



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-17 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000	Changes %
Revenue	4	32,825	17,937	83%	90,659	93,575	-3%
Cost of sales		(11,083)	(3,371)		(29,575)	(22,211)	
Gross profit		21,742	14,566	49%	61,084	71,364	-14%
Interest income		21	313		145	475	
Other operating income		(8,011)	1,360		124,255	9,862	
Selling and marketing expenses		(2,864)	(1,994)		(7,350)	(6,299)	
Administrative expenses		(6,935)	(3,471)		(27,236)	(17,893)	
Other operating expenses		(11,296)	(9,749)		(37,291)	(46,995)	
Finance costs		(2,390)	(2,407)	1%	(9,092)	(10,101)	10%
Profit/(Loss) before tax		(9,733)	(1,382)	-604%	104,515	413	25206%
Income tax expense	19	(27,744)	(1,026)		(20,982)	(2,765)	
Profit/(Loss) for the period		(37,477)	(2,408)	-1456%	83,533	(2,352)	3652%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations		1,400	2,379		1,400	2,379	
Total comprehensive income/(loss) for the period		(36,077)	(29)	-124303%	84,933	27	314467%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	CURRENT YEAR QUARTER	YEAR CORRESPONDING QUARTER	Changes %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes %
	31-Dec-18	31-Dec-17		31-Dec-18	31-Dec-17	
Note	RM'000	RM'000		RM'000	RM'000	
Profit/(Loss) attributable to :						
Equity holders of the Company	(36,546)	(3,217)	-1036%	85,233	(2,624)	3348%
Non-controlling interests	(931)	809		(1,700)	272	
Profit/(Loss) for the period	<u>(37,477)</u>	<u>(2,408)</u>	-1036%	<u>83,533</u>	<u>(2,352)</u>	<u>3348%</u>
Total comprehensive income/(loss) attributable to :						
Equity holders of the Company	(35,146)	(838)	-4094%	86,633	(245)	35460%
Non-controlling interests	(931)	809		(1,700)	272	
Total comprehensive income/(loss) for the period	<u>(36,077)</u>	<u>(29)</u>	-124303%	<u>84,933</u>	<u>27</u>	<u>314467%</u>
Earnings / (Loss) per share attributable to ordinary equity holders of the Company						
- Basic	29 (a)	(13.36)	(1.18)	31.16	(0.95)	
- Diluted	29 (b)	NA	NA	NA	NA	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Note	31-Dec-18 (Unaudited) RM'000	31-Dec-17 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	312,782	320,403
Investment properties	9	271,640	150,721
Prepaid land lease payments		296,005	301,212
Land held for property development		201,673	213,785
Available-for-sale financial assets		2,734	2,734
Goodwill		-	-
Trade receivables-non-current portion		11,497	7,427
Deferred tax assets		6,374	6,090
		<u>1,102,705</u>	<u>1,002,372</u>
Current assets			
Property development costs		128,232	127,325
Inventories		87,351	72,236
Trade and other receivables		39,036	51,955
Tax recoverable		3,629	4,053
Cash and bank balances		11,164	16,167
		<u>269,412</u>	<u>271,736</u>
TOTAL ASSETS		<u>1,372,117</u>	<u>1,274,108</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		352,006	352,006
Treasury shares		(2,914)	(2,914)
Warrant reserves		62,645	-
Other reserves		68,336	130,689
Retained earnings		<u>376,223</u>	<u>293,125</u>
Equity attributable to equity holders of the Company		856,296	772,906
Non-controlling interests		<u>18,842</u>	<u>20,542</u>
Total equity		<u>875,138</u>	<u>793,448</u>
Non-current liabilities			
Borrowings	25	183,101	190,290
Other payables		1,735	1,548
Deferred Income - non-current portion		40,212	38,553
Deferred tax liabilities		<u>105,261</u>	<u>77,422</u>
		<u>330,309</u>	<u>307,813</u>
Current liabilities			
Borrowings	25	41,835	38,973
Trade and other payables		121,555	122,585
Tax payables		1,611	9,597
Deferred Income		<u>1,669</u>	<u>1,692</u>
		<u>166,670</u>	<u>172,847</u>
Total Liabilities		<u>496,979</u>	<u>480,660</u>
TOTAL EQUITY AND LIABILITIES		<u>1,372,117</u>	<u>1,274,108</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.13	2.83

