



Country Heights Holdings Berhad (119416-K)

10th Floor, Block C, MINES Waterfront Business Park, 3, Jalan Tasik, MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.

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www.countryheights.com.my

2009

Annual Report



Country Heights Holdings Berhad
(119416-K)



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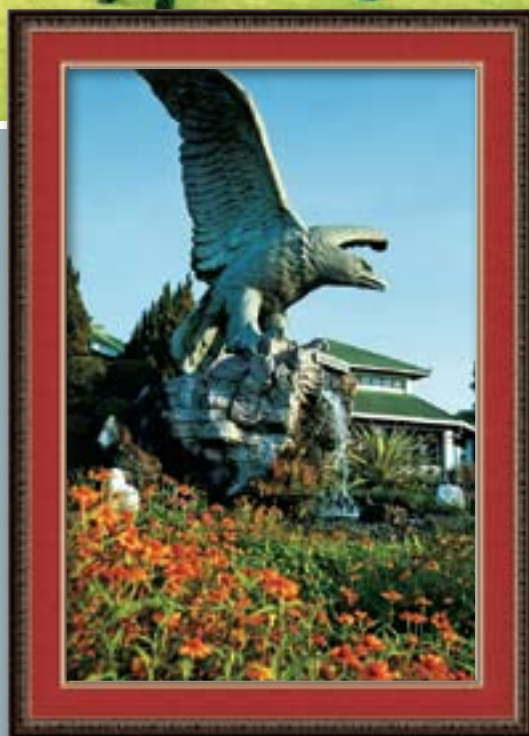
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Corporate Information

BOARD OF DIRECTORS

**General Tan Sri (Dr)
Mohamed Hashim Bin Mohd Ali (Rtd)**
Chairman, Independent Non-Executive Director

Tan Sri Lee Kim Tiong @ Lee Kim Yew
Deputy Chairman, Non-Independent
Non-Executive Director

Mark Victor Rozario
Group Managing Director,
Non-Independent Executive Director

Lee Cheng Wen
Non-Independent Executive Director

**Academician Tan Sri Emeritus
Professor Datuk Dr Ong Soon Hock**
Independent Non-Executive Director

Nik Hassan Bin Nik Mohd Amin
Independent Non-Executive Director

Chew Chong Eu
Independent Non-Executive Director

Chew Cheng Keat
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Nik Hassan Bin Nik Mohd Amin

**General Tan Sri (Dr)
Mohamed Hashim Bin Mohd Ali (Rtd)**

**Academician Tan Sri Emeritus Professor
Datuk Dr. Ong Soon Hock**
Chew Chong Eu

NOMINATION COMMITTEE

**General Tan Sri (Dr)
Mohamed Hashim Bin Mohd Ali (Rtd)**
**Academician Tan Sri Emeritus Professor
Datuk Dr. Ong Soon Hock**
Nik Hassan Bin Nik Mohd Amin

REMUNERATION COMMITTEE

**General Tan Sri (Dr)
Mohamed Hashim Bin Mohd Ali (Rtd)**
Tan Sri Lee Kim Tiong @ Lee Kim Yew
**Academician Tan Sri Emeritus Professor
Datuk Dr. Ong Soon Hock**
Nik Hassan Bin Nik Mohd Amin

COMPANY SECRETARIES

Tan Kok Kee (MIA 4028)
Choo Mun Lai (MAICSA 7039980)

REGISTERED OFFICE

10th Floor, Block C
The Mines Waterfront Business Park
No. 3, Jalan Tasik, The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan

Tel : 603-8943 8811
Fax : 603-8941 1470

REGISTRAR

Shareworks Sdn Bhd
No. 10-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur

Tel : 603-6201 1120
Fax : 603-6201 3121



AUDITORS

Deloitte KassimChan
Chartered Accountants
Level 19, Uptown 1
1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

WEBSITE

<http://www.countryheights.com.my>

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

SOLICITORS

Chee, Fabli & Adrian Han
CT Choo & Co.
Jeff Leong, Poon & Wong
Lee Perara & Tan
Soo Thien Ming & Nashrah
Lee Partnership



Profile of Board of Directors

Y. BHG. GENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (RTD)

Chairman, Independent Non-Executive Director

Malaysian, 75 years of age

General Tan Sri (Dr) Mohamed Hashim was appointed Chairman of CHHB on 20 August 1993. He is also the Chairman of the Nomination Committee and a member of the Remuneration and Audit Committees of the Board.

He holds a Diploma in Advance Business Management from the Harvard Business School and was conferred the Honorary Doctorate by the University of Salford, United Kingdom in January 1999.

General Tan Sri (Dr) Mohamed Hashim joined CHHB after his retirement as the Chief of the Defence Forces in the Malaysian Armed Forces where he chalked up 40 years of dedicated service. During his tenure in the Malaysian Armed Forces, he had initiated the re-organisation and modernisation of the Army.

He is also the Chairman of Ajinomoto (Malaysia) Berhad and Delloyd Ventures Berhad and sits on the Boards of Hong Leong Financial Group Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad, Bluwater Developments Berhad, Mines Excellence Golf Resort Berhad (fka Excellence Golf Resort Berhad) and some private companies.

He is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group.



Y. BHG. TAN SRI LEE KIM TIONG @ LEE KIM YEW

Deputy Chairman, Non-Independent Non-Executive Director
Malaysian, 54 years of age

Tan Sri Lee, the founder of the Company, was first appointed to the Board on 1 October 1986. He is also a member of the Remuneration Committee of the Board.

Tan Sri Lee is an established businessman and an innovative entrepreneur in the properties industry. He has almost 30 years of vast experience in residential, industrial park, hotel and leisure, commercial and recreation projects. His strong business acumen and visionary leadership are the factors which led the Group's successful completion of several highly acclaimed projects. Country Heights Damansara and Borneo Highlands Resort have won the Best Development Malaysia and Best Golf Development Malaysia respectively in the CNBC Asia Pacific Residential Property Awards 2008 and 2010.

His magnificent development by transforming the World's largest excavated tin mine into a flagship development with breathtaking landmarks such as Palace of the Golden Horses, Mines Wellness Hotel, Mines Waterfront Business Park, Malaysia International Exhibition and Convention Centre, Mines Wonderland and Mines Resort & Golf Club that has earned "The Mines Resort City" the National Creativity & Innovation Award by the Malaysian Design Technology Centre in 2004.

In recognition of his immeasurable contribution to the property development and hospitality industry in Malaysia, Tan Sri Lee has been bestowed with the 'Lifetime Achievement Award' in the 2008 Technology Business Review ASEAN Awards.

Tan Sri Lee also sits on the board of Golden Horse Palace Berhad, Mines Excellence Golf Resort Berhad (fka Excellence Golf Resort Berhad), Plentiful Gold-Class Berhad, Bluwater Developments Berhad and several other private companies.

Tan Sri Lee is the father of Ms. Lee Cheng Wen, Non-Independent Executive Director of the Company.

In view of his direct interest in CHHB and substantial shareholdings in Golden Touch Venture Sdn Bhd, he is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group.



Profile of Board of Directors (cont'd)

MR. MARK VICTOR ROZARIO

Group Managing Director, Non-Independent Executive Director
Malaysian, 46 years of age

Mr. Rozario was appointed as Group Managing Director of CHHB on 22 April 2008. He is a Chartered Accountant by profession. He graduated with a Bachelor in Economics from the London School of Economics. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

Mr. Rozario has considerable practical experience in general management, accounting and corporate finance. He had worked with KPMG Peat Marwick, London where he qualified as a Chartered Accountant. In 1991, he joined the internal audit division of the Paris head-quarters of Schlumberger Limited, a global oilfield services group. His last position with Schlumberger Group was as Financial Controller of the East Asia Division. In 1997, he was attached to Sunway Group, holding various senior positions. His last position was as Group Finance Director of Sunway Holdings Berhad prior to joining CHHB in 2008.

Mr. Rozario also holds directorships in Golden Horse Palace Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad, Country Heights Lifestyle Berhad and Country Heights Property Development Berhad and some other private companies.



MS. LEE CHENG WEN

Non-Independent Executive Director

Malaysian, 24 years of age

Ms. Lee was appointed to the Board on 1 October 2009. Graduating with a Bachelor of Science in Corporate Finance and Organizational Management from the University of Southern California, United States, she also holds a Diploma in Advance Technology from University of Cambridge, United Kingdom.

Ms. Lee has interned with Goldman Sachs and various non-profit organizations prior to joining Country Heights. Her unique analytical skills and strong leadership talent have also made her the sole delegate for Malaysia in the Global Young Leaders Summit in 2004 and 2005 in US and Europe.

Ms. Lee officially joined Country Heights Holdings Berhad on 7 July 2008 and was placed in Country Heights, Damansara to jointly manage the sales of the property. As of June 2009, she was appointed the General Manager of the Palace of the Golden Horses while overseeing various marketing property components.

As the second daughter of Tan Sri Lee Kim Yew, the Founder & Deputy Chairman of Country Heights Holdings Berhad, she is being groomed to be future successor. Possessing the same entrepreneurial drive and business acumen as her father, she is expected to continue in the footsteps and legacy of Tan Sri Lee Kim Yew.

Ms. Lee also sits on the board of Golden Horse Palace Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad, Country Heights Lifestyle Berhad, Mines Excellent Golf Resort Berhad (fka Excellence Golf Resort Berhad) and Country Heights Timeshare Berhad.

She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group.



Profile of Board of Directors (cont'd)

**Y. BHG. ACADEMICIAN TAN SRI
EMERITUS PROFESSOR DATUK
DR. ONG SOON HOCK**

Independent Non-Executive Director

Malaysian, 75 years of age

Academician Tan Sri Emeritus Professor Datuk Dr. Ong joined the Board on 20 August 1993. He also serves as the Chairman of the Remuneration Committee and a member of the Nomination and Audit Committees of the Board.

He is a former Director of Malaysian-American Commission on Educational Exchange (MACEE), an Adjunct Professor at University of Malaya and Sunway University College, a member of International Advisory Council, University Tunku Abdul Rahman and University Technology Petronas and an Emeritus Professor of University Science Malaysia.

He is a graduate of University of Malaya with Master in Chemistry and PhD in Organic Chemistry of University of London King's College. He has remarkable achievements in both academic and scientific fields and is internationally recognized in the field of lipid chemistry with over 45 years of research and development experience. He has 16 patents in the technology of palm oil to his credit, and has published more than 380 research articles.

His long and distinguished career included stints as Council Member of the International Federation of Inventors' Associations, Founder President of Malaysian Senior Scientists Associations, Founder Editor-in-chief of *Elaeis-International Journal of Oil Palm Research and Development*, Founder President of the Malaysia Oil Scientists' and Technologists' Association (MOSTA) and Founder President of Malaysian Invention and Design Society (MINDS). He had served as an Advisor to the Confederation of Scientific and Technological Associations in Malaysia (COSTAM).

He has been bestowed several awards for his invaluable contribution. The recent awards include Malaysian Scientific Association Golden Jubilee Award in oil palm research in 2005, Distinguished Science Alumni Award in 2006 from National University of Singapore, Honorary Medal and Certificate from Cosmonautics Federation of Russia, Senior Citizens Golden Years' Award in 2007, BIM Award of Excellence (Pure & Applied Sciences) in 2008 and International Federation of Inventors' Associations Outstanding Service Medal Award in 2008.

He also sits on the Board of Plentiful Gold-Class Berhad and some private companies.



ENCIK NIK HASSAN BIN NIK MOHD AMIN

Independent Non-Executive Director

Malaysian, 60 years of age

Encik Nik Hassan was appointed to the Board on 29 April 2008. He also serves as the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees of the Board.

He is an alumnus of University of Malaya where he graduated with a Bachelor in Economics. In 1997, he started his banking career with a local commercial bank and has spent more than 35 years in the banking and financial services sector.

Having worked in various senior capacities with the local commercial bank such as Chief Executive Officer and Executive Director of BBMB Securities Sdn Bhd, Chief Executive of BBMB Factoring Berhad, Executive Director and Chief Executive of Bumiputra Merchant Bankers Berhad as well as Director of various financial subsidiaries of the Bumiputra-Commerce Bank Berhad, En Nik Hassan has gained invaluable hands on experience in commercial banking, stock broking, factoring and merchant banking. From 2003 until his retirement, he was the Executive Senior Vice President of Corporate Banking Treasury and International Banking Division of the Bumiputra-Commerce Bank Berhad. He is also a Director of Agensi Kaunseling dan Pengurusan Kredit (AKPK).

Encik Nik Hassan also sits on the board of Golden Horse Palace Berhad and Danamodal Nasional Berhad.



Profile of Board of Directors (cont'd)

MR. CHEW CHONG EU

Independent Non-Executive Director
Malaysian, 48 years of age

Mr. Chew was appointed to the Board on 29 April 2008. He is also a member of the Audit Committee of the Board.

Mr. Chew is a Chartered Accountant. He graduated with a Bachelor of Commerce from University of Canterbury and is a member of the Malaysian Institute of Accountants, Institute of Chartered Accountants in Australia and New Zealand Institute of Chartered Accountants.

Mr. Chew has over ten years of experience in insolvency and financial rescue in Malaysia and Australia. He also actively involved in providing professional advices to various financially troubled companies as well as Australian companies looking to invest in Asia and vice-versa, and also had experience in the audit, tax, management consultancy divisions of the firm. His industry experience includes hotel and tourism, transportation, printing and manufacturing, retail and property development.

He had also acted as Head of Corporate Finance for Schroders Advisory Services and Perdana Merchant Bankers Berhad. Whilst in service, he successfully assisted companies in various industries to restructure for the purpose of initial public offers, completed equity, debt or equity-linked capital raising exercises, in addition to being involved in the several reverse take-over and privatization exercises, and the valuation of a wide range of assets including infrastructure projects, licenses and other intangibles.

In 2000, Mr. Chew led Hanifah, Teo & Associates into a joint venture with BDO Binder and formed BDO Capital Consultants Sdn Bhd ("BDO Capital"), the corporate finance and insolvency division of BDO Binder. He was appointed as the Chief Executive Officer of BDO Capital in the Asia Pacific Region where he took on appointments as corporate advisory for various debt restructuring and turnaround exercises of several public listed and private companies.

In 2005 until present, together with a majority of his colleagues in BDO Capital, he established Covenant Equity Consulting Sdn Bhd, intending to provide quality corporate finance and advisory services with personal touch across the Asia Pacific Region. In 2008, he was appointed as Quality Control Director of PKF Malaysia, a member of PKF International, one of the world's premiere accounting and business advisory organization.

Mr. Chew has no directorship in other public listed companies.



MR. CHEW CHENG KEAT

Non-Independent Non-Executive Director
Malaysian, 48 years of age

Mr. Chew was appointed to the Board on 29 April 2008. He obtained a Bachelor of Economics degree from Macquarie University in New South Wales, Australia. He is also a Fellow of the Certified Public Accountants Australia and the Institute of Certified Public Accountants Singapore.

He has more than 14 years of experience in the venture capital and private equity industry. He began his career with an international accounting firm, responsible for a wide range of financial and management consulting assignments. In 1992, he joined Jafco Investment (Asia Pacific) Ltd (Jafco Asia), a leading venture capital company in Japan and the Asia Pacific region.

