



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000	Changes %
Revenue	4	10,843	27,085	-60%	36,514	92,211	-60%
Cost of sales		(3,016)	(6,396)		(9,145)	(26,962)	
Gross profit		7,827	20,689	-62%	27,369	65,249	-58%
Interest income		7	70		103	214	
Other operating income		2,724	5,468		5,358	8,542	
Selling and marketing expenses		(1,374)	(2,126)		(4,013)	(8,183)	
Administrative expenses		(2,452)	(7,826)		(15,635)	(28,522)	
Other operating expenses		(26,227)	(36,065)		(44,773)	(63,781)	
Finance costs		(2,717)	(3,230)	16%	(10,058)	(12,040)	16%
Share of results of associate		(50)	(2)		(50)	(2)	
Loss before tax		(22,262)	(23,022)	3%	(41,699)	(38,523)	-8%
Income tax credit/(expenses)	19	6,222	(1,368)		6,207	(818)	
Loss for the period/year		(16,040)	(24,390)	34%	(35,492)	(39,341)	10%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations		442	531		442	531	
Total comprehensive loss for the period /year		(15,598)	(23,859)	35%	(35,050)	(38,810)	10%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-19 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000	Changes %
Loss attributable to :							
Equity holders of the Company		(15,965)	(19,414)	18%	(33,631)	(34,600)	3%
Non-controlling interests		(75)	(4,976)		(1,861)	(4,741)	
Loss for the period /year		<u>(16,040)</u>	<u>(24,390)</u>	34%	<u>(35,492)</u>	<u>(39,341)</u>	10%
Total comprehensive loss attributable to :							
Equity holders of the Company		(15,523)	(18,883)	18%	(33,189)	(34,069)	3%
Non-controlling interests		(75)	(4,976)		(1,861)	(4,741)	
Total comprehensive loss for the period /year		<u>(15,598)</u>	<u>(23,859)</u>	35%	<u>(35,050)</u>	<u>(38,810)</u>	10%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(5.84)	(7.10)		(12.29)	(12.78)	
- Diluted	30 (b)	(3.89)	(4.73)		(8.20)	(11.85)	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Note	31-Dec-20 (Unaudited) RM'000	31-Dec-19 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	52,624	55,523
Right-of-use-assets	9	547,813	553,727
Investment properties	9	259,370	271,140
Inventories	24	159,137	158,954
Other investments		2,387	2,718
Trade receivables-non-current portion		7,276	7,138
Deferred tax assets		26,046	26,046
		<u>1,054,653</u>	<u>1,075,246</u>
Current assets			
Inventories	24	219,742	219,900
Trade and other receivables		34,270	39,038
Tax recoverable		752	741
Cash and bank balances		9,327	12,744
		<u>264,091</u>	<u>272,423</u>
Non-current asset held for sale		<u>42,313</u>	<u>42,313</u>
		<u>306,404</u>	<u>314,736</u>
TOTAL ASSETS		<u>1,361,057</u>	<u>1,389,982</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		352,006	352,006
Treasury shares		(2,914)	(2,914)
Warrant reserves		62,645	62,645
Other reserves		65,422	66,644
Retained earnings		311,572	343,539
Equity attributable to equity holders of the Company		<u>788,731</u>	<u>821,920</u>
Non-controlling interests		12,399	14,260
Total equity		<u>801,130</u>	<u>836,180</u>
Non-current liabilities			
Loans and borrowings	26	107,914	143,334
Other payables		2,223	2,122
Contract liabilities		38,092	39,664
Lease liabilities		2,938	3,282
Deferred tax liabilities		117,929	124,931
		<u>269,096</u>	<u>313,333</u>
Current liabilities			
Loans and borrowings	26	91,806	74,433
Trade and other payables		187,018	156,309
Tax payables		2,892	2,933
Lease liabilities		2,626	3,250
Contract liabilities		6,489	3,544
		<u>290,831</u>	<u>240,469</u>
Total Liabilities		<u>559,927</u>	<u>553,802</u>
TOTAL EQUITY AND LIABILITIES		<u>1,361,057</u>	<u>1,389,982</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.88	3.00

