



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes %
		31-Dec-19 RM'000	31-Dec-18 RM'000		31-Dec-19 RM'000	31-Dec-18 RM'000	
Revenue	4	27,954	32,803	-15%	93,080	90,636	3%
Cost of sales		(8,512)	(10,964)		(29,078)	(29,456)	
Gross profit		19,442	21,839	-11%	64,002	61,180	5%
Interest income		28	21		172	145	
Other operating income		8,008	(6,405)		11,082	125,860	
Selling and marketing expenses		(1,949)	(2,862)		(8,006)	(7,348)	
Administrative expenses		(6,587)	(7,001)		(27,284)	(27,302)	
Other operating expenses		(35,797)	(12,524)		(63,512)	(38,519)	
Finance costs		(2,904)	(2,377)	-22%	(11,714)	(9,079)	-29%
(Loss)/Profit before tax		(19,759)	(9,309)	-112%	(35,260)	104,937	-134%
Income tax expense	19	(1,341)	(27,371)		(791)	(20,609)	
(Loss)/Profit for the period		(21,100)	(36,680)	42%	(36,051)	84,328	-143%
Other comprehensive income/(loss), net of tax							
<i>Items that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations		531	1,395		531	1,395	
Total comprehensive loss for the period		(20,569)	(35,285)	42%	(35,520)	85,723	-141%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019

	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
	CURRENT YEAR	PRECEDING YEAR CORRESPONDING QUARTER	Changes %	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes %
	31-Dec-19 RM'000	31-Dec-18 RM'000		31-Dec-19 RM'000	31-Dec-18 RM'000	
Profit/(Loss) attributable to :						
Equity holders of the Company	(19,605)	(35,123)	44%	(34,791)	86,653	-140%
Non-controlling interests	(1,495)	(1,557)		(1,260)	(2,325)	
Loss for the period	<u>(21,100)</u>	<u>(36,680)</u>	42%	<u>(36,051)</u>	<u>84,328</u>	<u>-143%</u>
Total comprehensive income/(loss) attributable to :						
Equity holders of the Company	(19,074)	(33,728)	43%	(34,260)	88,048	-139%
Non-controlling interests	(1,495)	(1,557)		(1,260)	(2,325)	
Total comprehensive loss for the period	<u>(20,569)</u>	<u>(35,285)</u>	42%	<u>(35,520)</u>	<u>85,723</u>	<u>-141%</u>
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):						
- Basic	30 (a)	(7.17)	(12.84)	(12.72)	31.68	
- Diluted	30 (b)	(2.81)	(8.56)	(6.51)	21.12	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	Note	31-Dec-19 (Unaudited) RM'000	31-Dec-18 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	303,001	312,710
Investment properties	9	271,140	271,640
Prepaid land lease payments		-	295,826
Inventories	24	153,986	201,672
Investment in associate		52	-
Other investments		2,734	2,734
Right of use assets		305,980	-
Trade receivables-non-current portion		5,467	6,912
Deferred tax assets		26,046	26,166
		<u>1,068,406</u>	<u>1,117,660</u>
Current assets			
Inventories	24	218,715	215,583
Inventories		-	-
Trade and other receivables		38,396	43,188
Tax recoverable		226	4,039
Cash and bank balances		12,244	11,766
		<u>269,581</u>	<u>274,576</u>
Assets classified as held for sale		48,467	-
		<u>318,048</u>	<u>274,576</u>
TOTAL ASSETS		<u>1,386,454</u>	<u>1,392,236</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		352,006	352,006
Treasury shares		(2,914)	(2,914)
Warrant reserves		62,645	62,645
Other reserves		66,644	67,776
Retained earnings		342,213	376,852
Equity attributable to equity holders of the Company		<u>820,594</u>	<u>856,365</u>
Non-controlling interests		17,712	18,832
Total equity		<u>838,306</u>	<u>875,197</u>
Non-current liabilities			
Loans and borrowings	26	137,731	183,052
Other payables		2,120	1,736
Contract liabilities		40,496	39,317
Lease liabilities		2,583	-
Deferred tax liabilities		125,016	125,059
		<u>307,946</u>	<u>349,164</u>
Current liabilities			
Loans and borrowings	26	74,537	41,879
Trade and other payables		160,807	117,198
Tax payables		2,299	1,685
Lease liabilities		1,500	-
Contract liabilities		1,059	7,113
		<u>240,202</u>	<u>167,875</u>
Total Liabilities		<u>548,148</u>	<u>517,039</u>
TOTAL EQUITY AND LIABILITIES		<u>1,386,454</u>	<u>1,392,236</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		3.00	3.13

