



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 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Three-Months Period Ended 31 March 2011

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER 31-Mar-11 RM'000	CORRESPONDING QUARTER 31-Mar-10 RM'000	TO DATE 31-Mar-11 RM'000	CORRESPONDING PERIOD 31-Mar-10 RM'000
Revenue	4	41,459	66,060	41,459	66,060
Cost of sales		<u>(13,093)</u>	<u>(23,234)</u>	<u>(13,093)</u>	<u>(23,234)</u>
Gross profit		28,366	42,826	28,366	42,826
Other operating income		3,642	1,627	3,642	1,627
Selling and marketing expenses		(2,265)	(1,810)	(2,265)	(1,810)
Administrative expenses		(6,240)	(6,640)	(6,240)	(6,640)
Other operating expenses		(16,241)	(16,698)	(16,241)	(16,698)
Finance costs		(4,600)	(6,094)	(4,600)	(6,094)
Share of results of associates		<u>268</u>	<u>(30)</u>	<u>268</u>	<u>(30)</u>
Profit before tax		2,930	13,181	2,930	13,181
Income tax expenses	19	<u>(1,086)</u>	<u>(4,277)</u>	<u>(1,086)</u>	<u>(4,277)</u>
Profit / for the period		<u>1,844</u>	<u>8,904</u>	<u>1,844</u>	<u>8,904</u>
Other comprehensive income/(loss), net of tax					
Foreign currency translation differences		(84)	(20)	(84)	(20)
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>(84)</u>	<u>(8)</u>	<u>(84)</u>	<u>(8)</u>
Total comprehensive income for the period		<u>1,760</u>	<u>8,896</u>	<u>1,760</u>	<u>8,896</u>



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For the Three-Months Period Ended 31 March 2011

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		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER 31-Mar-11 RM'000	CORRESPONDING QUARTER 31-Mar-10 RM'000	TO DATE 31-Mar-11 RM'000	CORRESPONDING PERIOD 31-Mar-10 RM'000
Profit/(loss) attributable to :					
Equity holders of the Company		2,286	9,043	2,286	9,043
Non-controlling interests		<u>(442)</u>	<u>(139)</u>	<u>(442)</u>	<u>(139)</u>
Profit for the period		<u><u>1,844</u></u>	<u><u>8,904</u></u>	<u><u>1,844</u></u>	<u><u>8,904</u></u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the Company		2,202	9,035	2,202	9,035
Non-controlling interests		<u>(442)</u>	<u>(139)</u>	<u>(442)</u>	<u>(139)</u>
Total comprehensive income for the period		<u><u>1,760</u></u>	<u><u>8,896</u></u>	<u><u>1,760</u></u>	<u><u>8,896</u></u>
Earnings per share attributable to ordinary equity holders of the Company (sen):					
- Basic	27 (a)	0.83	3.28	0.83	3.28
- Diluted	27 (b)	NA	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 2010 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 2011

	Note	31-Mar-11 (Unaudited) RM'000	31-Dec-10 (Audited) RM'000
ASSETS			
Non-current assets			
Hotel properties and exhibition centre & showroom	9	335,973	337,014
Other property, plant and equipment	9	90,329	89,356
Property, plant and equipment		<u>426,302</u>	<u>426,370</u>
Investment properties	9	109,428	108,394
Prepaid land lease payments		342,948	344,025
Land held for property development		182,794	182,446
Investment in associates		4,102	3,834
Available-for-sale financial asset	21	2,174	1,005
Long-term trade receivables		25,847	25,101
Deferred tax assets		6,970	7,093
		<u>1,100,565</u>	<u>1,098,268</u>
Current assets			
Property development costs		71,659	74,048
Inventories		126,855	129,616
Trade and other receivables		47,040	69,162
Tax recoverable		5,537	5,643
Cash and bank balances		94,182	75,981
		<u>345,273</u>	<u>354,450</u>
TOTAL ASSETS		<u>1,445,838</u>	<u>1,452,718</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		275,707	275,707
Share premium		57,251	57,251
Other reserves		158,397	158,947
Retained earnings		220,235	217,483
Shareholders' equity		<u>711,590</u>	<u>709,388</u>
Non-controlling interests		26,973	27,415
Total equity		<u>738,563</u>	<u>736,803</u>
Non-current liabilities			
Borrowings	23	147,902	147,894
Long-term liabilities		4,800	4,800
Deferred Income		36,012	35,337
Deferred tax liabilities		85,089	85,337
		<u>273,803</u>	<u>273,368</u>
Current liabilities			
Borrowings	23	204,992	205,066
Trade and other payables		165,509	172,878
Tax liabilities		62,009	63,622
Deferred Income		962	981
		<u>433,472</u>	<u>442,547</u>
Total Liabilities		<u>707,275</u>	<u>715,915</u>
TOTAL EQUITY AND LIABILITIES		<u>1,445,838</u>	<u>1,452,718</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.58	2.57

