

**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 1st Quarter ended 31 March 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Three-Months Period Ended 31 March 2010

|   | Note | INDIVIDUAL QUARTER                             |   | CUMULATIVE QUARTER                             |  |
|---|------|--|---|--|--|
|   |      | CURRENT YEAR<br>QUARTER<br>31-Mar-10<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>31-Mar-09<br>RM'000<br>Restated | CURRENT YEAR<br>TO DATE<br>31-Mar-10<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>31-Mar-09<br>RM'000<br>Restated |
| Revenue   | 4    | 66,060   | 32,839  | 66,060   | 32,839   |
| Cost of sales   |      | <u>(23,234)</u>                                | <u>(14,205)</u>   | <u>(23,234)</u>                                | <u>(14,205)</u>  |
| Gross profit  |      | 42,826   | 18,634  | 42,826   | 18,634   |
| Other operating income  |      | 1,627  | 2,319   | 1,627  | 2,319  |
| Selling and marketing expenses  |      | (1,810)  | (1,475)   | (1,810)  | (1,475)  |
| Administrative expenses   |      | (6,640)  | (4,729)   | (6,640)  | (4,729)  |
| Other operating expenses  |      | (16,698)                                       | (14,277)  | (16,698)                                       | (14,277)   |
| Finance costs   |      | (6,094)  | (6,133)   | (6,094)  | (6,133)  |
| Share of results of associates  |      | <u>(30)</u>                                    | <u>86</u>   | <u>(30)</u>                                    | <u>86</u>  |
| Profit / (loss) before tax  |      | 13,181   | (5,575)   | 13,181   | (5,575)  |
| Income tax expenses   | 19   | <u>(4,277)</u>                                 | <u>66</u>   | <u>(4,277)</u>                                 | <u>66</u>  |
| Profit / (loss) for the period  |      | <u>8,904</u>                                   | <u>(5,509)</u>  | <u>8,904</u>                                   | <u>(5,509)</u>   |
| <b>Other comprehensive income/(loss), net of tax</b>  |      |  |   |  |  |
| Foreign currency translation differences  |      | (20)   | (7)   | (20)   | (7)  |
| Fair value of available-for-sale financial assets   |      | 12   | -   | 12   | -  |
| Transfer from revaluation reserve to retained earnings upon depreciation transfer on revalued assets  |      | (466)  | (466)   | (466)  | (466)  |
| Realisation of revaluation reserve to retained earnings upon depreciation transfer on revalued assets |      | 466  | 466   | 466  | 466  |
| Other comprehensive loss for the period   |      | <u>(8)</u>                                     | <u>(7)</u>  | <u>(8)</u>                                     | <u>(7)</u>   |
| Total comprehensive income/(loss) for the period  |      | <u>8,896</u>                                   | <u>(5,516)</u>  | <u>8,896</u>                                   | <u>(5,516)</u>   |

**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 1st Quarter ended 31 March 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the Three-Months Period Ended 31 March 2010

|   | INDIVIDUAL QUARTER                                     |   | CUMULATIVE QUARTER                             |  |
|---|--|---|--|--|
|   | Note<br>CURRENT YEAR<br>QUARTER<br>31-Mar-10<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>31-Mar-09<br>RM'000<br>Restated | CURRENT YEAR<br>TO DATE<br>31-Mar-10<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>31-Mar-09<br>RM'000<br>Restated |
| <b>Profit/(loss) attributable to :</b>  |  |   |  |  |
| Equity holders of the Company   | 9,043  | (4,744)   | 9,043  | (4,744)  |
| Minority interest   | <u>(139)</u>   | <u>(765)</u>  | <u>(139)</u>                                   | <u>(765)</u>   |
| <b>Profit/(loss) for the period</b>   | <u><u>8,904</u></u>                                    | <u><u>(5,509)</u></u>   | <u><u>8,904</u></u>                            | <u><u>(5,509)</u></u>  |
| <b>Total comprehensive income/(loss) attributable to :</b>                              |  |   |  |  |
| Equity holders of the Company   | 9,035  | (4,751)   | 9,035  | (4,751)  |
| Minority interest   | <u>(139)</u>   | <u>(765)</u>  | <u>(139)</u>                                   | <u>(765)</u>   |
| <b>Total comprehensive income/(loss) for the period</b>                                 | <u><u>8,896</u></u>                                    | <u><u>(5,516)</u></u>   | <u><u>8,896</u></u>                            | <u><u>(5,516)</u></u>  |
| <b>Earnings per share attributable to ordinary equity holders of the Company (sen):</b> |  |   |  |  |
| - Basic   | 27 (a)   | 3.28  | (1.72)   | 3.28   |
| - Diluted   | 27 (b)   | NA  | NA   | NA   |

