



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 2021

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-20 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-20 RM'000	Changes %
Revenue	4	13,275	10,907	22%	99,980	36,579	173%
Cost of sales		(2,462)	(2,830)		(43,002)	(8,959)	
Gross profit		10,813	8,077	34%	56,978	27,620	106%
Interest income		4	7		121	103	
Other operating income		1,296	2,508		4,667	5,141	
Selling and marketing expenses		(1,321)	(1,367)		(4,637)	(4,006)	
Administrative expenses		(1,670)	235		(10,978)	(12,948)	
Other operating expenses		(10,636)	(29,365)		(28,237)	(47,910)	
Finance costs		(2,705)	(2,679)	-1%	(9,986)	(10,020)	0%
Share of results of associate		-	(50)	-100%	-	(50)	-100%
Profit/(Loss) before tax		(4,219)	(22,634)	81%	7,928	(42,070)	119%
Income tax (expense)/credit	19	(853)	6,231		(4,820)	6,216	
Profit/(Loss) for the year		(5,072)	(16,403)	69%	3,108	(35,854)	109%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations		501	442		501	442	
Total comprehensive profit/(loss) for the year		(4,571)	(15,961)	71%	3,609	(35,412)	110%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)



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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-20 RM'000	Changes %	CURRENT YEAR TO DATE 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-20 RM'000	Changes %
Profit/(Loss) attributable to :							
Equity holders of the Company		(4,748)	(16,219)	71%	2,649	(33,884)	108%
Non-controlling interests		(324)	(184)		459	(1,970)	
Profit/(Loss) for the year		<u>(5,072)</u>	<u>(16,403)</u>	69%	<u>3,108</u>	<u>(35,854)</u>	109%
Total comprehensive loss attributable to :							
Equity holders of the Company		(4,247)	(16,145)	74%	3,150	(33,442)	109%
Non-controlling interests		(324)	184		459	(1,970)	
Total comprehensive profit/(loss) for the year		<u>(4,571)</u>	<u>(15,961)</u>	71%	<u>3,609</u>	<u>(35,412)</u>	110%
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	30 (a)	(1.74)	(5.93)		0.97	(12.39)	
- Diluted	30 (b)	(1.16)	(3.95)		0.65	(13.09)	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Note	31-Dec-21 (Unaudited) RM'000	31-Dec-20 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	46,451	52,944
Right-of-use-assets	9	545,063	546,746
Investment properties	9	259,360	259,370
Inventories	24	159,611	159,197
Other investments		2,387	2,387
Trade receivables-non-current portion		7,595	7,276
Deferred tax assets		6,254	6,254
		<u>1,026,721</u>	<u>1,034,174</u>
Current assets			
Inventories	24	233,231	219,682
Trade and other receivables		45,739	33,158
Tax recoverable		788	760
Cash and bank balances		13,451	9,326
		<u>293,209</u>	<u>262,926</u>
Non-current asset held for sale		-	42,313
		<u>293,209</u>	<u>305,239</u>
TOTAL ASSETS		<u>1,319,930</u>	<u>1,339,413</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		64,259	66,644
Retained earnings		316,109	310,097
Equity attributable to equity holders of the Company		<u>792,105</u>	<u>788,478</u>
Non-controlling interests		12,604	12,290
Total equity		<u>804,709</u>	<u>800,768</u>
Non-current liabilities			
Loans and borrowings	26	122,343	107,887
Other payables		2,322	2,224
Contract liabilities		37,566	38,259
Lease liabilities		3,492	3,652
Deferred tax liabilities		98,079	98,137
		<u>263,802</u>	<u>250,159</u>
Current liabilities			
Loans and borrowings	26	81,941	91,833
Trade and other payables		155,925	185,140
Tax payables		6,364	2,884
Lease liabilities		5,045	2,307
Contract liabilities		2,144	6,322
		<u>251,419</u>	<u>288,486</u>
Total Liabilities		<u>515,221</u>	<u>538,645</u>
TOTAL EQUITY AND LIABILITIES		<u>1,319,930</u>	<u>1,339,413</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.90	2.88

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Attributable to Equity Holders of the Company					Total RM'000	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			
At 1 January 2021	352,006	(2,914)	62,645	65,422	311,319	788,478	12,290	800,768
Profit for the year	-	-	-	501	2,649	3,150	459	3,609
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	501	2,649	3,150	459	3,609
Transfer to retained earnings	-	-	-	(1,664)	1,664	-	-	-
Changes in ownership interest in a subsidiary company	-	-	-	-	477	477	(145)	332
At 31 December 2021	352,006	(2,914)	62,645	64,259	316,109	792,105	12,604	804,709
At 1 January 2020	352,006	(2,914)	62,645	66,644	343,539	821,920	14,260	836,180
Loss for the year	-	-	-	-	(33,885)	(33,885)	(1,970)	(35,855)
Other comprehensive income	-	-	-	442	-	442	-	442
Total comprehensive income	-	-	-	442	(33,885)	(33,443)	(1,970)	(35,413)
Transfer to retained earnings	-	-	-	(1,664)	1,664	-	-	-
At 31 December 2020	352,006	(2,914)	62,645	65,422	311,318	788,477	12,290	800,767

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	CURRENT YEAR TO DATE 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-20 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Profit/(Loss) before tax	7,928	(42,070)
Adjustments for:		
Impairment losses on trade and other receivables	496	6,465
Reversal of impairment losses on trade and other receivables	(939)	(1,827)
Amortisation of deferred income	(1,180)	(1,195)
Amortisation of rights-of-use assets	4,498	6,933
Bad debts written off	-	624
Depreciation of property, plant and equipment	6,893	4,458
Dividend income	(300)	(250)
Impairment loss on inventory	-	271
Fair value adjustment to investment properties	10	11,770
Fair value adjustment to trade receivables	-	9
Impairment loss in value of other investments	-	331
Interest expense	9,986	10,020
Interest income	(121)	(103)
Inventories written off	1	21
Loss on modification lease	-	27
Gain on disposal of other property, plant and equipment	(99)	(16)
Bad debts recovered	(185)	(135)
Net unrealised (loss)/gain on foreign exchange	1,032	788
Property, plant & equipment written off	4	2
Share of results of associate	-	50
Operating loss before working capital changes	28,024	(3,827)
Changes in working capital:		
Inventories	(13,964)	(317)
Receivables	(12,096)	606
Contract liabilities	(3,691)	2,568
Payables	12,208	28,933
Cash generated used in operations	10,481	27,963
Tax paid	(1,429)	(854)
Interest paid	(9,989)	(10,020)
Net cash generated used in operating activities	(937)	17,089



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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	CURRENT YEAR TO DATE 31-Dec-21 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-20 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(1,441)	(2,244)
Proceeds from disposal of other property, plant & equipment	755	16
Net of cash and cash equivalent acquired investment in associate	-	(50)
Proceeds from disposal of subsidiaries	332	-
Interest received	121	103
Net dividend received	300	250
Net cash used in investing activities	67	(1,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	(9,983)	93
Drawdown of term loan	15,280	-
Repayment of lease liabilities	(238)	(552)
Drawdown of revolving credits	2,000	-
Repayment of term loans	(2,732)	(18,140)
Net cash from financing activities	4,327	(18,599)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	3,457	(3,435)
Effects of foreign exchange rate changes	667	17
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	9,327	12,744
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,451	9,326

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

PART A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

2. Significant Accounting Policies

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2020, except for adoption of the following new/revised FRSS, Amendments to FRSS and IC Interpretations which are effective for financial periods beginning on or after:

1 January 2021

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

1 January 2022

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



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

2. Significant Accounting Policies (Cont'd)

1 January 2022

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

1 January 2023

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

Deferred until further notice

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

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

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

3. Audit Opinion on 2020 Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2020 was not subject to any qualification.



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

4. Segment Reporting

Quarter Ended 31 Dec 2021	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
Revenue					
External sales	6,895	1,136	956	4,288	13,275
Results					
Segment results	1,390	(1,121)	(396)	(1,387)	(1,514)
Finance costs					(2,705)
Loss before tax					(4,219)
Income tax expense					(853)
Loss after tax					(5,072)
Non-controlling interests					324
Loss for the period					(4,748)

Quarter Ended 31 Dec 2020	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
Revenue					
External sales	5,405	2,367	483	2,652	10,907
Results					
Segment results	1,039	(2,158)	(1,313)	(17,473)	(19,905)
Finance costs					(2,679)
Share of results of associate					(50)
Loss before tax					(22,634)
Income tax credit					6,231
Loss after tax					(16,403)
Non-controlling interests					184
Loss for the period					(16,219)



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

4. Segment Reporting (Cont'd)

Year Ended 31 Dec 2021	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
Revenue					
External sales	26,759	3,382	5,877	63,962	99,980
Results					
Segment results	4,124	(5,166)	(1,270)	20,226	17,914
Finance costs					(9,986)
Profit before tax					7,928
Income tax expense					(4,820)
Profit after tax					3,108
Non-controlling interests					(459)
Profit for the year					2,649