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Attributable to Equity Holders of the Company						Non-Controlling Interests	Total Equity	
	Non-distributable			Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2018	352,006	(2,914)	-	-	130,689	293,125	772,906	20,542	793,448
Effect of MFRS 9 adoption	-	-	-	-	-	(4,307)	(4,307)	-	(4,307)
As at 1 January 2018 (Restated)	352,006	(2,914)	-	-	130,689	288,818	768,599	20,542	789,141
Profit for the period	-	-	-	-	-	85,233	85,233	(1,700)	83,533
Other comprehensive income	-	-	-	-	1,400	-	1,400	-	1,400
Total comprehensive income	-	-	-	-	1,400	85,233	86,633	(1,700)	84,933
Issuance of bonus warrant	-	-	62,645	-	(62,645)	-	-	-	-
Transfer to investment properties	-	-	-	-	(1,108)	-	(1,108)	-	(1,108)
Transfer to retained earnings	-	-	-	-	-	2,172	2,172	-	2,172
At 31 December 2018	352,006	(2,914)	62,645	-	68,336	376,223	856,296	18,842	875,138
At 1 January 2017	275,707	(2,914)	-	57,251	152,851	294,086	776,981	20,114	797,095
Adjustment for effects of Companies Act 2016 (Note a)	76,299	-	-	(57,251)	(19,048)	-	-	-	-
Profit/(Loss) for the period	-	-	-	-	-	(2,624)	(2,624)	272	(2,352)
Other comprehensive income	-	-	-	-	2,379	-	2,379	-	2,379
Total comprehensive income/(loss)	-	-	-	-	2,379	(2,624)	(245)	272	27
Effect from disposal of subsidiary	-	-	-	-	-	-	-	156	156
Transfer to retained earnings	-	-	-	-	(1,663)	1,663	-	-	-
Transfer to inventory	-	-	-	-	(3,830)	-	(3,830)	-	(3,830)
At 31 December 2017	352,006	(2,914)	-	-	130,689	293,125	772,906	20,542	793,448

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM57,251,000 and RM19,048,000 respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	CURRENT YEAR TO DATE 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000
CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES		
Profit before tax	104,515	413
Adjustments for:		
Allowance for doubtful debts	5,607	618
Allowance for doubtful debts written back	(939)	(400)
Amortisation of deferred income	(1,180)	(1,164)
Amortisation of debts issuance costs	80	159
Amortisation of prepaid land lease payment	1,674	4,024
Bad debts written off	269	375
Depreciation of property, plant and equipment	8,751	9,037
Dividend income	(150)	-
Fair value adjustment to investment properties	(115,334)	-
Fair value adjustment to long term receivables	83	(159)
Gain on disposal of subsidiary	-	1,137
Impairment gain in value of other investments	-	-
Interest expense	9,092	10,101
Interest income	(145)	(475)
Inventories written off	-	(379)
Bad debts recovered	(528)	-
Net unrealised gain on foreign exchange	(41)	(62)
Property, plant & equipment written off	-	543
Net loss on disposal of subsidiary	250	-
Operating profit before working capital changes	12,004	23,768
Changes in working capital:		
Inventories	(15,171)	11,493
Property development costs	11,207	(9,099)
Receivables	304	(10,108)
Deferred income	2,815	4,439
Payables	840	5,935
Cash generated from operations	11,999	26,428
Tax refund	339	65
Tax paid	(1,319)	(23,927)
Interest paid	(9,013)	(9,942)
Net cash generated from operating activities	2,006	(7,376)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	CURRENT YEAR TO DATE 31-Dec-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-17 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(2,904)	(5,024)
Expenditure on hotel properties and exhibition centre & showroom	-	-
Proceeds from disposal of other property, plant & equipment	-	7
Proceeds from disposal of subsidiaries	(18)	44
Interest received	145	475
Net dividend received	150	-
Net cash used in investing activities	(2,627)	(4,498)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	(20,085)	(1,589)
Drawdown of term loan	25,000	36,003
Hire purchase and lease creditors	(278)	(329)
Repayment of revolving credits	-	(800)
Repayment of term loans	(9,041)	(18,011)
Net cash used in financing activities	(4,404)	15,274
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(5,025)	3,400
Effects of foreign exchange rate changes	22	(89)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,167	12,856
CASH AND CASH EQUIVALENTS AT END OF PERIOD	11,164	16,167

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2017. 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 2017.

