

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

The Board of Directors of Country Heights Holdings Berhad is pleased to announce the following unaudited results of the Group for the 2nd Quarter ended 30 June 2008

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS For the Six-Months Period Ended 30 June 2008

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30-Jun-08 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-07 RM'000	CURRENT YEAR TO DATE 30-Jun-08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-07 RM'000
Revenue	4	60,733	67,655	152,042	120,323
Cost of sales		<u>(29,434)</u>	<u>(33,349)</u>	<u>(67,607)</u>	<u>(53,402)</u>
Gross profit		31,299	34,306	84,435	66,921
Other operating income		6,623	6,169	10,155	8,864
Selling and marketing expenses		(1,664)	(1,966)	(3,186)	(3,313)
Administrative expenses		(5,377)	(8,751)	(9,937)	(11,778)
Other operating expenses		<u>(21,145)</u>	<u>(13,404)</u>	<u>(41,108)</u>	<u>(34,770)</u>
Profit from operations	4	9,736	16,354	40,359	25,924
Finance costs		(6,918)	(12,841)	(13,978)	(25,671)
Share of results of associates		<u>(146)</u>	<u>(373)</u>	<u>(82)</u>	<u>(133)</u>
Profit before tax		2,672	3,140	26,299	120
Income tax expenses	20	<u>(1,867)</u>	40	<u>(9,791)</u>	<u>(25)</u>
Profit for the period		<u><u>805</u></u>	<u><u>3,180</u></u>	<u><u>16,508</u></u>	<u><u>95</u></u>
Attributable to:					
Equity holders to the parent		1,781	2,564	18,672	200
Minority interests		<u>(976)</u>	<u>616</u>	<u>(2,164)</u>	<u>(105)</u>
		<u><u>805</u></u>	<u><u>3,180</u></u>	<u><u>16,508</u></u>	<u><u>95</u></u>
Earnings per share attributable to ordinary equity holders of the Company (sen)					
- basic	28 (a)	0.65	0.93	6.77	0.07
- diluted	28 (b)	NA	NA	NA	NA

(The Unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET as at 30 June 2008

	Note	30-Jun-08 (Unaudited) RM'000	31-Dec-07 (Audited) RM'000
ASSETS			
Non-current assets			
Hotel properties and exhibition centre & showroom	9	346,715	348,675
Other property, plant and equipment	9	124,024	112,676
Property, plant and equipment		470,739	461,351
Investment properties	9	94,170	91,367
Prepaid land lease payments		354,778	356,943
Land held for property development		241,567	176,638
Investment in associates		3,213	3,295
Other investments	22	895	3,496
Long-term trade receivables		11,189	17,349
Fund held in trust		3,998	3,998
Deferred tax assets		12,987	13,486
		<u>1,193,536</u>	<u>1,127,923</u>
Current assets			
Property development costs		81,854	104,619
Inventories		145,948	159,141
Trade and other receivables		75,763	108,480
Tax recoverable		2,425	2,915
Cash and bank balances		17,016	49,110
		<u>323,006</u>	<u>424,265</u>
Non-current asset classified as held for sale		873	873
		<u>323,879</u>	<u>425,138</u>
TOTAL ASSETS		<u>1,517,415</u>	<u>1,553,061</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		275,707	275,707
Share premium		57,251	57,251
Revaluation reserves		144,271	145,204
Foreign exchange reserves		(5,289)	(5,244)
Capital redemption reserves		19,048	19,048
Retained earnings		197,025	177,420
Shareholders' equity		<u>688,013</u>	<u>669,386</u>
Minority interests		<u>41,621</u>	<u>43,785</u>
Total equity		<u>729,634</u>	<u>713,171</u>
Non-current liabilities			
Borrowings	24	317,815	376,292
Long-term liabilities		5,077	5,073
Deferred Income		27,595	27,734
Deferred tax liabilities		93,294	92,702
		<u>443,781</u>	<u>501,801</u>
Current liabilities			
Borrowings	24	27,131	27,952
Trade and other payables		262,080	262,521
Tax payable		54,789	47,616
		<u>344,000</u>	<u>338,089</u>
Total Liabilities		<u>787,781</u>	<u>839,890</u>
Total equity and liabilities		<u>1,517,415</u>	<u>1,553,061</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.50	2.43

(The Unaudited Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Six-Months Period Ended 30 June 2008