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	Attributable to Equity Holders of the Company						Controlling Interests	Total Equity
	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	
At 1 January 2019	352,006	(2,914)	62,645	67,776	376,852	856,365	875,197	
Effect of MFRS 16 adoption	-	-	-	-	(975)	(975)	(975)	
	352,006	(2,914)	62,645	67,776	375,877	855,390	874,222	
Loss for the period	-	-	-	-	(34,791)	(34,791)	(36,051)	
Other comprehensive income	-	-	-	531	-	531	531	
Total comprehensive income	-	-	-	531	(34,791)	(34,260)	(35,520)	
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-	
Dividends Paid	-	-	-	-	-	-	-	
Changes in ownership interest in a subsidiary company	-	-	-	-	-	(536)	(723)	
	-	-	-	-	(536)	(536)	327	
At 31 December 2019	352,006	(2,914)	62,645	66,644	342,213	820,594	838,306	
At 1 January 2018	352,006	(2,914)	-	130,689	293,125	772,906	793,448	
Effect of MFRS 9 adoption	-	-	-	-	(4,224)	(4,224)	(4,224)	
As at 1 January 2018(Restated)	352,006	(2,914)	-	130,689	288,901	768,682	789,224	
Profit for the period	-	-	-	-	86,653	86,653	84,328	
Other comprehensive income	-	-	-	1,395	-	1,395	1,395	
Total comprehensive income/(loss)	-	-	-	1,395	86,653	88,048	85,723	
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-	
Transaction with owners: issuance of Warrant	-	-	62,645	(62,645)	-	-	-	
Changes in ownership interest in a subsidiary company	-	-	-	-	(365)	(365)	250	
Total transactions with owners of the Company:	-	-	62,645	(62,645)	(365)	(365)	250	
	352,006	(2,914)	62,645	67,776	376,852	856,365	875,197	

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2019**

	CURRENT YEAR TO DATE 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-18 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
(Loss)/Profit before tax	(35,260)	104,937
Adjustments for:		
Impairment losses on trade and other receivables	14,557	6,378
Reversal of impairment losses on trade and other receivables	(3,291)	(3,186)
Amortisation of deferred income	(1,180)	(1,180)
Amortisation of debts issuance costs	60	80
Amortisation of prepaid land lease payment	-	1,853
Bad debts written off	7,032	633
Depreciation of property, plant and equipment	12,054	9,463
Dividend income	(200)	(150)
Fair value adjustment to investment properties	500	(117,063)
Fair value adjustment to long term receivables	91	83
Interest expense	11,714	9,079
Interest income	(172)	(145)
Inventories written off	595	-
Gain on disposal of other property, plant and equipment	(10)	(5)
Bad debts recovered	(1,034)	(528)
Net unrealised gain on foreign exchange	292	42
Property, plant & equipment written off	(7)	16
Operating profit before working capital changes	5,741	10,307
Changes in working capital:		
Inventories	(4,507)	(3,853)
Deferrred income	-	5,817
Receivables	(11,210)	6,146
Contract liabilities	(797)	(39)
Payables	44,642	(6,125)
Cash generated (used in)/from operations	33,869	12,253
Tax refund	4,569	339
Tax paid	(855)	(1,295)
Interest paid	(11,572)	(9,079)
Net cash generated (used in)/from operating activities	26,011	2,218