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011

	Attributable to Equity Holders of the Company				Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Earnings		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2011, as previously stated	275,707	57,251	158,947	217,483	27,415	736,803
Profit for the year	-	-	-	2,286	(442)	1,844
Other comprehensive income/(loss)	-	-	(550)	466	-	(84)
Total comprehensive income / (loss)	-	-	(550)	2,752	(442)	1,760
At 31 March 2011	275,707	57,251	158,397	220,235	26,973	738,563
At 1 January 2010	275,707	57,251	160,854	198,626	29,041	721,479
Effect of adoption of FRS 139	-	-	-	2,787	-	2,787
Total comprehensive income / (loss) for the year	-	-	(474)	9,509	(139)	8,896
At 31 March 2010	275,707	57,251	160,380	210,922	28,902	733,162

(The Unaudited Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2011

	CURRENT YEAR TO DATE 31-Mar-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,930	13,181
Adjustments for:		
Allowance for doubtful debts	1,110	1,248
Allowance for doubtful debts written back	(6)	-
Amortisation of deferred income	(241)	(248)
Amortisation of prepaid land lease payment	1,077	1,184
Bad debts written off	630	1,126
Depreciation of hotel properties and exhibition centre & showroom	1,040	1,039
Depreciation of other property, plant and equipment	1,618	1,826
Fair value adjustment of long term receivable	(24)	-
Loss / (Gain) on disposal of investment properties	15	-
Interest expense	4,600	6,094
Interest income	(384)	(72)
Loss on disposal of other investments	1	-
Gain on disposal of other property, plant and equipment	(32)	-
Net foreign loss / (gain)	1	1
Other property, plant & equipment written off	11	-
Reversal of deferred income	-	(98)
Reversal of impairment losses in value of other investments	(1,169)	-
Share of results of associates	(268)	30
Operating profit before working capital changes	10,909	25,311
Changes in working capital:		
Inventories	2,761	1,249
Property development costs	2,041	5,753
Receivables	19,665	(10,438)
Deferred income	897	1,176
Payables	(9,439)	(18,674)
Cash generated from operations	26,834	4,377
Tax paid	(2,717)	(75)
Interest paid	(3,113)	(1,151)
Net cash generated from / (used in) operating activities	21,004	3,151



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three-Months Period Ended 31 March 2011

	CURRENT YEAR TO DATE 31-Mar-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-10 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(2,104)	(665)
Expenditure on investment properties	(1,499)	(567)
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	513
Proceeds from disposal of other property, plant & equipment	34	7
Proceeds from disposal of investment properties	450	-
Interest received	384	72
Net cash used in investing activities	<u>(2,735)</u>	<u>(640)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Hire purchase and lease creditors	(126)	(157)
Repayment of revolving credits	(1,400)	(507)
Repayment of term loans	(39)	(39)
Net cash used in financing activities	<u>(1,565)</u>	<u>(703)</u>
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	16,704	1,808
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>75,523</u>	<u>31,216</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>92,227</u>	<u>33,024</u>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	94,182	35,002
Bank Overdrafts	(1,955)	(1,978)
	<u>92,227</u>	<u>33,024</u>

(The Unaudited Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 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 2010. 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 2010.

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 2010, 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 March 2010

FRS 132 Financial Instruments: Presentation(Amendments relating to classification of right issue)

1 July 2010

FRS 1 First-time Adoption of Financial Reporting Standards (Revised)

FRS 2 Share-based Payment (Amendment relating to scope of FRS 2 and revised FRS 3)

FRS 3 Business Combination (Revised)

FRS 5 Non-current Asset Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)

FRS 127 Consolidated and Separate Financial Statements (Revised)

FRS 138 Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)

FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)

IC Interpretation 9 Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)



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

2. Changes in Accounting Policies (Contd.)

IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
1 January 2011	
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)
FRS 2	Share-based Payment (Amendments relating to group cash settled share-based payment transactions)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
Improvements to FRSs issued in 2010	
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 18	Transfer of Assets from Customers

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.

At the date of authorization of this interim financial statements, the FRSs, IC Interpretations and amendment to FRSs and IC Interpretations which were issued but not yet effective are listed below:

FRS 124	Related Party Disclosure (Revised)*
IC Interpretation 15	Agreements for the Construction of Real Estate**
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments***

* Effective for annual periods beginning on or after 1 January 2012

** Original effective date of 1 July 2009 deferred to 1 January 2012 via amendment issued by MASB on 30 August 2011

*** Effective for annual periods beginning on or after 1 July 2011



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

2. Changes in Accounting Policies (Contd.)

The directors anticipate that the adoption of the above standards and interpretations, when they become effective, are not expected to be relevant or have material impact on the financial statements of the Group except for IC Interpretation 15 that the impact of the eventual application of the Interpretation is not known or reasonably estimable presently.