In 2000, Mr. Chew became the first non-Japanese to be appointed Executive Director of Jafco Asia. He was a key member of the management team largely responsible for Jafco Asia's success with particular contributions in various areas including evaluation, business development, fundraising and portfolio administration. He has reviewed and assessed more than 250 companies across Asia. During this time, he held directorships in numerous private and public companies in the region, and was an advisor to several major regional investment funds. Mr. Chew rose to become Managing Director, South Asia of Jafco Asia when he left the company in October 2007.

From November 2007 to November 2008, Mr. Chew served as Chief Executive Officer of Bluwater Developments Berhad. He was recently appointed as Director, Private Equity at Phillip Securities Pte Ltd.

He is an Independent Director of Singapore listed Asiasons Capital Ltd, a private equity firm and is also the Chairman of the Investment Committee of the Singapore Unit Trust Limited.

Mr. Chew has no directorship in other local public company.

Note:-

1. Save as disclosed above, none of the Directors has:-
 - (i) any family relationship with any Directors and/or Major Shareholders of the Company
 - (ii) any conflict of interest with the Company.
2. **Conviction for Offences**
None of the Directors has been convicted for offences within the past 10 years other than traffic offences.
3. **Attendance of Board Meetings**
The attendance of the Directors at Board of Directors' Meetings is disclosed in the Corporate Governance Statement.



Profile of Senior Management

MR. TAN KOK KEE

Group Chief Financial Officer

Mr. Tan graduated from University of Malaya in 1983 with a Bachelor of Accounting and had attended the IFL-Swedish Institute of Management Applied International Management Programme in Sigtuna, Sweden in 2000. He is a member of the Malaysian Institute of Accountants and a Fellow of the Certified Public Accountants Australia.

Mr. Tan has more than 25 years of corporate and financial management experience covering a wide range of industries, including electronics, liquid crystal display, steel, footwear and rubber products, property development, telecommunications services provider and telecommunications equipment supply & turnkey contractor and renewable fuels. Prior to joining CHHB, he was the Chief Financial Officer of PT Vision Renewable Fuels, an Australian-Indonesian joint venture. Before that, he was the Chief Financial Officer of Huawei Thailand based in Bangkok, Thailand and had held senior management positions at Maxis Communications Berhad (as the Head of Financial Control), Time Dotcom Berhad and TimeCel (as the General Manager – Finance, Admin & Legal) and Southern Steel Berhad (as the Financial Controller).

In his role as Group Chief Financial Officer, Mr. Tan oversees finance, tax, legal, company secretarial, procurement and IT functions of the holding company and its subsidiaries.



MS. LEE SOW LIN

Chief Executive Officer, Property Investment Division

Ms. Lee graduated with a Bachelor of Economics from Monash University, Melbourne, Australia. She brought with her wealth of experience in the field of corporate banking. She was previously attached to Hong Leong Group for 15 years, holding various senior positions which include Head of the Property Loans Division with Hong Leong Finance, Senior Manager of Corporate Banking Division of Hong Leong Bank and later Head of Commercial Banking Division of Hong Leong Bank.

Ms. Lee joined Golden Touch Venture Sdn Bhd, the private arm of Tan Sri Lee Kim Yew, in late 1999, managing Tan Sri Lee's private companies' gearing and funding requirements and also to oversee his companies' corporate finance matters.

Then in March 2004 Ms. Lee joined the Listed Company, Country Heights Holdings Berhad to assist with the restructuring and settlement of some of debts namely the Cumulative Redeemable Preference Shares (CRPS) through the issuance of Redeemable Convertible Secured Loan Stock (RCSLS).

In her role as Chief Executive Officer of Property Investment Division, Ms. Lee presently oversees the 2 main investment properties of the CHHB Group, namely Mines Waterfront Business Park (Phase 1 and Phase 2) and Malaysia International Exhibition and Convention Centre.

MR. RICKY YIP CHUN MUN

Chief Executive Officer, Palace Vacation Club Division

Mr. Ricky Yip is a holder of Bachelor of Administrative Studies from York University, Toronto, Canada.

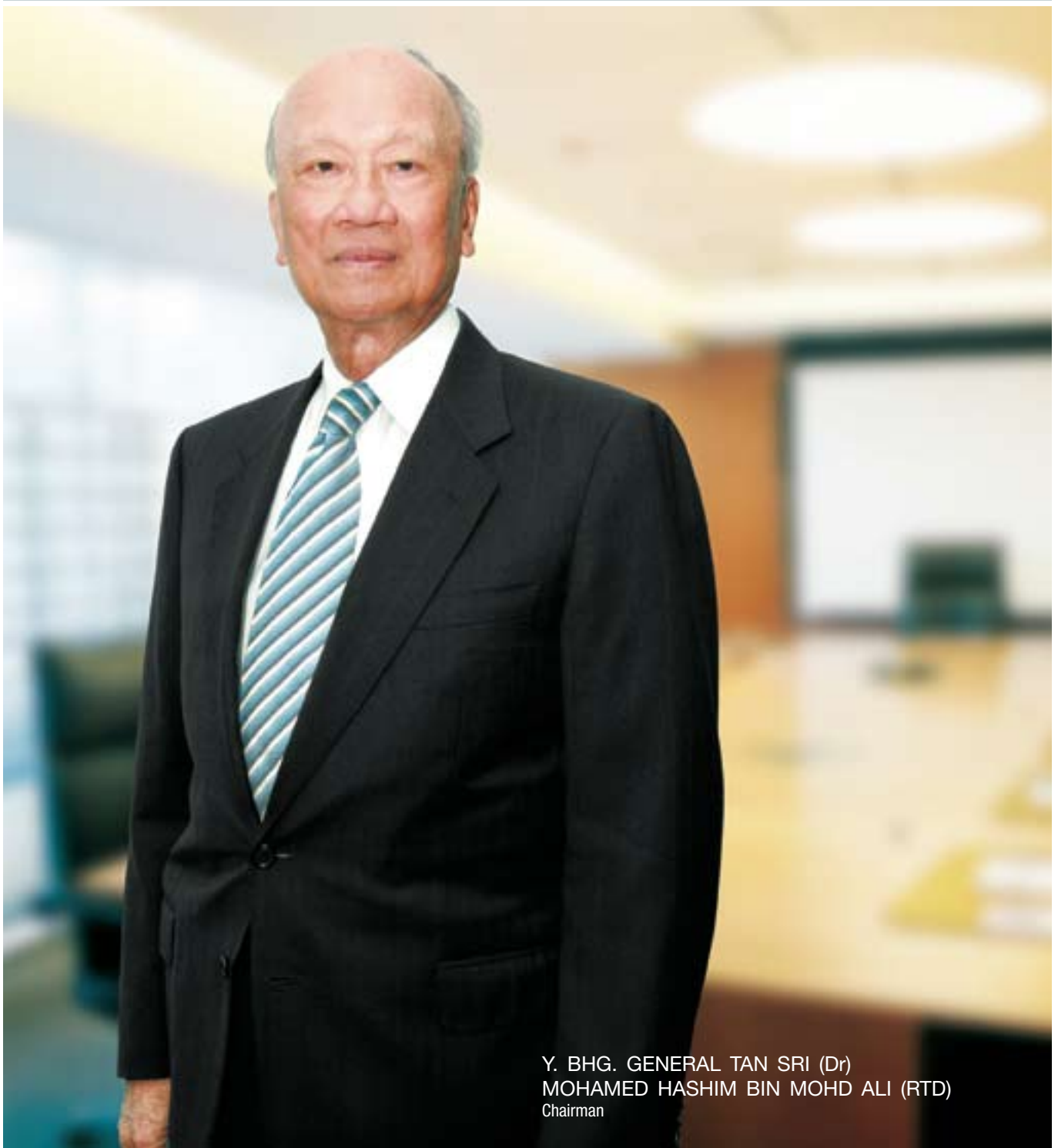
He joined Mines Marketing Sdn Bhd, a marketing agency for Country Heights Group since January 1999 as Director and General Manager and has since marketed a variety of products including Palace Vacation Club, Palace Health Sanctuary, Mines TCM, Mines Golf membership, Hornbill Golf membership, Dignitaries Club and Heritage Serviced Residences. To date, he has sold to over 30,000 members in total for all the scheme abovementioned. His most recent accomplishment is marketing the 1st in Malaysia oil palm farmsharing investment scheme named Country Heights Growers Scheme to over 9000 investors.

Mr. Ricky Yip is currently the CEO of Mines Wellness Hotel and Country Heights Lifestyle Bhd. He is also the Executive Director of Palace of the Golden Horses. He has held the position of Senior Vice President - Sales & Marketing for Palace of the Golden Horses and Mines Wellness Hotel. He is currently the Vice Chairman of the Malaysian Holiday Timeshare Developers' Federation (MHTDF). He has over 20 years experience in the Malaysian timeshare industry.



Chairman's Statement

ON BEHALF OF THE BOARD OF DIRECTORS OF COUNTRY HEIGHTS HOLDINGS BERHAD ("CHHB" OR "GROUP"), I WISH TO PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009.



Y. BHG. GENERAL TAN SRI (Dr)
MOHAMED HASHIM BIN MOHD ALI (RTD)
Chairman

OVERVIEW

The contraction of the Malaysian economy by 1.7% for the whole of 2009, coupled with the global financial crisis has brought about a very challenging year to the Group.

Throughout the years the Group has constantly invested in building its brand and ensuring the delivery of quality to our customers, shareholders and partners on our three core businesses of Property Development, Property Investment and Hospitality, Leisure & Health. In this challenging business environment, it is the strong brands that are best positioned to survive and thrive.

The Group has adopted a prudent and pragmatic strategy by maintaining a strong and healthy balance sheet with low gearing and long term value preservation. This has enabled the Group to maintain a profitable position for the financial year under review.

GROUP PERFORMANCE

The economic recession in 2009, has affected the overall performance of the Group. The Group registered revenue and profit before taxation of RM176.3 million and RM2.8 million respectively for the financial year ended 31 December 2009 as compared to RM243.2 million and RM18.7 million respectively for the financial year ended 31 December 2008.

The Board of Directors does not recommend any dividend to be declared for the financial year ended 31 December 2009.

CORPORATE DEVELOPMENT

During the year, the group undertook the following exercises:-

- (i) On 7 January 2010, Golden Horse Palace Berhad ("GHPB"), a subsidiary of CHHB entered into 5 separate Deed of Assignments for the disposal and assignment of 5 units hotel apartments, unit no. 676, 677, 679, 683 and 684, all located at Westminster Bridge Road, London SE 1 by Country Heights Lifestyle Berhad ("CHLB").
- (ii) On 11 January 2010, GHPB, entered into a Sale and Purchase of Shares Agreement with Mr. Yip Chun Mun and Mr. Loke Kim Wan to acquire the entire equity interest in Mines Marketing Sdn Bhd comprising 100,000 ordinary shares of RM1.00 each from Mr. Yip and Mr. Loke for a cash consideration of RM100,000.00.
- (iii) On 1 March 2010, GHPB has also entered into a Sale and Purchase of Shares Agreement with Country Heights Resorts & Leisure Sdn Bhd to acquire the entire equity interest in CHLB comprising 2,600,000 ordinary shares of RM1.00 each.
- (iv) Disposal by Mines International Exhibition Centre Sdn Bhd, an indirect wholly-owned subsidiary of CHHB of its 70% equity interest in Mines Exhibition Management Sdn Bhd for a total consideration of RM12,864.60



Chairman's Statement (cont'd)

PROSPECTS OF THE COMPANY

With the Malaysian economy registering a positive Gross Domestic Product (GDP) growth of 4.5% in the fourth quarter of 2009, the positive trend is expected to continue in 2010 although the pace of the recovery is expected to be gradual and uneven. The prospects for sustained growth would depend very much on the recovery in private sector demand, particularly when the effects of policy measures begin to diminish.

We believe that the Group's core businesses of property development, property investment and hospitality & leisure will register positive growth in the next financial year following the positive growth forecast for 2010 and also the vast improvement in performance by all three divisions in the final quarter of 2009. Furthermore, the amendment to the Real Property Gains Tax (RPGT) whereby the imposition of 5% tax is only applicable to transactions on real property sold within 5 years from their purchase is an encouraging factor to our Property Development Division.

In the 2010 Budget, the Government has announced that there will be an allocation of RM899 million to boost the tourism industry. Among the main programmes to be implemented are ecotourism development, promoting medical tourism and providing more attractive tourism products and events. Our hospitality, leisure and health business will benefit from these programmes.

The Group targets to streamline its business operations in order to contain its costs and improve its profit margins. New investment opportunities in the property and hospitality industries are always on the Group's radar screen to enhance long term shareholder value. Barring any unanticipated changes to the global and local operating environment, the Group is confident of a better performance in the next financial year.

ACKNOWLEDGEMENT & APPRECIATION

We are pleased to welcome Ms. Lee Cheng Wen as a Non-Independent Executive Director to the Board of CHHB on 1 October 2009. Ms. Lee being the second daughter of Tan Sri Lee Kim Yew has a life long association with Country Heights having witnessed its growth and expansion ever since the inception of Country Heights.

On behalf of the Board, I wish to thank all management and staff members for their continued loyalty, commitment and passion, being true ambassadors of CHHB. We also thank our customers, shareholders, business and banking partners, regulatory authorities and the media for their support and continued confidence in us. Finally, I wish to record my sincere appreciation of my fellow Board members for contributing their invaluable wisdom, advice and guidance.

GENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (RTD)
Chairman





Group Managing Director's Statement



MR. MARK VICTOR ROZARIO
Group Managing Director

This year under review was economically and financially turbulent and fraught with challenges and uncertainties spreading across all boundaries and businesses. The Group began its year in 2009 with renewed optimism to strengthen the Group and plans that were carried out included amongst others; de-gearing of the Group's borrowings, improve sales through effective sales & marketing channels, rationalise costs & operations and implement human resource initiatives.

However, the challenging environment and the global financial meltdown that led to a rapid deterioration of the global economies had taken its toll on all businesses worldwide. The Group was not spared either from this global economic recession, but we managed to work our way through this crisis and maintain a profitable position. Undeterred by the economic challenges, we stayed focused on our key business strategies to sustain the positive results.

GROUP PERFORMANCE REVIEW

The overall Group performance was very much affected by the weakened economic climate. The Group reported revenue and profit before tax of RM176.3 million and RM2.8 million respectively for the current financial year as compared to RM243.2 million and RM18.7 million respectively for the previous financial year.

During this tough period, management had taken steps to increase efficiency and effectiveness in all tasks undertaken to improve cost and resource management. Steps were also taken to reduce the cost of funds in order to achieve cash flow savings. All these exercises were undertaken to prepare the Group with the necessary resources and funds to enable us to seize opportunities and capitalise on the improved economic climate for the coming financial year.

The Group will strive to move forward with the necessary measures to improve business processes and practices in order to have an efficient business environment.



OPERATIONS REVIEW

PROPERTY DEVELOPMENT

In terms of the financial performance of the Group's main business division, Property Development registered revenue of RM61.4 million or 35% of total Group's revenue with profit before tax of RM14.3 million. In addition, there are locked in sales of completed properties with Sale & Purchase Agreements executed amounting to RM34.1 million but were not recognised in the FYE 2009 in strict compliance with the FRS 118 Revenue.