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2009**

|  | Note | 31-Mar-10<br>(Unaudited)<br>RM'000 | 31-Dec-09<br>(Audited)<br>RM'000 |
|--|------|------------------------------------|----------------------------------|
| <b>ASSETS</b>  |      |                                    |                                  |
| <b>Non-current assets</b>  |      |                                    |                                  |
| Hotel properties and exhibition centre & showroom                                | 9    | 339,827                            | 340,866                          |
| Other property, plant and equipment  | 9    | 96,651                             | 118,309                          |
| Property, plant and equipment  |      | 436,478                            | 459,175                          |
| Investment properties  | 9    | 115,268                            | 89,794                           |
| Prepaid land lease payments  |      | 347,147                            | 348,331                          |
| Land held for property development   |      | 174,366                            | 174,366                          |
| Investment in associates   |      | 5,413                              | 5,443                            |
| Other investments  | 21   | 960                                | 932                              |
| Long-term trade receivables  |      | 16,441                             | 16,095                           |
| Deferred tax assets  |      | 8,703                              | 9,401                            |
|  |      | <u>1,104,776</u>                   | <u>1,103,537</u>                 |
| <b>Current assets</b>  |      |                                    |                                  |
| Property development costs   |      | 80,422                             | 77,163                           |
| Inventories  |      | 134,172                            | 139,086                          |
| Trade and other receivables  |      | 151,182                            | 126,410                          |
| Tax recoverable  |      | 1,379                              | 1,526                            |
| Cash and bank balances   |      | 35,002                             | 33,569                           |
|  |      | <u>402,157</u>                     | <u>377,754</u>                   |
| Non-current asset classified as held for sale                                    |      | 777                                | 9,789                            |
|  |      | <u>402,934</u>                     | <u>387,543</u>                   |
| <b>TOTAL ASSETS</b>  |      | <b><u>1,507,710</u></b>            | <b><u>1,491,080</u></b>          |
| <b>EQUITY AND LIABILITIES</b>  |      |                                    |                                  |
| <b>Equity attributable to equity holders of the Company</b>                      |      |                                    |                                  |
| Share capital  |      | 275,707                            | 275,707                          |
| Share premium  |      | 57,251                             | 57,251                           |
| Other reserves   |      | 160,380                            | 160,854                          |
| Retained earnings  |      | 210,922                            | 198,626                          |
| Shareholders' equity   |      | <u>704,260</u>                     | <u>692,438</u>                   |
| <b>Minority interest</b>   |      | <u>28,902</u>                      | <u>29,041</u>                    |
| <b>Total equity</b>  |      | <b><u>733,162</u></b>              | <b><u>721,479</u></b>            |
| <b>Non-current liabilities</b>   |      |                                    |                                  |
| Borrowings   | 23   | 176,668                            | 180,135                          |
| Long-term liabilities  |      | 4,783                              | 4,783                            |
| Deferred Income  |      | 33,306                             | 32,439                           |
| Deferred tax liabilities   |      | 86,683                             | 86,922                           |
|  |      | <u>301,440</u>                     | <u>304,279</u>                   |
| <b>Current liabilities</b>   |      |                                    |                                  |
| Borrowings   | 23   | 172,470                            | 172,794                          |
| Trade and other payables   |      | 239,476                            | 234,723                          |
| Tax liabilities  |      | 60,169                             | 56,775                           |
| Deferred Income  |      | 993                                | 1,030                            |
|  |      | <u>473,108</u>                     | <u>465,322</u>                   |
| <b>Total Liabilities</b>   |      | <b><u>774,548</u></b>              | <b><u>769,601</u></b>            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |      | <b><u>1,507,710</u></b>            | <b><u>1,491,080</u></b>          |
| Net assets per share attributable to ordinary equity holders of the Company (RM) |      | 2.55                               | 2.51                             |

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 Three-Months Period Ended 31 March 2010

|  | Attributable to Equity Holders of the Company |               |                |                   | Minority Interests | Total Equity |
|--|---|---------------|----------------|-------------------|--------------------|--------------|
|  | Share Capital                                 | Share Premium | Other Reserves | Retained Earnings |                    |              |
|  | RM'000  | RM'000        | RM'000         | RM'000            | RM'000             | RM'000       |
| <b>At 1 January 2010, as previously stated</b> | 275,707                                       | 57,251        | 160,854        | 198,626           | 29,041             | 721,479      |
| Effect of adopting FRS 139                     | -   | -             | -              | 2,787             | -                  | 2,787        |
| <b>At 1 January 2010, as restated</b>          | 275,707                                       | 57,251        | 160,854        | 201,413           | 29,041             | 724,266      |
| Total comprehensive income/(loss)              | -   | -             | (474)          | 9,509             | (139)              | 8,896        |
| <b>At 31 March 2010</b>                        | 275,707                                       | 57,251        | 160,380        | 210,922           | 28,902             | 733,162      |
| <b>At 1 January 2009</b>                       | 275,707                                       | 57,251        | 159,102        | 193,349           | 31,840             | 717,249      |
| Total comprehensive loss                       | -   | -             | (473)          | (4,278)           | (765)              | (5,516)      |
| <b>At 31 March 2009</b>                        | 275,707                                       | 57,251        | 158,629        | 189,071           | 31,075             | 711,733      |

(The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements)