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	CURRENT YEAR TO DATE 31-Dec-19 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-18 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(5,297)	(2,856)
Expenditure on hotel properties and exhibition centre & showroom	(3,974)	-
Expenditure on prepaid land lease payments	-	(3)
Proceeds from disposal of other property, plant & equipment	10	5
Net of cash and cash equivalent acquired investment in associate	(52)	-
Proceeds from disposal of stakes in subsidiary company	327	250
Interest received	172	145
Payment dividend income to non-controlling interest	(723)	-
Net dividend received	200	150
Net cash used in investing activities	(9,337)	(2,309)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	(17,908)	(8,753)
Drawdown of golf membership loans	-	-
Drawdown of term loan	10,000	25,000
Repayment of finance lease liabilities	(51)	(278)
Repayment of revolving credits	-	-
Repayment of term loans	(8,233)	(20,301)
Proceed from issuance of share capital	-	-
Net cash from/(used in) financing activities	(16,192)	(4,332)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	482	(4,423)
Effects of foreign exchange rate changes	(4)	22
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	11,766	16,167
CASH AND CASH EQUIVALENTS AT END OF PERIOD	12,244	11,766
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	12,244	15,300
Bank overdrafts	12,856	20,806
	25,100	36,106

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2018 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 2018. 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 2018.

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 2018, 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 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 9, Prepayment Features with Negative Compensation
- Amendments to MFRS 119, Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128, Long – term interests in Associates and Joint Ventures
- Annual Improvements to MFRSs 2015 – 2017 Cycle :
 - Amendments to MFRS 3
 - Amendments to MFRS 11
 - Amendments to MFRS 112
 - Amendments to MFRS 123



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

2. Significant Accounting Policies (Cont'd)

1 January 2020

- Amendments to MFRS Standards, References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 101, Definition of Material

1 January 2021

- MFRS 17, Insurance Contracts
- Amendments to MFRS 10 and MFRS 128, Sales or Contributions 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 2018 Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2018 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 2019	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
Revenue						
External sales	8,230	9,589	3,932	-	6,203	27,954
Results						
Segment results	1,822	(4,341)	(3,275)	-	(11,061)	(16,855)
Finance costs						(2,904)
Loss before tax						(19,759)
Income tax expense						(1,341)
Loss after tax						(21,100)
Non-controlling interests						1,495
Loss for the period						(19,605)

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	9,075	9,917	3,212	-	10,599	32,803
Results						
Segment results	77,531	3,517	188	(1)	(88,167)	(6,932)
Finance costs						(2,377)
Loss before tax						(9,309)
Income tax expense						(27,371)
Loss after tax						(36,680)
Non-controlling interests						1,557
Profit for the period						(35,123)



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

4. Segment Reporting (Cont'd)

Year Ended 31 Dec 2019	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
Revenue						
External sales	32,627	35,665	13,070	-	11,718	93,080
Results						
Segment results	9,984	(10,450)	(4,139)	(2)	(18,939)	(23,546)
Finance costs						(11,714)
Loss before tax						(35,260)
Income tax expense						(791)
Loss after tax						(36,051)
Non-controlling interests						1,260
Loss for the period						(34,791)

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	28,214	33,464	8,398	-	20,560	90,636
Results						
Segment results	141,186	(1,919)	(1,876)	(7)	(23,368)	114,016
Finance costs						(9,079)
Profit before tax						104,937
Income tax expense						(20,609)
Profit after tax						84,328
Non-controlling interests						2,325
Profit for the period						86,653



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 2018. Investment properties have been revalued at fair value as of 31 December 2019.

10. Issuance or Repayment of Debt and Equity Securities

The Company issued a two for one bonus warrants, total warrants 136,778,702 during the financial year ended 31 December 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 2018.

13. Contingent Liabilities / Assets

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2018. 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 [198401006901 (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 2019 vs 4th Quarter 2018

	Current Year Quarter 31-Dec-19 RM'000	Preceding Year Corresponding Quarter 31-Dec-18 RM'000	Changes (%)
Revenue	27,954	32,803	-15%
Operating Loss	(16,855)	(6,932)	-143%
Loss Before Interest and Tax	(16,855)	(6,932)	-143%
Loss Before Tax	(19,759)	(9,309)	-112%
Loss After Tax	(21,100)	(36,680)	42%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(19,605)	(35,123)	44%

The Group recorded a total revenue of RM27.9 million for the fourth quarter ended 31 December 2019 compared to RM32.8 million in the previous corresponding quarter ended 31 December 2018.

The Group recorded a loss before tax of RM19.8 million for the current quarter compared to a RM9.3 million loss before tax in the previous year corresponding quarter.