The performance of the Property Development Division was significantly affected by the global economic recession particularly in the first half of the financial year.

In order to run the operations efficiently, we also revisited our capital and operational expenditure budget with the view to strategise on cost containment. Prudent practices were put in place and the Group also reviewed and cautiously put on hold the launching of new projects for year 2009.

In view of the slow economic climate, the Group focused on selling existing completed residential stocks worth around RM450 million. With this strategy in place the Property Development Division managed to weather through the uncertain economic climate with a positive contribution to sustain the Group.

Country Heights Damansara was the major contributor to the Property Development Division results for the financial year under review. With the completion of the new back access road which was opened on 15 November 2009 and increased marketing activities that took place to promote this project, sales managed to pick up drastically in the final quarter of the year.

Our property development focuses on selling aspirational lifestyle rather than just a house. We take pride in our innovative ideas and designs as the essential factors in selling properties today coupled with our strong brand name.

Going forward, more positive consumer sentiment and reasonable mortgage rates will sustain demand for residential properties.

In addition, with the Government's decision to impose a 5% Real Property Gain Tax (RPGT) only on property sales within first five years of purchase instead of a blanket tax irrespective of date of purchase, will boost buying interest. The relaxation of the RPGT will result in buying interest of consumers to pick up pace, especially among upgraders who need to sell their existing properties first.

Indeed, we are encouraged by the early signs and return of consumers' confidence and moving forward we are planning and strategising on how best to capitalise on an upturn.

PROPERTY INVESTMENT

Property Investment registered gross profit of RM11 million. It is expected that contribution from this division will be significantly enhanced in the subsequent financial years. The improvement arose mainly from better rental incomes from Mines Waterfront Business Park ("MWBP") and exhibition events at Malaysia International Exhibition & Convention Centre (MIECC).

MWBP is a collaboration of an ideal working location with splendid green environment. Providing far more than just a prestigious corporate address, MWBP has proven to appeal to the most demanding office tenants who believe that office should not only have the facilities and amenities required for their business, but also be located in a beautiful and peaceful environment which is conducive for greater productivity and peace of mind of the employees.

Group Managing Director's Statement (cont'd)

It is certainly not surprising to see that MWBP has once again achieved almost full occupancy, with higher yields. However, the more remarkable achievement this year is the significant shrink in the occupancy ratio by internal components substituted with an inspiring leap in occupancy ratio of external tenants. With 521 new car parks ready in Phase 2, having all new reserved parking bays taken up by existing tenants, and another 269 new parking bays to be completed in a few months, MWBP has reconfirmed its status as a truly profitable and well-managed office building, in every way.

MIECC being one of the mainstream exhibition and convention venues in Malaysia, has in year 2009 successfully hosted and organized a number of prominent exhibitions, corporate functions and events.

The Read Malaysia 2009 International Book Fair, made its debut for an annual event in April, where all the publishers, booksellers, academicians, authors and educational institutions meet together, establishing partnerships. There was also the World Chinese Book Fair held in November that year, an event endorsed by the Ministry of Education, whose objectives were to promote "reading" amongst Malaysians; promoting our local publications industry, business matching platform for local and international publications and also for working adults to explore the area of re-education. This event had attracted

more than 200 exhibitors locally cum overseas and approximately 400,000 visitors to the fair, thus making it the largest book fair held in the country, as certified by the Malaysia Book of Records.

Another first of its kind exhibition in the region, organized by MIECC, was the Malaysian International Road Safety Exhibition 2009 (MIREX 2009). The Transport Ministry and the Road Safety Department (JKJR) endorsed this exhibition. Themed "Think of Your Loved Ones", and aptly in line with the government's objective to reduce road fatalities and injuries, MIREX proved to be the ideal venue for education as well as communication for everyone on road safety, and at the same time served as a business platform for exhibitors and promoters alike.

MIECC strategically located just 20 minutes away from Kuala Lumpur city and Putrajaya, the federal administrative capital of Malaysia, proudly contains the largest column-free exhibition space in the country at 160 feet in width, 660 feet in length, 50 feet in height and a floor load of 3 tons per square meter. In addition, we have recently completed construction on the MIECC café bay, which will house 3 cafes serving a wide variety of Asian and Continental delicacies to fulfill any culinary request. With its comprehensive facilities and its team of dedicated staff, MIECC aims to be the "preferred" venue for all.





HOSPITALITY, LEISURE & HEALTH

Hospitality Leisure & Health Division contributed RM97.9 million or 55% to the Group's revenue in 2009. The higher revenue, as compared to RM89.9 million in 2008, was mainly attributed to the Timeshare and Health Sanctuary businesses.

The global economic recession and threat of influenza A(H1N1) have affected the country's hotel occupancy. Hotel occupancy rates in the country fell at annual rates of between 15% and 20% in the first half of the year 2009.

There is downward pressure on hotel rates in order to attract more guests and Kuala Lumpur has some of the lowest rates in the region. However, growth in the occupancy rates is expected to improve in year 2010 due to airlines' low fare promotions.

The Mines Resort & Golf Club will play host for the Asia Pacific PGA Golf Tour event in Malaysia in October 2010. This event is anticipated to boost hotel occupancy rates with the influx of overseas golf enthusiasts and spectators coming to see the best players from all over the world.

The timeshare and health sanctuary is looking forward to continued growth, with increased members help and the extended range of services provided by the expand Health Screening Centre at Palace of the Golden Horses which is expected to be ready for operations by July 2010. The expansion from a total built up area of 11,000 sq feet to more than 30,000 sq feet will make this the largest dedicated centre for preventive healthcare in Malaysia.

FUTURE OUTLOOK

The improved sentiment experienced in the fourth quarter of 2009 suggests a brighter outlook for 2010 particularly for the property development division as we prepare for new launches beginning from the second half of 2010.

The renewed interest and ever growing population in Cyberjaya augurs well for our planned launch of 159 units low rise condominium in Cyber Residency and future launches of high rise condominiums and semi-detached houses in the same vicinity. The Sports Living Terrace Homes concept to be introduced in Kolej Heights Utara will feature affordable houses with features not currently available elsewhere in the northern state of Kedah. New developments are also currently at various stages of planning in Country Heights Kajang, Country Heights Damansara and The Mines Resort City.

The Property Investment division expects to achieve higher rental income with the completion of the car park and retail podium for Phase 2 of Mines Waterfront Business Park in the first half of 2010.

As for the Hospitality, Leisure and Health division, our flagship hotel, Palace of the Golden Horses will in 2010, embark on a refurbishment of all its existing rooms. The fresh appeal of the newly refurbished rooms will enable the group to tap new markets and boost room rates and occupancy levels for this award winning luxury hotel.

The Golden Horses Health Screening, with the newly expanded 30,000 sq feet health screening centre at the Palace of the Golden Horses will be looking to grow its membership base further and expand its brand presence in the region.

Overall, the group will continue to manage its balance sheet and maintain gearing at current levels whilst pursuing earnings growth with the end goal of ensuring long term value preservation.

Property Development

With Property Development as our core business, Country Heights Holding Berhad has borne many success stories and it is our strong brand that positioned us as where we are today, growing from strength to strength!





Property Development (cont'd)

COUNTRY HEIGHTS DAMANSARA

A Little Forest in Kuala Lumpur

COUNTRY HEIGHTS DAMANSARA BUNGALOW LOTS

Country Heights Damansara is a perfect home sanctuary that offers residents an oasis of tranquillity amidst the bustling city of Kuala Lumpur. Spread over 200 acres of freehold land among lush and hilly foliage, this low-density enclave offers the best in natural beauty and location. With less than two units per acre, 87% of the bungalow lots have been sold since its launch.

The fresh air, cool breeze, and close to nature living environment complimented with an impeccable view over Kuala Lumpur City is the quintessential location for a home. Within only a 5-10 minutes drive from the hip hang out places like Mont Kiara, Hartamas, Petaling Jaya, and One Utama; we have Kuala Lumpur's highest man-made waterfall, a 1.2 km jungle trek and a ravine path to make one understand what a home community should aspire to.

Nature is our best treasure, Country Heights Damansara strongly adheres to a 'hillside living' ethos, where instead of destroying the natural environment, we have designed Country Heights Damansara as a work of art, with nature as its theme. The Company respects the land with buildings that interact with nature while creating cutting-edge homes that are finished to an exceptional standard utilizing natural materials like stone, timber and marble. This results us being one of Malaysia's most sought-after hill enclaves.

In addition to the breathtaking man-made waterfall, Country Heights Damansara also offers 19 acres of Garden Park within this "Little Forest in Kuala Lumpur" for lovers of outdoor adventure. Since its birth in 2001, this niche "paradise on earth" has made its mark in property development history, growing steadily in value throughout the sluggish Asian economy and downturns in the property market.

Recognizing our effort in "Ever Searching for Better Living", Country Heights Damansara has won the Best Development Malaysia in the CNBC Asia Pacific Residential Property Awards in 2008 and 2010.

Development Update:

There are 30 bungalow units currently under construction, and 44 bungalow units that have already been completed and occupied. The year witnessed an increased number of completions and starts of owner's bungalows which we forecast to continue.

Further launches are 12 units of new bungalows, of which, four units have been completed and one unit is currently under construction. The bungalow prices range from RM7 million to RM9 million. Recent sales in Country Heights Damansara include a bungalow house in February 2009 transacted at RM9.5 million.

The construction of an access road (main entrance) from LDP Penchala Toll and a road linking to neighbouring developments has commenced. The opening of the direct access from the toll will further enhance the value of the property.





Property Development (cont'd)

BORNEO HIGHLANDS RESORT

Borneo Highlands Resort is located approximately about an hour's drive from Kuching International Airport and stands at a height of 1,000 metres above sea level in the world's oldest and second largest tropical rainforest. The Rainforest Haven at Borneo Highlands Resort is one of the most exciting residential developments in Southeast Asia with the tagline, "The World's First Highlands Holiday Home in a Rainforest". Imagine the beautiful and majestic Mother Nature views surrounding the exclusive bungalows. Borneo Highlands Resort has won the Best Golf Development Malaysia in the CNBC Asia Pacific Residential Property Awards in 2008 and 2010.

The Rainforest Haven at Borneo Highlands Resort currently offers 4 phases of bungalow lots development namely Borneo Forest (Phase 1), Golf Forest (Phase 2), Hornbill Forest (Phase 3), and the Swan Lake Forest (Phase 4) with sizes varying from 6,000 square feet to 68,500 square feet. The Rainforest Haven assures exclusivity, individuality, and peace of mind. The Resort is committed to a promise of low-density development. Only 1,500 acres out of the 5,000 acres will be used for development and the rest maintained as the way Mother Nature intended it to be.

Up to 2009, there are 18 bungalows built with 3 more bungalows under construction. Every bungalow is unique to the owner's preferences and taste. This emphasizes the uniqueness and exclusiveness of the Rainforest Haven as there are no two bungalows that are the same. Aside from that, the infrastructure work at Phase 4 is still ongoing and is being expedite to complete as soon as possible in order to enable prospects better access to Phase 4 for viewings. The car park at the foothill and the car park barrier system has been completed which would provide better service and convenience to the lot owners, members, and guests.

In 2010, among the projects planned and proposed are the new staff quarters in order to provide a better living area for the employees, reception and commercial center which will cater and provide better service to the lot owners, members, and guests. Other projects to improve Borneo Highlands Resort are the sewage treatment plant for the clubhouse, street lightings, and additional water storage tanks. The improvements and developments will add to the attractiveness and value of Borneo Highlands Resort for those who has the desire to build or own a holiday home in the unpolluted highlands rainforest environment surrounded by Mother Nature with all the necessary amenities.



Property Development (cont'd)

KOLEJ HEIGHTS UTARA

(Kubang Pasu, Kedah)

A PARADISE FOR COUNTRY STYLE LIVING

Kolej Heights Utara is another premium development by Country Heights undertaken by its wholly owned subsidiary, College Heights Utara Sdn. Bhd.

Its luxurious living amongst Nature's warm embrace are just snap shots at Kolej Heights Utara. Spread across 489 acres of prime freehold land of Kubang Pasu, Kolej Heights Utara residences is well connected through a network of highways linking to Hatyai(Thailand), Kangar, Sultan Abdul Halim International Airport and Alor Setar and is renowned for its scenic pristine landscape tapestry that pays tribute to the beauty of Mother Nature.

Kolej Heights Utara, which consists mainly of bungalows with manicured landscape open space, is a truly exclusive estate, making it one of the biggest high-end enclaves with the lowest density in the Kedah State. KHU neighborhood is gated and guarded round the clock with Closed-Circuit Security Cameras at strategic locations, residence to residence personal service, ensuring residents in a secured and comfortable haven, and spawns new sprouts of residents dream villas, painting the 2009 portrait of KHU.

In the midst of the recovering economic wave of 2009, KHU successfully completed and delivered its exclusive 24 foot width, 15 foot high-ceiling, 3-storey shop office, a desirable commercial hub within its district. Designed within a natural environment, the suave 3-storey shop office's master plan also emphasises on the harmonious co-existence of modern comforts and opulent landscape. Riding on the success of Phase 1 Shop Office, the CHHB group envisages a greater master plan in introducing its Phase 2 Shop Offices, offering generous interior space and debonair facades tailored within exclusive and perfectly manicured open space, which will be introduced into its local market in March 2010.



Conjured within CHHB delectable menus of properties for the coming year 2010, is the innovative and debonair Sports Living Super Link Homes, featuring ample spaces and private gardens, a seamless blend of inviting nature into homes. With hordes of accolades for prophetic residential impression, the Sports Living Super Link Homes offers a desirable blueprint; the "Modern Contemporary" with its minimalism suave modern appearance, all tailored on exclusive and perfectly manicured themed gardens, open and friendly with strength for community spirit. The Sports Living Super Link Homes is one of its kind in the northern region, offering homeowners with individualism in a Link Home environment, whereby 194 units will be posing its dominance in the market of August 2010.

College Heights Utara has also embarked on a new 'Design and Build' concept for its remaining bungalow lots, whereby residents have the opportunity to realise their dream vacation homes within a well manicured environment in year 2010.

COLLEGE HEIGHTS UTARA...

...an exclusive and prime residential choice,
"ever searching for better living."



CYBER HEIGHTS VILLAS

QUALITY LIVING, ECO-FRIENDLY AND SAFE ENVIRONMENT

Cyber Heights Villas has the privilege and distinction of being located within the world's multi-award winning intelligent city of Cyberjaya, the nucleus of the Multimedia Super Corridor (MSC) and the hub of Asia's fastest growing market.

This development is well connected with an excellent infrastructure and transportation system such as, MAJU Expressway, North-South Expressway Central Link, Express Rail Link (ERL) connecting KL Central to the Federal Government Administration Capital, Putrajaya and KLIA, Putrajaya Link and South Klang Valley Expressway.

Sitting on an area of 28 hectares (69.70 acres) of prime freehold land, consisting of 1556 units of quality apartments in the safe environment with a low density of 23 unit per acres, a club house and business center. To date, 510 units of apartments have been completed with certificate of fitness.

