



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Three Months Period Ended 31 March 2013

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTERS	
		CURRENT YEAR QUARTER 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-12 RM'000	CURRENT YEAR TO DATE 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-12 RM'000
Revenue	4	85,802	46,712	85,802	46,712
Cost of sales		<u>(30,843)</u>	<u>(18,607)</u>	<u>(30,843)</u>	<u>(18,607)</u>
Gross profit		54,959	28,105	54,959	28,105
Interest income		332	267	332	267
Other operating income		1,226	2,785	1,226	2,785
Selling and marketing expenses		(3,170)	(1,778)	(3,170)	(1,778)
Administrative expenses		(6,003)	(6,176)	(6,003)	(6,176)
Other operating expenses		(16,343)	(15,360)	(16,343)	(15,360)
Finance costs		(4,813)	(5,379)	(4,813)	(5,379)
Share of results of jointly controlled entity		(7)	-	(7)	-
Share of results of associate		<u>4</u>	<u>(119)</u>	<u>4</u>	<u>(119)</u>
Profit before tax		26,185	2,345	26,185	2,345
Income tax expense	19	<u>(7,830)</u>	<u>(1,601)</u>	<u>(7,830)</u>	<u>(1,601)</u>
Profit for the period		<u>18,355</u>	<u>744</u>	<u>18,355</u>	<u>744</u>
Other comprehensive income/(loss), net of tax					
Exchange differences on translating foreign operations		(43)	-	(43)	-
Transfer from revaluation reserve to retained earnings upon depreciation on revalued assets		(466)	(466)	(466)	(466)
Realisation of revaluation reserve to retained earnings upon depreciation on revalued assets		466	466	466	466
Other comprehensive income/(loss) for the period		<u>(43)</u>	<u>-</u>	<u>(43)</u>	<u>-</u>
Total comprehensive income for the period		<u>18,312</u>	<u>744</u>	<u>18,312</u>	<u>744</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
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	CURRENT YEAR QUARTER 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-12 RM'000	CURRENT YEAR TO DATE 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-12 RM'000
Profit/(loss) attributable to :				
Equity holders of the Company	18,931	1,342	18,931	1,342
Non-controlling interests	<u>(576)</u>	<u>(598)</u>	<u>(576)</u>	<u>(598)</u>
Profit for the period	<u><u>18,355</u></u>	<u><u>744</u></u>	<u><u>18,355</u></u>	<u><u>744</u></u>
Total comprehensive income/(loss) attributable to :				
Equity holders of the Company	18,888	1,342	18,888	1,342
Non-controlling interests	<u>(576)</u>	<u>(598)</u>	<u>(576)</u>	<u>(598)</u>
Total comprehensive income for the period	<u><u>18,312</u></u>	<u><u>744</u></u>	<u><u>18,312</u></u>	<u><u>744</u></u>
Earnings per share attributable to ordinary equity holders of the Company (sen):				
- Basic	29 (a) 6.87	0.49	6.87	0.49
- Diluted	29 (b) NA	NA	NA	NA

(The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	Note	31-Mar-13 (Unaudited) RM'000	31-Dec-12 (Audited) RM'000
ASSETS			
Non-current assets			
Hotel properties and exhibition centre & showroom	9	327,697	328,737
Other property, plant and equipment	9	94,868	95,968
Property, plant and equipment		422,565	424,705
Investment properties	9	119,668	119,690
Prepaid land lease payments		334,421	335,498
Land held for property development		172,080	171,142
Investment in associate and jointly controlled entity		262	264
Available-for-sale financial assets		2,180	2,186
Long-term trade receivables		15,835	18,459
Deferred tax assets		4,572	6,020
		<u>1,071,583</u>	<u>1,077,964</u>
Current assets			
Property development costs		62,164	48,740
Inventories		122,537	128,242
Trade and other receivables		77,528	73,333
Tax recoverable		6,320	6,268
Cash and bank balances		52,158	63,334
		<u>320,707</u>	<u>319,917</u>
TOTAL ASSETS		<u>1,392,290</u>	<u>1,397,881</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		151,546	152,055
Retained earnings		289,509	270,112
Shareholders' equity		774,013	755,125
Non-controlling interests		27,235	27,811
Total equity		<u>801,248</u>	<u>782,936</u>
Non-current liabilities			
Borrowings	24	62,216	72,049
Long-term liabilities		3,756	3,757
Deferred Income		37,856	36,520
Deferred tax liabilities		81,962	82,120
		<u>185,790</u>	<u>194,446</u>
Current liabilities			
Borrowings	24	243,982	244,934
Trade and other payables		104,583	121,506
Tax liabilities		55,605	52,945
Deferred Income		1,082	1,114
		<u>405,252</u>	<u>420,499</u>
Total Liabilities		<u>591,042</u>	<u>614,945</u>
TOTAL EQUITY AND LIABILITIES		<u>1,392,290</u>	<u>1,397,881</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.81	2.74

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)

COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Three Months Period Ended 31 March 2013

	Attributable to Equity Holders of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Other Reserves	Distributable		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2013	275,707	57,251	152,055	270,112	27,811	782,936
Profit / (loss) for the period	-	-	-	18,931	(576)	18,355
Other comprehensive income/(loss)	-	-	(509)	466	-	(43)
Total comprehensive income/(loss)	-	-	(509)	19,397	(576)	18,312
At 31 March 2013	275,707	57,251	151,546	289,509	27,235	801,248
At 1 January 2012	275,707	57,251	154,737	242,995	27,307	757,997
Profit for the period	-	-	-	1,342	(598)	744
Other comprehensive income/(loss)	-	-	(466)	466	-	-
Total comprehensive income/(loss)	-	-	(466)	1,808	(598)	744
At 31 March 2012	275,707	57,251	154,271	244,803	26,709	758,741

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Period Ended 31 March 2013

	CURRENT YEAR TO DATE 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-12 RM'000
CASH FLOWS FROM / (USED IN) OPERATING ACTIVITIES		
Profit before tax	26,185	2,345
Adjustments for:		
Allowance for doubtful debts	2,048	1,051
Allowance for doubtful debts written back	(82)	-
Amortisation of deferred income	(302)	(292)
Amortisation of prepaid land lease payment	1,077	1,077
Bad debts written off	-	251
Depreciation of hotel properties and exhibition centre & showroom	1,040	1,041
Depreciation of other property, plant and equipment	1,700	1,526
Impairment losses in value of other investments	6	14
Interest expense	4,813	5,379
Interest income	(332)	(267)
Gain on disposal of other property, plant and equipment	(41)	(56)
Net foreign exchange loss	1	-
Other property, plant & equipment written off	1	3
Share of results of associate and jointly controlled entity	3	119
Operating profit before working capital changes	36,117	12,191
Changes in working capital:		
Inventories	5,704	7,504
Property development costs	(14,362)	5,909
Receivables	(3,537)	(15,371)
Deferred income	1,606	1,601
Payables	(17,543)	(3,187)
Cash generated from operations	7,985	8,647
Tax paid	(3,933)	(1,260)
Interest paid	(3,941)	(4,959)
Net cash generated from operating activities	111	2,428



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Period Ended 31 March 2013

	CURRENT YEAR TO DATE 31-Mar-13 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-12 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(164)	(2,170)
Expenditure on investment properties	(15)	(396)
Proceeds from disposal of other property, plant & equipment	41	56
Interest received	332	267
Net cash generated from / (used in) investing activities	194	(2,243)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loan	1,775	-
Hire purchase and lease creditors	(67)	(123)
Repayment of revolving credits	(1,800)	(1,800)
Repayment of term loans	(10,089)	(6,270)
Net cash used in financing activities	(10,181)	(8,193)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(9,876)	(8,008)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	61,455	50,417
CASH AND CASH EQUIVALENTS AT END OF YEAR	51,579	42,409
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	52,158	45,252
Bank overdrafts	(579)	(2,843)
	51,579	42,409

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements)



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

1. Basis of Preparation

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

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2012. 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 2012.

2. Significant Accounting Policies

The significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 December 2012, 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 2012

FRS 7 Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB in October 2010) and Transition Disclosures]

1 July 2012

FRS 101 Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)

1 January 2013

FRS 7 Financial Instruments: Disclosures [Amendments relating to Disclosure – Offsetting Financial Assets and Liabilities]

FRS 10 Consolidated Financial Statements

FRS 10 Consolidated Financial Statements (Amendments relating to Transition Guidance)



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

2. Significant Accounting Policies (Cont'd.)

FRS 11	Joint Arrangements
FRS 11	Joint Arrangements (Amendments relating to Transition Guidance)
FRS 12	Disclosure of Interest in Other Entities
FRS 12	Disclosure of Interest in Other Entities (Amendments relating to Transition Guidance)
FRS 13	Fair Value Measurements
FRS 116	Property, Plant and Equipment (Classification of servicing equipment)
FRS 119	Employee Benefits (2011)
FRS 127	Separate Financial Statements (2011)
FRS 128	Investment in Associates and Joint Ventures
FRS 134	Interim Financial Reporting

On 19 November, 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board on 1 January, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January, 2012, with exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate* are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January, 2012. However, on 30 June 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after 1 January 2014.



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

2. Significant Accounting Policies (Cont'd.)

Accordingly, the Group and the Company, being Transitioning Entities, have availed themselves of this transitional arrangement and will continue to apply FRSs in their next set of financial statements. Therefore, the Group and the Company will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standard ("MFRS 1") in its financial statements for the financial year ending 31 December, 2014, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

3. Audit Opinion on 2012 Financial Statements

The auditors' report on the financial statements of the Group for the financial year ended 31 December 2012 was not subject to any qualification.



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

4. Segment Reporting

Quarter Ended 31 Mar 2013	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	60,716	3,747	20,507	832	85,802
Results					
Segment results	32,842	(196)	(510)	(1,135)	31,001
Finance costs					(4,813)
Share of results of associate & jointly controlled entity	-	-	(7)	4	(3)
Profit before tax					26,185
Income tax expense					(7,830)
Profit after tax					18,355
Non-controlling interests					576
Profit for the period					18,931
Quarter Ended 31 Mar 2012					
	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	19,953	3,928	22,212	619	46,712
Results					
Segment results	8,149	161	815	(1,282)	7,843
Finance costs					(5,379)
Share of results of associate	(119)	-	-	-	(119)
Profit before tax					2,345
Income tax expense					(1,601)
Profit after tax					744
Non-controlling interests					598
Profit for the period					1,342



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

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial period under review.

6. Changes in Estimates

There were no changes in estimates that have a material effect in the financial year-to-date results.

7. Seasonal or Cyclical Factors

The operations of the Group were not materially affected by any seasonal or cyclical factors.

8. Dividends Paid

There were no dividends paid during the current financial period under review.

9. Carrying Amount of Revalued Assets

The valuation of property, plant and equipment and investment properties have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2012.

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 financial year-to-date.

11. Changes in the Composition of the Group

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

12. Capital Commitments

There were no material changes in capital commitments since the last audited Statement of Financial Position as at 31 December 2012.

13. Contingent Liabilities / Assets

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2012 except as disclosed in Note 27 (a) to (d). There are 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 has not been reflected in these financial statements.



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

15. Operating Segment Review

(a) 1st Quarter 2013 vs 1st Quarter 2012

Total Group revenue increased 84% to RM85.8 million for the first quarter ended 31 March 2013 compared to RM46.7 million in the previous year corresponding quarter ended 31 March 2012. The increase in total revenue was mainly due to higher revenue from the Property Development Division recorded for the quarter.

In line with the higher revenue recorded, profit before tax for the current quarter of RM26.2 million was significantly higher compared to RM2.3 million in the previous year corresponding quarter.

Property Development Division

Revenue for the first quarter of 2013 for the division was RM60.7 million as compared to RM20.0 million in the same quarter of 2012, an increase of RM40.7 million. The higher revenue in 2013 was mainly contributed by sales of land at Country Heights Damansara and higher sales in Country Villa, Country Heights Kajang. In line with the higher revenue above, the division recorded segment profits of RM32.8 million for the current quarter under review in comparison with segment profits of RM8.1 million for the first quarter of 2012.

Property Investment Division

The revenue for the Property Investment Division was RM3.7 million compared to RM3.9 million for the first quarter of 2012. RM0.2 million segment loss was recorded for the first quarter of 2013 as compared to segment profit of RM0.2 million for the same quarter of 2012 mainly due to the decrease in revenue.

Hospitality & Health Division

Hospitality & Health Division contributed RM20.5 million of revenue as compared to RM22.2 million in the first quarter of 2012, a reduction of RM1.7 million. This was mainly due to lower contribution from the health screening and wellness division. RM0.5 million of segment loss was recorded compared to segment profits of RM0.8 million in the same quarter of 2012 as a result of the lower revenue recorded.



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

15. Review of To Date Performance (Cont'd)

Others

This mainly comprised of Country Heights Holdings Berhad and the Education subsidiary, Country Heights Education Sdn Bhd. Total revenue of RM0.8 million was contributed by this subsidiary in the first quarter of 2013 compared to RM0.6 million for the first quarter of 2012. The segment loss for the first quarter 2012 was RM1.3 million versus RM1.1 million segment loss for the current quarter under review mainly due to higher revenue in the first quarter of 2013.

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

The Group's revenue for the first quarter of 2013 was 9% higher at RM85.8 million as compared to the preceding fourth quarter ended 31 December 2012 of RM78.8 million, mainly due to higher revenue recorded for the Property Development Division in the first quarter of 2013.

17. Commentary on Prospects

On 20th February 2013, Bank Negara announced that the Malaysian economy grew by 6.4% in the fourth quarter of 2012 and for the year of 2012 as a whole, the economy expanded by 5.6%. Research by the Malaysian Institute of Economic Research forecasted a growth of 5.4% for 2013. Overall, the implementation of key projects under the 10th Malaysia Plan, the Economic Transformation Program and Budget 2013 has given support to private investment and helped spur economic growth. The Group is confident that its core activities of Property Development, Property Investment and Hospitality and Health will benefit from this positive growth. The global economic uncertainties are however causes for concern as these could dampen sentiments and affect demand in certain sectors.

The Property Development Division has a series of exciting projects in the pipeline for launching in 2013 and 2014, especially within the Mines Resort City, which is poised to transform into Malaysia's premier Wellness City under the government's Economic Transformation Program (ETP). Other new developments are currently at various stages of planning in Cyber Heights, Cyberjaya and Kolej Heights Utara.



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

17. Commentary on Prospects (Cont'd)

The Group expects to see further growth in the Hospitality and Health Division. Golden Horses Health Sanctuary ("GHHS") with its new center launched is increasing its services and packages for international health tourists. 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.

On 16 October 2012, a Joint Venture agreement was signed with a leading Korean travel agency, JaU Tour Co. Ltd. to form Mines Global Holidays Sdn Bhd. With this, the Group is working in close collaboration with its Korean partner to promote golf and medical tourism and leisure packages to South Korean and other foreign tourists which will boost their arrival to Malaysia.

18. Variance on Profit Forecast / Profit Guarantee

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

19. Income Tax Expense

	Quarter ended	
	31-Mar-13	31-Mar-12
	RM'000	RM'000
Income tax:		
- current year	(6,545)	(1,811)
- over provision	4	52
Deferred tax	(1,289)	158
	<u>(7,830)</u>	<u>(1,601)</u>

The effective tax rate of the Group for the current period and last year same period was higher than the applicable rate mainly due to deferred tax assets not recognized and certain expenses not deductible for tax purpose.

20. Sale of Unquoted Investments / Properties

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

21. Purchase and Sale of Quoted Securities

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



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

22. Profit before Tax

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

	Quarter ended	
	31-Mar-13	31-Mar-12
	RM'000	RM'000
Depreciation and amortisation	3,817	3,644
Allowance for and write off of receivables	2,048	1,302
Impairment losses in value of other investments	6	14
Net unrealised foreign exchange loss	1	-

There were no gain or loss on derivatives, exceptional items and allowance for and write off of inventories.

23. Corporate Proposals

(a) Status of Corporate Proposals

There were no corporate proposals previously announced but not completed.

(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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad

24. Borrowings

The Group bank borrowings 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	579	-	579
Term loan	125,045	59,535	184,580
Bank Guaranteed Commercial Paper and Medium Term Notes	49,769	-	49,769
Total secured borrowings	175,393	59,535	234,928
Unsecured			
Term loan	53,909	-	53,909
Revolving credits	14,400	2,000	16,400
Hire purchase & lease creditors	280	681	961
Total unsecured borrowings	68,589	2,681	71,270
Comprising:			
Local borrowings	243,982	62,216	306,198
Foreign borrowings	-	-	-
Total borrowings	243,982	62,216	306,198

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.

25. Disclosure requirements pursuant to implementation of FRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 March 2013 and there have been no changes in derivatives since the last financial year.

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

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



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

26. Retained earnings

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

	As at 31- Mar- 13 RM'000	As at 31-Dec -12 RM'000
Total retained earnings / (accumulated lossess) of the Company and its subsidiaries:		
- Realised	489,480	468,752
- Unrealised	<u>(83,891)</u>	<u>(78,162)</u>
	405,589	390,590
Total share of retained earnings / (accumulated losses) from associate:		
- Realised	(37)	(41)
Total share of accumulated losses from jointly controlled entity:		
- Realised	(42)	(36)
	<u>405,510</u>	<u>390,513</u>
Less: Consolidated adjustments	(116,001)	(120,401)
Total group retained earnings as per consolidated accounts	<u>289,509</u>	<u>270,112</u>



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

27. 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 23 May 2013, 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 a Summons dated 16 April 2009 was filed against the Defendants. The Plaintiff's suit against the 1st Defendant was earlier struck out and the trial against the 2nd Defendant proceeded on 7, 8 and 9 January 2013. On 7 March 2013, the court dismissed the Plaintiff's claims against the 2nd Defendant and awarded costs in the sum of RM35,000.00. The Plaintiff has on 1 April 2013 filed a Notice of Appeal against the decision of the High Court to dismiss their claim against the 2nd Defendant and ordering costs in the sum of RM35,000.00 .
- (b) By a summons dated 20 January 2010, the Government of Malaysia ("Plaintiff") 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



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27. Material Litigation (Cont'd.)

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 fair 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 was fixed on 10 August 2011. On 10 August 2011, the Court of Appeal has dismissed CHHB's appeal. The decision by the Court of Appeal was merely on a point of law (ie whether IRB after having received and accepted the returns in the prescribed form filed by the Disposer and assessed the Disposer on tax payable by them has the jurisdiction to issue or make an assessment on CHHB under Section 16(1) Real Property Gain Tax Act, 1976. The trial was fixed on 19 and 20 June 2013 however the Plaintiff has subsequently filed a Summary Judgment application in court and the same was fixed for hearing on 12 December 2012. On 21 December 2012, the Court allowed the Plaintiff's application for Summary Judgment with cost. On 24 December 2012, CHHB has filed a Notice of Appeal against the High Court's decision and pending for the Court to fix a hearing date. On 13 February 2013, CHHB filed an Application for Stay of Execution of the judgment obtained by the Plaintiff which has been fixed for mention on 16 May 2013. Meanwhile, an appeal was also lodged against the raising of the said taxes by way of a Form Q before the Special Commissioners of Income Tax. The appeal was fixed and proceeded for hearing on 16 and 17 October 2012. The Special Commissioner instructed the Plaintiff to file their written submission by 23 January 2013 and CHHB to file the written submission by 25 February 2013 which has been done.

- (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. The Court fixed 3 and 4 May 2012 for trial however the Court had vacated the trial pending the outcome of Defendant's striking out application. The solicitors for the Defendant applied to the Court to strike out the Plaintiff's claim as the subject matter of this case was already tried in the Subordinate Courts.



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27. Material Litigation (Cont'd.)

The Court dismissed the *Defendant's* striking out application with cost. On 7 September 2012, the *Defendant's* lawyer has filed a Notice of Appeal against the High Court's decision. The hearing of the *Defendant's* appeal on the striking out application was fixed on 14 January 2013 and the appeal was dismissed with costs. The matter has now been set for trial which has been fixed on 7 and 8 October 2013. An application to include new documents in the bundle of documents has been filed in Court by the *Defendant* and the same is fixed for hearing on 10 May 2013. Court has fixed next case management on 10 May 2013, pending withdrawal of the suit by the *Plaintiff* as both parties are in the midst of negotiating for an out of Court settlement. On 10 May 2013, the *Plaintiff* has withdrawn the suit as both parties have reached a settlement.

- (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. Subsequently, the *Defendant's* solicitors have filed the application to strike out the summons on 25 May 2010. The Court has on 24 May 2012 dismissed the *Defendant's* application with costs. The *Plaintiff* subsequently filed a Summary Judgment application in Court and the same is fixed for Case Management on 14 May 2013. The Court has directed the parties to file written submission for Summary Judgment application by 14 May 2013 and the hearing is fixed for 4 June 2013. Further, the *Defendant* wish to file an application to amend the statement of defence to reflect the new facts as per the *Defendant's* affidavit in reply for the Order 14 application. Application to amend the statement of defence has been filed on 21 March 2013. The Court directed the *Defendant* to file the amended statement of defence by 25 April 2013 and the *Plaintiff* is to file a reply by 9 May 2013. As per the Court's direction, the *Defendant* has filed in the amended statement of defence and the *Plaintiff* has filed in their reply.

28. Dividend Payable

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



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29. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of RM18.9 million (31 Mar 2012: profit of RM1.3 million) over the number of 275,707,403 (31 Mar 2012: 275,707,403) ordinary shares issued during the current financial year under review.

(b) Diluted

Not applicable.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2013.

By Order of the Board

Lee Cheng Wen

Group Chief Executive Officer