3. Audit Opinion on 2009 Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2010 was not subject to any qualification.

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

4. Segment Reporting

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2011						
Revenue						
External sales	13,747	3,854	23,110	748		41,459
Inter-segment sales	874	581	7,670	1,098	(10,223)	-
Total revenue	14,621	4,435	30,780	1,846	(10,223)	41,459
Results						
Segment results	7,134	469	1,010	485	(1,836)	7,262
Finance costs						(4,600)
Share of results of associates	442	-	-	-	-	268
Profit before tax						2,930
Income tax expenses						(1,086)
Profit after tax						1,844
Minority interests						442
Net profit for the period						2,286



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

4. Segment Reporting (Contd.)

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 March 2010						
Revenue	37,157	4,674	24,229	-		66,060
External sales	6,423	536	8,005	1,249	(16,213)	-
Inter-segment sales	43,580	5,210	32,234	1,249	(16,213)	66,060
Total revenue						
Results						
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

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 2010.

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) Country Heights Promotion Limited, a wholly owned subsidiary company incorporated in British Virgin Islands had been automatically struck off from the British Virgin Island Registry with effect from 1 May 2011.
- (b) Speedbuild Sdn Bhd, a wholly owned dormant subsidiary has been struck off from the Register of Companies Commission of Malaysia pursuant Section 308 of the Companies Act 1965 effective from 4 May 2011.

12. Capital Commitments

There were no material changes in capital commitments since the last audited balance sheet as at 31 December 2010.



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 2010 except as disclosed in Note 25 (a) to (e). There is no material contingent assets as at the date of this report.

14. Subsequent event

There was no material event subsequent to the end of the current financial period that have not been reflected in the financial statements of the Group for the 1st quarter ended 31 March 2011.



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 lower revenue of RM41.5 million for the 1st quarter ended 31 March 2011 as compared to RM66.1 million in the previous corresponding quarter ended 31 March 2010. This is mainly due to lower revenue recorded by the Property Development Division whereby the sales from the new launched in Kolej Heights Utara have yet to be recognized as is based on the percentage of completion. As a result, profit before tax of RM2.9 million was recorded for the 1st quarter ended 31 March 2011 compared to RM13.2 million in the previous corresponding quarter ended 31 March 2010.

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

The Group's revenue for the 1st quarter reduced by RM25.6 million to RM41.5 million as compared to the last quarter ended 31 December 2010 of RM67.1 million. Profit before tax of RM2.9 million was recorded for the 1st quarter 2011 compared to profit before tax of RM10.8 million in last quarter ended 31 December 2010. Lower revenue and profit before tax is mainly due to lower revenue recorded in all three divisions.

17. Commentary on Prospects

The Malaysian economy is expected to remain strong for the Year 2011 as there are positive signs for implementation of key projects under the 10th Malaysia Plan and the Economic Transformation Program. The Group is confident that its core activities of Property Development, Property Investment and Hospitality, Leisure and Health will benefit from this positive economic growth. The impact of rising oil prices due to uncertainty in the Middle East and possibility of supply disruptions due to the spillover effects from the Japanese earthquake are however causes for concern as these could dampen sentiments and affect demand in certain sectors.

The Property Development Division maintains its focus on the sales of existing inventories, but has also planned a number of new project launchings in the next 12 months. The Cyberjaya project is expected to be launched in the coming quarters of 2011. New developments are also currently at various stages of planning in Cyberjaya, Country Heights Kajang 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.)

The Group expects to see further growth in the Health Division. Golden Horses Health Sanctuary (“GHHS”), which is part of the division has launched the new Health Screening and Preventive Clinic with 40,000 square feet at Palace of the Golden Horses. This is a one-stop centre for wellness needs that infuses preventive methods. It is a place for wellbeing equipped with modern technology in a resort environment. Moreover, GHHS has recently launched a new membership scheme at Palace of the Golden Horses in Kuala Lumpur and Borneo Highlands Resort in Sarawak.

A further impetus was the announcement on 11 January 2011 by Dato’ Sri Mohd Najib bin Tun Abdul Razak, Prime Minister of Malaysia that **Mines Wellness City (“MWC”)** has been designated as an entry point project under the government’s Economic Transformation Plan (ETP).

The MWC project is envisioned to transform the landscape of Southern Kuala Lumpur to become the country’s premier health and tourism landmark. MWC will therefore be well positioned to attract potential customers, tenants, investors and co-branders partners to benefit from the cluster effect of the synergistic businesses.