CYBER RESIDENCY

This new phase consisting of 6 blocks, 159 units and currently 14 units including the 3 show units have been completed, and are now open for public viewing. 3 blocks of apartment villas are 4 stories and the remaining 3 are 10 stories. Each storey consists of a cluster of 4 units to provide exclusivity. All units are corner units with the views taken as prime consideration.

Boosted by the increasing population of 100,000, universities and numerous MSC status companies, current plans for business center, service apartments, condominiums and semi-detached housing developments are in the pipeline.



Property Development (cont'd)

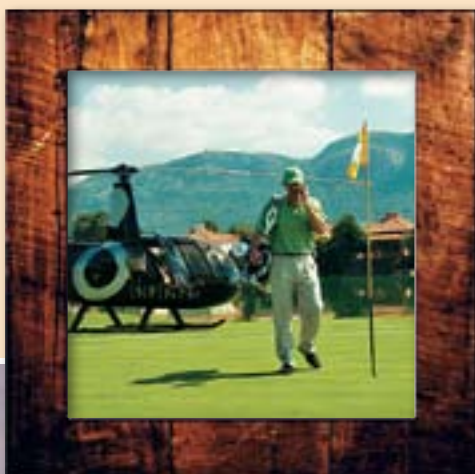
COUNTRY HEIGHTS PECANWOOD GOLF & COUNTRY CLUB

“...magic in a nutshell”

Daybreak, a slight breeze lifting a misty blanket off the water, with only the cry of the Fish Eagle to be heard, crisp and clear...

The sound of a golf club connecting the dimpled ball solidly, sending it off to flight over a perfectly manicured fairway. The sound of a perfect shot, crisp and clear...

Yes, you can find it both, mastering the art of the perfect balance in life, and you needn't look far. Take a step back and a deep breath of fresh mountain air, just South of the Hartbeespoort Dam, nestled between the rolling hills of the Magaliesberg where you will find Pecanwood Golf & Country Club. It is here where *quality* meets *life*!



At the foot of the Magalies Mountain range and with the Hartbeespoort Dam painting the canvas for the scenic backdrop for this pristine golf course and housing estate, it soon became one of the most sought after addresses. The magnificent maintenance of the lush fairways and perfectly manicured greens have secured Pecanwood as one of the top ten ranked courses on the wish list of any respectable golfer. Looking back, it has earned several accolades and within the first five years we were ranked within the top 5 golf courses in South Africa and thereafter a star studded 10 years at Pecanwood were to follow:

2000	:	No 5 as rated by Golf Digest.
2001	:	No 8 as rated by Compleat Golfer
2002	:	No 10 as rated by Golf Digest
2003	:	No 10 as rated by Compleat Golfer
2003	:	5 Star Golf Experience Award by Compleat Golfer
2004	:	No 10 as rated by Golf Digest
2005	:	No 13 as rated by Golf Digest
2005	:	5 Star Golf Experience Award by Compleat Golfer
2006	:	No 14 as rated by Golf Digest
2007	:	5 Star Golf Experience Award by Compleat Golfer
2008	:	No 13 as rated by Golf Digest
2008	:	No 9 by Compleat Golfer





We are very proud to say that through these economically unstable times, Pecanwood has held its grounds and has been firmly rooted for no less than one decade, celebrating our 10th year anniversary in April 09 and once again the superior splendour of this typical Nicklaus course has ensured that Pecanwood retained its position under the top 10 ranked golf courses by Compleat Golfer as judged by an independent board of panellists.

With the tough economic climate reflected world wide, 2009 has no doubt been one of the more challenging years in the corporate and leisure industries, presenting many challenges along the way. This, together with constant competition from new upcoming golf courses in our immediate surroundings and budget constraints from the usual corporate trade has forced us to view the market from a completely different angle.

Instead of breaking the spirits of our dynamic operations team, we saw this as an opportunity to approach the competitive market with fresh, new and innovative ideas, creating opportunities one may ordinarily not have entertained. Where we have set the bench mark as corporate golf day destination we used to be spoilt for choice in being very selective of our market entering the Pecanwood gates and it is exactly that which we need to continue.

With a mini revamp to the pro-shop which allowed more visible stock on hand, we managed to increase sales by 20%, for 2009. Much of this success can be attributed to a well stocked ladies and kiddies section, better display area's with more space to manoeuvre around the shop as well as stocking of popular hardware. There are prospects to make the shop larger with a fully equipped fitment centre but this would require some revamping on the existing shop with costs attached.

Time and dedication from the Golf Operations team has also been evident with member and visitor tournaments hosted throughout the month. Popular member tournaments include the Pecanwood Majors which coincide with the four PGA Majors, namely; Masters, US Open, Open Championship and the PGA Championship. We also host the official annual Club Championship Tournaments for the Mens, Ladies and Seniors. Linked to this tournament is the competitive Club Champs

Matchplay. This tournament starts with the top 16 players from the Club Champs (on gross score) playing in a 'knock-out' format over two days for a spot in the final match on the Sunday afternoon. This would mean that if they reach the final round, they will be playing their 4th round in two days (a whopping 72 holes!).

The drive towards establishing better contact and communication with corporate clients and members alike have awakened the urge in setting new trends, and with 11 years of solid experience in this highly competitive industry, it is with great enthusiasm that we are heading back to basics - "the personal touch" – just technologically advanced!

With the fast growing and highly competitive world of technology it is very easy to get lost in e-mails, internet and websites, forgetting about the power of personal contact which reaches a level far beyond the average networking boundaries. By reaching out to clients with follow up visits rather than dropping them an e-mail we have taken the market by surprise, focusing on establishing and strengthening new and existing client relationships and re-enforcing old school values.

This has heightened the awareness in several other areas where Pecanwood can be of service to our valued members / guests, whether on a corporate or private level and brought along new opportunities creating additional revenue. Conferencing, banqueting and private catering has once again been pursued with renewed energy and judging by our Food & Beverage revenue which reflected the "proof is in the pudding" so to speak.

After ten extremely successful years, it was General Manager – Ken Payet who saw it fit to take Pecanwood to even greater heights on a business level. This refreshing change has taken place in the form of a strategic decision, being a brand partnership with steel specialists Omni Struct Nkosi.

Together Pecanwood and Omni Struct Nkosi have completed many joint projects together. Starting with the construction of an impressive 12m high water fountain on an inland lake on the third hole which has evoked extremely positive feedback from all golfers as it has greatly added to the aesthetics of our course.

Property Development (cont'd)



"This fountain is the first step in our and Omni Struct Nkosi's joint commitment to enhancing the look and feel of Pecanwood for the golfers who play here regularly, as well as our many international visitors and players from other parts of the country," says Ken Payet, General Manager.

Other improvements include the placing of water coolers and refuse bins at strategic sites on the course as well as scorecards, tee's, range balls, bottled water and other merchandising products at Pecanwood's for the convenience of the golfers.

"We love golf and we're passionate about Pecanwood," is how Omni Struct Nkosi director Gerry Boom explains the motivation behind the partnership.

Dave van Asche, a fellow director, says the branding, reputation and stature of Pecanwood and Omni Struct Nkosi – in their respective fields – are mutually complementary and lay the basis for a highly successful partnership in the years to come.

With this type of alliances, Pecanwood can only grow from strength to strength and the next ten years to come, once again be a force to be reckoned with in this highly competitive industry.

Life at Pecanwood offers everything the discerning investor is looking for and more. If golf is not your game, boating may just be up your alley and being situated on the banks of the Hartbeespoort Dam this creates the perfect playground for the boating enthusiast. Waterfront homes are often awakened by the humming of boat- or jet ski engines early in the morning, and what more can one ask than spending of a perfect summer's day outdoors or popping into the boat club for a light lunch or simply catching up on the social scene.

The corporate market soon caught onto this gem of a setting and found it perfect for creating a more relaxed feel for any occasion on the business calendar. With the boating scene making one feel far removed from the hustle and bustle of the city life – only a mere 40 minutes from JHB or Pretoria – this soon became a perfect location for year end functions, photo shoots and not to mention kids birthday parties.

Pecanwood also has a variety of service providers on site which offer added valued to our offering. These range from a golf teaching academy, health spa, fully equipped gymnasium with personal trainer to a childrens' crèche, yoga 4 youngsters as well as tennis lessons. Booking accommodation on one of the privately homes could not be easier as our preferred supplier, Rina Grobler can assist with a tailor-made home to suit our valued visitors budget.



Our world class **Golf Teaching Academy** is run by P.G.A Teaching Professional, Max Birkenhead. Max once held the title of European long drive champion and having worked in the U.K for one of the most prestigious golf course pro shops and driving range in the South of England has now found a new home for her training ground right here at Pecanwood.

Her wealth of experience, together with the latest in golf teaching technology for both a modern and holistic teaching approach adds a new dimension to the game of golf. Operated from our in-door teaching studio and a world class, double sided grass driving range with two short game practice areas makes this the perfect training ground for budding new golfers, those that simply need to brush up on various aspects of their game, or specially designed clinics to suit the needs of any corporate group.

Max also shares her skills on the golf course with the 'wee ones'. Her kids clinics are proving to be successful and she teaches the youngsters the basics and what is expected in them on the golf course.

The Pecanwood Health & Beauty Spa offers the ideal escape whether you are out for the day with the girls, having to entertain non-golfing corporate clients or merely sitting back after sinking that birdie putt on the 18th with your colleagues. Who could ask for a better end to

a perfect day than drenching up the last rays of sun whilst enjoying a post-game shoulder massage in front of the locker rooms, leaving the scoring to the qualified pro's.

Irene Westerdale runs Pecanwoods' fully equipped member **Gym** and also offers **gym in a bag - personal training** as well as a boot camp. She is extremely popular and has built a reputation for 'producing results' - which in her business, is key!

Even the every day routine could not have been easier and more accessible, leaving more quality time for family life, which is at the essence of our existence. Whether it is dropping your kids at the access gate, linking the estate and Pecanwood College, or pushing your toddler in a stroller to the Kidz Academy for child's play and interaction. Leaving you with more time to sweat it out in the gym adjacent the clubhouse under the guidance of the personal trainer... convenience and safety is at the order of the day.

As the sun starts to set, with only the calling of the Fish Eagle echoing back from the mountains, the crisp sound of the club connecting with the golf ball and you watch a perfect shot taking flight down the fairway a content sigh escapes your lips and one can't help but think... **"this is where quality meets life"**.

...enjoy the comfort, experience the magic!

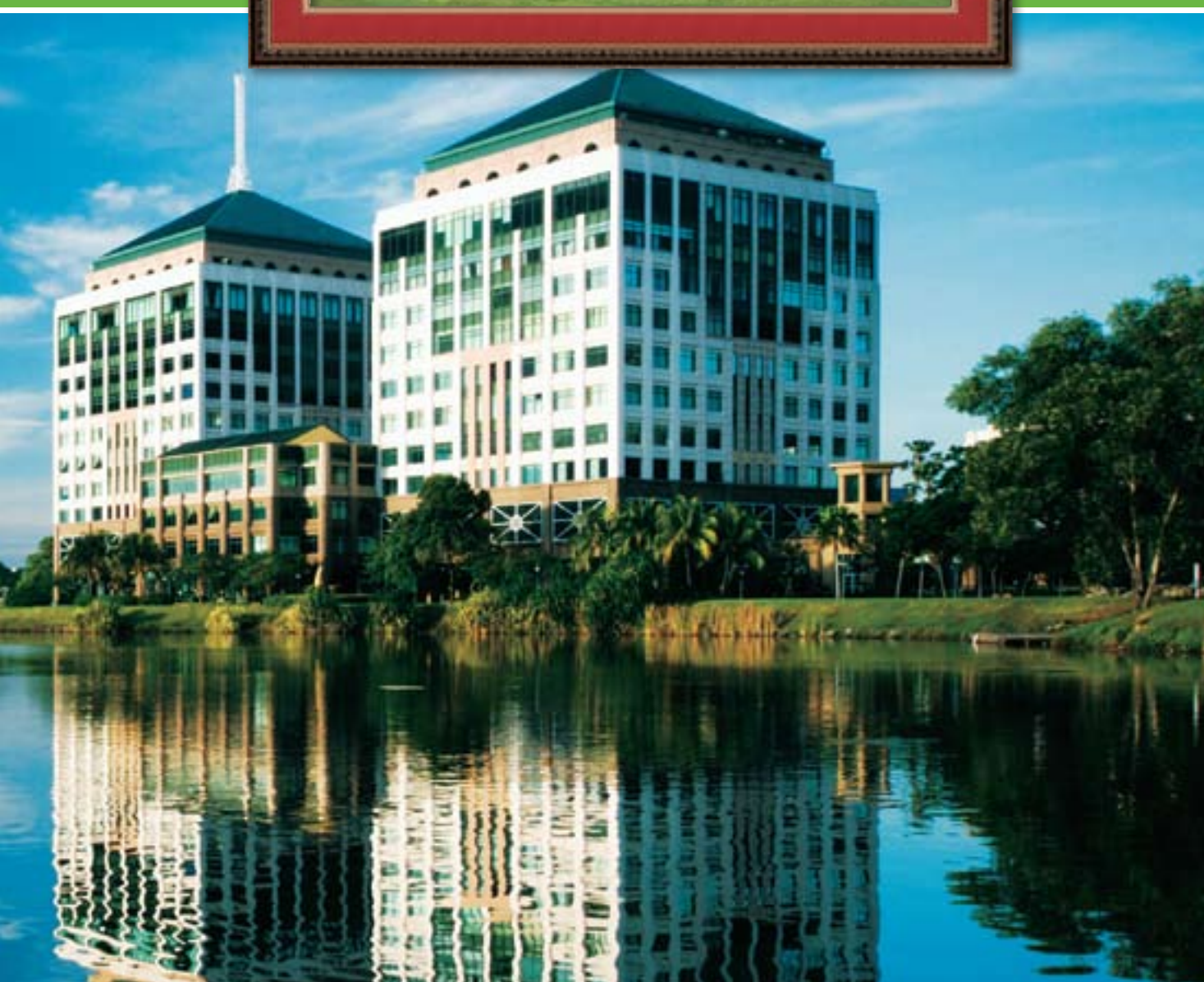
Property Investment

Property Investment Division of CHHB entails the rental and leasing business of the Group. It involves two properties, namely, the MINES Waterfront Business Park (MWBP) and Malaysia International Exhibition & Convention Centre (MIECC).

MWBP is the only office address with an expansive view of a 150-acre lake with a 18-hole signature golf course and country homes in the distance, surrounded by lush and plentiful landscaping.

MIECC was one Malaysia's premier exhibition venue, with major events, both regional and international, under its belt. As a result of too many emerging new venues, the Management of MIECC has evolved a two pronged strategy to increase revenue.





Property Investment (cont'd)

MINES WATERFRONT BUSINESS PARK (MWBP)

Well planned by visionary developer from the very beginning, strategically located right in front of Besraya Highway (well-connected with 7 major highways), complement with sensational lake & golf course views. "The Best of Both Worlds", summarizes the working experience of the office tenants at Mines Waterfront Business Park. It is all elite golfers' dream office, yet it is sited right in the heart between all major destinations i.e. Kuala Lumpur city, Putrajaya, Cyberjaya & Kuala Lumpur International Airport, Mines Waterfront Business Park is a testament to collaboration success for providing ideal working logistic with splendid environment. It is destined to redefine the context and purpose of smart lifestyle workplace. Logically, designed and built to host the headquarter office of one of our nation's resort & integrated property developer, Country Heights Group, one would expect nothing but the very best!