Grand Wellness Hub Division

The revenue for the fourth quarter of 2019 for the Division was RM8.2 million as compared to RM9.1 million in the same quarter of 2018. The segmental profit of RM1.8 million was recorded for the fourth quarter of 2019 as compared to a segmental profit of RM77.5 million for the same quarter of 2018. The Division recorded higher profit in the previous quarter due to the fair value adjustment of RM43.7 million on investment properties.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (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 2019 vs 4th Quarter 2018 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM9.6 million in the current quarter of 2019 as compared to RM9.9 million in the fourth quarter of 2018. The segmental loss was recorded at RM4.3 million for the fourth quarter of 2019 as compared to the segmental profit of RM3.5 million for the same quarter of 2018.

Car City Centre Division

Car City Centre Division contributed RM3.9 million of revenue in the current quarter of 2019 as compared to RM3.2 million in the fourth quarter of 2018. The segmental loss of RM3.2 million was recorded in the current quarter of 2019 as compared to the segmental profit of RM0.2 million in the same quarter of 2018.

Cheng Ho Islamic Finance and Trade Centre Division

Segmental loss of RM0.001 million was recorded in the fourth quarter of 2018.

Property Development Division

The revenue for Property Development Division was RM6.2 million in the current quarter of 2019 as compared RM10.6 million in the same quarter of 2018. A segmental loss of RM11.1 million was recorded for the fourth quarter of 2019 as compared to the segmental loss of RM88.2 million for the same quarter of 2018.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (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 2019 vs YTD December 2018

	Current Year To Date 31-Dec-19 RM'000	Preceding Year Corresponding Period 31-Dec-18 RM'000	Charges (%)
Revenue	93,080	90,636	3%
Operating Loss	(23,546)	114,016	-121%
(Loss)/Profit Before Interest and Tax	(23,546)	114,016	-121%
(Loss)/Profit Before Tax	(35,260)	104,937	-134%
(Loss)/Profit After Tax	(36,051)	84,328	-143%
(Loss)/Profit Attributable to Ordinary Equity Holders of the Parent	(34,791)	86,653	-140%

The total revenue of the Group for the year ended 31 December 2019 increased to RM93.1 million from RM90.6 million for the year ended 31 December 2018 due to Grand Wellness Hub and Car City Divisions.

The Group recorded a loss before tax of RM35.3 million for year-to-date as compared to a profit before tax of RM104.9 million in the same period of the preceding year. The Group recorded higher profit in the previous quarter due to the fair value adjustment of RM117.1 million on investment properties.

The losses during the year amongst other are due to one off impairment review on trade and other receivables of RM14.5 million.

Grand Wellness Hub Division

The revenue contributed by Grand Wellness Hub Division for the year ended 31 December 2019 was RM32.6 million as compared to RM28.2 million for the year ended 31 December 2018.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (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 2019 vs YTD December 2018 (Cont'd)

The Division recorded a segmental profit of RM10.0 million for the year ended 31 December 2019 as compared to RM141.2 million for the period ended 31 December 2018. The Division recorded higher profit in the previous quarter due to the fair value adjustment of RM43.7 million on investment properties.

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the year ended 31 December 2019 was recorded at RM35.7 million as compared to RM33.5 million for the year ended 31 December 2018. The segmental loss recorded for the current period was RM10.5 million as compared to RM2.0 million for the year ended 31 December 2018.

Car City Centre Division

Car City Centre Division contributed RM13.1 million of revenue for the year ended 31 December 2019 as compared to RM8.4 million for the year ended 31 December 2018. The segmental loss of RM4.1 million was recorded for the current period ended 31 December 2019 as compared to the segmental loss of RM1.9 million for the year ended 31 December 2018.

Cheng Ho Islamic Finance and Trade Centre Division

The segmental loss of RM0.002 million was recorded for the year ended 31 December 2019 as compared to RM0.007 million for the year ended 31 December 2018.

