(3,744)	(3,754)	1%
Loss Before Interest and Tax	(3,744)	(3,754)	1%
Loss Before Tax	(5,234)	(5,016)	(4%)
Loss After Tax	(5,349)	(5,430)	2%
Loss Attributable to Ordinary Equity Holders of the Parent Company	(4,733)	(4,609)	(3%)

The Group recorded total revenue of RM12.0 million in the current quarter ended 30 June 2024 as compared to RM12.2 million in the preceding quarter ended 31 March 2024. The lower revenue contributed by the sale of completed properties from Belezza Phase 3 and Pangsa Rakyat Pajam during the current financial quarter.

The Group recorded loss before tax of RM5.2 million for the current quarter ended 30 June 2024 as compared to RM5.0 million loss before tax in the preceding quarter ended 31 March 2024. This is mainly due to the higher of maintenance cost of hotel operation during the current financial quarter.

16. Commentary on Prospects

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Most supply-side sectors registered higher growth. The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%). although inflationary pressures and higher interest rates remain areas of concern.

For 2024, growth of the Malaysian economy is expected to be supported by domestic demand and investment activity is set to be bolstered by further progress in both private and public sectors, along with the implementation of national master plans.



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. Commentary on Prospects (Cont'd)

The Group continues its initiatives to introduce healthcare service offerings in respect of sub-specialty treatments, enhancing clinical care and uplift clinical outcome for better customer experience, and possible exploit of public-private partnership, that can help to address healthcare delivery to growing nations, while managing overall costs and sustainability. We are also developing new revenue streams, with particular investment going towards expanding our share for the health tourism market in Malaysia, which is expected to see considerable growth over the next few years. We expect that these initiatives will translate towards the growth of our performance for the rest of the year.

The group hotels and resort sector will see a further improvement placed to benefit from the continuing rebound in local and oversea travel demand and implementation of visa-free to numerous overseas visitor, in particular, from China traveller, While international tourism has long been a significant contributor to Malaysia's economy, we believe that it is now time to also pivot towards domestic tourism as a robust alternative to sustain and grow the nation's economic landscape. Details showed that the performance of domestic tourism in Malaysia saw a significant rise in 2023, with notable increases in the number of domestic visitors, trips, and tourism expenditure after several years of challenges due to the COVID-19 crisis.

The MICE (meetings, incentives, convention and expositions) industry sees a surge in the logistic, health and tourism industry. Hence the Group exhibition and convention sector, via MIECC has offered its 150,000 sq. ft. for events function and distribution centre, our division predominant focus is on internal upgrades and improvements while also building relationships with strategic partners, in particulars for trade fairs in industries that promise to improve prosperities.

With the encouraging demand for premium and medium properties together with the ongoing projects of our Property Sector, completing and becoming operational soon and with a few more collaborative projects in discussion, with the ongoing works, the Group is confident that it sector will continue to grow and contribute positively to the Group.

Barring any unforeseen circumstances, the Group will be primed to further strengthen and also expand our core business sectors.



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17. Variance on Profit Forecast / Profit Guarantee

There was no profit forecast / profit guarantee issued by the Group during the current financial quarter.

18. Loss before Tax

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

	Six Months Period Ended	
	30-Jun-24	30-Jun-23
	RM'000	RM'000
Depreciation and amortisation	5,496	4,157
Impairment losses on trade and other receivables	2	117
Reversal of impairment losses on trade and other receivables	(67)	-
Amortisation of deferred income	(590)	(590)
Net unrealised foreign exchange loss	1,472	1,435
Interest expense	2,752	5,336
Interest income	(26)	(18)

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

19. Income Tax Expenses

	Six Month Period Ended	
	As at 30-Jun-24	As at 30-Jun-23
	RM'000	RM'000
Income tax		
- Current quarter	(529)	(365)

20. Sale of Unquoted Investments / Properties

There were no sales of unquoted investments/properties during the financial quarter..