In Year 2009, major tenants like CyberSecurity Malaysia has taken up office space of more than 20,000 sq. ft. and existing tenants like Measat Broadcasting Network (Astro) has further expanded their office space by another 8,000 sq.ft. As a result, Country Height Holdings Berhad management office was relocated in order to accommodate and meet the tenants' expansion needs. In summary, Mines Waterfront Business Park has achieved a healthy growth rental. Essentially, there was a significant shrink in the occupancy ratio by its internal companies from 32% to 19% substituted with an inspiring leap in occupancy ratio of external tenants to 81%. This phenomenon is a clear indication of a well occupied and profitable office building. New foreign tenants

include Peri Formwork Malaysia (based in Germany), the regional office of Siemens Malaysia and a VoIP phone service provider whose parent company is listed in China.

While maintaining almost full occupancy year after year and proudly tagged as the corporate addresses for many well-established multi-national companies like Sumitomo, Hitachi Cable, Yellow Pages and government-linked companies like Mynics Berhad and CyberSecurity Malaysia, nothing is taken for granted. Intensified value-added services begins with an entrance lobby of breathtaking artistic elegance, internal coffee house with spacious discussion area for tenants, ATM machine available, free distribution of newspapers, contemporary design foodcourt, free shuttle bus services to nearby KTM & LRT stations, and last but not least, as an integrated component of the MINES Resort City and tenants of MWBP can enjoy privileged discount offers for room and F&B facilities at the Palace of the Golden Horses Hotel and also the Mines Wellness Hotel.





An accredited full service travel provider i.e. Star Travel has set up their standalone travel & air-ticketing office here to cater for the ever-demanding needs of existing tenants. There is also a new car wash operator to provide total car care & snow wash services. A new complimentary shuttle van service has been made available to fetch tenants from new multi-level and open space car parks to office and vice versa. During Christmas, we have organised caroling at tenant's offices, cheering up the festive spirit. Uncompromised and proactive security has further enhanced our public image as a safe and secured work place at all times. The positive working culture nurtured under our management will always instill the going extra-mile attitude in each and every staff.

In Year 2009, 521 new parking bays have been created at Blocks F & G, Phase 2, of which 37 bays at Level 1 have been designated and reserved for Guest Parking. This is another effort by Mines Waterfront Business Park to boost popularity and making significant inroads securing the long-standing dominance in lifestyle office arena. Our new reserved parking bays have received positive response from existing tenants and are fully taken up. The multi-level car park at Blocks H & I is already in the midst of completion, thus car park facilities will be available to its tenants apart from more revenue expected to be generated from the car park collection.

At the same time, the new ground retail podium at Blocks F & G is expected to be completed within the next few months. Prospective tenant seeking for high-ceiling retail / office space with 35,000 sq. ft. at one single floor with high-profile neighbouring tenants, will need to look no further.

Having said the above, all legacies will still need higher objectives to stay more superior over others in this competitive office leasing environment. With the increasing demand for office space with cyber-centre specifications, construction of Mines Waterfront Business Park Phase 2 consisting of 4 new office towers is targeted to meet the increasing demands of office space of such calibre.

Welcome to Mines Waterfront Business Park!

Property Investment (cont'd)

MALAYSIA INTERNATIONAL EXHIBITION & CONVENTION CENTRE (MIECC)



MIECC – Being one of the mainstream exhibition and convention venues in Malaysia, it has in year 2009 successfully hosted and organized a number of prominent exhibitions, corporate functions and events.

We had the READ Malaysia 2009; making its debut for an annual event in May, where all the publishers, booksellers, academicians, authors and educational institutions meet together, establishing partnerships. Endorsed by the Ministry of Education, the objectives were to promote “reading” amongst Malaysians, promoting our local publications industry, business matching platform for local and international publications and also for working adults to explore the area of re-education.

Another first of its kind exhibition in the region which was organized by MIECC, was the Malaysian International Road Safety Exhibition 2009 (MIREX 2009). This exhibition was endorsed by the Transport Ministry and the Road Safety Department (JKJR). Themed “Think of Your Loved Ones”, and aptly in line with the government’s objective to reduce road fatalities and injuries, MIREX proved to be the precious venue for education as well as communication for everyone on road safety and at the same time served as business platform for exhibitors and promoters alike.



We concluded the year 2009 with our successful 11th World of Chinese Book Fair; a fair that gathered Chinese publishers from near and far into one venue showcasing their works and culture. More than 700 exhibition booths were taken up with visitors numbering up to 450,000, thus earning its place in the Malaysian Book of Records for the largest book fair organized.

MIECC – Being strategically located just 20 minutes away from Kuala Lumpur city and Putrajaya, the federal administrative capital of Malaysia, this centre proudly contains the largest column-free exhibition space in the country at 160 feet in width, 660 feet in length, 50 feet in height and a floor load of 3 tons per square meter.

Where food & beverages for visitors and exhibitors to MIECC are concerned, we have the M-Bistro, a cozy café tucked right at the ground level, serving a wide array of “yummy” dishes. In addition, we are proud to present our newly completed “MIECC café 123” which will house 3 cafes serving both Asian and Continental delicacies that will fulfill all culinary requests. With all the comprehensive facilities and its team of dedicated staff striving for excellence, MIECC aims to be the “preferred” venue for all.



Hospitality, Leisure & Health

Apart from property development, the Company has also diversified into the field of leisure and hospitality. Today, CHHB is a diversified Group which has gone from strength to strength, exploiting the different dimensions of man as he relates to gracious living, nature, health, sports, business and technology. CHHB has also positioned itself as a lifestyle creator.





Hospitality, Leisure & Health (cont'd)

PALACE OF THE GOLDEN HORSES**IS ONE OF ASIA'S MOST EXTRAORDINARY VENUES**

Having already received numerous accolades as a world-class luxury hotel, this enchanting palatial property is in a class of its own – an ultimate venue for business, golf enthusiasts and health – conscious guests. The hotel was built specifically for the purpose of accommodating important guests of the government, such as heads of states, dignitaries and royalty. Over the years, the hotel has extended its hospitality to other exceptional personalities and leaders in their own fields, playing host to numerous sporting celebrities, including football stars, international golfers, racing car drivers, the list of distinguished guests is long and exclusive.

One of the precursors of the modern day convention centre, complete with accommodation, it was the first such venue in Malaysia. The Palace of the Golden Horses was built in 1997, as a component part of an integrated destination – the Mines Resort City. Here is where you can find everything available in one location, which includes among other attractions, a shopping mall, golf course and clubhouse, convention and exhibition facilities, water sports entertainment and an animal park. It was the keen foresight of Tan Sri Lee Kim Yew the founder of Country Heights Holding Bhd, one of Malaysia's visionary developers, who was instrumental in formulating and creating this holistic resort city.

Palace of the Golden Horses offers 472 exquisite guestrooms and suites which consist of 20 for heads of states, one host nation suite and one golden suite. There are also five restaurants, two lounges of international standard, a business centre, a swimming pool and a fully equipped gym. If that is not enough and you require more personalized attention from the hotel, you can request to stay on the Dignitaries Club Floor, where you can have the services of a butler, concierge and secretarial assistant. This floor also comes complete with a business center and lounge.

The hotel is also known for its dedicated conference centre, the Sultan Salahuddin Abdul Aziz Shah Conference Centre which is located in its very own private wing. Palace of the Golden Horses has conference space of 15 meeting rooms equipped with state-of-the-art facilities, individual lighting control, audio-visual equipment, teleconferencing and internet broadband access. There are two ballrooms, the Royal Ballroom and Unity Room, both with a maximum seating capacity of up to 2,000. There is also a theatre with 300 seats which accommodates theatrical acts or corporate presentations.





To increase the hotel's meetings and conventions capacity, a canopied venue was added, which is ideal for outdoor events. The Le Marquee can fit 1,800 in a garden setting against the backdrop of the nearby lake.

This award winning luxury hotel has been the venue for many high profile events. To name a few: the ASEAN Informal Summit, 1998 Commonwealth Games, Asia Pacific Economic Cooperation (APEC), World Cup Golf, Inaugural Women's World Cup Golf, Brazilian World Cup Team, the Non-Aligned Movement Summit (NAM), FEI World Cup Horse Jumping Final, Gourmand World Media Awards, Global Indian Film Awards (GIFA), Manchester United & Chelsea Asia Tour and Disney On Ice.

In November 2008, the hotel received a prestigious international award similar to the award received in 2007, recognizing Palace of the Golden Horses as the *Best MICE Facility and Service Hotel 2008 – International Category*, awarded by Travel Weekly China. And for 2009, the hotel's Chinese Restaurant – Kim Ma once again received recognition by Tourism Malaysia with a *Merit Award* as the *Best Innovative Chinese Restaurant 2008/2009*.

As the MICE preferred and award winning hotel, Palace of the Golden Horses successfully hosted as the venue for many high profile international events and local conventions in 2009 namely:

Event	No of Pax
Le Tour De Langkawi	550
Persidangan Eksekutif Muda	750
YADIM (Yayasan Agama Dakwah Islamiah Malaysia)	300
Petronas Management Fora 2008/ 2009 Series	350
Polis Diraja Malaysia	600
NZ New Image	4000
Small & Medium Industries Dev Corp	500
Malaysian Paralympic Council	100
Herbalife International (S) Pte Ltd	200
Honda Malaysia	200

Passion Dinner	1000
Asia HRD Congress	300
Guinness Anchor Berhad Conference	300
Universiti Pendidikan Sultan Idris	200
The World Chinese Economic Forum	200
Mercedes Benz (M) Sdn Bhd- Dinner	800
Elim Church Camp	400
Easy Pha-Max Marketing- Conference	2000
Jabatan Belia & Sukan Negara- Conference	250
ARPC Church Camp 2009	800
Grace Retreat 2009	300
Bethesda Church Bukit Arang Family Day	200
Logos Church Camp	200
Sime Darby Berhad Conference	500
YASH Fabric Group Conference	200
Miss Chinese Cosmos Pageant 2009	700
STWW Resources Conference	1000
AISEC International Congress 2009	800
Ministry of Health, Nursing Division Forum	700
National Union Head of School Conference	400
Dewan Bahasa & Pustaka Conference	500
Asia Pacific Golf Summit 2009	600

Hospitality, Leisure & Health (cont'd)



Through out 2009, Palace of the Golden Horses had the privilege to host a substantial number of prominent dignitaries, sports stars and celebrities such as the legendary golfers *Gary Player* and *Jack Nicklaus*, the popular Hong Kong celebrities *Alan Tam* and *Hacken Lee*. The hotel was also the official hotel and wedding venue for Malaysia's Wedding of the Year for top local celebrities *Mawi* and *Ekin*.

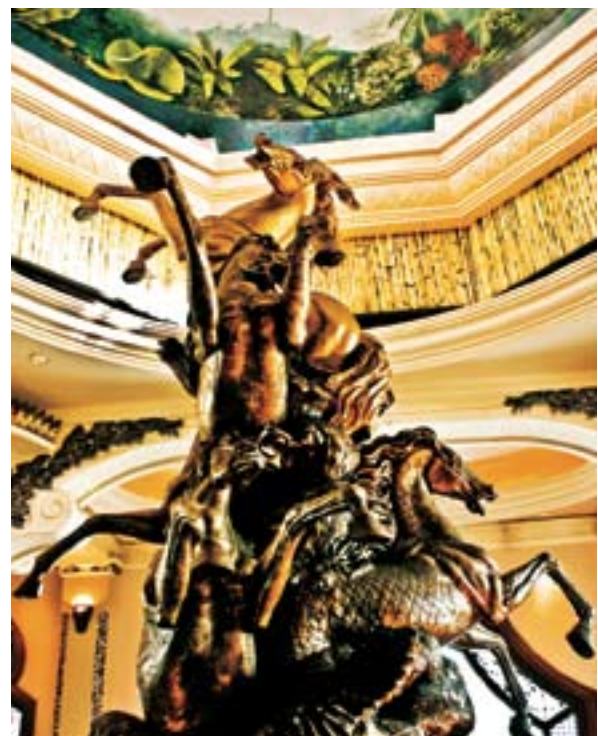
Palace of the Golden Horses offers outstanding variety of dining and entertainment options as the hotel has ten outlets to choose from:

- | | |
|---------------------------------------|--|
| Carousel Cafe | – an all day dining restaurant serving Asian and International favourites |
| Kim Ma Chinese Restaurant | – serves contemporary Cantonese cuisine |
| Kin No Uma Japanese Restaurant | – an authentic Japanese fare |
| Sagar Restaurant | – specialising in Northern Indian delicacies. |
| Polo Lounge | – a sporty lounge with a range of snacks and beverages with cosy ambience |
| Grand Salon Lobby Lounge | – serves evening cocktails and nightly live entertainment |
| Side Walk Cafe | – offering delectable pastries and juices |
| Romantic Cruise | – sunset cruise at Mines lake including dinner for couples |
| DME Cruise | – a Dining, Meeting & Entertainment double-decker cruise boat that can cater for 100 pax |

With the tagline "Prevention is Always Better than Cure", and in line with the healthy living and wellness lifestyle, Palace of the Golden Horses also offers a comprehensive health screening service at *Golden Horses Health Sanctuary (GHHS)*. Located within the hotel premises, GHHS underwent a massive expansion that added up to a total of 33,000 square feet of complete screening and preventive healthcare services.

In addition, the hotel provides a scenic 2.1 km jogger's track, beautifully landscaped swimming pool, an executive fitness centre for the health conscious and a luxurious Spa for rejuvenation and relaxation.

Palace of the Golden Horses, located within the Mines Resort City that is known as the *Venice of the East* is poised to be one of the world's most widely known luxury hotel, inextricably linked with outstanding opulence, which will position Malaysia as one of the finest destinations in the global hospitality and tourism industry.