Property Development Division

Property Development Division contributed RM11.7 million of revenue for the year ended 31 December 2019 as compared to RM20.6 million for the year ended 31 December 2018. The segmental loss of RM18.9 million was recorded for the year ended 31 December 2019 as compared to the segmental loss of RM23.4 million for the year ended 31 December 2018.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (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 31-Dec-19 RM'000	Immediate Preceding Quarter 30-Sep-19 RM'000	Charges (%)
Revenue	27,954	23,937	17%
Operating Loss	(16,855)	(1,973)	-754%
Loss Before Interest and Tax	(16,855)	(1,973)	-754%
Loss Before Tax	(19,759)	(5,103)	-287%
Loss After Tax	(21,100)	(8,538)	-147%
Loss Attributable to Ordinary Equity Holders of the Parent	(19,605)	(8,932)	-119%

The Group's revenue for the fourth quarter ended 31 December 2019 was RM27.9 million compared to the preceding third quarter ended 30 September 2019 of RM23.9 million and the Group's loss before tax for the fourth quarter ended 31 December 2019 was RM19.8 million whilst the preceding third quarter ended 30 September 2019 was RM5.1 million.

17. Commentary on Prospects

The international economic and financial landscape is to remain challenging and will be a key factor that influences the prospects of Malaysian economy in 2019. According to Bank Negara Malaysia, the Malaysian economy is projected to grow by 3.6% (2018: 4.5%) in 2019 although the preceding quarter the GDP growth was 4.7%. The global economic uncertainties, 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.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

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

• **Grand Wellness Hub**

A medically and holistically integrated health and wellness solution which represents the future system of continuum care, with a total of over 2 million sq ft space and a gross development value of RM2 billion.

New Strategies and Innovative project development in pipeline:

A. Wellness 4 & Wellness 5 (total gross built-up of 245,000 sq ft)

With the GHHS Healthcare's Integrative preventive health solutions and the strategic partnerships, new strategies are introduced for Total Wellness Concept with Medical and Wellness operations such as:

1. Comprehensive and one-stop Confinement Centre
2. European Wellness and Yunohana Beauty Centre
3. GHHS Healthcare & Specialist Clinic & Medical Suite
4. Physiotherapy Centre & Senior Gym
5. Elderly Living Care Centre

B. Wellness 6 & Wellness 7 Podium (total gross built-up of 74,000 sq ft)

1. F&B Facilities (Health Food)
2. Day Care Hospital – Orthopaedic
3. TCM Medical Center

C. Palace Residence Suite & Wellness Spa (total net built-up of 40,000 sq ft)

1. Medi Spa and VIP Suite



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

D. AQUALIS – 4-block serviced apartments (total gross built-up of 933,500 sq ft)

A new phase of life, Anti-Aging Living at The Mines with the aim of providing retirees with a retirement village environment to live longer, healthier lives by introducing the 4 steps Integrated Total Wellness Concept:

1. **Diagnosis:** Health Screening & Checkup, Chinese Medical Diagnosis, Heavy Metal Screening, DNA Test, Food Intolerance, Cancer Life Span Profiling
2. **Detox:** Plaqx Therapy, Colon Therapy, Liver Detox, TCM Detox Therapy, etc.
3. **Repair:** Hormonal Imbalances Therapy, Hyperthermia, Hyperbaric, Traditional Chinese Medicine
4. **Rejuvenation:** Bio Molecular/ Cellular Therapy, Beauty & Aesthetic, Yunohana Hokutolite Negative Ion, Anti-oxidant, Supplement

With the total GDC of RM294 million, the total 650 units of Aqualis apartment are to cater for Independent Living, short-term and respite care, assisted living such as Personal Care 24/7 and Memory Care, equipped with Health & Medical Community Services and Wellness activities.

• **Resorts and 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). The project is focusing on high net worth individuals looking for a combination of resort lifestyle and luxury hospitality.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

Palace of the Golden Horses

Refurbishment is on-going and measures have been put in place to increase M.I.C.E marketing with more international and local corporate events and promotions. These include international marketing and branding exercises, and working very closely with Ministry of Tourism & Culture and its agencies such as Tourism Malaysia and Tourism Selangor in marketing the hotel. Palace of the Golden Horses participates in MATTA Fairs in key states, Tourism Selangor local exhibitions and international wedding exhibitions.