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Attributable to Equity Holders of the Company						Non-Controlling Interests RM'000	Total Equity RM'000
	Non-distributable			Distributable				
	Share Capital RM'000	Treasury Shares RM'000	Warrant Reserves RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1 January 2020	352,006	(2,914)	62,645	66,644	343,539	821,920	14,260	836,180
Loss for the year	-	-	-	442	(33,631)	(33,189)	(1,861)	(35,050)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	442	(33,631)	(33,189)	(1,861)	(35,050)
Transfer to retained earnings	-	-	-	(1,664)	1,664	-	-	-
At 31 December 2020	352,006	(2,914)	62,645	65,422	311,572	788,731	12,399	801,130
At 1 January 2019	352,006	(2,914)	62,645	67,776	376,852	856,365	18,832	875,197
Effect of MFRS 9 adoption	-	-	-	-	69	69	-	69
As at 1 January 2018(Restated)	352,006	(2,914)	62,645	67,776	376,921	856,434	18,832	875,266
Loss for the year	-	-	-	-	(34,600)	(34,600)	(4,741)	(39,341)
Other comprehensive income	-	-	-	531	-	531	-	531
Total comprehensive income/(loss)	-	-	-	531	(34,600)	(34,069)	(4,741)	(38,810)
Transfer to retained earnings	-	-	-	(1,663)	1,663	-	-	-
Transfer to retained earnings interest	-	-	-	-	-	-	(694)	(694)
Changes in ownership interest in a subsidiary company	-	-	-	-	(445)	(445)	863	418
At 31 December 2019	352,006	(2,914)	62,645	66,644	343,539	821,920	14,260	836,180

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Loss before tax	(41,699)	(38,523)
Adjustments for:		
Impairment losses on trade and other receivables	4,285	17,941
Reversal of impairment losses on trade and other receivables	(567)	(4,137)
Amortisation of deferred income	(1,195)	(1,180)
Amortisation of rights-of-use assets	6,243	7,206
Bad debts written off	619	2,182
Depreciation of property, plant and equipment	4,791	5,252
Dividend income	(250)	(200)
Fair value adjustment to investment properties	11,770	500
Fair value adjustment to long term receivables	-	273
Impairment gain in value of other investments	332	-
Interest expense	10,058	12,040
Impairment losses on inventories	271	-
Interest income	(103)	(225)
Inventories written off	21	595
Gain on disposal of other property, plant and equipment	(14)	(30)
Bad debts recovered	(135)	(316)
Net unrealised gain on foreign exchange	677	392
Property, plant & equipment written off	-	1,814
Share of results of associate	50	2
Operating (loss)/profit before working capital changes	(4,846)	3,586
Changes in working capital:		
Inventories	(589)	(3,803)
Receivables	809	(9,374)
Contract liabilities	2,568	(521)
Payables	30,931	37,800
Cash generated from operations	28,873	27,688
Tax refund	-	4,609
Tax paid	(848)	(2,485)
Interest paid	(10,058)	(12,040)
Net cash generated from/(used in) operating activities	17,967	17,772



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	CURRENT YEAR TO DATE 31-Dec-20 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-19 RM'000
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(2,256)	(8,038)
Proceeds from disposal of other property, plant & equipment	16	30
Acquisition of investment in an associate	(50)	(2)
Proceeds from disposal of subsidiaries	-	418
Interest received	103	225
Net dividend received	250	200
Net cash used in investing activities	(1,937)	(7,167)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		
Decrease in bank overdrafts	93	(11,001)
Drawdown of term loan	-	53,337
Payment of lease liabilities	(1,297)	(1,883)
Repayment of term loans	(18,139)	(49,367)
Dividend paid to non-controlling interests	-	(694)
Net cash (used in)/from financing activities	(19,343)	(9,608)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(3,313)	997
Effects of foreign exchange rate changes	(104)	(19)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	12,744	11,766
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,327	12,744