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 2017, 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 2018

- FRS 9, Financial Instruments (2014)
- Amendments to FRS 1, First-Time Adoption of Financial Reporting Standards (Annual Improvements to FRS Standards 2014-2016 Cycle)
- Amendments to FRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 4, Insurance Contracts – Applying FRS 9, Financial Instruments with FRS 4, Insurance Contracts
- Amendments to FRS 128, Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)
- Amendments to FRS 140, Investment Property – Transfers of Investment Property
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration



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

2. Significant Accounting Policies (Cont'd)

On 19 November, 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS”) Framework, a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities (“TEs”).

TEs, being entities within the scope of MFRS 141 *Agriculture* and /or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and ventures were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2nd September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with FRS Framework is now required to adopt the MFRS Framework latest by 1st January 2017.

On 8th September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1st January 2018. However, early application of MFRS 15 is still permitted.

The Group and the Company fall within the scope definition of TEs and have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of their financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 *First-time Adoption of MFRS* in their financial statements for the financial year ending 31st December 2018, being the first set of financial statements prepared in accordance with the new MFRS Framework.

3. Audit Opinion on 2017 Financial Statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2017 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 31 Dec 2018	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	9,067	9,687	3,212	-	10,859	32,825
Results						
Segment results	(10,236)	(1,640)	556	(1)	3,978	(7,343)
Finance costs						(2,390)
Profit before tax						(9,733)
Income tax expense						(27,744)
Profit after tax						(37,477)
Non-controlling interests						931
Loss for the period						(36,546)

Quarter Ended 31 Dec 2017	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	6,025	8,277	3,301	-	334	17,937
Results						
Segment results	1,451	188	486	(5)	(1,095)	1,025
Finance costs						(2,407)
Loss before tax						(1,382)
Income tax expense						(1,026)
Loss after tax						(2,408)
Non-controlling interests						(809)
Loss for the period						(3,217)



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

4. Segment Reporting (Cont'd)

Year Ended 31 Dec 2018	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	28,206	33,234	8,398	-	20,821	90,659
Results						
Segment results	53,419	(7,076)	(1,508)	(7)	68,779	113,607
Finance costs						(9,092)
Profit before tax						104,515
Income expenses						(20,982)
Profit after tax						83,533
Non-controlling interests						1,700
Profit for the period						85,233

Year Ended 31 Dec 2017	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	22,197	32,908	11,486	-	26,984	93,575
Results						
Segment results	4,918	(4,124)	1,399	(6)	8,327	10,514
Finance costs						(10,101)
Profit before tax						413
Income tax expense						(2,765)
Loss after tax						(2,352)
Non-controlling interests						(272)
Loss for the year						(2,624)



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 2017. Investment properties have been revalued at fair value as of 31 December 2018.

10. Issuance or Repayment of Debt and Equity Securities

The Company issued a two for one bonus warrants, total warrants 136,778,701, during the financial year ended 31 December 2018.

11. Changes in the Composition of the Group

There were no material changes in the composition of the Group during the current financial period under review.

12. Capital Commitments

There were no material changes in capital commitments since the last audited Statement of Financial Position as at 31 December 2017.

13. Contingent Liabilities / Assets

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2017 except as disclosed in Note 28 (a). There are no material contingent assets as at the date of this report.