The emphasis is given to:

- a) Service improvement programmes – art and culture activities; newly improved gastronomic experience (new menus, engagement with International Chefs and new F&B line-up); monthly carnival programme; inter-connected water taxi services, orchid garden, men grooming product & services; and customers' loyalty programme.
- b) New online marketing and new strategy to encourage booking via Palace of the Golden Horses internet booking engine.
- c) Strategic partnerships and collaborations to help stimulate the business and joint branding and marketing efforts.
- d) New Le Marquee – 613 sqm with a 20 height ceiling and the party playground that can house a maximum of 700 seaters. The Le Marquee offers the views of the MINES South Lake. The beautiful slide will also add to the carnival-like atmosphere. Our MICE team can offer customers a multi-concept entertainment and dinner dining experience to match their event theme.
- e) Zebra Showcase and Zebra Sound Studio – Palace of the Golden Horses new synergy and collaboration with MBits to focus on the entertainment and movie industry in Malaysia and globally.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

Zebra Showcase Studio is a 300-seat theatre style hall that can host mini concerts, talk shows, and live shows. Zebra Sound Studio is Malaysia's first cube concept recording studio and can record own podcast, commercial voice over and many more.

- **Car City Centre**

MINES International Exhibition and Convention Centre is currently undergoing infrastructure upgrades to further develop the Mines Car City Centre Concept and to further competitiveness in events and MICE industry. The Management team is also forming new collaborative relationship with existing event organisers to create new events. For examples, the "Gegar Raya Beazaar with Sambil Park", "Music Entertainment Night with Memories" and "Malaysia Diecast Expo with JL Hobbies and MotoNation".

A total of approximately 155,000 sq ft will be converted into a holistic one-stop automotive sales centre, together with an automotive themed lifestyle cafe and a centre of excellence for long-term product display. This project will rejuvenate MINES International Exhibition and Convention Centre into Asean's largest automotive expo centre in Asean which showcases the latest automotive technology and trends.

Apart of being the largest indoor automotive vehicle and products showcase, Mines International Exhibition and Convention Centre will also provide a co-working space called the Mines Workpool.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

- **Cheng Ho Islamic Finance and Trade Centre**

A total of 62 acres of land in Alor Gajah, Malacca is to be transformed into an exhibition centre, a mixed development of SOHO, business hotel, open street trading mall & retail outlets, exhibition centre, business suites and centralised warehouses.

With strategic partnership with China's 'One Belt One Road' initiative, this future epicenter of Islamic trade and finance projects a GDV of RM1.3 billion, creating job opportunities and attracting Islamic financial technology companies, Insuretech, Halal Logistics, Haji & Umrah, Islamic Tourism, pharmaceuticals and related industries.

It is positioned to be the world's 1st Shariah-attested blockchain development strategically poised to tap into the RM5.8 trillion economies by year 2022.

- **Property Development**

The Group has plenty of land banks for future property development purposes but still intends to source for more land banks in the market.

Country Heights Property Development in its next phase of expansion is working to create urban spaces that sets new standards in both property investment and development, scoring high on the liveability index.

Property Development Division is currently sourcing for strategic partners on any potential joint venture developments.

Property Development Division has a few projects in the pipeline to be launched in 2019.

Amongst projects scheduled for launches in 2019 (barring any unforeseen circumstances) are:

- a) **Mines Waterfront Suites Phase 3:** Upon completing Phase 2 of Mines Waterfront Suites, Phase 3 is ready to embark under the same brand name which consists of two towers with a total gross floor area of 308,858 sq ft.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

17. Commentary on Prospects (Cont'd)

- b) **Pajam Hub88 Terrace Factory:** Hub88 industrial lots serve a multitude of purposes, including manufacturing and warehousing, offering convenience and accessibility as well as versatility to use the space to meet any demand. Hub88 comprises 60 units on 4 acres freehold land.
- With the recent unveiling of the master development of Malaysia Vision Valley – a multi-billion ringgit development project across the region of Nilai, Pajam, is poised to benefit in the form of booming, long-lasting growth.
- c) **College Heights Utara Phase 4:** Development order has been approved on 21 October 2019 for the following developments:
- i. 199 Units – Double-Storey Shop Office
 - ii. 2 Lots – Commercial Centre
 - iii. 118 Units – Double-Storey Semi-Detached
 - iv. 42 Units – Double-Storey Bungalow
 - v. 86 Units – Double-Storey Terrace (Phase A)
 - vi. 190 Units – Double-Storey Terrace (Phase B)
 - vii. 200 Units – Double-Storey Terrace PPA1M (Phase C)
 - viii. 615 Units – 5-Storey Walk-up Apartment with Car Park Facilities and Retail Shop Lots
 - ix. 270 Units – 5-Storey Affordable Apartment in Aman, Kedah
 - x. 375 Units – 5-Storey Affordable Apartment in Makmur, Kedah
 - xi. 580 Units – 5-Storey Medium Cost Cluster Apartment