**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Three-Months Period Ended 31 March 2010**

|   | <b>CURRENT<br/>YEAR TO DATE<br/>31-Mar-10<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD<br/>31-Mar-09<br/>RM'000</b> |
|---|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                       |  |   |
| Profit/(loss) before tax  | 13,181   | (5,575)   |
| Adjustments for:  |  |   |
| Allowance for doubtful debts                                      | 1,248  | 1,658   |
| Amortisation of deferred income                                   | (248)  | (1)   |
| Amortisation of prepaid land lease payment                        | 1,184  | 1,077   |
| Bad debts written off   | 1,126  | 197   |
| Depreciation of hotel properties and exhibition centre & showroom | 1,039  | 1,039   |
| Depreciation of other property, plant and equipment               | 1,826  | 1,709   |
| Gain on disposal of subsidiary                                    | -  | (1,462)   |
| Interest expense  | 6,094  | 6,133   |
| Interest income   | (72)   | (61)  |
| Gain on disposal of other property, plant and equipment           | -  | (15)  |
| Net foreign exchange loss / (gain)                                | 1  | (6)   |
| Reversal of deferred income                                       | (98)   | 2   |
| Reversal of impairment losses in value of other investments       | -  | (7)   |
| Share of results of associates                                    | 30   | (86)  |
| <b>Operating profit before working capital changes</b>            | <b>25,311</b>  | <b>4,602</b>  |
| Changes in working capital:                                       |  |   |
| Inventories   | 1,249  | 482   |
| Property development costs  | 5,753  | 2,729   |
| Receivables   | (10,438)   | (19,974)  |
| Deferred income   | 1,176  | 1,483   |
| Payables  | (18,674)   | 9,620   |
| <b>Cash generated from operations</b>                             | <b>4,377</b>   | <b>(1,058)</b>  |
| Tax paid  | (75)   | (75)  |
| Interest paid   | (1,151)  | (691)   |
| <b>Net cash generated from / (used in) operating activities</b>   | <b>3,151</b>   | <b>(1,824)</b>  |

**COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Three-Months Period Ended 31 March 2010

|   | <b>CURRENT<br/>YEAR TO DATE<br/>31-Mar-10<br/>RM'000</b> | <b>PRECEDING YEAR<br/>CORRESPONDING<br/>PERIOD<br/>31-Mar-09<br/>RM'000</b> |
|---|--|---|
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                               |  |   |
| Purchase of other property, plant and equipment                           | (665)  | (924)   |
| Expenditure incurred on hotel properties and exhibition centre & showroom | -  | (225)   |
| Expenditure on investment properties                                      | (567)  | -   |
| Acquisition of subsidiary, net of cash and cash equivalent acquired       | 513  | -   |
| Proceeds from disposal of other property, plant & equipment               | -  | 280   |
| disposed  | 7  | -   |
| Interest received   | 72   | 61  |
| <b>Net cash used in investing activities</b>                              | <b><u>(640)</u></b>                                      | <b><u>(808)</u></b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                               |  |   |
| Hire purchase and lease creditors   | (157)  | (211)   |
| Repayment of revolving credits  | (507)  | (1,380)   |
| Repayment of term loans   | (39)   | (38)  |
| Repayment of golf membership loans  | -  | (13)  |
| <b>Net cash used in financing activities</b>                              | <b><u>(703)</u></b>                                      | <b><u>(1,642)</u></b>   |
| <b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>                          | <b>1,808</b>   | <b>(4,274)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>                     | <b><u>31,216</u></b>                                     | <b><u>9,736</u></b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                           | <b><u>33,024</u></b>                                     | <b><u>5,462</u></b>   |
| <b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>                              |  |   |
| Cash and bank balances  | 35,002   | 8,930   |
| Bank Overdrafts   | (1,978)  | (3,468)   |
|   | <b><u>33,024</u></b>                                     | <b><u>5,462</u></b>   |

(The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009 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 is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: “Interim Financial Reporting” and paragraph 9.22 of the 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 2009. 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 2009.

**2. Changes in Accounting Policies**

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2009, 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 July 2009**

FRS 8 Operating Segments

**1 January 2010**

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements (revised)

FRS 123 Borrowing Costs

FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 1 First-time Adoption of Financial Reporting Standards

Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 7 Financial Instruments: Disclosures

Amendments to FRS 8 Operating Segments

Amendments to FRS 101 Presentation of Financial Statements – Puttable Financial Instruments and Obligation Arising on Liquidation

Amendments to FRS 107 Statement of Cash Flows

Amendments to FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

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

---

**2. Changes in Accounting Policies (Contd.)**

|                       |   |
|-----------------------|---|
| Amendments to FRS 110 | Events after the Reporting Period   |
| Amendments to FRS 116 | Property, Plant and Equipment   |
| Amendments to FRS 117 | Leases  |
| Amendments to FRS 118 | Revenue   |
| Amendments to FRS 119 | Employee Benefits   |
| Amendments to FRS 120 | Accounting for Government Grants and Disclosure of Government Assistance  |
| Amendments to FRS 123 | Borrowing Costs   |
| Amendments to FRS 127 | Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate |
| Amendments to FRS 128 | Investments in Associates   |
| Amendments to FRS 129 | Financial Reporting in Hyperinflationary Economies  |
| Amendments to FRS 131 | Interests in Joint Ventures   |
| Amendments to FRS 132 | Financial Instruments: Presentation   |
| Amendments to FRS 134 | Interim Financial Reporting   |
| Amendments to FRS 136 | Impairment of Assets  |
| Amendments to FRS 138 | Intangible Assets   |
| Amendments to FRS 139 | Financial Instruments: Recognition and Measurement  |
| Amendments to FRS 140 | Investment Property   |
| IC Interpretation 9   | Reassessment of Embedded Derivatives  |
| IC Interpretation 10  | Interim Financial Reporting and Impairment  |
| IC Interpretation 11  | FRS 2 – Group and Treasury Share Transactions   |
| IC Interpretation 13  | Customer Loyalty Programmes   |
| IC Interpretation 14  | FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction                            |