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements)



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

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

2. Significant Accounting Policies

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2019, except for adoption of the following new/revised FRSs, Amendments to FRSs and IC Interpretations which are effective for financial periods beginning on or after:

1 January 2020

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3, Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108, Definition of Material

1 June 2020

- Amendments to MFRS 16, Covid-19 Related Rent Concessions

1 January 2021

- MFRS 17, Insurance Contracts



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

2. Significant Accounting Policies (Cont'd)

1 January 2022

- Annual Improvements to MFRS 2018 – 2020
 - MFRS 1
 - MFRS 9
 - MFRS 16
 - MFRS 141
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 3, Reference to the Conceptual Framework
- Amendments to MFRS 116, Property, Plant and Equipment-Proceeds before Intended Use
- Amendments to MFRS 137, Onerous Contracts – Cost of Fulfilling a Contract

Deferred until further notice

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

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

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

3. Audit Opinion on 2019 Financial Statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2019 was not subject to any qualification.



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

4. Segment Reporting

Quarter Ended 31 Dec 2020	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
Revenue						
External sales	7,572	1,543	484	-	1,244	10,843
Results						
Segment results	(9,303)	(2,435)	(1,313)	(8)	(6,436)	(19,495)
Finance costs						(2,717)
Share of results of associate						(50)
Loss before tax						(22,262)
Income tax credit						6,222
Loss after tax						(16,040)
Non-controlling interests						75
Loss for the period						(15,965)

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	7,888	9,982	3,932	-	5,283	27,085
Results						
Segment results	3,040	(8,676)	(227)	(926)	(13,001)	(19,790)
Finance costs						(3,230)
Share of results of associate						(2)
Loss before tax						(23,022)
Income tax expense						(1,368)
Loss after tax						(24,390)
Non-controlling interests						4,976
Loss for the period						(19,414)



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

4. Segment Reporting (Cont'd)

Year Ended 31 Dec 2020	Grand Wellness RM'000	Resorts & Hospitality RM'000	Car City Centre RM'000	Cheng Ho RM'000	Property Development RM'000	Consolidated RM'000
Revenue						
External sales	22,608	9,153	1,880	-	2,873	36,514
Results						
Segment results	(6,080)	(10,212)	(5,490)	(9)	(9,800)	(31,591)
Finance costs						(10,058)
Share of results of associate						(50)
Loss before tax						(41,699)
Income tax credit						6,207
Loss after tax						(35,492)
Non-controlling interests						1,861
Loss for the year						(33,631)

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	32,286	36,058	13,070	-	10,797	92,211
Results						
Segment results	11,202	(14,785)	(1,091)	(928)	(20,879)	(26,481)
Finance costs						(12,040)
Share of results of associate						(2)
Loss before tax						(38,523)
Income tax expenses						(818)
Loss after tax						(39,341)
Non-controlling interests						4,741
Loss for the year						(34,600)



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

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

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

6. Changes in Estimates

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

7. Seasonal or Cyclical Factors

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

8. Dividends Paid

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

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2019. Investment properties have been revalued at fair value as of 31 December 2019.

10. Issuance or Repayment of Debt and Equity Securities

The Company issued a two for one bonus warrants, total warrants 136,778,702 during the financial year ended 31 December 2019.

11. Changes in the Composition of the Group

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

12. Capital Commitments

There were no material changes in capital commitments since the last audited Statement of Financial Position as at 31 December 2019.

