



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

The Board of Directors of Country Heights Holdings Berhad is pleased to announce the following unaudited results of the Group for the 2nd Quarter ended 30 June 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the Six-Months Period Ended 30 June 2011

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-10 RM'000	CURRENT YEAR TO DATE 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-10 RM'000
Revenue	4	44,877	52,127	86,336	118,187
Cost of sales		<u>(13,234)</u>	<u>(18,563)</u>	<u>(26,327)</u>	<u>(41,797)</u>
Gross profit		31,643	33,564	60,009	76,390
Other operating income		15,042	2,551	18,684	4,178
Selling and marketing expenses		(4,586)	(3,960)	(6,851)	(5,770)
Administrative expenses		(6,755)	(6,335)	(12,995)	(12,975)
Other operating expenses		(19,850)	(18,355)	(36,091)	(35,053)
Finance costs		(4,388)	(6,205)	(8,988)	(12,299)
Share of results of associates		<u>324</u>	<u>464</u>	<u>592</u>	<u>434</u>
Profit before tax		11,430	1,724	14,360	14,905
Income tax expenses	19	<u>(1,063)</u>	<u>(1,349)</u>	<u>(2,149)</u>	<u>(5,626)</u>
Profit / for the period		<u>10,367</u>	<u>375</u>	<u>12,211</u>	<u>9,279</u>
Other comprehensive income/(loss), net of tax					
Foreign currency translation differences		(32)	(38)	(116)	(56)
Fair value of available-for-sale financial assets		-	(17)	-	(6)
Transfer from revaluation reserve to retained earnings upon depreciation transfer on revalued assets		(464)	(466)	(930)	(932)
Realisation of revaluation reserve to retained earnings upon depreciation transfer on revalued assets		464	466	930	932
Other comprehensive loss for the period		<u>(32)</u>	<u>(55)</u>	<u>(116)</u>	<u>(62)</u>
Total comprehensive income for the period		<u>10,335</u>	<u>320</u>	<u>12,095</u>	<u>9,217</u>



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	Note	CURRENT YEAR QUARTER 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-10 RM'000	CURRENT YEAR TO DATE 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-10 RM'000
Profit/(loss) attributable to :					
Equity holders of the Company		10,092	231	12,378	9,274
Non-controlling interests		275	144	(167)	5
Profit for the period		<u>10,367</u>	<u>375</u>	<u>12,211</u>	<u>9,279</u>
Total comprehensive income/(loss) attributable to :					
Equity holders of the Company		10,060	176	12,262	9,212
Non-controlling interests		275	144	(167)	5
Total comprehensive income for the period		<u>10,335</u>	<u>320</u>	<u>12,095</u>	<u>9,217</u>
Earnings per share attributable to ordinary equity holders of the Company (sen):					
- Basic	27 (a)	3.66	0.08	4.49	3.36
- 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 30 JUNE 2011

	Note	30-Jun-11 (Unaudited) RM'000	31-Dec-10 (Audited) RM'000
ASSETS			
Non-current assets			
Hotel properties and exhibition centre & showroom	9	334,936	337,014
Other property, plant and equipment	9	91,533	89,356
Property, plant and equipment		<u>426,469</u>	<u>426,370</u>
Investment properties	9	110,096	108,394
Prepaid land lease payments		341,872	344,025
Land held for property development		183,155	182,446
Investment in associates		4,426	3,834
Available-for-sale financial asset	21	2,174	1,005
Long-term trade receivables		27,597	25,101
Deferred tax assets		6,864	7,093
		<u>1,102,653</u>	<u>1,098,268</u>
Current assets			
Property development costs		65,053	74,048
Inventories		129,719	129,616
Trade and other receivables		44,766	69,162
Tax recoverable		5,542	5,643
Cash and bank balances		46,651	75,981
		<u>291,731</u>	<u>354,450</u>
TOTAL ASSETS		<u>1,394,384</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		157,901	158,947
Retained earnings		230,791	217,483
Shareholders' equity		<u>721,650</u>	<u>709,388</u>
Non-controlling interests		<u>27,248</u>	<u>27,415</u>
Total equity		<u>748,898</u>	<u>736,803</u>
Non-current liabilities			
Borrowings	23	142,426	147,894
Long-term liabilities		4,800	4,800
Deferred Income		36,438	35,337
Deferred tax liabilities		84,940	85,337
		<u>268,604</u>	<u>273,368</u>
Current liabilities			
Borrowings	23	172,320	205,066
Trade and other payables		142,632	172,878
Tax liabilities		60,827	63,622
Deferred Income		1,103	981
		<u>376,882</u>	<u>442,547</u>
Total Liabilities		<u>645,486</u>	<u>715,915</u>
TOTAL EQUITY AND LIABILITIES		<u>1,394,384</u>	<u>1,452,718</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.62	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 Six-Months Period Ended 30 June 2011