The application of the above FRSs, Amendments to FRSs and interpretation did not result in any significant changes in the accounting policies and presentations of the financial statement of the Group except for the following applications as set out below:



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

**2. Changes in Accounting Policies (Contd.)**

**(a) FRS 101 : Presentation of Financial Statements (revised)**

FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Group's and the Company's financial statements.

The effects on the comparatives to the Group on adoption of FRS 101 are as follows:

| For the period ended 31 March 2009        | Income<br>statement<br>as previously<br>reported<br>RM'000 | Effects of<br>Adoption<br>FRS 101<br>RM'000 | Statement of<br>comprehensive<br>income<br>as restated<br>RM'000 |
|---|--|---|--|
| Loss for the period                       | (5,509)  | -   | (5,509)  |
| Other Comprehensive loss                  | -  | (7)   | (7)  |
| Total comprehensive loss                  |  |   | <u>(5,516)</u>   |
| Total comprehensive loss attributable to: |  |   |  |
| Equity holders of the Company             |  |   | (4,751)  |
| Minority interest                         |  |   | (765)  |
| Total comprehensive loss for the period   |  |   | <u>(5,516)</u>   |

**(b) FRS 139 : Financial Instruments: Recognition and Measurement**

FRS 139 sets out new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of financial instruments at the balance sheet date reflects the designation of the financial instruments

FRS 7 deals with new disclosure in relation to the financial instruments. This FRS entail increased disclosures both quantitative and qualitative of the Group's exposure to risks, enhanced disclosure on components of the Group's financial position and performance, and possible changes to the manner of which certain items are to be presented in the financial statements.

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

---

**2. Changes in Accounting Policies (Contd.)**

**Financial assets**

**i. Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss comprise financial assets that are held for trading, including derivatives (except for a derivative that is a designated and effective hedging instrument) and financial assets that are specifically designated into this category upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Derivative that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with gains or losses recognized in the income statement.

**ii. Held-to-maturity**

Held-to-maturity investments category comprise debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold to maturity.

Financial assets categorized as held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss.

**iii. Available-for-sale**

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss. Other financial assets categorized as available-for-sale subsequently measured at their fair values with the gain or loss recognized in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognized in profit or loss.

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

---

**2. Changes in Accounting Policies (Contd.)**

**iii. Available-for-sale (Contd.)**

On derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognized in profit or loss. All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

**iv. Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, receivables and cash and cash equivalents. Such financial assets less impairment losses, if any are carried at amortized cost using the effective interest rate method.

In accordance with FRS 139, the recognition, derecognition and measurement are applied prospectively. The effects of remeasurement on 1 January 2010 of the financial assets and financial liabilities brought forward from previous financial year are adjusted to the opening retained earnings as disclosed in the statement of changes in equity.

The adoption of the above new policies has the following effects:

|  | Retained<br>Earnings<br>RM'000 |
|--|--------------------------------|
| At 1 January 2010, as previously stated      | 198,626                        |
| Adjustment arising from adoption of FRS 139: |                                |
| - Remeasurement of borrowings                | 2,787                          |
| At 1 January 2010, as restated               | <u>201,413</u>                 |

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

---

**2. Changes in Accounting Policies (Contd.)**

**(c) FRS 8 : Operating Segments**

FRS 8, which replaces FRS 114<sup>2004</sup> Segment Reporting, requires the identification of operating segments based on the internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess its performance. Currently, the Group presents its segment information based on its business segments. Under FRS 8, the Group will present information in respect of its operating segments into property development division, property investment division and hospitality, leisure and health division.

**(d) Amendments to FRS 116 "Property, Plant and Equipment" and FRS 140 "Investment property"**

Prior to 1 January 2010, property being constructed or developed for future use as investment property is classified as property, plant and equipment until the construction or development is completed. Upon the adoption of the Amendments to FRS 116 and FRS 140, such property is accounted for as investment property rather than property, plant and equipment.

The effects arising from the adoption of the Amendments to FRS 116 and FRS 140 are as follows:-

i. The adoption of the above amendments has the following effects:

|                               | Increase/(decrease) |
|-------------------------------|---------------------|
|                               | RM'000              |
| Property, plant and equipment | (24,907)            |
| Investment properties         | 24,907              |

ii. Since Amendments to FRS 116 and FRS 140 are applied prospectively, no restatement of comparative figures is required for statement of financial position as at 31 December 2009.