MINES WELLNESS HOTEL

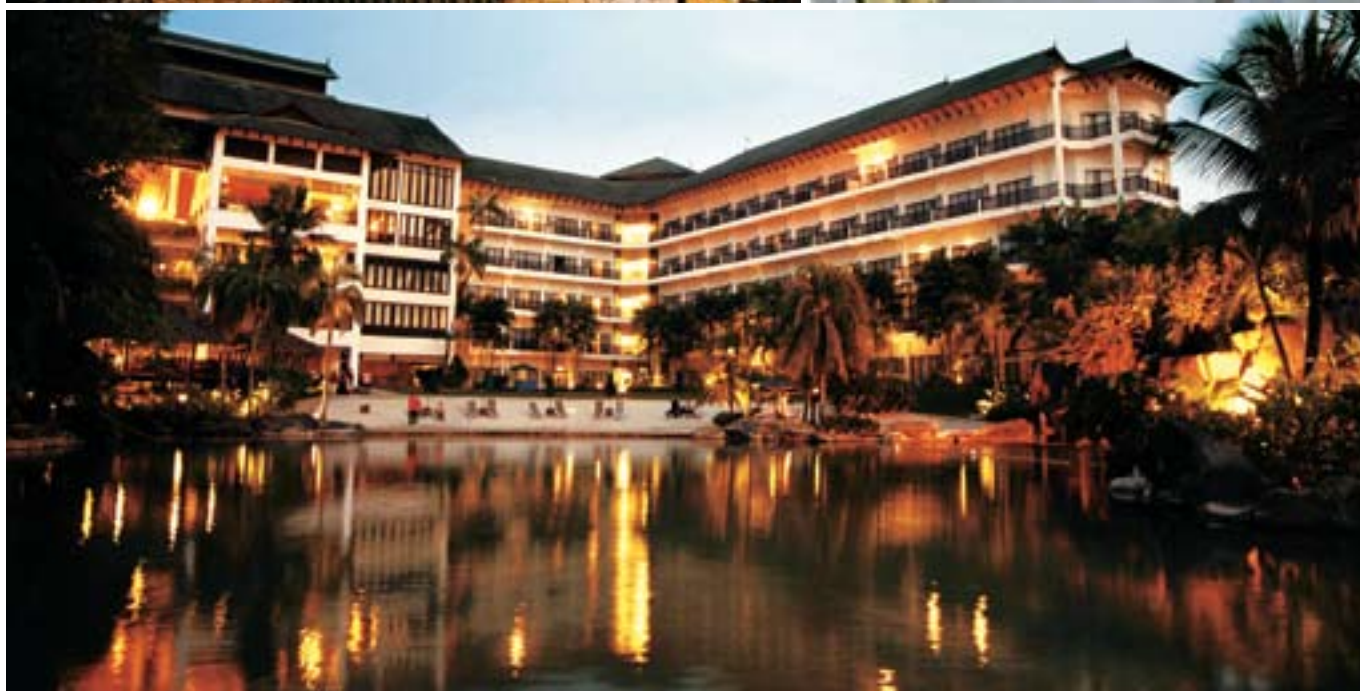
WELCOME TO WELLNESS

Nestled amidst the concrete jungle of Kuala Lumpur, Mines Wellness Hotel is a hidden treasure offering a full experience of sophisticated lifestyle, comfort, privacy and tranquility. 2009 was a year of change for the hotel as it positioned itself as a one-stop holistic wellness resort offering both western & Eastern healthcare services, incorporating Traditional Chinese Medicine (TCM) & Medi Spa concept. Dubbed as the only 'beach in the city' it is also the perfect choice for garden weddings, beach barbeques, family days, team building events and other leisure or corporate activities.

A delightful 175-room resort hotel with a tropical design overlooking a scenic 150-acre lake, Mines Wellness Hotel is the perfect escape from the hectic city life. Feast your eyes with the lush surrounding or immerse yourself in the serenity of the place.

All rooms and suites has a balcony, mostly with a fabulous view of the lake. The rooms are categorized into 6 types; Standard, Superior, Deluxe, Helicornia, Chalet, One-bedroom suite and Royal suite.

There are 4 different restaurants to fulfill one's gastronomical needs. Abdul & Charlie's restaurant is an all-day open concept coffee house that serves delectable dim sum and Cantonese style cooking. For a more romantic dining experience, head out to the Beach Hut for drinks and snacks. To unwind, Sunset Lounge is perfect as it overlooks the lakeside, giving a calming and soothing effect.



Hospitality, Leisure & Health (cont'd)

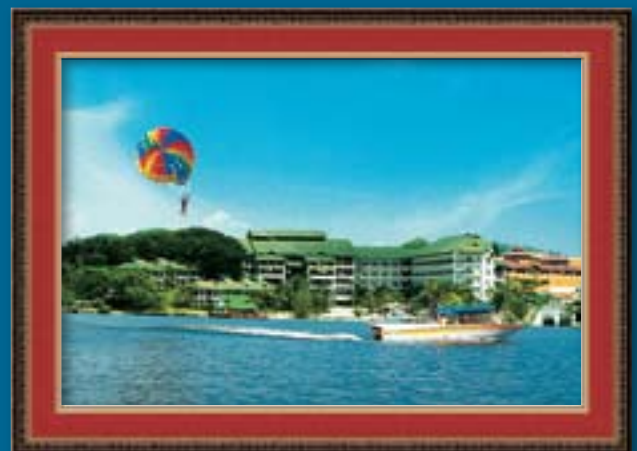


Mines Wellness Hotel has a total of two ballrooms and five multi-purpose function rooms. The ballrooms are named after historical figures, boasting a seating capacity of 150 to 280 people respectively. The five smaller rooms are ideal for meetings, conferences and seminars with a business center providing secretarial services for the guests' convenience.

Situated adjacent to the Malaysian International Exhibition and Convention Centre (MIECC), and located just 30 minute Kuala Lumpur City Center, Mines Wellness Hotel is the ideal hotel for patrons and exhibitors alike. The hotel continued to record high traffic of leisure markets from neighboring Asian countries and Middle East.

The Mines Wellness Hotel has taken on the responsibility of preserving mother earth by going green through the formation of Mines Green Circle. It is a special green environment unit formed to ensure the sustainability of nature through initiating and retaining environmental consciousness among all its staff, guests and the masses. The hotel reused bulbs as plant pots, placed recycle bins in the vicinity of the hotel, pioneered the plant adoption campaign, placed messages on conservation in public areas and washroom, and sold recycled paper baskets among others.

The ambience, culture and service at Mines Wellness Hotel encapsulates the total well being experience for the rejuvenation of mind, body and soul.





Hospitality, Leisure & Health (cont'd)

BORNEO HIGHLANDS HORNBILL GOLF AND JUNGLE CLUB

Borneo Highlands Resort is one of the most unique and exclusive eco-friendly resort developments in the region. Located just about an hour's drive from Kuching International Airport, Borneo Highlands Resort nestles majestically at 1000 metres above sea level amongst the oldest and second largest tropical rainforest in the world.

Borneo Highlands Resort is surrounded by the lush rainforest with a refreshing year round spring temperature of 18-28 degree Celsius. It is an absolute botanical paradise blessed with astonishing varieties of flora and fauna, with fresh air, cool mountain breezes and spectacular highland scenery. The resort emphasizes on 3 main retreats which are the Golf, Nature, and Spa retreats.

In 2009, Borneo Highlands Resort successfully organised 3 annual events, namely:

- 1) BHR Padawan Nature Challenge 2009 which is jointly organised together with Padawan Municipal Council.
- 2) Colours of Nature 2009 which is supported by the Padawan Municipal Council.
- 3) Mini Bird Race 2009 which is jointly organised together with Malaysian Nature Society (MNS).





For 2010, Borneo Highlands Resort will continue to organise the 3 annual events and with the expectation that the events will become large scale international events in order to promote Borneo Highlands Resort.

Up till 2009, the awards and achievements received by Borneo Highlands Resort are as follows:

- Accepted as a "IGOLF Laureate Course" by the International Golf & Life foundation which acknowledges courses that promote environmental and social responsibilities.
- Awarded as the "Best Golf Development (Malaysia)" by CNBC Asia Pacific Property Award.
- Awarded as the "Best Golf Resort" by the Expatriate Lifestyle's Best of Malaysia.
- Awarded as "Asia's Best Course in Malaysia (1st Runner Up)" by the Asian Golf Monthly Awards.
- Awarded with the "Toro Asian Golf Course Environment Award" in recognition of the dedication and commitment to all environmental aspects of the golf operations.
- Awarded the "Best Traditional Treatment" for the Peso Perong Therapy (Traditional Bidayuh Massage) by Malaysia Spa and Wellness Award.

Hospitality, Leisure & Health (cont'd)

GOLDEN HORSES HEALTH SANCTUARY-HEALTH SCREENING

Golden Horses Health Sanctuary (GHHS), a professional premium preventive healthcare service provider with two health screening centres located in Palace of the Golden Horses and Plaza Mont' Kiara.

Motivated by its founder's vision of providing Healthy & Quality Lifestyle, GHHS is dedicated and committed to providing the finest preventive medical check-ups for early detection in a relaxing and conducive environment.

In the year 2009, GHHS began with a good start having completed its 7th half yearly surveillance audits by U.K. Lloyd's International Registrar of Quality Assurance for both health screening centres. In July 2009, we have successfully upgraded our certification to the latest version of ISO 9001:2008. This was made possible by our ever committed and hardworking team and continuous support from our valued members marking GHHS as one of the first few companies that has immediately being awarded on the upgrades even though the certification was just made available in early 2009.

During the year, the Ministry of Health approved the renewal license for Private Healthcare Facilities and Service Act under the provision of "Private Ambulatory Care Centre" for both screening centres in Palace of Golden Horses and Plaza Mont Kiara from August 2009 to December 2011.

Certified ISO 9001:2008

International Quality Management System by
Lloyd's Register Quality Assurance International



Reg No. KLR0500136



Reg No. KLR0500136 A



Closing the year for 2009 could not be better as the highly anticipated expansion project for Palace of the Golden Horses Health Screening Centre commenced in August 2009 and is expected to be ready for operation by July 2010. Total built up for the centre after the expansion would be more than 30,000 sq feet. With this major expansion GHHS will be able to cater to more daily check-ups and double digit growth of daily check-ups is expected while adding extra health care devices to ensure smooth service flow and to avoid any delay for the test procedures. The additional space will also allow us to grow by leaps and bound and provide enhanced services to our members. Our members will also be able to enjoy more health screening programmes in the near future as new healthcare devices with the latest and finest technology such as the MRI (Magnetic Resonance Imaging), CT Scan 64 Slices, stress test etc. are in our plan. With the new healthcare tools to be made available GHHS is planning further specialist services for the members benefits.

Looking forward to year 2010, members could expect an increase in benefits as further tie ups with complementary services are being planned. The location of the complementary services would be at our newly designed Medi-Spa.

Artist Impression - GHHS-Health Screening Expansion



Hospitality, Leisure & Health (cont'd)

MINES TCM WELLNESS (MTW)



"Our mission is to provide an extensive range of Traditional and Complementary Medicine (TCM) combining best wellness care methods mainly with 5000 years of Traditional Chinese Medicine which has a holistic understanding of the human body and universe towards health and illness to help prevent disease, restoring the human body system to essential balance."

Mines TCM Wellness, the most exclusive Traditional and complementary Wellness Center in the region with a built up area of 8,000 square feet is strategically located within Mines Wellness Hotel - The only beach in the city. Our center is staffed with qualified and certified Chinese Physicians, TCM Tuinalogist, TCM Reflexologist and Herbalist approved by the Ministry of Health Malaysia to provide an elegant and relaxing ambience, exclusivity, and professional TCM services, which includes Traditional Pulse Reading and Chinese Diagnosis, TCM Chiropractic Care, Traditional Chinese Acupuncture, Acupressure, Moxibustion, Cupping (Ba Guan), Scraping (Gua-Sha), Traditional Tui-Na Therapy, Qiaodanjing, TCM Pharmacy and Herbal Medicine, TCM Herbal Footbath and Health Qigong.

With a concept of Traditional & Complementary medicine (TCM) based on ancient Chinese Healthcare the TCM membership was introduced to the market in May 2008. As a unique healthcare membership, we are committed to help our members to achieve optimal health in



life through the finest holistic approach. These features makes the membership plan as the best option for you and your loved ones who appreciates quality life and longevity. In year 2009, the membership headcounts has increase 115% over the year. Under a dedicated team, MTW has successfully provided 8533 TCM procedures and therapies to 7050 guests.

In March 2009, the Mines TCM Wellness promotes and incorporate Aromatherapies and services into our menu during the renovation period of Zen Spa. This has increase the service performance to a total of 873 services. MTW will start the operation of Aromatherapies and services in the newly renovated Spa center in year 2010.



In line with the project of transforming Palace Beach & Spa into Mines Wellness Hotel (MWH); MTW offers complementary daily Health Qigong class for hotel guests and corporate check-in groups. To continue promoting the wellness concept, MTW cooperated with MWH by developing Wellness De-stress & Rejuvenating packages, H1N1 & 3 high awareness card, H1N1 prevention campaign, health talk and many other events throughout the year.

To improvise TCM Pharmacy services, we have developed a series of TCM Herbal Products - 9 types of DIY Herbal Footbath, Herbal Health Tea for sale. It is specially formulated by our Resident Chinese Physician.

Continuing with our effort to promote Health Qigong, in July 2009 our in-house Qigong Master has participated in the 3rd International Health Qigong Competition in China and successfully achieved 1st Runner-Up.

As part of our effort in providing healthcare knowledge and education to the society, our resident Chinese Physician & Qigong Master, TCM Dr Jia Hui Feng was invited by the Federation of Chinese Physicians Acupuncturist Associations of Malaysia (FCPAAM) to share his experience and acknowledge on "How acupuncture can treat Stroke patient?" to 200 registered Chinese Physicians in Malaysia, who attended the forum on 19 December 2009.

Ending the year of 2009, Mines TCM Wellness reached another milestone with a new service in aromatherapy. The management team looks forward to another fulfilling year ahead.



Hospitality, Leisure & Health (cont'd)

PALACE VACATION CLUB

HOLIDAYS MADE TO BE GREAT!

The Palace Vacation Club was exclusively designed with the intentions to provide members with a lifetime of wonderful vacation memories. Members are given direct access to an extensive list of quality resorts around the globe including enjoying exclusive privileges at its top established hotels, The Palace of Golden Horses and Mines Wellness Hotel. The recreational facilities provided includes special discounts at F&B outlets, spa packages, water sports and cruises within the Mines Resort City.

Members can enjoy an array of options of exchanging the holiday's entitlement for other products ranging from health services to entertainment. Such privileges are unique to the Palace Vacation Club and have been extremely well received by members with over 1,600 health screening check-ups performed since it was introduced in 2005. In addition, we received an overwhelming response for exchanges of entertainment tickets such as Disney On Ice, Sesame Street Musical, Royal London Circus and Dinner package with more than 800 entitlement nights being transacted under our exclusive arrangement with the event organizers. A new benefit was introduced at the recent Traditional Chinese Medicine wellness services under Golden Horses Health Sanctuary shall be another extension of exchange privileges the Palace Vacation Club members may look forward in future.

The Members Services department of Palace Vacation Club has successfully processed a total of 11,421 room bookings for 2009 with 90% success booking ratio, made possible by our dynamic team and the availability of over 100 international and direct affiliation resorts covering Malaysia, Thailand, the Philippines, Indonesia, India, Australia, China and Europe. It is also made possible via the acquired accommodation in London, UK, Gold Coast Australia and direct access to more than 2,200 fascinating resorts destination in over 100 countries worldwide through Resort Condominium International (RCI).

Experience vacations at the Palace Vacation Club as it is established as the prestigious time sharing program that offers immense benefits and privileges in the form of exhilarating vacations. Palace Vacation Club will continue its effort and commitment in product innovation, redevelopment and enhancement of the membership.



INTERNATIONAL MALAYSIA EDUCATION CENTRE (IMEC)

Life is all about learning

Year 2009 ended on a positive note for International Malaysia Education Centre (IMEC) with the additional centre in Heritage reporting better results because of measures taken to boost student intake and improve efficiency.

IMEC has always enjoyed close relationships with its partner agents abroad and foreign embassies in Malaysia. Our wide network of collaborative partners including agents from Middle East (Iran, Arab Saudi, Libya and Yemen), People Republic of China, Kazakhstan and South Korea are trained to provide information for students to have a better understanding and appreciation of various aspects of studying in Malaysia.