14. Subsequent event

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



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

15. Operating Segment Review

(a) 4th Quarter 2018 vs 4th Quarter 2017

	Current Year Quarter 31-Dec-18 RM'000	Preceding Year Corresponding Quarter 31-Dec-17 RM'000	Changes (%)
Revenue	32,825	17,937	83%
Operating Profit/(Loss)	(7,343)	1,025	-816%
Profit/(Loss) Before Interest and Tax	(7,343)	1,025	-816%
Profit/(Loss) Before Tax	(9,733)	(1,382)	-604%
(Loss After Tax	(37,477)	(2,408)	-1456%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(36,546)	(3,217)	-1036%

The Group recorded a total revenue of RM32.8 million for the fourth quarter ended 31 December 2018 compared to RM17.9 million in the previous year corresponding quarter ended 31 December 2017.

The Group recorded a loss before tax of RM9.7 million for the current quarter compared to a RM1.4 million loss before tax in the previous year corresponding quarter.

Grand Wellness Hub Division

Revenue for the fourth quarter of 2018 for the division was RM9.1 million as compared to RM6.1 million in the same quarter of 2017. Segment loss of RM10.2 million was recorded for the fourth quarter as compared to a segment profit of RM1.4 million for the same quarter of 2018. The current quarter segment loss is due to the reversal of fair value gain overprovision.



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) 4th Quarter 2018 vs 4th Quarter 2017 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM9.7 million in the current quarter compared to RM8.3 million for the fourth quarter of 2017. Segment loss was recorded at RM1.6 million for the fourth quarter of 2018 as compared to a segment profit of RM0.2 million for the same quarter of 2017.

Car City Centre Division

Car City Centre Division contributed RM3.2 million of revenue in the current quarter as compared to RM3.3 million in the fourth quarter of 2017. Segment profit of RM0.6 million was recorded in the current quarter compared to RM0.5 million in the same quarter of 2017.

Cheng Ho Islamic Finance and Trade Centre Division

There is segment loss of RM0.01 million recorded in the current quarter compared to RM0.05 million in the same quarter of 2017.

Property Development Division

The revenue for Property Development Division was RM10.9 million in the current quarter compared to RM0.03 million for the fourth quarter of 2017. Segment profit recorded was RM4.0 million for the fourth quarter of 2018 as compared to a segment loss of RM1.1 million for the same quarter of 2017.



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 December 2018 vs YTD December 2017

	Current Year To Date 31-Dec-18 RM'000	Preceding Year Corresponding Period 31-Dec-17 RM'000	Changes (%)
Revenue	90,659	93,575	-3%
Operating Profit	113,607	10,514	981%
Profit Before Interest and Tax	113,607	10,514	981%
Profit Before Tax	104,515	413	25206%
Profit After Tax	83,533	(2,352)	3652%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	85,233	(2,624)	3348%

Total Group revenue for the period ended 31 December 2018 dropped from RM93.6 million to RM90.7 million due to lower sales of completed properties from the property development division.

The Group recorded a profit before tax of RM104.5 million for the current year to date as compared to RM0.4 million in the same period of preceding year.

Grand Wellness Hub Division

Total revenue contributed by the Grand Wellness Hub Division for the year ended 31 December 2018 was RM28.2 million as compared to RM22.2 million in the preceding year.

The division recorded a segment profit of RM53.4 million in the year ended 31 December 2018 as compared to RM4.9 million in the preceding year was due to the fair value adjustment of RM 43.7 million on the investment properties.



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

(b) YTD December 2018 vs YTD December 2017 (Cont'd)

Resorts & Hospitality Division

Total revenue for the Resorts & Hospitality Division for the year ended 31 December 2018 was RM33.2 million as compared to RM32.9 million in the preceding year. Segment loss recorded for the current year was RM7.1 million as compared to RM4.1 million in the preceding year.

Car City Centre Division

Car City Centre Division contributed RM8.4 million of revenue in the current year as compared to RM11.5 million in the preceding year. Segment loss of RM1.5 million was recorded for the current year as compared to a segment profit of RM1.4 million in the preceding year.

Cheng Ho Islamic Finance and Trade Centre Division

Segment loss of RM0.07 million was recorded in the year compared to RM0.06 million in the preceding year.

Property Development Division

Property Development Division contributed RM20.8 million of revenue in the current year period as compared to RM26.9 million in the preceding year. Segment profit of RM68.8 million was recorded for the current year as compared to RM8.3 million in the preceding year due to the fair value adjustment of RM 71.6 million on the investment properties.



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

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

	Current Quarter	Immediate Preceding Quarter	
	31-Dec-18	30-Sep-18	Changes (%)
	RM'000	RM'000	
Revenue	32,825	21,166	55%
Operating Profit/(Loss)	(7,343)	126,999	-106%
Profit/(Loss) Before Interest and Tax	(7,343)	126,999	-106%
Profit/(Loss) Before Tax	(9,733)	124,612	-108%
Profit/(Loss) After Tax	(37,477)	130,919	-129%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(36,546)	131,171	-128%

The Group's revenue for the fourth quarter of 2018 was higher at RM32.8 million compared with the preceding third quarter ended 30 September 2018 of RM21.2 million, and the Group's loss before tax for the fourth quarter of 2018 was RM9.7 million as compared with a profit before tax in the preceding third quarter ended 30 Sept 2018 of RM124.6 million. This was mainly due to the fair value adjustment on the investment properties in the preceding quarter of 2018.

17. Commentary on Prospects

The international economic and financial landscape is likely to remain challenging and will be key factor that will influence the prospects of Malaysian economy in 2019. According to Bank Negara Malaysia, the Malaysian economy is projected to grow by 4.7% (2018 : 4.6%) in 2019 although the preceding quarter the GDP growth was only 4.6%.



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17. Commentary on Prospects (Cont'd)

The global economic uncertainties, our country debt of RM1.2 trillion, slowdown in property development market, increasing cost of living in the country coupled with the high borrowing cost and difficulty in obtaining bank loans and end financing are of great concern as these will dampen sentiments and affect demand in certain sectors.

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

• **Grand Wellness Hub**

- A convergence of three different projects including a wellness centre, shopping mall and serviced apartments in Mines Wellness City. With a total of 1 mil sq ft space and a gross development value of RM1.5 billion, this will change the face of medical and wellness tourism as well. The Grand Wellness Hub will also see a joint venture to develop Luxe Retirement Residences service apartments to provide 200 units of comfortable living spaces for retirees.

- With the GHHS Healthcare under the umbrella of the Grand Wellness Hub, new strategies are introduced focusing on the innovative product development on holistic treatments, wellness & rejuvenation. There are some joint ventures between GHHS Healthcare and Wellness Practitioners to enhance the varieties of treatments in the centre such as BodyReg (CO2) Treatment. Besides that, some new developments are added into the Chinese Medical Centre (TCM) such as Womb Care, Paediatric Care, Gynaecology, Fertility Treatment, Post Stroke, Chiropractic Care and Metabolic Syndrome. Furthermore, there are enhancements on the wellness spa which includes Face Lifting Package that combines both ancient Chinese medicine and the latest Western Technique with the introduction of Yunohana hot stone bed in Wellness Centre that specially import from Japan to provide natural, antioxidant, slimming and detox treatment. Introduction of Health United Plus with Points Value (PV) redemption is the latest flexible program that can be customized for members.



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17. Commentary on Prospects (Cont'd)

- As for Health Screening, introduction of the latest Genetic Screening packages, Food Intolerance, Allergy Screening, Bio-Identical Hormone Replacement Therapy (BHRT), Endoscopy Screening and Calcium Scoring CT will accelerate growth by strengthening the membership market and to venture to new markets such as corporate screening for local corporate sector and preventive healthcare tourism for foreign tourist.

- **Resorts and Hospitality**
 - Targeted at high net worth individuals looking for a combination of resort lifestyle and luxury hospitality. This integrated project will have a proposed total GDV of RM3.7 billion and includes the Golf Villa (serviced apartments and SOHO located next to the Palace of the Golden Horses Hotel, Kuala Lumpur) as well as new developments in Port Dickson.

 - With plans to refurbish the Palace of the Golden Horses, measures have been put in place to increase M.I.C.E marketing namely meetings, incentives, conferencing and exhibitions with more local corporate events and promotions. These include international marketing and branding exercises, service improvement programs, online marketing and strategic collaborations to help stimulate the business.

- **Car City Centre**
 - A 1.5 mil sq ft transformative project combining the real estate, exhibition and the automotive industry, MC3 is ASEAN'S pioneer automotive themed lifestyle center with a projected gross development value of RM1.2 to 1.5 billion. The project will rejuvenate the MINES International Exhibition and Convention Centre into Asean's largest automotive expo centre showcasing the latest automotive technology and trends.