21. Purchase and Sale of Quoted Securities

There were no sales or purchase of quoted securities during the financial quarter.



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22. Inventories

	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
Land held for property development	<u>127,402</u>	<u>127,898</u>
Property development cost	44,877	115,252
Others	<u>80,497</u>	<u>97,969</u>
Total	<u>125,374</u>	<u>213,221</u>

23. Details of Treasury Shares

As at the end of the reporting quarter, all the shares purchased by the company were retained as treasury shares as at 30 June 2024 as follows

	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
Description of shares purchased	Ordinary Shares	Ordinary Shares
Number of shares purchased	-	-
Number of shares cancelled	-	-
Number of shares held as treasury shares	3,250	3,250
Number of treasury shares resold	<u>-</u>	<u>-</u>

24. Corporate Proposals

On 21 July 2023, TA Securities Holdings Berhad (“TA”), on behalf of the Board of Directors (“Board”), announced that the Company had, on the even date, proposed to undertake a private placement of up to 29,600,000 new ordinary shares in the Company representing up to 9.98% of the total number of 296,738,903 issued shares of the Company (excluding 3,250,000 treasury shares) at an issue price to be determined and announced later (“Proposed Private Placement”).

Bursa Securities had, vide its letter dated 02 August 2024 approved the Proposed Private Placement.



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24. Corporate Proposals (Cont'd)

On 06 February 2024, Bursa Securities had grant the Company an extension of time of 6 months until 01 August 2024 and on 31 July 2024, Bursa Securities had grant the Company another an extension of time of 6 months until 01 February 2025 to implement the Proposed Private Placement.

On 05 August 2024, the Board fixed the issue price for Placement Shares at RM0.26 per Placement Share, being the first (1st) tranche of the Placement. The issue price represents a discount of approximately 8.52% to the five (5)-day volume weighted average market price ("5-day VWAP") of the Company Shares up to and including 02 August 2024 of RM0.2842 per share.

The first tranche of the Placement was completed on 13 August 2024, following the listing and quotation of the 5,800,000 Placement Shares on the even date. The gross proceeds raised is RM1,508,000 and the usage of fund are for estimate expenses for the Proposed Private Placement, working capital and refurbishment of the Palace of the Golden Horses Hotel which owned by a subsidiary company, Golden Horse Palace Berhad.



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24. Corporate Proposals (Cont'd)

As at 23 August 2024, the utilization of the proceeds from the First Tranche of the Private Placement was as follows:

Purpose	Proposed Utilisation	Actual Utilisation	Balance To Be Utilised		Estimate Timeframe for Utilisation
	RM'000	RM'000	RM'000	%	
Refurbishment of the Palace of the Golden Horses Hotel	9,500	-	9,500	100	Within 12 months
Working capital	1,618	-	1,618	100	Within 12 months
Estimate expenses for the Proposed Private Placement	130	93	37	28	Immediate
Total	11,248	93	11,155	99	



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25. Group Borrowings

Group borrowings as at the end of the reporting period are as follows:

	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
Secured		
Term Loan	36,969	104,041
Revolving credit		1,100
	36,969	105,141
Unsecured		
Term Loan	2,360	5,289
Total borrowings	39,329	110,430
Comprising :		
Amount repayable within one year	30,596	30,293
Amount repayment after one year	8,733	80,137
	39,329	110,430

Group borrowings breakdown by currencies:

Functional currency	Denominated in	As at 30-Jun-24 RM'000	As at 30-Jun-23 RM'000
RM	RM	8,733	80,137
RM	SGD	30,596	30,293
		39,329	110,430

26. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 30 June 2024 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 during the current financial quarter.



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27. Material Litigation

Save for the following, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, and the Directors of the Company do not have any knowledge of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of the Group, as at 22 August 2024.