The high academic standards practiced at IMEC are mindful of students' wants and needs and has positioned IMEC in line with established English Language centres in Malaysia.

We provide the means for attaining personal and professional maximum potential through the development of intellectual and social skills in an atmosphere that helps to understand, appreciate, and connect with the rich natural and social environment that surrounds us.

Preparing students for career success after their graduation from local universities, IMEC will be offering training and development programs for professionals. We are dedicated to offering the best and most interesting learning environment possible. You'll find everything here to facilitate professional and personal development, support student progress and achieve success. IMEC offers a complete range of services and variety of facilities.

During the year, IMEC organised a variety of activities and excursions for the students. Activities are designed to foster team building as well as teaching valuable skills to our students for their lives ahead. Activities are group oriented and help develop relationships with our students, teachers and staff. Our goal is to create a healthy and active environment both in and out of the classroom.

IMEC is confident of even better results from both English Language Proficiency Program and Soft Skill programs in year 2010.



Corporate Social Responsibility

The Board of Country Heights Holdings Berhad recognizes and acknowledges the importance of a corporate culture that emphasizes good CSR and good corporate citizenship. As a responsible corporate citizen, the Group is committed to ensuring that its actions not only benefit its shareholders but also its employees, society and the environment.

THE WORKPLACE

In this aspect, the Group strived to maintain high standards of recruitment, development and retention of employees in the workplace aimed at being a sustainable employer of choice.

The Group provides a healthy and safe working environment for our employees including the provision of insurance coverage in terms of hospitalization and surgical, group term life and personal accident for employees to cover medical or accidental contingencies.

As for human capital development, the Group continues to offer comprehensive training and development courses for employees of all levels to further enhance their skills and knowledge.

To foster good working relationship and to build a strong team spirit among employees, our Sports Living Club, Kajang, has organized various sports activities for staff.





THE ENVIRONMENT

Although, the Group's overall environmental impact is indirect, we strive to reduce our consumption of resources and generation of waste and encourage paper usage reduction and recycling plans.

In 2010, our 5-star resort hotel, Mines Wellness Hotel, has been awarded the Asean Green Hotel Award 2010 during the Asean Tourism Forum 2010. Mines Wellness Hotel is one of the ten hotels in Malaysia which has been chosen to hold the Green Award status in 2010 for being supportive in the use of green products, provision of training programmes for operation on environmental management and introduction of waste management techniques such as recycling.

THE MARKET PLACE

The Group is committed to continuously enhance value for its shareholders. It is our aim to provide high quality products and services to our customers.

Operating activities within the Group are conducted with a high standard of practice which is in line with the best practices guidelines set in the Code of Corporate Governance.

THE COMMUNITY

As a caring corporate citizen, the Group has continued to provide financial assistance to local schools, places of worship, less fortunate communities and various non-profit organizations and has participated in many charitable activities to enhance the quality of life in our communities.

During the financial year, the Group has frequently organized parties and special occasions for the orphans and under-privileged children. The Group hosted a charity and community event for the under-privileged with a joint-effort with Nestle Products Sdn Bhd to render contribution for those in need and benefit the children of *Rumah Nur Hikmah* during the month of Ramadan. The children and single mothers each

received Hari Raya goodies and packets of Duit Raya. The children and invited guests were treated with a sumptuous Buka Puasa Buffet with traditional and Malay foods specially prepared by our hotel's award winning chefs.

The Group had organized a charity high tea at East Garden Lawn jointly with Quest Net and Disney on Ice to benefit the orphans and the under-privileged children of *Rumah Kasih* and *Rumah Bakti*. Exciting entertainment was lined up for the children including horse carriage rides, clown acts and charity tickets were also given away to the children.

The Group, together with Rotary Club of Kuala Lumpur Di Raja, had also hosted an afternoon high-tea for the under-privileged children of *Ti-Ratana Welfare Society Selangor*. The children took pleasure in a water cruise ride around the 150-acre MINES Lake and an exclusive sight seeing tour of the MINES Residence and MINES Resort City.

During the year, Golden Horse Health Sanctuary ("GHHS"), a professional premium preventive healthcare service provider with two health screening centres located in PGH and Plaza Mont' Kiara, has also organised a series of health talk in 2009 starting with "*Home Safety*" in conjunction with World Health Day in April, "*Ageing Healthily and Actively*" in May, "*Preventing 3 Highs*" in July and "*Influenza A(H1N1)*" in August. In addition, daily talks were presented by qualified nutritionist to members during checkup day focusing on preventive healthcare. In May 2009, GHHS welcomed the visit of the less fortunate (E-able students) and provided them with a complementary health checkup. Like the Group's previous year's effort, GHHS continued the LPPKN Mammogram Subsidizing programme in 2009 for the less privileged women in screening breast cancer.

The Group recognises the importance of meeting the environmental and social needs of the community and will endeavour to take appropriate and timely action in addressing CSR issues.

Corporate Structure

COUNTRY HEIGHTS HOLDINGS BERHAD

Property Development

100% Country Heights Property Development Berhad
 70% Borneo Heights Sdn Bhd
 100% College Heights Utara Sdn Bhd
 100% Country Heights Development Sdn Bhd
 100% Country Heights eMarketing Services Sdn Bhd
 100% Country Heights Enterprise Sdn Bhd
 100% Country Heights Industries Sdn Bhd
 100% Country Heights Pangsa Rakyat Sdn Bhd
 100% Country Heights Pecanwood Boat Club (Pty) Ltd
 100% Country Heights Pecanwood Golf & Country Club
 100% Country Heights Properties Sdn Bhd
 100% Country Heights Resorts & Leisure Sdn Bhd
 100% Country Heights Sdn Bhd
 100% Country Heights W.T.C. Sdn Bhd
 100% Hasil Cermat Sdn Bhd
 100% Kristal Peramah (M) Sdn Bhd

100% Magnitude Knight (M) Sdn Bhd
 100% Master Strike Sdn Bhd
 100% Mega Palm Sdn Bhd
 100% Nasmaya Juara Sdn Bhd
 100% Profound Concept Sdn Bhd
 30% Mines Golf City Sdn Bhd
 100% Steady Prospect Sdn Bhd
 100% Tindak Murni Sdn Bhd
 100% Walum Enterprise Sdn Bhd
 100% World Racquet Centre Sdn Bhd
 100% Timbang Makmur Sdn Bhd
 100% Speedbuild Sdn Bhd
 100% Versatile Champion Sdn Bhd
 48% Simplex Design Sdn Bhd
 100% Country Heights China Ltd
 20% Dragon Spring Investment (Labuan) Ltd



Property Investment

- 100% East Vision Leisure Group Sdn Bhd
- 100% Endless Gain Sdn Bhd
- 100% IDEC (M) Sdn Bhd
- 100% Mines International Exhibition Centre Sdn Bhd
- 100% Mines Shopping Fair Sdn Bhd
- 100% Mines Waterfront Business Park Sdn Bhd
- 100% Ten Plus One Sdn Bhd
- 100% Mines Premium Sdn Bhd
- 100% Mines Event Management Sdn Bhd
(formerly known as Output Combination Sdn Bhd)



Others

- 100% Best Golden Inc
- 100% Country Heights Promotions Ltd
- 100% Country Heights Garden Resort (Sibu) Sdn Bhd
- 100% Country Heights Global Ltd
- 100% Country Heights Golden Lifestyle Sdn Bhd
- 100% Country Heights Resources Management (M) Sdn Bhd
- 60% Country Heights Quality Life Services Sdn Bhd



Hospitality, Leisure & Health

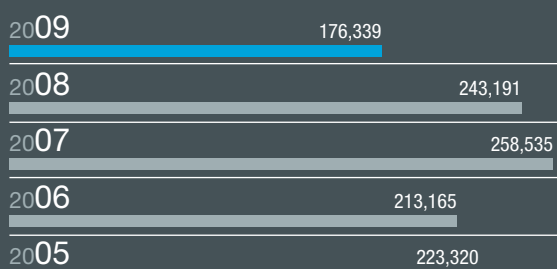
- 81% Golden Horse Palace Berhad
- 100% Borneo Highlands Hornbill Golf & Jungle Club Berhad
- 70% Country Heights Health Tourism Sdn Bhd
- 100% Country Heights Lifestyle Berhad
- 100% Kin No Uma Sdn Bhd
- 100% Mines Beach Resort Berhad
- 100% Mines ePurse Sdn Bhd
- 70% Country Heights Education Sdn Bhd
- 100% IMEC Education Services Sdn Bhd
- 100% Country Heights Sea Resort Sdn Bhd
- 100% Signature Catering & Services Sdn Bhd
- 100% Mines Marketing Sdn Bhd

- 100% Etika Cergas (M) Sdn Bhd
- 100% Lokasi Istimewa Sdn Bhd
- 100% Fresh Innovatives Sdn Bhd
- 100% Mines Engineering & Technical Services Sdn Bhd
- 60% Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd
- 100% Mines Holdings Sdn Bhd

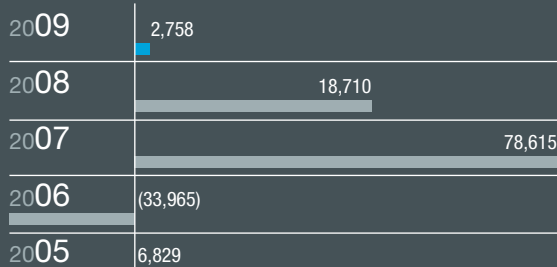
Five-Year Group Financial Highlights

	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000	2005 RM'000
Revenue	176,339	243,191	258,535	213,165	223,320
Profit/(Loss) before taxation	2,758	18,710	78,615	(33,965)	6,829
Profit/(Loss) after taxation	614	8,604	99,808	(36,030)	3,141
Net Profit/(Loss) Attributable to Shareholders	3,413	13,206	100,481	(32,689)	6,661
Total Assets	1,491,080	1,528,274	1,553,061	1,885,755	1,919,996
Total Liabilities	769,601	811,025	839,890	1,273,217	1,188,330
Share Capital	275,707	275,707	275,707	275,707	275,699
Reserves	416,731	409,702	393,679	292,373	408,168
Shareholders' Funds	692,438	685,409	669,386	568,080	683,867
	Sen	Sen	Sen	Sen	Sen
Basic Earnings/(Loss) Per Share (sen)	1.24	4.79	36.45	(11.85)	2.42
Net Assets Per Share (RM)	2.51	2.49	2.43	2.06	2.48
Return on Total Assets (%)	0.23	0.86	6.47	(1.73)	0.35
Return on Equity (%)	0.49	1.93	15.01	(5.75)	0.97
Gearing (Net Debt/Equity)	0.51	0.51	0.60	1.47	1.18

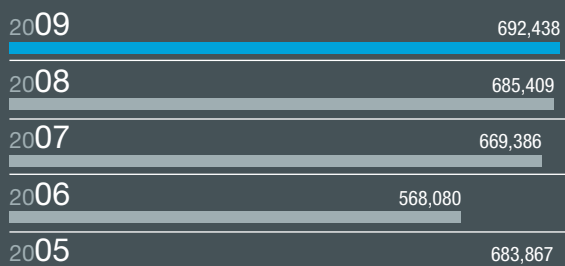
REVENUE (RM'000)



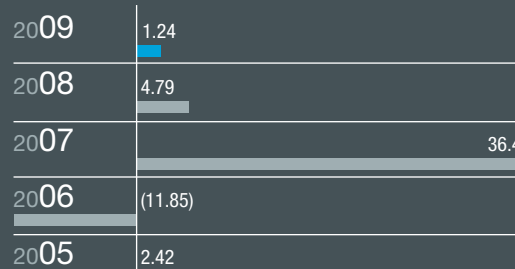
PROFIT/(LOSS) BEFORE TAX (RM'000)



SHAREHOLDERS' FUNDS (RM'000)



BASIC EARNINGS/(LOSS) PER SHARE (Sen)



NET ASSETS PER SHARE (RM)



Corporate Governance Statement

Country Heights Holdings Berhad (“CHHB”) fully subscribes to the recommendations of the revised Malaysian Code on Corporate Governance (“Code”) in 2009. The Board of Directors of CHHB is committed to ensure that good governance is practiced to maximise shareholders value.

In view of this, CHHB has in place, measures to ensure compliance with the Code as follows:

BOARD OF DIRECTORS

THE BOARD

The Board assumes full responsibilities for the overall performance of the Company and of the Group and focuses on the Group’s short and long term goals, monitoring performance and devising strategies on management and business development issues as well as upholding good corporate governance with an objective to build and enhance shareholders’ value.

BOARD BALANCE

The Board currently has eight (8) members, comprising six (6) Non-Executive Directors and two (2) Executive Directors. Of the six (6) Non-Executive Directors, four (4) are Independent, thus fulfilling the requirement that at least one-third of the Board comprise of Independent Directors.

The current size and composition reflects a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, scientific research & development, corporate finance and mergers & acquisitions. The new composition of the Board continues to provide the Group with a wealth of knowledge and experience which is important for the continued success of the Group. A brief profile of each Director is presented on pages 4 to 11 of this Annual Report.

The role of the Chairman and the Group Managing Director are distinct and separate to ensure a balance of power and authority. The Chairman is responsible for the orderly conduct and working of the Board and ensures an independent and balanced assessment of proposals from management whilst the Group Managing Director takes on the primary responsibility of managing the Group’s business and resources as well as implementing the policies and decisions of the Board.

BOARD MEETINGS

During the financial year, the Board of Directors held five (5) meetings and details of Directors’ attendances are set out below:

Name of Director	No. of Meetings Attended
General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	5/5
Tan Sri Lee Kim Tiong @ Lee Kim Yew	4/5
Tan Sri Datuk Dr Ong Soon Hock	5/5
Mark Victor Rozario	5/5
Nik Hassan Bin Nik Mohd Amin	5/5
Chew Chong Eu	5/5
Chew Cheng Keat	5/5
Lee Cheng Wen (appointed on 1 October 2009)	0/1

DIRECTORS’ TRAINING

All the Directors have completed the Mandatory Accreditation Program prescribed by Bursa Securities.

The Directors are also encouraged to attend seminars/courses from time to time to equip themselves with the necessary knowledge to discharge their responsibilities and duties more effectively.

During the financial year, the Directors have attended individually or collectively the various programmes and briefings on amongst others, the following:

- Half day in-house training on “Investor Relations -Managing Strategic Issues in a Challenging Environment”
- Asia Trader & Investor Convention 2009
- Forensic Seminar- Uncovering the past, protecting the future
- FIACBCI Malaysia Brown Paper Bag Seminar-“Green Revolution”
- Seminar on “Malaysia Innovation Economy Concepts & Leadership Challenges”
- Thriving in the Downturn-Collaboration of Procurement & Finance
- Workshop/Brainstorming by Bridge ICD
- Directors’ Seminar on Investor Relations: Managing Strategic Issues in a Challenging Environment
- FIABCI Asia Pacific Regional Secretariat Summit “Real Estate Strategy into Global Market”

The Company will continuously arrange for further training for the Directors as part of their obligation to update and enhance their skills and knowledge which are important for their carrying out an effective role as Directors. From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company’s business.