	Attributable to Equity Holders of the Company					Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained Earnings	Total		
	RM'000	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	709,388	27,415	736,803
Profit for the year	-	-	(1,046)	12,378	12,378	(167)	12,211
Other comprehensive income/(loss)	-	-	(1,046)	930	(116)	-	(116)
Total comprehensive income / (loss)	-	-	(1,046)	13,308	12,262	(167)	12,095
At 30 June 2011	275,707	57,251	157,901	230,791	721,650	27,248	748,898
At 1 January 2010	275,707	57,251	160,854	198,626	692,438	29,041	721,479
Effect of adoption of FRS 139	-	-	(993)	2,787	2,787	-	2,787
Total comprehensive income / (loss) for the year	-	-	(993)	10,205	9,212	5	9,217
At 30 June 2010	275,707	57,251	159,861	211,618	704,437	29,046	733,483

(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 Six-Months Period Ended 30 June 2011

	CURRENT YEAR TO DATE 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-10 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,360	14,905
Adjustments for:		
Allowance for doubtful debts	3,892	2,874
Allowance for doubtful debts written back	(847)	-
Amortisation of deferred income	(552)	(496)
Amortisation of prepaid land lease payment	2,153	2,153
Bad debts written off	809	1,228
Depreciation of hotel properties and exhibition centre & showroom	2,081	2,080
Depreciation of other property, plant and equipment	3,087	3,512
Fair value adjustment of long term receivable	(24)	-
Loss / (Gain) on disposal of investment properties	15	-
Interest expense	8,988	12,299
Interest income	(763)	(205)
Loss on disposal of other investments	1	-
Gain on disposal of other property, plant and equipment	(64)	(340)
Net foreign loss / (gain)	1	1
Other property, plant & equipment written off	11	3
Reversal of deferred income	(12)	(98)
Reversal of impairment losses in value of other investments	(1,169)	-
Share of results of associates	(592)	(434)
Operating profit before working capital changes	31,375	37,482
Changes in working capital:		
Inventories	(103)	7,273
Property development costs	8,286	7,432
Receivables	18,071	(11,180)
Deferred income	1,787	2,129
Payables	(32,653)	(22,411)
Cash generated from operations	26,763	20,725
Tax paid	(4,997)	(438)
Interest paid	(7,218)	(3,282)
Net cash generated from / (used in) operating activities	14,548	17,005



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Six-Months Period Ended 30 June 2011

	CURRENT YEAR TO DATE 30-Jun-11 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-10 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(4,790)	(5,335)
Expenditure incurred on hotel properties and exhibition centre & showroom	(3)	(200)
Expenditure on investment properties	(2,156)	(1,551)
Acquisition of subsidiary, net of cash and cash equivalent acquired	-	513
Proceeds from disposal of other property, plant & equipment	66	641
Proceeds from disposal of investment properties	450	-
Proceeds from disposal of subsidiaries, net of cash and cash equivalents	-	7
Interest received	763	205
Net cash used in investing activities	(5,670)	(5,720)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	1,733	-
Hire purchase and lease creditors	(246)	(315)
Repayment of Bank Guaranteed Commercial Paper / Medium Term Notes	(37,000)	(4,761)
Repayment of revolving credits	(4,100)	(1,507)
Repayment of term loans	(1,083)	(77)
Drawdown of golf membership loans	-	17
Net cash used in financing activities	(40,696)	(6,643)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(31,818)	4,642
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	75,523	31,216
CASH AND CASH EQUIVALENTS AT END OF YEAR	43,705	35,858
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	46,651	37,073
Bank Overdrafts	(2,946)	(1,215)
	43,705	35,858

(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 2010 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 & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
30 June 2011						
Revenue						
External sales	26,486	9,663	48,651	1,536		86,336
Inter-segment sales	1,727	1,091	16,344	2,596	(21,758)	-
Total revenue	28,213	10,754	64,995	4,132	(21,758)	86,336
Results						
Segment results	10,206	1,869	4,755	15,733	(9,807)	22,756
Finance costs						(8,988)
Share of results of associates	592	-	-	-	-	592
Profit before tax						14,360
Income tax expenses						(2,149)
Profit after tax						12,211
Minority interests						167
Net profit for the period						12,378