**3. Audit Opinion on 2009 Financial Statements**

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2009 was not subject to any qualification.

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

**4. Segment Reporting**

|                                | Property<br>Development<br>RM'000 | Property<br>Investment<br>RM'000 | Hospitality,<br>Leisure & Health<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--------------------------------|-----------------------------------|----------------------------------|--|------------------|-----------------------|------------------------|
| <b>31 March 2010</b>           |                                   |                                  |  |                  |                       |                        |
| Revenue                        | 37,157                            | 4,674                            | 24,229                                     | -                |                       | 66,060                 |
| External sales                 |                                   |                                  |  |                  |                       |                        |
| Inter-segment sales            | 6,423                             | 536                              | 8,005                                      | 1,249            | (16,213)              | -                      |
| Total revenue                  | 43,580                            | 5,210                            | 32,234                                     | 1,249            | (16,213)              | 66,060                 |
| <b>Results</b>                 |                                   |                                  |  |                  |                       |                        |
| Segment results                | 18,353                            | 782                              | 1,434                                      | (208)            | (1,056)               | 19,305                 |
| Finance costs                  |                                   |                                  |  |                  |                       | (6,094)                |
| Share of results of associates | (30)                              | -                                | -  | -                | -                     | (30)                   |
| Profit before tax              |                                   |                                  |  |                  |                       | 13,181                 |
| Income tax expenses            |                                   |                                  |  |                  |                       | (4,277)                |
| Profit after tax               |                                   |                                  |  |                  |                       | 8,904                  |
| Minority interests             |                                   |                                  |  |                  |                       | 139                    |
| Net profit for the period      |                                   |                                  |  |                  |                       | 9,043                  |

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

**4. Segment Reporting (Contd.)**

|                                | Property<br>Development<br>RM'000 | Property<br>Investment<br>RM'000 | Hospitality,<br>Leisure & Health<br>RM'000 | Others<br>RM'000 | Elimination<br>RM'000 | Consolidated<br>RM'000 |
|--------------------------------|-----------------------------------|----------------------------------|--|------------------|-----------------------|------------------------|
| <b>31 March 2009</b>           |                                   |                                  |  |                  |                       |                        |
| <b>Revenue</b>                 |                                   |                                  |  |                  |                       |                        |
| External sales                 | 6,441                             | 2,872                            | 23,526                                     | -                |                       | 32,839                 |
| Inter-segment sales            | 1,034                             | 770                              | 3,105                                      | 1,177            | (6,086)               | -                      |
| <b>Total revenue</b>           | <b>7,475</b>                      | <b>3,642</b>                     | <b>26,631</b>                              | <b>1,177</b>     | <b>(6,086)</b>        | <b>32,839</b>          |
| <b>Results</b>                 |                                   |                                  |  |                  |                       |                        |
| Segment results                | 3,260                             | 314                              | (2,163)                                    | (173)            | (766)                 | 472                    |
| Finance costs                  |                                   |                                  |  |                  |                       | (6,133)                |
| Share of results of associates | 86                                | -                                | -  | -                | -                     | 86                     |
| Loss before tax                |                                   |                                  |  |                  |                       | (5,575)                |
| Income tax expenses            |                                   |                                  |  |                  |                       | 66                     |
| Loss after tax                 |                                   |                                  |  |                  |                       | (5,509)                |
| Minority interests             |                                   |                                  |  |                  |                       | 765                    |
| Net loss for the period        |                                   |                                  |  |                  |                       | (4,744)                |

**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. Change in Estimate**

There were no changes in method of estimates that have a material effect in the current financial period under review.

**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 and investment properties have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2009.

**10. Issuance or Repayment of Debt and Equity Securities**

There were no issuance, repurchases, cancellations, resale and repayment of debt and equity securities during the current financial period under review.

**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 except for the following:

- (a) On 11 January, 2010, a subsidiary of the Company, Golden Horse Palace Bhd entered into a Sale and Purchase of Shares Agreement with Mr. Yip Chun Mun and Mr. Loke Kim Wan ("the Vendors") to acquire the entire equity interest in Mines Marketing Sdn Bhd comprising 100,000 ordinary shares of RM1 each from the Vendors for a cash consideration of RM100,000 on a "willing buyer-willing seller" basis.

**11. Changes in the Composition of the Group (Contd.)**

- (b) On 1 March, 2010, Country Heights Resorts & Leisure Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Sale and Purchase of Shares Agreement with Golden Horse Palace Bhd ("GHPB"), a subsidiary of the Company to dispose of RM2,600,000 ordinary shares of RM1 each, representing 100% of the issued and paid-up share capital of Country Heights Lifestyle Bhd ("CHLB") to GHPB for a cash consideration of RM1.

Following the disposal, CHLB became a wholly-owned subsidiary of GHPB and in turn still an indirect subsidiary of the Company. There would be a no gain or loss from the said disposal to the Group.