Year Ended 31 Dec 2020	Healthcare RM'000	Resorts & Hospitality RM'000	Exhibition & Convention RM'000	Property RM'000	Total Operation RM'000
Revenue					
External sales	14,835	11,815	1,878	8,051	36,579
Results					
Segment results	900	(9,136)	(5,490)	(18,274)	(32,000)
Finance costs					(10,020)
Share of results of associate					(50)
Loss before tax					(42,070)
Income tax credit					6,216
Loss after tax					(35,854)
Non-controlling interests					1,970
Loss for the year					(33,884)



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

10. Issuance or Repayment of Debt and Equity Securities

The Company issued a two for one bonus warrants, total warrants 136,778,702 during the financial year ended 31 December 2020.

11. Changes in the Composition of the Group

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

12. Capital Commitments

There were no material changes in capital commitments since the last audited Statement of Financial Position as at 31 December 2020.

13. Contingent Liabilities / Assets

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 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.



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

13. Contingent Liabilities / Assets (Cont'd)

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

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

14. Subsequent event

The Company wishes to announce that pursuant to the Court Order granted by the High Court, dated 22 November 2021, granting GOLDEN HORSE PALACE BERHAD (GHPB), a subsidiary company of CHHB, leave to hold a court convened meeting ("CCM") within ninety (90) days from 22 November 2021 to 21 February 2022, GHPB had on 25 January 2022 issued and despatched an explanatory statement to its unsecured creditors ("Scheme Creditors") to deliberate and approve the proposed scheme of arrangement ("Proposed Scheme") pursuant to Section 369 of the Companies Act, 2016 ("Act").

The CCM for the Scheme Creditors will be held at Philea Mines Beach Resort, Jalan Dulang, Mines Resort City, 43300, Seri Kembangan, Selangor (Hang Lee Po Hall @ Level 4) on Friday, 18 February 2022, at 3.00 p.m., the notice of which is attached herewith. The Proposed Scheme will not have any effect on the group structure, share capital and substantial shareholders structure of GHPB. The Proposed Scheme is also not expected to have any material effect on the net assets, earnings or gearing of the GHPB. However, it is envisaged that with the repayment of the proposed settlement to Scheme Creditors, GHPB will be able to recognise a one-time gain, representing the amount of debt waived from the proposed settlement. The implementation of the Proposed Scheme is conditional upon the following being met or satisfied.

On 18 February 2022, CHHB, is pleased to announce the result of the Court Convened Meeting ("CCM") for Scheme Creditors of its wholly-owned subsidiary, GHPB. The proposed scheme of arrangement by GHPB pursuant to Section 366 (1) of the Companies Act 2016 has been approved by the Scheme Creditors of GHPB ("Scheme Creditors") by the requisite majority in number representing 95.53% in value of the Scheme Creditors present and voting either in person or by proxy at the CCM in accordance to Section 366 (3) of the Act.



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 2021 vs 4th Quarter 2020

	Current Year Quarter 31-Dec-21 RM'000	Preceding Year Corresponding Quarter 31-Dec-20 RM'000	Changes (%)
Revenue	13,275	10,907	22%
Operating Profit /(Loss)	(1,514)	(19,905)	92%
Profit/(Loss) Before Interest and Tax	(1,514)	(19,905)	92%
Profit/(Loss) Before Tax	(4,219)	(22,634)	81%
Profit/(Loss) After Tax	(5,072)	(16,403)	69%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(4,748)	(16,219)	71%

The Group recorded total revenue of RM13.3 million for the fourth quarter ended 31 December 2021 compared to RM10.9 million for the previous year's corresponding quarter ended 31 December 2020 mainly due to increase revenue from Healthcare Division and Property Division.

The Group recorded a loss before tax of RM4.2 million for the current quarter compared to a RM22.6 million loss before tax in the previous year's corresponding quarter.

Healthcare Division

Revenue for the fourth quarter of 2021 for the division was RM6.9 million, an increase of 27.8% as compared to RM5.4 million in the same quarter of 2020 due to the increase in new membership program, and Covid-19 test and vaccination services. Segment profit of RM1.4 million was recorded for the fourth quarter as compared to a segment profit of RM1.0 million for the same quarter of 2020 mainly due to the increase in operating cost and lower profit margin for Covid-19 test and vaccination services.



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 2021 vs 4th Quarter 2020 (Cont'd)

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division was RM1.1 million in the current quarter compared to RM2.4million for the fourth quarter of 2020. Segment loss was recorded at RM1.1 million for the fourth quarter of 2021 in lower as compared to a segment loss of RM2.1 million for the same quarter of 2020 mainly due to the improvement of the annual maintenance fee and function event from the Palace Vacation Club section.