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-11	31-Mar-10
	RM’000	RM’000
Income tax:		
- current period	1,231	3,828
- over provision	(21)	-
- deferred tax	(124)	449
	1,086	4,277

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



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

19. Income Tax Expenses (Contd.)

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.

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 2011 are as follows:

	As at 31-Mar-11 RM'000
Total investments at cost	239
Total investments at carrying value/ book value	189
Total investment at market value at end of reporting period	189

22. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals previously announced but not completed as at 24 May 2011.

(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 RM'000	Long-term RM'000	Total RM'000
Secured			
Bank overdrafts	1,954	-	1,954
Revolving credits	1,303	-	1,303
Term loan	84,452	77,603	162,055
Bonds	-	-	-
Redeemable Secured Loan Stock (‘RSLs Series B’)	68,822	-	68,822
Bank Guaranteed Commercial Paper and Medium Term Notes	30,000	56,765	86,765
Total secured borrowings	186,531	134,368	320,899
Unsecured			
Bank overdrafts	-	-	-
Revolving credits	18,000	12,800	30,800
Hire purchase & lease creditors	461	734	1,195
Total unsecured borrowings	18,461	13,534	31,995
Comprising:			
Local borrowings	204,992	147,902	352,894
Foreign borrowings	-	-	-
Total borrowings	204,992	147,902	352,894

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.

24. Disclosure requirements pursuant to implementation of FRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 March 2011 and there have been no changes in derivatives since 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.



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

25. Retained earnings

The breakdown of the retained profits 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 Security Berhad listing requirement as issued by the Malaysian Institute of Accountants.

	As at 31- Mar- 11 RM'000	As at 31-Dec -10 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	361,569	352,025
- Unrealised	<u>(13,677)</u>	<u>(5,872)</u>
	347,892	346,153
 Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	951	683
	<u>348,843</u>	<u>346,836</u>
Less: Consolidated adjustments	(128,608)	(129,353)
 Total group retained profits as per consolidated accounts	<u><u>220,235</u></u>	<u><u>217,483</u></u>



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
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26. 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 24 May 2011, a date not earlier than 7 days from the date of issuance of this report. The material litigations are:

- (a) 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 1st Defendant and Mega Palm Sdn Bhd as the 2nd 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 Summons" 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 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 was 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 1st Defendant and the Plaintiff's claim against the 2nd Defendant will proceed to trial. The Court has now fixed next mention on 1 December 2010 for the Plaintiff to inform the Court of the status of the Plaintiff's application for amendment on the Writ of Summons and Statement of Claim. The Court has fixed 27 June 2011 for next case management pending close of pleadings and subsequently, the Court has fixed the Plaintiff's application for amendment of their Writ of Summons and Statement of Claim for decision on 19 May 2011.



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26. Material Litigation (Contd.)

- (b) 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 Summons 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. On 30 July 2010 the Order 14A application was dismissed with costs. Notice of Appeal to the Court of Appeal was filed on 23 August 2010. Application for stay of proceedings was filed and the same is fixed for case management on 17 January 2011. The application for stay of proceedings came up for hearing before the High Court Judge on 24 February 2011 and the said application was dismissed with costs. Hearing to hear the motion to file the supplementary record of appeal came up on 8 March 2011 and the Court of Appeal has allowed the said application. On 6 April 2011, the final order together with the amended and approved judgment was filed in the Court. A hearing date will now be fixed to hear CHHB's appeal to the decision of High Court's Order 14A application which was dismissed on 30 July 2010.
- (c) 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. On 29 June 2010, Court has directed both parties to prepare bundle of pleadings, common bundle of documents, issues to be tried, statement of agreed facts, summary of case for Plaintiff and Defendant, list of witnesses and witness statement. The Court has fixed 21 June 2011 for next case management and has directed both parties to file all the relevant documents in Court.



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26. Material Litigation (Contd.)

- (d) 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 and the application to strike out the Summons was filed on 25 May 2010. The Court has now fixed hearing on 30 June 2011 for our application to strike out the Plaintiff’s Summons.
- (e) 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 fixed hearing for the appeal on 13 October 2010. On 13 October 2010, the Court of Appeal dismissed our Appeal upon hearing of our arguments on the Appeal. The Plaintiff filed application for leave to appeal to the Federal Court on 12 November 2010. The hearing to hear the application for leave to appeal came up on 1 March 2011 the said application was dismissed with cost.

27. Dividend Payable

No interim dividend has been declared for the current financial period under review (31 December 2010: Nil).



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
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28. 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 RM2.3 million (31 Mar 2010: profit of RM9.0 million) over the number of 275,707,403 (31 Mar 2010: 275,707,403) ordinary shares issue during the current financial period under review.

(b) Diluted

Not applicable.

29. 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 31 May 2011.

By Order of the Board

Mark Victor Rozario

Group Managing Director