- (c) On 11 March, 2010, Mines International Exhibition Centre Sdn Bhd (the "Vendor"), an indirect wholly-owned subsidiary of the Company entered into a Share Purchase Agreement ("the Agreement") with Tan Sri Lee Kim Tiong @ Lee Kim Yew ("the Purchaser") to dispose of its entire 70% equity interest in Mines Exhibition Management Sdn Bhd ("MEMSB") comprising 14,000 ordinary shares of RM1 each for a total consideration of RM12,865 ("the Disposal").

However in the event of any variation and/or changes to the Net Tangible Assets of MEMSB pending finalization of the audited financial statements as at 31 December, 2009, the Vendor shall warrant with the Purchaser to adjust the purchase price accordingly. In the event it is a Net Tangible Liabilities after finalization of the audited financial statements as at 31 December, 2009, the purchase price amounting to RM12,865 paid by the Purchaser under the agreement shall be adjusted to RM1 only and the balance amount shall be refunded by the Vendor to the Purchaser accordingly.

**12. Capital Commitments**

There were no material changes in capital commitments since the last audited balance sheet as at 31 December 2009.



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

---

**13. Contingent Liabilities / Assets**

There are no material contingent liabilities since the last audited balance sheet as at 31 December 2009 except as disclosed in Note 25 (a) to (e). No material contingent assets except as disclosed in Note 25 (f) to (g) 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 have not been reflected in the financial statements of the Group for the 1<sup>st</sup> quarter ended 31 March 2010.

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

---

**15. Review of To Date Performance (against previous year)**

The Group recorded a more than 100% increase in revenue for the 1<sup>st</sup> quarter ended 31 March 2010 of RM66.1 million as compared to RM32.8 million in the previous corresponding quarter ended 31 March 2009. As a result, the Group reported a profit before tax for the 1<sup>st</sup> quarter ended 31 March 2010 of RM13.2 million compared a loss before tax of RM5.6 million in the previous corresponding quarter ended 31 March 2009. The significantly improved performance was mainly contributed by higher property sales, especially from Country Heights Damansara.

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

The Group was able to maintain a similar level of revenue and profitability compared to the preceding quarter largely due to the strong demand for properties. The Group's revenue and profit before tax ("PBT") for the 1<sup>st</sup> quarter ended 31 March 2010 were RM66.1 million and RM13.2 million respectively compared to revenue of RM64.5 million and PBT of RM15.1 million in the last quarter ended 31 December 2009.

**17. Commentary on Prospects**

The Group remains focused on its core activities which are Property Development, Property Investment and Hospitality, Leisure and Health. While the sales of existing inventories continue to be emphasized, the Property Development division has planned a number of new project launchings in year 2010. Our Cyberjaya and Kolej Heights Utara projects which comprise 145 units of condominium and 194 units of Sport Living Super Link Homes respectively are expected to be launched in the 4<sup>th</sup> Quarter of year 2010.

Furthermore, in Cyberjaya there are also planned future launches of high rise condominiums and superlink houses. New developments are also currently at various stages of planning in Country Heights Kajang, Country Heights Damansara and The Mines Resort City.

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

---

**17. Commentary on Prospects (Contd.)**

In an effort to strengthen and sustain its competitiveness, the Group will continue to focus on improving its cost and resource management. A comprehensive business review and improvement in business processes is currently being reexamined for the Group to bring about greater efficiency in order to improve its costs and in turn increase its profitability.

The Group continues to place strong emphasis on strengthening its business model adding long-term value and maximizing shareholder benefits and returns as well as building the confidence of investors and customers.

**18. Variance on Profit Forecast / Profit Guarantee**

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

**19. Income Tax Expenses**

|                  | 3 months ended |             |
|------------------|----------------|-------------|
|                  | 31-Mar-10      | 31-Mar-09   |
|                  | RM'000         | RM'000      |
| Income tax:      |                |             |
| - current period | 3,828          | 216         |
| - deferred tax   | 449            | (282)       |
|                  | <u>4,277</u>   | <u>(66)</u> |

The effective tax rate of the Group for the current financial year was higher than the applicable tax rate due to deferred tax assets not recognized in respect of unabsorbed losses. Deferred tax assets will be recognized to the extent that it is probable that future taxable profits will be available against which the unabsorbed losses can be utilized. Furthermore, certain expenses were also not deductible for tax purposes.

**20. Sale of Unquoted Investments/ Properties**

There was no sale of unquoted investments/ properties during the quarter under review.

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

---

**21. Purchase and Sale of Quoted Securities**

(a) There were no sales or purchase of quoted securities during the quarter under review.

(b) The available-for-sale Investments in quoted securities as at 31 March 2010 are as follows:

|   | <b>As at</b>     |
|---|------------------|
|   | <b>31-Mar-10</b> |
|   | <b>RM'000</b>    |
| Total investments at cost                                   | 239              |
| Total investments at carrying value/ book value             | 144              |
| Total investment at market value at end of reporting period | 144              |

**22. Corporate Proposals**

**(a) Status of Corporate Proposals**

There were no corporate proposals previously announced but not completed as at 22 May 2010.