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity	
	Non-distributable			Distributable					
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Foreign Exchange Reserve RM'000	Capital Redemption Reserve RM'000	Retained Earnings RM'000			Total RM'000
At 1 January 2007	275,707	57,251	144,888	(4,593)	19,048	75,779	568,080	44,458	612,538
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	-	-	(1,863)	-	-	1,863	-	-	-
Transfer from deferred tax	-	-	2,179	-	-	(703)	1,476	-	1,476
Foreign exchange differences, representing net expense recognised in equity	-	-	-	(651)	-	-	(651)	-	(651)
Net transfers and profit recognised directly in equity	-	-	316	(651)	-	1,160	825	-	825
Net profit for the year	-	-	-	-	-	100,481	100,481	(673)	99,808
Total recognised income and expense for the year	-	-	316	(651)	-	101,641	101,306	(673)	100,633
At 31 December 2007	275,707	57,251	145,204	(5,244)	19,048	177,420	669,386	43,785	713,171
At 1 January 2008	275,707	57,251	145,204	(5,244)	19,048	177,420	669,386	43,785	713,171
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	-	-	(933)	-	-	933	-	-	-
Transfer from deferred tax	-	-	-	-	-	-	-	-	-
Foreign exchange differences, representing net expense recognised in equity	-	-	-	(45)	-	-	(45)	-	(45)
Net transfers and profit recognised directly in equity	-	-	(933)	(45)	-	933	(45)	-	(45)
Net profit for the year	-	-	-	-	-	18,672	18,672	(2,164)	16,508
Total recognised income and expense for the year	-	-	(933)	(45)	-	19,605	18,627	(2,164)	16,463
At 30 June 2008	275,707	57,251	144,271	(5,289)	19,048	197,025	688,013	41,621	729,634

(The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Six-Months Period Ended 30 June 2008

	CURRENT YEAR TO DATE 30-Jun-08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-07 RM'000 Restated
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	26,299	120
Adjustments for:		
Allowance for doubtful debts - other	2,633	408
Allowance for doubtful debts written back	(3,342)	(1,602)
Amortisation of prepaid land lease payment	2,165	174
Bad debts written off	7,620	1,020
Depreciation of hotel properties and exhibition centre & showroom	2,119	2,877
Depreciation of other property, plant and equipment	3,909	8,969
Dividend income	(23)	-
Gain on disposal of Investment properties	-	(1,629)
Gain on disposal of property, plant & equipment	(78)	(30)
Impairment losses in value of other investments	138	-
Interest expense	13,978	25,671
Interest income	(622)	(619)
Gain on disposal of investment in associates	-	(75)
Loss/(Gain) on disposal of other investment	390	(1,868)
Net foreign exchange gain	(2)	-
Property, plant & equipment written off	1	2
Reversal of deferred income	(175)	-
Reversal of provision in diminution in investment, net	(123)	-
Share of results of associates	82	133
Operating profit before working capital changes	54,969	33,551
Changes in working capital:		
Inventories	13,193	13,956
Property development costs	(42,164)	(4,705)
Receivables	25,821	(20,320)
Deferred income	691	4,198
Payables	(7,173)	(12,643)
Cash generated from operations	45,337	14,037
Tax paid	(908)	(626)
Interest paid	(5,720)	(8,462)
Net cash generated from operating activities	38,709	4,949

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the Six-Months Period Ended 30 June 2008

	CURRENT YEAR TO DATE 30-Jun-08 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-07 RM'000 Restated
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(5,928)	(7,591)
Expenditure incurred on hotel properties and exhibition centre & showroom	(159)	(1,230)
Acquisition on investment properties	(2,803)	730
Investment in associates	-	(3,110)
Additional investment in other investments	(1,204)	-
Proceeds from disposal of other investments	3,399	12,099
Proceeds from disposal of other property, plant & equipment	222	71
Proceeds from disposal of investment properties	-	6,988
Interest received	622	833
Net dividend received	19	-
Net cash (used in) / generated from investing activities	<u>(5,832)</u>	<u>8,790</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bond interest expenses paid	(4,488)	(4,488)
Drawdown of golf membership loans	4	-
Repayment of term loans	(152)	(406)
Repayment of revolving credits	(4,455)	(3,000)
Hire purchase and lease creditors	(263)	(350)
Repayment of working capital loan	-	(1,932)
Repayment of Bank Guaranteed Commercial Paper/ Medium Term Notes	(60,000)	-
Drawdown of Bank Guaranteed Commercial Paper/ Medium Term Notes	5,000	3,000
Net cash used in financing activities	<u>(64,354)</u>	<u>(7,176)</u>
Effect of exchange rate changes	-	98
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(31,477)	6,661
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>45,115</u>	<u>35,154</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>13,638</u>	<u>41,815</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	17,016	49,472
Bank Overdrafts	<u>(3,378)</u>	<u>(7,657)</u>
	<u>13,638</u>	<u>41,815</u>

(The Unaudited Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements)