



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-17 RM'000	Changes %	CURRENT YEAR TO DATE 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000	Changes %
Revenue	4	20,582	18,714	10%	20,582	18,714	10%
Cost of sales		(6,673)	(6,350)		(6,673)	(6,350)	
Gross profit		13,909	12,364	12%	13,909	12,364	12%
Interest income		30	37		30	37	
Other operating income		1,560	1,219		1,560	1,219	
Selling and marketing expenses		(1,241)	(1,345)		(1,241)	(1,345)	
Administrative expenses		(5,939)	(5,204)		(5,939)	(5,204)	
Other operating expenses		(9,045)	(12,702)		(9,045)	(12,702)	
Finance costs		(2,145)	(2,664)	19%	(2,145)	(2,664)	19%
Loss before tax		(2,871)	(8,295)	65%	(2,871)	(8,295)	65%
Income tax credit	19	228	493		228	493	
Loss for the period		(2,643)	(7,802)	66%	(2,643)	(7,802)	66%

Other comprehensive income/(loss), net of tax

Items that may be reclassified subsequently to profit or loss:

Exchange differences on translating foreign operations		686	-		686	-	
Total comprehensive loss for the period		(1,957)	(7,802)	75%	(1,957)	(7,802)	75%

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018

	Note	INDIVIDUAL QUARTER			CUMULATIVE QUARTERS		
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	Changes	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	Changes
		31-Mar-18 RM'000	31-Mar-17 RM'000	%	31-Mar-18 RM'000	31-Mar-17 RM'000	%
Profit/(Loss) attributable to :							
Equity holders of the Company		(2,404)	(7,854)	69%	(2,404)	(7,854)	69%
Non-controlling interests		(239)	52		(239)	52	
Loss for the period		<u>(2,643)</u>	<u>(7,802)</u>	<u>69%</u>	<u>(2,643)</u>	<u>(7,802)</u>	<u>69%</u>
Total comprehensive income/(loss) attributable to :							
Equity holders of the Company		(1,718)	(7,854)	78%	(1,718)	(7,854)	78%
Non-controlling interests		(239)	52		(239)	52	
Total comprehensive loss for the period		<u>(1,957)</u>	<u>(7,802)</u>	<u>75%</u>	<u>(1,957)</u>	<u>(7,802)</u>	<u>75%</u>
Earnings / (Loss) per share attributable to ordinary equity holders of the Company (sen):							
- Basic	29 (a)	(0.88)	(2.87)		(0.88)	(2.87)	
- Diluted	29 (b)	NA	NA		NA	NA	

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2018**

	Note	31-Mar-18 (Unaudited) RM'000	31-Dec-17 (Audited) RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	318,408	320,403
Investment properties	9	150,721	150,721
Prepaid land lease payments		300,220	301,212
Land held for property development		213,938	213,785
Available-for-sale financial assets		2,734	2,734
Trade receivables-non-current portion		7,995	7,427
Deferred tax assets		6,321	6,090
		<u>1,000,337</u>	<u>1,002,372</u>
Current assets			
Property development costs		126,210	127,325
Inventories		69,593	72,236
Trade and other receivables		47,540	51,955
Tax recoverable		4,083	4,053
Cash and bank balances		13,518	16,167
		<u>260,944</u>	<u>271,736</u>
Assets classified as held for sale		-	-
		<u>260,944</u>	<u>271,736</u>
TOTAL ASSETS		<u>1,261,281</u>	<u>1,274,108</u>
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		352,006	352,006
Treasury shares		(2,914)	(2,914)
Share premium		-	-
Other reserves		130,959	130,689
Retained earnings		291,137	293,125
Equity attributable to equity holders of the Company		<u>771,188</u>	<u>772,906</u>
Non-controlling interests		<u>20,303</u>	<u>20,542</u>
Total equity		<u>791,491</u>	<u>793,448</u>
Non-current liabilities			
Borrowings	25	188,959	190,290
Other payables		1,548	1,548
Deferred Income - non-current portion		38,905	38,553
Deferred tax liabilities		77,422	77,422
		<u>306,834</u>	<u>307,813</u>
Current liabilities			
Borrowings	25	35,219	38,973
Trade and other payables		117,509	122,585
Tax payables		8,728	9,597
Deferred Income		1,500	1,692
		<u>162,956</u>	<u>172,847</u>
Liabilities classified as held for sale		-	-
Total Liabilities		<u>469,790</u>	<u>480,660</u>
TOTAL EQUITY AND LIABILITIES		<u>1,261,281</u>	<u>1,274,108</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)		2.82	2.83

(The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2018**

	Attributable to Equity Holders of the Company					Total	Non-Controlling Interests	Total Equity
	Non-distributable		Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 January 2018	352,006	(2,914)	-	130,689	293,125	772,906	20,542	793,448
Loss for the period	-	-	-	-	(2,404)	(2,404)	(239)	(2,643)
Other comprehensive income	-	-	-	686	-	686	-	686
Total comprehensive income/(loss)	-	-	-	686	(2,404)	(1,718)	(239)	(1,957)
Transfer to retained earnings	-	-	-	(416)	416	-	-	-
At 31 March 2018	352,006	(2,914)	-	130,959	291,137	771,188	20,303	791,491
At 1 January 2017	275,707	(2,914)	57,251	152,851	294,086	776,981	20,114	797,095
Adjustment for effects of Companies Act 2016 (Note a)	76,299	-	(57,251)	(19,048)	-	-	-	-
Loss for the period	-	-	-	-	(7,854)	(7,854)	52	(7,802)
Total comprehensive income/(loss)	-	-	-	-	(7,854)	(7,854)	52	(7,802)
Transfer to retained earnings	-	-	-	(138)	138	-	-	-
At 31 March 2017	352,006	(2,914)	-	133,665	286,370	769,127	20,166	789,293

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM57,251,000 and RM19,048,000 respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

(The Unaudited Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2018**

	CURRENT YEAR TO DATE 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000
CASH FLOWS FROM /(USED IN) OPERATING ACTIVITIES		
Loss before tax	(2,871)	(8,295)
Adjustments for:		
Allowance for doubtful debts	135	167
Allowance for doubtful debts written back	(2)	-
Amortisation of deferred income	(291)	(282)
Amortisation of debts issuance costs	40	40
Amortisation of prepaid land lease payment	992	1,029
Bad debts written off	-	2
Depreciation of property, plant and equipment	2,414	2,165
Interest expense	2,145	2,664
Interest income	(30)	(37)
Bad debts recovered	(4)	-
Net unrealised gain on foreign exchange	(13)	(12)
Property, plant & equipment written off	-	636
Operating profit/(loss) before working capital changes	2,515	(1,923)
Changes in working capital:		
Inventories	2,643	923
Property development costs	964	(21,708)
Receivables	3,719	1,094
Deferred income	451	3,980
Payables	(4,400)	14,104
Cash generated from/(used in) operations	5,892	(3,530)
Tax refund	-	-
Tax paid	(904)	12
Interest paid	(2,125)	(2,559)
Net cash used in operating activities	2,863	(6,077)



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018**

	CURRENT YEAR TO DATE 31-Mar-18 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-17 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of other property, plant and equipment	(420)	(417)
Proceeds from disposal of other property, plant & equipment	-	8
Interest received	30	37
Net cash generated used in investing activities	(390)	(372)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of bank overdrafts	(2,928)	(644)
Drawdown of term loan	-	2,950
Hire purchase and lease creditors	(81)	(77)
Repayment of term loans	(2,113)	(3,431)
Net cash used in financing activities	(5,122)	(1,202)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(2,649)	(7,651)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,167	12,856
CASH AND CASH EQUIVALENTS AT END OF PERIOD	13,518	5,205

(The Unaudited Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 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 2017. 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 2017.

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 2017, 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 January 2018

- FRS 9, Financial Instruments (2014)
- Amendments to FRS 1, First-Time Adoption of Financial Reporting Standards (Annual Improvements to FRS Standards 2014-2016 Cycle)
- Amendments to FRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 4, Insurance Contracts – Applying FRS 9, Financial Instruments with FRS 4, Insurance Contracts
- Amendments to FRS 128, Investments in Associates and Joint Ventures (Annual Improvements to FRS Standards 2014-2016 Cycle)
- Amendments to FRS 140, Investment Property – Transfers of Investment Property
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration



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

2. Significant Accounting Policies (Cont'd)

On 19th November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1st January 2012, with the exception of Transitioning Entities (“TEs”).

TEs, being entities within the scope of MFRS 141 *Agriculture* and /or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and ventures were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2nd September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with FRS Framework is now required to adopt the MFRS Framework latest by 1st January 2017.

On 8th September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1st January 2018. However, early application of MFRS 15 is still permitted.

The Group and the Company fall within the scope definition of TEs and have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of their financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 *First-time Adoption of MFRS* in their financial statements for the financial year ending 31st December 2018, being the first set of financial statements prepared in accordance with the new MFRS Framework.

3. Audit Opinion on 2017 Financial Statements

The auditors’ report on the financial statements of the Group for the financial year ended 31 December 2017 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 2018	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	7,193	3,594	9,795	-	20,582
Results					
Segment results	1,511	451	(2,536)	(152)	(726)
Finance costs					(2,145)
Loss before tax					(2,871)
Income tax expense					228
Loss after tax					(2,643)
Non-controlling interests					239
Loss for the period					(2,404)
Quarter Ended 31 Mar 2017	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Consolidated RM'000
Revenue					
External sales	4,335	4,362	9,837	180	18,714
Results					
Segment results	(953)	760	(5,117)	(321)	(5,631)
Finance costs					(2,664)
Loss before tax					(8,295)
Income tax credit					493
Loss after tax					(7,802)
Non-controlling interests					(52)
Loss for the period					(7,854)



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 2017.

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 2017.

13. Contingent Liabilities / Assets

There are no material contingent liabilities since the last audited Statement of Financial Position as at 31 December 2017. 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 2018 vs 1st Quarter 2017

	Current Year To Date 31-Mar-18 RM'000	Preceding Year Corresponding Period 31-Mar-17 RM'000	Charges (%)
Revenue	20,582	18,714	10%
Operating Loss	(726)	(5,631)	87%
Loss Before Interest and Tax	(726)	(5,631)	87%
Loss Before Tax	(2,871)	(8,295)	65%
Loss After Tax	(2,643)	(7,802)	66%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,404)	(7,854)	69%

The Group recorded total revenue of RM20.6 million for the first quarter ended 31 March 18 compared to RM18.7 million in the previous year corresponding quarter ended 31 March 2017. The difference was mainly due to higher contribution from Hospitality and Health Division.

The Group recorded loss before tax of RM2.9 million for the current quarter compared to RM8.3 million in previous year corresponding quarter.

Property Development Division

Revenue for the first quarter of 2018 for the division was RM7.2 million as compared to RM4.3 million in the same quarter of 2017. The revenue recognised was on the sale of 12 units Country Heights Villa for RM4.6 million and 1 unit Mines Resort City RM2.2 million. Segment profit of RM1.5 million was recorded for the first quarter of 2018 as compared to segment loss of RM1.0 million for the first quarter of 2017 mainly due to the revenue contribution.



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 (Cont'd)

(a) 1st Quarter 2018 vs 1st Quarter 2017 (Cont'd)

Property Investment Division

The revenue for the Property Investment Division was RM3.6 million in the current quarter compared to RM4.4 million for the first quarter of 2017. Segment profit was RM0.5 million for the first quarter of 2018 as compared to segment profit of RM0.8 million for the same quarter of 2017 mainly due to lower contribution from hall exhibition rental.

Hospitality & Health Division

Hospitality & Health Division contributed RM9.8 million of revenue in the current quarter as compared to RM9.8 million in the first quarter of 2017. Segment loss of RM2.5 million recorded in the current quarter is much lower compared to segment loss of RM5.1 million in the same quarter of 2017.

Others

There is no revenue contributed in the first quarter of 2018 as compared to RM0.2 million for the first quarter 2017. Previous revenue was contributed by the Education as this education business was disposed in the year 2017. The segment loss for the first quarter 2018 was RM0.1 million versus RM0.3 million segment loss for the same quarter of 2017 due to cost efficiency in administration cost and staff cost after disposal of Country Heights Education Sdn Bhd on April 2017.



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

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

	Current Quarter	Immediate Preceding Quarter	
	31-Mar-18	31-Dec-17	Charges (%)
	RM'000	RM'000	
Revenue	20,582	17,937	-15%
Operating Loss	(726)	1,025	-171%
Loss Before Interest and Tax	(726)	1,025	-171%
Loss Before Tax	(2,871)	(1,382)	108%
Loss After Tax	(2,643)	(2,408)	10%
Loss Attributable to Ordinary Equity Holders of the Parent	(2,404)	(3,217)	-25%

The Group's revenue for the first quarter of 2018 was at RM20.6 million as compared with the preceding fourth quarter ended 31 December 2017 of RM17.9 million, and the Group's loss before tax for the first quarter of 2018 was at RM2.9 million as compared with loss before tax in the preceding fourth quarter ended 31 December 2017 of RM1.4 million. The lower loss in 2017 was mainly due to the reversal of TNB utilities RM626k to Lakeview JMB Developer in November 2017, higher other income from allowance of bad debt written back, bad debts recovered from Hospitality & Health Division and the disposal of fixed assets from Country Heights Pecanwood Golf and Country Club (Pty) Ltd. The losses incurred in the first quarter 2018 includes the provision of LAD expenses of RM 414k for Mines Waterfront Designer Suit project.

17. Commentary on Prospects

The international economic and financial landscape is likely to remain challenging and will be key factor that will influence the prospects of Malaysian economy in 2018. According to Bank Negara Malaysia, the Malaysian economy is projected to grow by 5.4% (2017 : 5.2%) in 2018. The Malaysia economy projected to be expand by 5.5% to 6.0%, underpinned by sustained domestic demand growth and the strengthening of global economic conditions.



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 global economic uncertainties, slowdown in property development market, increasing cost of living in the country coupled with the high borrowing cost and difficulty in obtaining end financing are causes for concern as these could dampen sentiments and affect demand in certain sectors.

Notwithstanding the above, the Property Development Division has a few projects in the pipeline for launching in 2018 & 2019. Amongst projects scheduled for launching in 2018 & 2019 are:-

- College Heights Garden Resort – 28 units of 2-storey shop-office
- College Valley Industrial Park – 60 units of 1 ½ storey Industrial Terrace
- College Heights Utara – Belleza 3 Homes 3 at Jitra, Kedah
- College Heights Utara – 200 units of PPAIM scheme on 200 acres land
- Car City Concept Project – One stop office hub on cars
- Cheng Ho Trade International Centre

On the hospitality division, whilst there are plans to refurbish the Palace of the Golden Horses, measures have been put in place to increase M.I.C.E marketing namely meetings, incentives, conferencing and exhibitions with more local corporate events and promotions. These include international marketing and branding exercises, service improvement programmes, online marketing and strategic collaborations to help stimulate the business.

On the health division, GHHS Healthcare, new strategies are introduced focusing on the innovative product development on holistic treatments, wellness & rejuvenation. Joint ventures between GHHS Healthcare and Wellness Practitioners provide treatments such as External Counterpulsation (ECP) and BodyReg (CO2). Besides that, there are some new developments for Chinese Medical Centre (TCM) such as specialization on treatments for Paediatric Care, Gynaecology, Fertility Treatment, Post Stroke, Chiropractic Care and Metabolic Syndrome. Furthermore, there are enhancements on the wellness spa with the introduction of Yunohana hot stone bed that is specially imported from Japan to provide natural, antioxidant, slimming and detox treatment. The introduction on the latest flexible program can be customized for members under Health United Plus with Points Value (PV) redemption.



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)

As for Health Screening, introduction of the latest Genetic Screening packages, Food Intolerance, Allergy Screening, Bio-Identical Hormone Replacement Therapy (BHRT), Endoscopy Screening and Calcium Scoring CT will accelerate growth by strengthening the membership market and to venture to new markets such as corporate screening for local corporate sector and preventive healthcare tourism for foreign tourist.

18. Variance on Profit Forecast / Profit Guarantee

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

19. Income Tax Credit

	Quarter ended	
	31-Mar-18	31-Mar-17
	RM'000	RM'000
Income tax		
- Current year	(3)	153
- Under provision in prior year	-	-
Deferred tax		
- Current year	231	231
- Overprovision in prior year	-	109
	<u>228</u>	<u>493</u>

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. Loss before Tax

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

	Quarter ended	
	31-Mar-18	31-Mar-17
	RM'000	RM'000
Property, plant & equipment written off	-	636
Depreciation and amortisation	3,406	3,194
Allowance for write off of receivables	135	167
Net unrealised foreign exchange gain	(13)	(12)
Bad debt written off	-	2
Bad debt recovered	(4)	-

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.

(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. Details of Treasury Shares

As at the end of the reporting period, the status of share buy-back is as follows:

	As at 31-Mar-18 RM'000	As at 31-Mar-17 RM'000
Description of shares purchased	Ordinary Shares	Ordinary Shares
Number of shares purchased	-	-
Number of shares cancelled	-	-
Number of shares held as treasury shares	2,150,000	2,150,000
Number of treasury shares resold	-	-



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

25. Borrowings

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

	As at 1st quarter ended 2018					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	26,916	-	26,916
Term loan	-	77,795	-	8,201	-	85,996
Total secured borrowings	-	77,795	-	35,117	-	112,912
Unsecured						
Term Loan	-	110,937	-	-	-	110,937
Hire purchase & lease creditors	-	227	-	102	-	329
Total unsecured borrowings	-	111,164	-	102	-	111,266
Total borrowings	-	188,959	-	35,219	-	224,178
	As at 1st quarter ended 2017					
	Long-term		Short-term		Total borrowings	
	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000	Foreign RM'000	Local RM'000
Secured						
Bank overdrafts	-	-	-	30,295	-	30,295
Term loan	-	86,865	-	15,665	-	102,530
Revolving credits	-	-	-	-	-	-
Total secured borrowings	-	86,865	-	45,960	-	132,825
Unsecured						
Term Loan	-	78,378	-	-	-	78,378
Revolving credits	-	-	-	800	-	800
Hire purchase & lease creditors	-	558	-	105	-	663
Total unsecured borrowings	-	78,936	-	905	-	79,841
Total borrowings	-	165,801	-	46,865	-	212,666

All borrowings are denominated in Ringgit Malaysia unless indicated otherwise.



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. Disclosure requirements pursuant to implementation of FRS 139

(a) Disclosure of Derivatives

There are no outstanding derivatives as at 31 March 2018 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.

27. 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 Securities Berhad listing requirement as issued by the Malaysian Institute of Accountants.

	As at 31- Mar- 18 RM'000	As at 31-Dec-17 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	485,308	488,076
- Unrealised	<u>(79,271)</u>	<u>(78,579)</u>
	406,037	409,497
Total share of retained earnings from associate:		
- Realised	<u>-</u>	<u>-</u>
	406,037	409,497
Less: Consolidated adjustments	(114,900)	(116,372)
	<u>291,137</u>	<u>293,125</u>
Total group retained earnings as per consolidated accounts	<u>291,137</u>	<u>293,125</u>



COUNTRY HEIGHTS HOLDINGS BERHAD (119416-K)
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28. Dividend Payable

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

29. Earnings/(Loss) Per Share

(a) Basic

Basic loss per share is calculated by dividing loss for the year attributable to equity holders of RM2.4 million (31 March 2017: loss of RM7.9 million) over the number of 273,557,403 (31 March 2017: 273,557,403) ordinary shares issued during the current financial period 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 24 May 2018.

By Order of the Board

Lee Thai Young Matahari

Executive Director