 - The project also includes The Auto Collective (TAC) which will be Malaysia's Largest Indoor Bonded Warehouse and a co-working space called the Mines Workpool.



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17. Commentary on Prospects (Cont'd)

- The Company has also entered into collaboration and intended joint venture with Goldenport Motor Culture Development (Hong Kong) Limited to host the Asia GT Festival event.
- **Cheng Ho Islamic Finance and Trade Centre**
 - A total of 62 acres of land in Alor Gajah, Malacca, to be transformed to an exhibition centre, a business hotel, retail outlets, business suites and warehouses. With strategic partnership with China's 'One Belt One Road' initiative, this future epicenter of Islamic trade and finance projects a gross development value of RM1.3 billion.
 - Positioned as the world's 1st Shariah-attested blockchain development strategically poised to tap into the RM5.8 trillion Islamic economy by year 2022.
- **Property Development**

Property Development Division has a few projects in the pipeline for launching in 2019. Amongst projects scheduled for launching in 2019 (barring any unforeseen circumstances) are:-

 - College Heights Garden Resort – 28 units of 2-storey shop-office
 - College Valley Industrial Park – 60 units of 1 ½ storey Industrial Terrace
 - MWDS Block 6 & 7

18. Variance on Profit Forecast / Profit Guarantee

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



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19. Income Tax Expense

	Year ended	
	31-Dec-18 RM'000	31-Dec-17 RM'000
Income tax		
- Current year	(493)	(2,904)
- Under provision in prior year	(284)	(1,136)
- Over provision in prior year	7,350	-
Deferred tax		
- Current year	(27,362)	1,275
- Under provision in prior year	(193)	-
	(20,982)	(2,765)

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. Profit/(loss) before Tax

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

	31-Dec-18 RM'000	31-Dec-17 RM'000
Property, plant & equipment written off	-	567
Depreciation and amortisation	10,425	13,061
Allowance on receivables for write - off	4,445	618
Allowance on receivables no longer required	(939)	(400)
Net unrealised foreign exchange gain	(41)	(62)
Bad debt written off	269	375
Bad debt recovered	(528)	-
Fair value adjustment	(115,334)	-

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



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23. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals.

(b) Status of Utilisation of Proceeds from Corporate Proposal

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

24. Details of Treasury Shares

As at the end of the reporting period, the status of share buy-back is as follows:

	As at 31-Dec-18 RM'000	As at 31-Dec-17 RM'000
Description of shares purchased	Ordinary Shares	Ordinary Shares
Number of shares purchased	-	2,150,000
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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25. Borrowings

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

	As at 4th quarter ended 2018					
	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	-	-	-	20,896	-	20,896
Term loan	-	83,183	-	20,931	-	104,114
Total secured borrowings	-	83,183	-	41,827	-	125,010
Unsecured						
Term Loan	-	99,794	-	-	-	99,794
Hire purchase & lease creditors	-	124	-	8	-	132
Total unsecured borrowings	-	99,918	-	8	-	99,926
Total borrowings	-	183,101	-	41,835	-	224,936
	As at 4th quarter ended 2017					
	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	-	-	-	29,644	-	29,644
Term loan	-	78,895	-	9,175	-	88,070
Total secured borrowings		78,895		38,819		117,714
Unsecured						
Term Loan	-	111,137	-	-	-	111,137
Hire purchase & lease creditors	-	258	-	154	-	412
Total unsecured borrowings	-	111,395	-	154	-	111,549
Total borrowings	-	190,290	-	38,973	-	229,263

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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26. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 December 2018 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.

27. 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.

28. Dividend Payable

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

29. Earnings/(Loss) Per Share

(a) Basic

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of RM85.2 million (31 December 2017: loss of RM0.3 million) over the number of 273,557,403 (31 December 2017: 273,557,403) ordinary shares issued during the current financial period under review.

(b) Diluted

Not applicable.



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30. 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 February 2019.

By Order of the Board

Lee Thai Young Matahari

Executive Director