13. Contingent Liabilities / Assets

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

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



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

13. Contingent Liabilities / Assets (Cont'd)

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

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

14. Subsequent event

The Directors of the Company have closely monitored the development of the outbreak of coronavirus pandemic (“COVID-19”) infection in Malaysia that may affect business performances and financial position of the Group and of the Company movement restriction order and other precautionary measures imposed by relevant local authorities that affected the Group and the Company business operations. As at the date of this report, the financial impact of the COVID-19 outbreak to the Group and to the Company cannot be reasonably estimated due to the inherent unpredictable nature and rapid development relating to COVID-19, the extent of the impact depends on the on-going precautionary measures introduced by our government to address this pandemic and the durations of the pandemic. As such, the Directors of the Company will continue to closely monitor the situations and respond proactively to mitigate the impact on the Group’s and the Company’s financial performance and financial position.



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

15. Operating Segment Review

(a) 4th Quarter 2020 vs 4th Quarter 2019

	Current Year Quarter 31-Dec-20 RM'000	Preceding Year Corresponding Quarter 31-Dec-19 RM'000	Changes (%)
Revenue	10,843	27,085	-60%
Operating Loss	(19,495)	(19,790)	1%
Loss Before Interest and Tax	(19,495)	(19,790)	1%
Loss Before Tax	(22,262)	(23,022)	3%
Loss After Tax	(16,040)	(24,390)	34%
Loss Attributable to Ordinary Equity Holders of the Parent	(15,965)	(19,414)	18%

The Group recorded a total revenue of RM10.8 million for the fourth quarter ended 31 December 2020 compared to RM27.1 million in the previous corresponding quarter ended 31 December 2019.

The Group recorded a loss before tax of RM22.3 million for the current quarter compared to a RM23.0 loss before tax in the previous corresponding quarter as the business for all segments have been disrupted by the Movement Control Order (MCO) imposed by the Malaysian government to curb the spread of the COVID-19 pandemic.

Grand Wellness Hub Division

The revenue for the fourth quarter of 2020 for the division was RM7.6 million as compared to RM7.9 million in the same quarter of 2019. The segment loss of RM9.3 million was recorded for the fourth quarter of 2020 as compared to a segment profit of RM3.0 million for the same quarter of 2019 was mainly due to the fair value adjustment of RM10.2 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

15. Operating Segment Review (Cont'd)

(a) 4th Quarter 2020 vs 4th Quarter 2019 (Cont'd)

Resorts & Hospitality Division

The revenue for Resorts & Hospitality Division was RM1.5 million in the current quarter of 2020 as compared to RM10.0 million in the fourth quarter of 2019. The segment loss was recorded at RM2.4 million for the fourth quarter of 2020 as compared to the segment loss of RM8.7 million for the same quarter of 2019 due to the temporary suspension of Hotel operations.

Car City Centre Division

Car City Centre Division contributed RM0.5 million of revenue in the current quarter of 2020 as compared to RM3.9 million in the fourth quarter of 2019. The segment loss of RM1.3 million was recorded in the current quarter of 2020 as compared to the segment profit of RM0.2 million in the same quarter of 2019.

Cheng Ho Islamic Finance and Trade Centre Division

Segment loss of RM0.008 was recorded in the current quarter of 2020 as compared to the segment loss of RM0.9 million in the fourth quarter of 2019.

Property Development Division

The revenue for Property Development Division was RM1.2 million in the current quarter of 2020 as compared to RM5.3 million in the fourth quarter of 2019. A segment loss of RM6.4 million was recorded for the fourth quarter of 2020 as compared to the segment loss of RM13.0 million for the same quarter of 2019.



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

15. Operating Segment Review (Cont'd)

(b) YTD December 2020 vs YTD December 2019

	Current Year To Date 31-Dec-20 RM'000	Preceding Year Corresponding Period 31-Dec-19 RM'000	Charges (%)
Revenue	36,514	92,211	-60%
Operating Loss	(31,591)	(26,481)	-19%
Loss Before Interest and Tax	(31,591)	(26,481)	-19%
Loss Before Tax	(41,699)	(38,523)	-8%
Loss Profit After Tax	(35,492)	(39,341)	10%
Loss Attributable to Ordinary Equity Holders of the Parent	(33,631)	(34,600)	3%

The total revenue of the Group for the year ended 31 December 2020 decreased to RM36.6 million from RM92.2 million for the year ended 31 December 2019 as the business for all segments have been disrupted by the Movement Control Order (MCO) imposed by the Malaysian government to curb the spread of the COVID-19 pandemic.

The Group recorded a loss before tax of RM41.7 million for the current year as compared to RM38.5 of the preceding year due to the fair value adjustment of RM11.7 million on the investment properties.

Grand Wellness Hub Division

The revenue contributed by Grand Wellness Hub Division for the year ended 31 December 2020 was RM22.6 million as compared to RM32.3 million for the year ended 31 December 2019.

The division recorded a segment loss of RM6.1 million for the year ended 31 December 2020 as compared to segment profit of RM11.2 million in the preceding year was due to the fair value adjustment of RM10.2 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

15. Operating Segment Review (Cont'd)

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

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the year ended 31 December 2020 was recorded at RM9.2 million as compared to RM36.1 million for the year ended 31 December 2019. The segment loss was recorded for the current year was RM10.2 million as compared to RM14.8 million for the year ended 31 December 2019.

Car City Centre Division

Car City Centre Division contributed RM1.9 million of revenue for the year ended 31 December 2020 as compared to RM13.1 million for the year ended 31 December 2019. The segment loss of RM5.5 million was recorded for the current year ended 31 December 2020 as compared to the segment loss of RM1.1 million for the year ended 31 December 2019.

Cheng Ho Islamic Finance and Trade Centre Division

The segment loss of RM0.009 million was recorded for the year ended 31 December 2020 as compared to RM0.9 million for the year ended 31 December 2019.

Property Development Division

Property Development Division contributed RM2.9 million of revenue for the year ended 31 December 2020 as compared to RM10.8 million for the year ended 31 December 2019. The segment loss of RM9.8 million was recorded for the current year as compared to RM20.9 million in the preceding year.



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

	Current Quarter	Immediate Preceding Quarter	
	31-Dec-20	30-Sep-20	Charges (%)
	RM'000	RM'000	
Revenue	10,843	7,924	37%
Operating Loss	(19,495)	(2,579)	-656%
Loss Before Interest and Tax	(19,495)	(2,579)	-656%
Loss Before Tax	(22,262)	(5,153)	-332%
Loss After Tax	(16,040)	(5,159)	-211%
Loss Attributable to Ordinary Equity Holders of the Parent	(15,965)	(5,368)	-197%

The Group's revenue for the fourth quarter ended 31 December 2020 was RM10.8 million compared to the preceding third quarter ended 30 September 2020 of RM7.9 million and the Group's loss before tax for the fourth quarter ended 31 December 2020 was RM22.3 million as compared to a loss before tax in the preceding third quarter ended 30 September 2020 of RM5.2 million was mainly due to the fair value adjustment of RM11.7 million on the investment properties.

17. Commentary on Prospects

While the group maintain its vision on its 4 key ventures that has been detailed previously, the impact of the COVID-19 pandemic has brought a change in the new norm in all aspects of our businesses and workplaces.

As a result of the already challenging financial landscape and the effects of the pandemic, the group suffered losses arising from cancelled/postponed reservations and events for the remaining year and this has forced some drastic changes in its ongoing operations. In an immediate response, the industry sees a surge in the logistic industry. Hence the Car City Center has offered its 150,000 sqft at the MIECC to be a warehouse and distribution space.



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17. Commentary on Prospects (Cont'd)

The Palace of the Golden Horses was assigned as a quarantine hotel during the MCO and has successfully completed this national service. However, the hotel's result together with the forecast of the travel and MICE industry have been less than favourable. Therefore, the group has decided to temporary suspend the Hotel's operation to regroup and upgrade before opening its operation in 2021. During this period, the Hotel has been the command center for the Bantu Bantu Malaysia program. It has also launched a special Employee Entrepreneur Program that offers profit sharing scheme to employees on new businesses.

The Grand Wellness via its Traditional Chinese Medicine Center has been focusing on its member servicing with its special Lung Nourishing Herbal Concoction that has been testimonial to elevate respiratory symptoms. It's Wellness and Health Screening services has just resumed to normal operation with prescribed SOP as at 04 May 2020.

18. Variance on Profit Forecast / Profit Guarantee

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

19. Income Tax Credit/(Expenses)

	Year Ended	
	31-Dec-20 RM'000	31-Dec-19 RM'000
Income tax		
- Current year	470	1,624
- (Over)/Under provision in prior year	326	(798)
Deferred tax		
- Current year	(1,232)	19
- (Over)/Under provision in prior year	(5,771)	(27)
	(6,207)	818



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20. Sale of Unquoted Investments / Properties

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

21. Purchase and Sale of Quoted Securities

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

22. Loss before Tax

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

	Year ended	
	31-Dec-20	31-Dec-19
	RM'000	RM'000
Depreciation and amortisation	11,034	12,458
Impairment losses on trade and other receivables	4,285	17,941
Reversal of impairment losses on trade and other receivables	(567)	(4,137)
Net unrealised foreign exchange gain	677	392
Bad debt written off	619	2,182
Bad debt recovered	(135)	(316)
Gain on disposal of other property, plant and equipment	(14)	(30)

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

23. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals.

(b) Status of Utilisation of Proceeds from Corporate Proposal

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



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24. Inventories

	As at 31-Dec-20 RM'000	As at 31-Dec-19 RM'000
Land held for property development	159,137	158,954
Property development cost	124,438	123,646
Others	95,304	96,254
	<u>219,742</u>	<u>219,900</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 2020 as follows :

	As at 31-Dec-20 RM'000	As at 31-Dec-19 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	2,150,000	2,150,000
Number of treasury shares resold	-	-



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26. Borrowings

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

	As at 4th quarter ended December 2020					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	9,983	-	9,983
Term loan	-	65,979	35,000	4,571	35,000	70,550
Total secured borrowings	-	65,979	35,000	14,554	35,000	80,533
Unsecured						
Term Loan	-	41,935	-	42,252	-	84,187
Total unsecured borrowings	-	41,935	-	42,252	-	84,187
Total loans and borrowings	-	107,914	35,000	56,806	35,000	164,720
	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	35,000	66,399	-	4,542	35,000	70,941
Total secured borrowings	35,000	66,399	-	14,433	35,000	80,832
Unsecured						
Term Loan	-	41,935	-	60,000	-	101,935
Total unsecured borrowings	-	41,935	-	60,000	-	101,935
Total loans and borrowings	35,000	108,334	-	74,433	35,000	182,767

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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27. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 December 2020 and there have been no changes in derivatives since the last financial year.

(b) Disclosure of gain/losses arising from fair value changes of financial liabilities

The Group did not have any gain/losses arising from fair value changes of its financial liabilities.

28. Retained earnings

The breakdown of the retained earnings of the Group is prepared in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with guidance on special matter No. 1, Determination of Realised and Unrealised Profit or Losses in the context of disclosure pursuant to Bursa Malaysia Securities Berhad listing requirement as issued by the Malaysian Institute of Accountants.

29. Dividend Payable

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

30. Earnings/(Loss) Per Share

(a) Basic

Basic earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM33.6 million (31 December 2019: loss of RM34.6 million) over the number of 273,557,403 (31 December 2019: 273,557,403) ordinary shares issued during the current financial period under review.

(b) Diluted

Diluted earnings per share is calculated by dividing loss for the current period attributable to equity holders of RM33.6 million (31 December 2019: loss of RM34.6 million) over the number of 273,557,403 (31 December 2019: 273,557,403) ordinary shares issued and 136,778,702 (31 December 2019: 136,778,702) warrants issued and listed in December 2018.



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31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 March 2021.

By Order of the Board

Phua Kia Pau

Chief Financial Officer