**(b) Status of Utilisation of Proceeds from Corporate Proposal**

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

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

**23. Borrowings**

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

|   | Short-term<br>RM'000 | Long-term<br>RM'000 | Total<br>RM'000 |
|---|----------------------|---------------------|-----------------|
| <b>Secured</b>  |                      |                     |                 |
| Bank overdrafts   | 1,978                | -                   | 1,978           |
| Revolving credits   | -                    | 3,078               | 3,078           |
| Term loan   | 175                  | 2,216               | 2,391           |
| Bonds   | 150,000              | -                   | 150,000         |
| Redeemable Secured Loan Stock<br>(‘RSLs Series B’)        | -                    | 68,822              | 68,822          |
| Bank Guaranteed Commercial Paper<br>and Medium Term Notes | 4,994                | 84,970              | 89,964          |
| <b>Total secured borrowings</b>                           | <b>157,147</b>       | <b>159,086</b>      | <b>316,233</b>  |
| <b>Unsecured</b>  |                      |                     |                 |
| Bank overdrafts   | -                    | -                   | -               |
| Revolving credits   | 14,800               | 16,324              | 31,124          |
| Hire purchase & lease creditors                           | 523                  | 1,258               | 1,781           |
| <b>Total unsecured borrowings</b>                         | <b>15,323</b>        | <b>17,582</b>       | <b>32,905</b>   |
| Comprising:   |                      |                     |                 |
| Local borrowings  | 172,470              | 176,668             | 349,138         |
| Foreign borrowings  | -                    | -                   | -               |
| <b>Total borrowings</b>                                   | <b>172,470</b>       | <b>176,668</b>      | <b>349,138</b>  |

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.

**24. Off Balance Sheet Financial Instruments**

There are no financial instruments with off balance sheet risk as at 22 May 2010, the latest practicable date which is not earlier than 7 days from the date of issuance of this report.

**25. Material Litigation**

Save for the following, neither the Company nor its subsidiaries are engaged in any material litigation, either as plaintiff or defendant, and the Directors of the Company do not have any knowledge of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which might adversely and materially affect the position or business of the Group, as at 22 May 2010, a date not earlier than 7 days from the date of issuance of this report. The material litigations are:

(a) Bungalow land (Lot 428 Country Heights Damansara) was purchased by Loh Kum Seng and 2 others (“the Plaintiffs”) from Country Heights Properties Sdn Bhd (“the 1<sup>st</sup> Defendant”) and Mega Palm Sdn Bhd (“the 2<sup>nd</sup> Defendant”) (collectively referred to as “the Defendants”) vide a Sale and Purchase Agreement dated 15 December 2001 (“the SPA”). The Plaintiff was to build a bungalow on the said land. Prior to the building of the bungalow, the Plaintiff was required to obtain approval of the building plan from the relevant authorities. The Plaintiff was subsequently informed by the authorities that the issuance of the approval of the building plan required the submission of the individual title to the said land. At that time, the master titles to the land at Country Heights Damansara had yet to be subdivided and individual titles had yet to be issued by the relevant authority. Pursuant to the SPA, the Defendants' obligation was to deliver vacant possession within 24 months from date of the SPA. The Defendants delivered the same within the time stipulated. The Plaintiff filed the following claims against the following parties on 20 June 2007.

- (i) The 1<sup>st</sup> Defendant
  - RM361,522.78 being late interest of 10% on the purchase price calculated from the due date of delivery of vacant possession (15 December 2003) to the date of receipt of approval to the building plan (23 June 2006) and RM6,458.00 being the refund of service charges paid by the Plaintiff to the 1<sup>st</sup> Defendant;
  
- (ii) The 2<sup>nd</sup> Defendant
  - RM1,189.00 being the refund of service charges paid by the Plaintiff to the 2<sup>nd</sup> Defendant.

**25. Material Litigation (Contd.)**

The Defendants filed their Statement of Defence on 23 July 2007. The court has now fixed next case management on 22 June 2010 to enable the Defendant's solicitor to prepare the Questions & Answers to the witnesses.

- (b) On 26 August 2008, Singham Sulaiman Sdn Bhd (Trading as Jones Lang Wootton) as the Plaintiff has through its solicitors issued and sent to Country Heights Holdings Berhad as the 1<sup>st</sup> Defendant and Mega Palm Sdn Bhd as the 2<sup>nd</sup> Defendant (collectively called "the Defendants") a demand notice dated 26 August 2008 demanding a sum of RM1,214,069.47 together with late payment charges of 1.25% per month on the outstanding sum beginning from 27 July 2008 till full settlement to be paid by the Defendants for an alleged payment of real estate agency fees. Subsequently on 26 May 2009, the Plaintiff has through its solicitors served on the Defendants a copy of the sealed "Writ of Summon" and Statement of claim both dated 16 April 2009. The Defendants denied the Plaintiff's claim and filed Notice of Appearance in court. On 23 June 2009, the Defendants filed application to strike out the above suit. The matter is currently fixed for case management on 22 February 2010 pending exchange of affidavits between the parties. The Court subsequently fixed the hearing for the Defendant's application on 8 April 2010 and the Plaintiff's Notice to Attend Pre-trial case management is fixed for case management on 30 April 2010. The Defendant's application came up for hearing on 8 April 2010 whereby the Court partly allowed the Defendant's application and has struck out the Plaintiff's suit against the 1<sup>st</sup> Defendant and the Plaintiff's claim against the 2<sup>nd</sup> Defendant will proceed to trial. The Court has now fixed the matter for next case management on 29 June 2010.
- (c) By a summons dated 20 January 2010, the Government of Malaysia ("Plaintiff") has filed a claim against Country Heights Holdings Berhad ("CHHB") for Real Property Gains Tax for the Year of Assessment 1993, 1998 and 1999 amounting to the sum of RM22,617,311.49 together with interest at 8% thereon. The Plaintiff has on 5 February 2010 served the Summon on CHHB. CHHB has on 10 February 2010 filed the memorandum of appearance and the statement of defence was filed on 18 March 2010. CHHB has subsequently filed the application for Order 14A on 31 March 2010 and the Court has fixed hearing of CHHB's application on 21 July 2010.