Exhibition & Convention Division

Exhibition & Convention Division contributed RM0.9 million of revenue in the current quarter as compared to RM0.5 million in the fourth quarter of 2020. A segment loss of RM0.4 million was recorded in the current quarter compared to a segment loss of RM1.3 million in the same quarter of 2020. The slight increase in the increased revenue was contributed from the event held on October 2021 and November 2021 compared to last year.

Property Division

The revenue for Property Division was RM4.3 million in the current quarter compared to RM2.6 million for the fourth quarter of 2020. Segment loss recorded was RM1.4 million for the fourth quarter of 2021 and is lower as compared to a segment loss of RM17.5 million for the same quarter of 2020 mainly due to the fair value impairment in the previous year's corresponding year.



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 Dec 2021 vs YTD Dec 2020

	Current Year To Date 31-Dec-21 RM'000	Preceding Year Corresponding Period 31-Dec-20 RM'000	Charges (%)
Revenue	99,980	36,579	173%
Operating Profit /(Loss)	17,914	(32,000)	156%
Profit/(Loss) Before Interest and Tax	17,914	(32,000)	156%
Profit/(Loss) Before Tax	7,928	(42,070)	119%
Profit/(Loss) After Tax	3,108	(35,854)	109%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	2,649	(33,884)	108%

The total revenue of the Group for the period ended 31 December 2021 was increased by 173% to RM99.9 million from RM36.6 million for the year ended 31 December 2020 mainly due to the revenue contributions from the sale of land at CH Damansara in the Property Division and the revenue increase in the Healthcare Division.

The Group recorded a profit before tax of RM7.9 million for the current period as compared to a loss before tax of RM42.0 million of the current period preceding year as the result of the revenue increase.

Healthcare Division

The revenue contributed by Healthcare Division for the year ended 31 December 2021 was RM26.7 million as compared to RM14.8 million for the period ended 31 December 2020, an increase of 80.4%, mainly due to the increase in the new membership program and Covid-19 Test and Vaccination services.

The division recorded a segment profit of RM4.1 million for the period ended 31 December 2021 as compared segment profit of RM0.9 million for the period ended 31 December 2020.



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

15. Operating Segment Review (Cont'd)
(b) YTD Dec 2021 vs YTD Dec 2020 (Cont'd)

Resorts & Hospitality Division

The revenue for the Resorts & Hospitality Division for the year ended 31 December 2021 was recorded at RM3.4 million, a drop of 71.2% as compared to RM11.8 million for the year ended 31 December 2020 mainly due to the Palace Golden House Hotel ceased operation since April 2020. The segment loss was recorded for the current year was RM5.2 million as compared to a segment loss of RM9.1 million for the year ended 31 December 2020. The segment loss is lower mainly due to the improvement of the annual maintenance fee and function event from the Palace Vacation Club section.

Exhibition & Convention Division

Exhibition & Convention Division contributed RM5.9 million of revenue for the year ended 31 December 2021, an increase of 210% as compared to RM1.9 million for the year ended 31 December 2020. The segment loss of RM1.3 million was recorded for the current year ended 31 December 2021 as compared to the segment loss of RM5.5 million for the year ended 31 December 2020. The increase in revenue and reduced in segment loss is mainly due to the national vaccination program held at the convention centre in October 2021 and November 2021.

Property Division

Property Development Division contributed RM64.0 million of revenue for the year ended 31 December 2021 as compared to RM8.0 million for the year ended 31 December 2020, the increase is contributed from the sale of land located at CH Damansara. The segment profit of RM20.2 million was recorded for the year ended 31 December 2021 as compared to the segment loss of RM18.3 million for the year ended 31 December 2020 mainly due to the sale of land located at CH Damansara and profit recognition from Belleza Garden Homes Phase 3 at Jitra, Kedah.



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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-21	30-Sep-21	Changes (%)
	RM'000	RM'000	
Revenue	13,275	70,574	-81%
Operating Profit /(Loss)	(1,514)	24,585	106%
Profit/(Loss) Before Interest and Tax	(1,514)	24,585	106%
Profit/(Loss) Before Tax	(4,219)	22,077	119%
Profit/(Loss) After Tax	(5,072)	18,353	128%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(4,748)	18,649	125%

The Group's revenue for the fourth quarter ended 31 December 2021 was RM13.3 million compared to the preceding third quarter ended 30 September 2021 of RM70.6 million and the Group's loss before tax for the fourth quarter ended 31 December 2021 was RM4.2 million as compared to a profit before tax in the preceding third quarter ended 30 September 2021 of RM22.1 million mainly due to the revenue contributed from the sale of land located at CH Damansara preceding the third quarter ended 30 September 2021.