(i) ARBITRATION BETWEEN COUNTRY HEIGHTS HOLDINGS BERHAD (CLAIMANT) AND LAND CUSTODY DEVELOPMENT AUTHORITY (LCDA) (RESPONDENT)

A Joint Venture Agreement (JVA) was entered into between LCDA and CHHB on 20 September 1994 for the development of the Project Land into a hill resort with tourism related infrastructure, recreational and leisure facilities and horticulture. Pursuant to the JVA, a JV company known as Borneo Heights Sdn. Bhd. (BHSB) was incorporated.

The dispute arose in June 2020 when LCDA issued a letter making various allegations as to the management of the project by CHHB. LCDA intended to carry out a due diligence exercise and discover documents. On November 2020, LCDA purportedly gave the notice to terminate the JVA and required CHHB to sell its shares in BHSB to LCDA.

LCDA issued notices of requisition of meeting to pass various resolutions including the commencement of legal proceedings against CHHB. CHHB objected to the notices and had through its solicitors' given notice to LCDA to withdraw the notices of requisition of meeting.

Pursuant to Clause 22 of the JVA, the parties agreed to refer all disputes or claim arising out of or in relation to the JVA to arbitration. Notice of Arbitration has been issued on 20 May 2021. The issuance of the Notice of Arbitration signifies the commencement of the arbitration process. On 26 July 2021, the Asian International Arbitration Centre (AIAC) appointed Mr. Nandakumar Ponniya as the sole arbitrator for the arbitration. The arbitration hearing is now scheduled to take place between 13 to 24 January 2025 and will be held in Singapore.



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
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27. Material Litigation (Cont'd)

- (ii) **COURT OF APPEAL CASE NO.: B-02(IM)(NCC)-1133-06/2021 & SHAH ALAM ORIGINATING SUMMONS NO.: BA-24NCC-137-12/2020 BETWEEN CHHB (PLAINTIFF) AND MONALIZA BINTI ZAIDEL, DATU HAJI SUDARSONO BIN OSMAN & BHSB (DEFENDANTS).**

This suit is for declaration and injunction against 2 directors of Borneo Heights Sdn. Bhd. (BHSB). The Directors from Land Custody Development Authority (LCDA) issued a letter to the Directors from Country Heights Holdings Berhad (CHHB) to challenge the appointment of 3 other Directors nominated by CHHB. On 18 December 2020, the Defendants issued a notice to requisition for a special meeting of the Board of Directors on 28 December 2020. This notice was only issued to 2 out of the 5 directors nominated by CHHB and had disregarded the 3 new directors nominated/appointed by CHHB. The Defendants proceed to convene the meeting on 25 January 2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting.

It was for this reason that CHHB felt compelled to move the Court for an injunction to prevent the meeting from taking place.

On 23 December 2020, CHHB had filed Originating Summons and CHHB's application for Interim Injunction, for, among others, an injunction to restraint the Defendants from proceeding with a board of directors meeting purportedly scheduled on 28 December 2020. The meeting scheduled for 28 December 2020 did not happen. The Defendants proceed to convene the meeting on 25 January 2021 despite notice and demand given by CHHB for the Defendants not to proceed with the meeting. CHHB has further filed an application for leave to commence committal proceedings against the Defendants.

The Defendant has filed an application to strike out the Originating Summons and CHHB's application for the injunction. On 4 May 2021, the High Court allowed the Defendants application to strike out the Originating Summons and CHHB's application for injunction with a cost of RM10,000. On 28 May 2021, CHHB appealed to the Court of Appeal against the decision made by the High Court. CHHB's appeal was allowed on 16 June 2022 and the Court of Appeal directed for the matter to be referred back to the High Court. The 1st and 2nd Defendants filed a Notice of Motion for leave to appeal to Federal Court and the same was dismissed on 5 October 2022.



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27. Material Litigation (Cont'd)

The 1st and 2nd Defendants thereafter filed a stay of the proceedings in High Court pending the determination of the arbitration and the same was allowed by the High Court pursuant to parties' consent on 31 March 2023. The next case management is scheduled on 2 October 2024.

(iii) **KUALA LUMPUR HIGH COURT WRIT NO. WA-22NCVC-371-07/2022 BY HUN TEE SIANG & 31 ORS (“PLAINTIFFS”) AND COUNTRY HEIGHTS PROPERTIES SDN BHD (“CHP”) AND MEGA PALM SDN BHD (“MPSB”)**

The Plaintiffs filed an Originating Summons No. WA-24NCVC-69-01/2021 (“**OS 68**”) against CHP and MPSB seeking amongst others, injunctive reliefs for the Defendants to jointly and severally pay the sum of RM1.75 million and for compliance with the Consent Order dated 16 May 2017. By a Notice of Application (Ex Parte) dated 11 January 2021 (“**Enclosure 6**”), the Plaintiff applied and obtained an Ex Parte Order dated 27 January 2021 compelling the Defendants to deposit the sum of RM1.75 million into Court, which was then followed by an Ad Interim Injunction Order dated 10 February 2021 pending inter parte Hearing of Enclosure 6.

On 23 February 2021, the Defendants filed a Notice of Application (“**Enclosure 32**”) to set aside the Ex Parte Order and Ad Interim Injunction Order. In the meantime, Defendants have complied with the said Ex Parte Order and Ad Interim Injunction Order on a without prejudice basis to Enclosure 32.

On 2 June 2022, the High Court ordered the OS 69 to be converted into a Writ action and is registered as WA-22NCVC-371-07/2022 (“**Writ 371**”) and for Enclosure 6 and 32 to be dealt with in Writ 371.

On 6 Mei 2024, the High Court delivered the decisions in Enclosure 6 and Enclosure 32, where the Court maintained the injunction for the deposit of RM1.75 million and set aside the other paragraphs in the Ex Parte Order and Ad Interim Injunction. MPSB and CHD have, on 4 June 2024, filed two separate appeals to the Court of Appeal (“**the Appeals**”) against the decisions in Enclosure 6 and Enclosure 32. The Appeals are fixed for Case Management on 21 August 2024.

The Suit in the High Court is fixed for Trial on 28 August 2024 and 29 August 2024.



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27. Material Litigation (Cont'd)

(iv) SHAH ALAM HIGH COURT WRIT SUMMON NO. BA-22M-205-08/2023 BETWEEN MBSB BANK BERHAD (PLAINTIFF) AND COUNTRY HEIGHTS HOLDINGS BERHAD (CHHB) (DEFENDANT)

The action is brought by Plaintiff arising from the default in payment of the Islamic Term Financing Facility of RM82,700,000 and the Islamic Bridging Financing Facility up to limit of RM17,300,000 obtained by Mines Waterfront Business Park Sdn Bhd (“MWBP”) from MBSB Bank Berhad in 2014 with the Defendant being a Corporate Guarantor. The Writ Summons and Statement of Claim were served on 21 August 2023.

The Defendant filed the Statement of Defence on 12 October 2023. The Plaintiff filed an application for Summary Judgment on 8 November 2023. The Defendant has engaged solicitors to act on this matter.

The Plaintiff’s application for Summary Judgment was fixed on 31 July 2024 at Shah Alam High Court. Solicitors for the Defendant had attended the Hearing and orally submitted the Defendant’s arguments before the Judicial Commissioner, YA Dato’ Raja Rozela binti Raja Toran.

After hearing parties, the learned Judicial Commissioner had fixed 11 October 2024 for Decision in regards to the Plaintiff’s Summary Judgment Application.

(v) SHAH ALAM HIGH COURT, ORIGINATING SUMMON NO BA-24MFC-1362-11/2023 BETWEEN MBSB BANK BERHAD (PLAINTIFF) AND MINES INTERNATIONAL EXHIBITION CENTRE SDN BHD (“MIEC”) (DEFENDANT)

The action is brought by the Plaintiff pursuant to the provisions of the National Land Code 1965, for an Order for Sale of the land held under Pajakan Negeri 30898, Lot 1586, Pekan Baru Sungai Besi, Daerah Petaling, Selangor (“Property”) which has been charged to the Plaintiff by the Defendant via third party charge through Charge Presentation No: 51388/2015 which was registered on 21 May 2015 (“Charge”). The Plaintiff is seeking for an Order for Sale of the said Property by way of public auction.



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27. Material Litigation (Cont'd)

The action was brought for the amount due and owing by the Defendant under the Charge documents, based on the computation of the interest accrued, ta'widh, ibra', partial payment which has been received by the Plaintiff and other related costs which is payable to the Plaintiff in accordance to the terms of the Charge.

Based on the Statement of Account issued by the Plaintiff, as of 1 August 2023, the amount due and owing to the Plaintiff is RM89,673,782.57. The Sealed Originating Summons and Affidavit in Support were served on 28 November 2023.

The Defendant's solicitors had filed the Affidavit in Reply, Written Submission and Written Submission in Reply to oppose the Plaintiff's Originating Summons.

The Hearing for this matter was fixed on 31 July 2024. Solicitors for the Defendant had attended the Hearing and orally submitted the Defendant's arguments before the Judicial Commissioner, YA Dato' Raja Rozela binti Raja Toran.

After hearing parties, the learned Judicial Commissioner had fixed 11 October 2024 for Decision in regards to the Plaintiff's Originating Summons.

(vi) **SHAH ALAM HIGH COURT, ORIGINATING SUMMON NO BA-24MFC-400-05/2024 BETWEEN MBSB BANK BERHAD (PLAINTIFF) AND MINES WATERFRONT BUSINESS PARK SDN BHD (“MWBP”) (DEFENDANT)**

The Company has received the following documents and cause papers on 24th May 2024 from Messrs Hisham, Sobri & Kadir, a seal copy of Originating Summon dated 16 May 2024, Plaintiff Affidavits in Support, both dated 16 May 2024.

The case was fixed for first hearing on 26 June 2024 before Senior Assistant Registrar of Shah Alam High Court. The contributory of the Defendant had engaged solicitors for this matter.

The solicitors had attended the first Hearing to inform the court of the Defendant's status as a company in liquidation and had obtained extension of time to file the Defendant's Affidavit in Reply.



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27. Material Litigation (Cont'd)

The Defendant's contributory had submitted the supporting documents to the Official Receiver for sanction application, in order to allow the Defendant to formally appoint solicitors to defend this matter. The Official Receiver had fixed a Meeting for Contributory and Solicitors on 05 August 2024 to discuss the sanction application, which were attended by the representatives of the Contributory and the solicitors engaged. After the meeting, the Official Receiver, issued a letter dated 06 August 2024 to the contributory, indicate the terms and conditions for the sanction approval and the contributory is given 14 days to comply with the said letter.

The matter is now fixed for Case Management on 26 August 2024, for the Defendant to update the status of the sanction application. The Management is seeking for legal and expertise opinion in relation to the case in regards of representation together with defence that is made available to Malaysian Department of Insolvency ("MDI"), in relation to item 27(iv) and 27(v), material litigation.

(vii) **KUALA LUMPUR HIGH COURT, PETITION NO WA-28NCC-671-07/2024 BETWEEN MESSRS CHELLAM WONG (PETITIONERS) AND COUNTRY HEIGHTS HOLDINGS BERHAD ("CHHB") (RESPONDENT)**

The company has been served with winding up petition by the Petitioners on 2 August 2024 from Messrs Ting & Yong, a seal copy of the petition dated 22 July 2024 along with it Affidavit in support dated 25 July 2024

The case is fixed for case management on the 26 of August before Senior Assistant Registrar of Kuala Lumpur High Court

The Management is seeking legal measures along with taking steps to mediate the situation for any possibility of settlement



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28. Earnings/(Loss) Per Share

(a) Basic

Basic earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM9.3 million (30 June 2023: loss of RM9.2 million) over the number of 296,738,903 (30 June 2023: 296,738,903) ordinary shares issued during the current financial period under review.

(b) Diluted

Not applicable.

29. 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 2024 .