The progress and development are subject to obtaining all regulatory approvals, completion of feasibility study and financial close.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

18. Variance on Profit Forecast / Profit Guarantee

There were no profit forecasts/ profit guarantees issued by the Group.

19. Income Tax Expense

	Year Ended	
	31-Dec-19	31-Dec-18
	RM'000	RM'000
Income tax		
- Current year	(1,471)	(1,219)
- (Over)/Under provision in prior year	758	8,171
Deferred tax		
- Current year	(64)	(27,390)
- Under provision in prior year	(14)	(171)
	<u>(791)</u>	<u>(20,609)</u>

20. Sale of Unquoted Investments / Properties

There were no sales of unquoted investments/ properties during the financial year-to-date.

21. Purchase and Sale of Quoted Securities

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

22. (Loss)/Profit before Tax

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

	Year ended	
	31-Dec-19	31-Dec-18
	RM'000	RM'000
Depreciation and amortisation	12,054	11,316
Impairment losses on trade and other receivables	14,557	6,378
Reversal of impairment losses on trade and other receivables	(3,291)	(3,186)
Net unrealised foreign exchange gain	292	42
Bad debt written off	7,032	633
Bad debt recovered	(1,034)	(528)
Gain on disposal of other property, plant and equipment	(10)	(5)
Fair value adjustment	500	(117,063)

There were no gains or losses on derivatives, exceptional items and allowances for write-off of inventories.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

23. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals.

(b) Status of Utilisation of Proceeds from Corporate Proposal

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

24. Inventories

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
Land held for property development	153,986	201,672
Property development cost	136,106	132,098
Others	82,609	83,485
	<u>218,715</u>	<u>215,583</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 31 December 2019 as follows:

Description of shares purchased	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
	Ordinary Shares	Ordinary Shares
Number of shares purchased	-	-
Number of shares cancelled	-	-
Number of shares held as treasury shares	2,150,000	2,150,000
Number of treasury shares resold	-	-



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

26. Borrowings

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

	As at 4th quarter ended December 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	-	-	-	20,891	-	20,891
Term loan	-	83,175	-	20,938	-	104,113
Total secured borrowings	-	83,175	-	41,829	-	125,004
Unsecured						
Term Loan	-	99,794	-	-	-	99,794
Hire purchase & lease creditors	-	83	-	50	-	133
Total unsecured borrowings	-	99,877	-	50	-	99,927
Total loans and borrowings	-	183,052	-	41,879	-	224,931
	As at 4th quarter ended December 2019					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	9,891	-	9,891
Term loan	33,542	68,053	1,458	2,886	35,000	70,939
Total secured borrowings	33,542	68,053	1,458	12,777	35,000	80,830
Unsecured						
Term Loan	-	32,887	-	60,000	-	92,887
Hire purchase & lease creditors	-	3,249	-	302	-	3,551
Total unsecured borrowings	-	36,136	-	60,302	-	96,438
Total loans and borrowings	33,542	104,189	1,458	73,079	35,000	177,268

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

27. Disclosure Requirements Pursuant to Implementation of MFRS 139

(a) Disclosure of Derivatives

There were no outstanding derivatives as at 31 December 2019 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 RM26.7 million (31 December 2018: profit of RM86.7 million) over the number of 273,557,403 (31 December 2018: 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 RM26.7 million (31 December 2018: profit of RM86.7 million) over the number of 273,557,403 (31 December 2018: 273,557,403) ordinary shares issued and 136,778,702 (31 December 2018: Nil) warrants issued and listed in December 2018.



COUNTRY HEIGHTS HOLDINGS BERHAD [198401006901 (119416-K)]
PART B – Explanatory Notes Pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

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 29 February 2020.

By Order of the Board

Phua Kia Pau

Chief Financial Officer