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 & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
30 June 2010						
Revenue						
External sales	54,244	10,180	53,764	-		118,188
Inter-segment sales	7,201	1,022	17,782	2,763	(28,768)	-
Total revenue	61,445	11,202	71,546	2,763	(28,768)	118,188
Results						
Segment results	21,022	1,294	4,544	(180)	90	26,770
Finance costs						(12,299)
Share of results of associates	434	-	-	-	-	434
Profit before tax						14,905
Income tax expenses						(5,626)
Profit after tax						9,279
Minority interests						(5)
Net profit for the period						9,274



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 2nd quarter ended 30 June 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 RM44.8 million for the 2nd quarter ended 30 June 2011 as compared to RM52.1 million in the previous corresponding quarter ended 30 June 2010. This was mainly due to a lower revenue recorded by the Property Development Division whereby the sales from the newly launched in Kolej Heights Utara that have yet to be recognized on a percentage of completion. Hospitality & Health Division is performing well and contributed 56% of the total revenue of the Group. Steps have also been taken in cleaning up accounts, striking off dormant companies and writing back unnecessary provisions and debts. As a result, profit before tax of RM11.4 million was recorded for the 2nd quarter ended 30 June 2011 as compared to RM1.7 million in the previous corresponding quarter ended 30 June 2010.

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

The Group's revenue for the 2nd quarter increased by RM3.4 million to RM44.8 million as compared to the last quarter ended 31 March 2011 of RM41.4 million. Profit before tax of RM11.4 million was recorded for the 2nd quarter 2011 compared to profit before tax of RM2.9 million in 1st quarter ended 31 March 2011. The increase was due to better performance in Hospitality & Health Division and other reasons stated above.

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 global economic uncertainties like the on going sovereign debts crisis in Europe and the rising of the US Debts ceiling 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 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 Program (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

	6 months ended	
	30-Jun-11	30-Jun-10
	RM'000	RM'000
Income tax:		
- current period	2,324	6,560
- over provision	(21)	-
- deferred tax	(154)	(934)
	2,149	5,626
	2,149	5,626

The effective tax rate of the Group for the current financial year was lower than the applicable tax rate mainly due to some non-taxable income.



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

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 30 June 2011 are as follows:

	As at 30-June-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 15 August 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	2,946	-	2,946
Revolving credits	403	-	403
Term loan	42	79,250	79,292
Redeemable Secured Loan Stock (‘RSLs Series B’)	68,822	-	68,822
Bank Guaranteed Commercial Paper and Medium Term Notes	-	49,756	49,756
Total secured borrowings	72,213	129,006	201,219
Unsecured			
Bank overdrafts	-	-	-
Revolving credits	16,200	12,800	29,000
Hire purchase & lease creditors	455	620	1,075
Term loan	83,452	-	83,452
Total unsecured borrowings	100,107	13,420	113,527
Comprising:			
Local borrowings	172,320	142,426	314,746
Foreign borrowings	-	-	-
Total borrowings	172,320	142,426	314,746

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 30 June 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 30-Jun-11 RM'000	As at 31-Dec-10 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries:		
- Realised	378,513	352,025
- Unrealised	<u>(14,486)</u>	<u>(5,872)</u>
	364,027	346,153
 Total share of retained profits / (accumulated losses) from associated companies:		
- Realised	1,275	683
	<u>365,302</u>	<u>346,836</u>
Less: Consolidated adjustments	(134,511)	(129,353)
	<u>230,791</u>	<u>217,483</u>
Total group retained profits as per consolidated accounts	<u><u>230,791</u></u>	<u><u>217,483</u></u>



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

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 15 August 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 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 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. On 19 May 2011, the SAR has allowed the Plaintiff Application to amend their Writ of Summons and Statement of Claim with costs to be borne by the Plaintiff. The Defendant has filed the Notice of Appeal to appeal to the judge in chamber of the KL High Court against the decision of the SAR. The court has fixed the notice of appeal for further case management on 18 August 2011 and has directed the solicitors for both parties to simultaneously file and serve their respective written submissions for the appeal during the case management.



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

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. Hearing of CHHB’s appeal to the decision of High Court’s Order 14A application which was dismissed on 30 July 2010 is fixed on 10 August 2011. On 10 August 2011, the Court of Appeal has dismissed CHHB’s appeal.
- (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 further case management on 9 September 2011 for parties to file their common bundle of documents in Court.



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

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 fixed further case management on 6 September 2011 for our application to strike out the Plaintiff’s Summons and statement of claim.

27. Dividend Payable

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

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 RM12.3 million (30 June 2010: profit of RM9.3 million) over the number of 275,707,403 (30 June 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 22 August 2011.

By Order of the Board

Lee Cheng Wen
Group Chief Executive Officer