**25. Material Litigation (Contd.)**

- (d) By a Summons dated 12 February 2010, Kamarul Jaman Bin Seeni Mohideen trading as PJ Baiduri Restaurant ("the Plaintiff") has filed a claim against Mines Shopping Fair Sdn Bhd ("the Defendant") for RM3,350,000.00 together with an interest at 8% per annum from 12 February 2010 till the date of full settlement, being loss and damages suffered by the Plaintiff for the Defendant's alleged breach of the Tenancy Agreement dated 6 August 2007 as alleged by the Plaintiff. The Plaintiff has on 16 March 2010 served the Summons on the Defendant. Solicitors for the Defendant have on 19 March 2010 filed the memorandum of appearance in court and the Statement of Defence has been filed on 1 April 2010.
- (e) By a Summons dated 20 January 2010, the Government of Malaysia ("the Plaintiff") filed a suit against Timbang Makmur Sdn Bhd ("the Defendant") for the sum of RM1,812,217.00 together with interest at 8% thereon in relation to unpaid real property gains tax for the year 1998 for the acquisition of 500,000 shares in Mines Wonderland Sdn Bhd. Solicitors for the Defendant have filed the Memorandum of Appearance on 1 April 2010 and the Statement of Defence was filed on 14 April 2010.
- (f) On 7 April 2003, Nasmaya Juara Sdn Bhd ("NJSB"), a wholly-owned subsidiary of CHHB filed a claim against CH Builder Sdn Bhd ("1<sup>st</sup> Defendant") and Soon Cheng Ooi ("2<sup>nd</sup> Defendant") for the sum of RM1,497,314 together with interest of 8% thereon and to restrain the Defendants either directly or through their agents from disposing of materials purchased by NJSB and to compel the Defendants to deliver the materials to NJSB. The 1<sup>st</sup> Defendant was wound up on 25 November 2003 at the High Court of Penang vide Petition No. 2-28-22-2003 by NYC Engineering Sdn Bhd. In these circumstances and upon solicitor's advice the NJSB filed proof of debt against the first Defendant.

Solicitors for the NJSB has prepared draft amendments to the writ and the amended Statement of Claim and the Senior Assistance Registrar ("SAR") has yet to fix hearing for application to amend the Statement of Claim. The matter was eventually fixed for case management before the Deputy Registrar on 8 March 2010 and was subsequently adjourned to 23 March 2010 for NJSB's Solicitor to file the application to amend the Writ and the Amended Statement of claim.



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

---

**25. Material Litigation (Contd.)**

Subsequently, NJSB's Solicitor conducted an official bankruptcy search against the 2<sup>nd</sup> Defendant on 17 March 2010 and the said search revealed that the 2<sup>nd</sup> Defendant was an undischarged bankrupt. Accordingly, NJSB instructed its Solicitor on 22 March 2010 to discontinue with the legal suit against the 2<sup>nd</sup> Defendant and to proceed with filing of Proof of Debt against the 2<sup>nd</sup> Defendant.

- (g) On 11 November 2005, Country Heights Holdings Berhad ("CHHB") filed a claim against Rating Agency Malaysia Berhad ("RAM") in the High Court of Kuala Lumpur for amongst others, negligent, untrue and defamatory reports in its rating reviews in respect of the Redeemable Bonds issued by CHHB. RAM applied to strike out CHHB action in the High Court and on 16 January 2007, the Senior Assistant allowed RAM's application to strike out CHHB Statement of Claim. On 14 November 2007, the Judge dismissed CHHB's appeal with costs. Notice of Appeal to the Court of Appeal was filed on 11 December 2007. The Record of Appeal was filed on 7 April 2008. The Court of Appeal has yet to fix hearing date for the appeal.

**26. Dividend Payable**

No interim dividend has been declared for the current financial period under review (31 December 2009: Nil).

**27. Earnings / Loss Per Share**

**(a) Basic**

Basic earnings / loss per share is calculated by dividing profit for the year attributable to equity holders to the parent of RM9.0 million (31 March 2009: loss of RM4.7 million) over the number of 275,707,403 (31 March 2009: 275,707,403) ordinary shares issue during the current financial period under review.

**(b) Diluted**

Not applicable.

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

---

**28. Authorization for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 May 2010.

By Order of the Board

**Mark Victor Rozario**  
Group Managing Director