17. Commentary on Prospects

The Covid-19 pandemic has continued to depress the performance of the Group's operations and management expects the Group's performance to continue to be suppressed for the remaining of the year.

The main division that continues to operate is the Healthcare Division. The high vaccination rate and the gradual removal of restrictions have resulted in an increase in footfall traffic into the wellness centre. Management is hopeful that the government's new approach to treating Covid-19 as endemic will likely safeguard the country's economic activities from future pandemic-related disruptions.



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17. Commentary on Prospects (Cont'd)

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

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

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

18. Variance on Profit Forecast / Profit Guarantee

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

19. Income Tax (Expense)/Credit

	Year Ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000
Income tax		
- Current year	(1,178)	(476)
- Under provision in prior year	(3,700)	(310)
Deferred tax		
- Current year	-	1,236
- Over provision in prior year	58	5,766
	(4,820)	6,216

20. Sale of Unquoted Investments / Properties

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



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21. Purchase and Sale of Quoted Securities

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

22. Profit/(Loss) before Tax

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

	Year Ended	
	31-Dec-21	31-Dec-20
	RM'000	RM'000
Depreciation and amortisation	11,391	11,391
Impairment losses on trade and other receivables	496	6,465
Net unrealised foreign exchange (loss)/gain	1,032	788
Bad debt written off	-	624
Bad debt recovered	(185)	(135)

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

On 21 August 2021, the Company has announced to undertake a private placement of up to 54,711,400 new ordinary shares of the Company Share(s) or “Placement Share(s)”, representing approximately 20% of the existing issued shares. The Proposed Private Placement will be undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”) and the “Additional Temporary Relief Measures to Listed Issuers” announced by Bursa Malaysia Securities Berhad.

On 9 February 2022, the Company is pleased to announce that the Company has fixed the issue price of the Placement Shares at RM1.3270 per Placement Share to be issued pursuant to the Private Placement.

The aforementioned issue price of RM1.3270 per Placement Share represents a discount of approximately 9.96% or RM0.1468 to the five (5)-day volume-weighted average market price of CHHB Shares from 31 January 2022 to 8 February 2022 of approximately RM1.4738.

(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-21 RM'000	As at 31-Dec-20 RM'000
Land held for property development	159,269	159,197
Property development cost	138,219	124,438
Others	95,692	95,244
	<u>233,911</u>	<u>219,682</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 2021 as follows :

Description of shares purchased	As at 31-Dec-21 RM'000	As at 31-Dec-20 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	-	-



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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 2021					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	-	-	-
Term loan	-	72,408	35,000	4,598	35,000	77,006
Revolving credit	-	2,000	-	-	-	2,000
Total secured borrowings	-	74,408	35,000	4,598	35,000	79,006
Unsecured						
Term Loan	-	47,935	-	42,343	-	90,278
Total unsecured borrowings	-	47,935	-	42,343	-	90,278
Total loans and borrowings	-	122,343	35,000	46,941	35,000	169,284
	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	-	65,952	35,000	4,599	35,000	70,551
Total secured borrowings	-	65,952	35,000	14,582	35,000	80,534
Unsecured						
Term Loan	-	41,935	-	42,251	-	84,186
Total unsecured borrowings	-	41,935	-	42,251	-	84,186
Total loans and borrowings	-	107,887	35,000	56,833	35,000	164,720

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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27. Disclosure requirements pursuant to implementation of MFRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 30 June 2021 and there have been no changes in derivatives since the last financial year.

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

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

28. Retained earnings

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

29. Dividend Payable

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

30. Earnings/(Loss) Per Share

(a) Basic

Basic earnings per share is calculated by dividing profit for the current period attributable to equity holders of RM2.6 million (31 December 2020: loss of RM33.9 million) over the number of 273,557,403 (31 December 2020: 273,557,403) ordinary shares issued during the current financial period under review.

(b) Diluted

Diluted earnings per share is calculated by dividing profit for the current period attributable to equity holders of RM2.6 million (31 December 2020: loss of RM33.9 million) over the number of 273,557,403 (31 December 2020: 273,557,403) ordinary shares issued and 136,778,702 (31 December 2020: 136,778,702) warrants issued and listed in December 2018.



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31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2022.

By Order of the Board

Choh Kim Chiew

Chief Financial Officer