SUPPLY OF INFORMATION

The Directors have full and unrestricted access to complete information on the timely basis pertaining to the Group's business and affairs to enable them to discharge their duties. Board Meetings which are scheduled to be held are also presented with relevant reports to facilitate its decision-making process.

The Directors have access to the advice and services of the Company Secretary and Senior Management and may seek independent professional advice, at the Company's expenses, if required, in furtherance of their duties.

BOARD COMMITTEES

The Board, delegates certain functions to several committees, namely the Audit Committee, Nomination Committee and Remuneration Committee to support and assist in discharging its fiduciary duties and responsibilities. Each of these committees is entrusted with specific tasks and has the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on most matters remains with the entire Board.

1. AUDIT COMMITTEE

The report of the Audit Committee is set out on page 66 to 67 of this Annual Report.

2. NOMINATION COMMITTEE

The Nomination Committee comprises the following members:

- General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman of Nomination Committee, Independent Non-Executive Director);
- Tan Sri Datuk Dr Ong Soon Hock (Independent Non-Executive Director); and
- Nik Hassan Bin Nik Mohd Amin (Independent Non-Executive Director)

The Committee met once during the financial year. The Committee with its appropriate terms of reference is primarily responsible for identifying and making recommendations for any new appointment of Board members and the retirement and re-appointment of existing Executive and Non-Executive Directors. The Committee also reviews the Board structure, size and composition including the assessment of the effectiveness of the Board, its Committees and contribution of each individual Director.

The Articles of Association of the Company requires a director appointed during a financial year to retire at the following annual general meeting. One-third of the directors for the time being are obliged to retire at every annual general meeting of the Company. In addition, all directors are bound to retire at an annual general meeting of the Company at least once in every three years. Directors over the age of seventy are required to retire annually. All the retiring directors shall be eligible for re-election.

All Directors submit themselves for re-election at regular intervals in accordance with the Company's Articles of Association and regulatory requirements.

Evaluations of the Board have been conducted during the financial year to ensure that the current composition of the Board fairly reflects the interest of minority shareholders of the Company and all Directors continue to make an effective contribution to the Board and the Group. The evaluations also ensure that the Directors represent the required mix of skills and experience in discharging the Board's duties and responsibilities.

3. REMUNERATION COMMITTEE

The Directors who served as members of the Remuneration Committee are:

- Tan Sri Datuk Dr Ong Soon Hock (Chairman of Remuneration Committee, Independent Non-Executive Director);
- Tan Sri Lee Kim Yew (Non-Independent Non-Executive Director);
- General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Independent Non-Executive Director); and
- Nik Hassan Bin Nik Mohd Amin (Independent Non-Executive Director)

The Committee met once during the financial year. The Remuneration Committee is responsible for making recommendations to the Board on the remuneration framework for all Executive Directors with the underlying objective of attracting and retaining Directors needed to run the Group successfully. The Remuneration Committee also reviews the framework for retaining and rewarding senior management in consideration of the Company's performance and market conditions.

4. MANAGEMENT EXECUTIVE COMMITTEE

The Management Executive Committee (EXCO) is to assist the Board in the day-to-day operations of the Group. The EXCO operates under clearly defined terms of reference. The EXCO comprises six senior management and is chaired by the Group Managing Director. The EXCO meets fortnightly.

The EXCO deals with a wide range of matters, including review of the monthly financial results and forecast, proposals for capital expenditure and major operating issues that arise out of the ordinary course of business. The EXCO reviews budget and business plans, acquisition, disposal and investments, operational and financial reports by all business units, and group policies and procedures before they are submitted to the Board.

Corporate Governance Statement (cont'd)

DIRECTORS' REMUNERATION

The component parts of the remuneration are structured so as to link rewards to corporate and individual performance. The aggregate remuneration of the Directors for the financial year ended 31 December 2009 categorised into the appropriate components are as follows:

Description	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salaries & Other emoluments	521	30	551
Benefit-in-kinds	80	28	108
EPF Contribution	62	-	62
Fees	12	95	107
Total	675	153	828

The number of Directors whose total remuneration fall into the respective bands are as follows:-

Range of Remuneration (RM)	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	1	6
RM600,001 to RM700,000	1	-
Total	2	6

SHAREHOLDERS

DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board values the support of its shareholders and investors. It also recognizes the importance of effective communication with shareholders and the investment community of the material corporate and business matters of the Group.

The Annual Report is an important medium of information for the shareholders and investors whereas the Annual General Meeting of the Company provides a vital platform for both private and institutional shareholders to share viewpoints and acquire information on issues relevant to the Group.

Besides the Annual Report, the Board also ensures that timely announcements are made to Bursa Securities and disseminates clear, accurate and sufficient information to enable the shareholders and investors to make informed decisions.

Shareholders and members of the public can access the Company's website <http://www.countryheights.com.my> for the latest information on the Group.

ANNUAL GENERAL MEETING

The Annual General Meeting is the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the question and answer session in which shareholders may raise questions regarding the proposed resolutions at the meeting as well as on matters relating to the Group's businesses and affairs. The Chairman and the Board members are in attendance to respond to shareholders' queries.

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcements of unaudited consolidated results to shareholders, the Directors have taken reasonable steps to ensure a balanced and understandable assessment of the Group's financial position and prospects. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the quality of its financial reporting.

INTERNAL CONTROL

The Statement on Internal Control as set out on page 68 of this Annual Report provides an overview of the state of internal controls within the Group.

RELATIONSHIP WITH AUDITORS

The Board by the establishment of an Audit Committee maintains a formal and transparent relationship with the Group's auditors. The external auditors were invited to participate and brief the Audit Committee on specific issues at Audit Committee meeting. The role of both the external and internal auditors are further described in the Audit Committee Report.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is responsible for ensuring that the financial statements of the Group and of the Company have been drawn up in accordance with applicable approved accounting standards and the provision of the Companies Act, 1965, Malaysia and give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

The Board of Directors is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2009, the Group has adopted the appropriate accounting policies and applied them consistently, and that all applicable approved accounting standards have been followed.

COMPLIANCE STATEMENT

The Board has taken steps to ensure that the Group has implemented the Best Practices as set out in the Code and considers that all other Best Practices have been substantially implemented in accordance with the Code except for the appointment of a Senior Independent Non-Executive Director to whom concerns may be conveyed.

Given the current composition of the Board which reflects a strong independent element and the separation of the roles of the Chairman and Group Managing Director, the Board does not consider it necessary at this juncture to nominate a Senior Independent Non Executive Director.

The Board does not have a formal schedule of matters specifically reserved to it for decision. However, it has been the practice for the Board to deliberate and approve on significant matters that concern the overall strategy of the Group such as major investment or divestment decisions, financial and operation performance, major capital expenditure and major acquisitions and disposals.

ADDITIONAL COMPLIANCE INFORMATION

MATERIAL CONTRACTS

Material contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 39 to the Financial Statements.

CONTRACTS RELATING TO LOAN

There were no contracts relating to a loan by the Company in respect of the above said item.

RECURRENT RELATED PARTY TRANSACTIONS

The existing shareholders' mandate for the Company and/or its subsidiaries to enter into recurrent related party transaction of revenue or trading nature which is necessary for its day-to-day operations shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

Significant related party transactions of the Group are disclosed in Note 39 to the Financial Statements.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR programme.

IMPOSITION OF SANCTIONS / PENALTIES

There is a penalty of RM2,423,000 imposed by the Inland Revenue Board in respect of outstanding taxes relating to the financial year ended 31 December 2009.

NON-AUDIT FEES

The amount of non-audit fees paid and payable to external auditors by the Company and its subsidiaries for the financial year ended 31 December 2009 amounted to RM124,000.

VARIATION BETWEEN AUDITED AND UNAUDITED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2009

There was no variance of 10% or more between the audited results for the financial year ended 2009 and the unaudited results previously announced by the Company.

PROFIT GUARANTEES

There was no profit guarantee given by the Company during the financial year.

SHARE BUY-BACK

The existing authority for the Company to purchase up to 10% of its issued and paid-up share capital shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

During the financial year, there were no share buybacks by the Company.

REVALUATION OF LANDED PROPERTIES

The revaluation policy of the Group in relation to its landed properties is set out in Note 3 of the Financial Statements.

UTILISATION OF PROCEEDS

There were no corporate proposals to raise funds for the financial year ended 31 December 2009.

Audit Committee's Report

The Audit Committee of CHHB was established with the objective of assisting the Board of Directors in the areas of corporate governance, system of internal control, risk management and financial reporting of the Group.

MEMBERSHIP AND MEETINGS

The Audit Committee comprises the following members, all of whom are independent Directors.

- Nik Hassan Bin Nik Mohd Amin (Chairman of Audit Committee, Independent Non-Executive Director)
- Gen Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Independent Non-Executive Director);
- Tan Sri Datuk Dr. Ong Soon Hock (Independent Non-Executive Director); and
- Chew Chong Eu (Independent Non-Executive Director);

There were five (5) meetings held during the financial year ended 31 December 2009 and the records of their attendance are as follows:

Members	No. of Meetings Attended
Nik Hassan Bin Nik Mohd Amin	5/5
Gen Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	5/5
Tan Sri Datuk Dr Ong Soon Hock	4/5
Chew Chong Eu	5/5

TERMS OF REFERENCE

COMPOSITION

The Audit Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than 3 members of whom the majority shall be Independent Directors. All members shall be non-executive directors.

All members of the Audit Committee shall be financially literate and at least one member of the Audit Committee:

- i) must be a member of the Malaysian Institute of Accountants;
- ii) if the person is not a member of the Malaysian Institute of Accountants, he must have at least three years working experience and;
 - he must have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or
 - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

- fulfils such other requirements as prescribed by Bursa Malaysia Securities Berhad.

No alternate Director shall be appointed as a member of the Audit Committee. The members of the Audit Committee shall elect a Chairman from among their members who shall be an Independent Director.

QUORUM

The quorum shall not be less than 2, the majority of whom shall be Independent Directors.

ATTENDANCE & FREQUENCY OF MEETINGS

The Audit Committee shall meet as the Chairman deems necessary but no less than 4 times a year. The Chairman shall be entitled where deemed appropriate to invite any person(s) to meetings of the Audit Committee.

The Committee shall meet with the external auditors without executive board members and employees present at least twice a year.

AUTHORITY

The Committee is authorised by the Board to investigate within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

FUNCTIONS OF THE AUDIT COMMITTEE

The duties of the Committee include:

- a) To make appropriate recommendations to the Board on matters pertaining to the nomination, appointment and dismissal of external auditors and the fee thereof;
- b) To review and discuss with the external auditors and internal auditors before the commencement of audit, the nature and scope of the audit;
- c) To review the quarterly and year-end financial statements of the Group and Company prior to submission to the Board of Directors, focusing particularly on:
 - i) public announcement of results and dividend payments;
 - ii) any significant changes in accounting policies and practices;
 - iii) significant adjustments and unusual events resulting from the audit;
 - iv) the going concern assumption;
 - v) compliance with stock exchange, accounting standards and legal requirements.

- d) To discuss problems and reservations arising from the interim and final audits, and any other matters the external auditors may wish to discuss (in the absence of Management where necessary);
- e) To review any external auditors' letter to management (if any) and management's response;
- f) To review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- g) To review the internal audit planning memorandum and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- h) To review any appraisal or assessment of the performance of members of the internal audit function;
- i) To approve any appointment or dismissal of internal auditors;
- j) Inform itself of resignation of internal auditors and provide the internal auditors an opportunity to submit reasons for resigning;
- k) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group that may raise questions over management's integrity; and
- l) To consider the findings of internal audit investigations and management's response.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The Committee's activities during the financial year encompassed the following:

- 1) To review the Group's annual audit planning memorandum of the external auditors, scope of audit procedures, significant accounting and auditing issues, impact of new or proposed changes in the accounting standards and regulatory requirements;
- 2) To review the Group's annual audited financial statements inter alia, significant adjustments arising from audits, the going concern assumption and compliance with applicable accounting standards and regulatory requirements;
- 3) To review the Group's unaudited quarterly financial results focusing on its overall performance, changes in accounting policies and practices as well as compliance with applicable accounting standards and regulatory requirements;

- 4) To review and discuss with the external auditors concerning issues arising from their final audits and areas for improvement in relation to the audit;
- 5) To review the appointment of the external auditors and their audit fees, taking into consideration the independence and objectivity of the external auditors and the cost of effectiveness of their audit;
- 6) To review the internal audit plan and internal audit reports, and considered the major findings of the internal audit, corrective actions and steps taken by management in response to audit findings to ensure adequate scope and coverage over the activities of the Group; and
- 7) To review and monitor related party transactions and assessment of conflict of interest situations that arose within the Group.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Company has outsourced its internal audit function to an external consultant since November 2005. The internal audit review of the Company's operations encompasses an independent assessment of the Company's compliance with its internal controls and makes recommendations for improvements.

The outsourced internal audit function provides independent and objective advice on the effectiveness of the Group's internal control to the Audit Committee and thereafter to the management.

During the financial year, the outsourced internal audit function conducted independent reviews and evaluated risk exposures relating to the major components' operations and information systems as follows:

- Effectiveness and efficiency of operations;
- Reliability of financial and operational information; and
- Extent of compliance with the established policies, procedures laws and regulations.

At the conclusion of the various audits carried out, the weaknesses, the recommended corrective action to be taken together with the management's response were highlighted to the Audit Committee. Subsequently, a follow up reviews were conducted to ensure that corrective actions were accordingly implemented by the management.

Statement on Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance requires public listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets.

Guided by the *Statement on Internal Control: Guidance for Directors of Public Listed Companies*, the Board is pleased to provide the Statement on Internal Control outlining the nature and scope of internal control of the Group in accordance with paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITY

The Board of CHHB acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the assets of the Group as well as reviewing the adequacy, integrity and effectiveness of the system. Internal control systems are primarily designed to cater for the business needs and manage the potential business risks of the Group. However, such systems are designed to manage, rather than to eliminate the risk of failure to achieve Group's corporate objectives. In pursuing these objectives, internal control can only provide reasonable and not absolute assurance against material misstatement, operational failures and fraudulent activities.

RISK MANAGEMENT

The Board with the assistance of the Audit Committee continuously review existing risks and identify new risks that the Group faces and the management action plans to manage the risks on an ongoing basis.

The risk management process involves the senior management as well as the Executive Directors through direct participation in periodic management meetings. These meetings are held to assess and monitor the Group's risk as well as deliberate and consider the Group's financial performance, business development, management and corporate issue.

INTERNAL CONTROL FUNCTION

The Group has engaged an external independent professional services firm to carry out its internal audit function. The outsourced internal audit function has undertaken detailed assessments of the risks and reviews of the internal control systems of CHHB's operating environment. The areas of assessments and reviews were set out in an internal audit plan which has been approved by the Audit Committee.

Arising from these assessments and reviews, the outsourced internal audit function has presented their reports to the Audit Committee on their findings, recommendations for improvements and the response from management for the Committee's deliberation and consideration.

KEY ELEMENTS OF CONTROL STRUCTURE

The key elements of the Group's system of internal controls are as follows:

- An organization structure that formally defines lines of responsibility and delegation of authority;
- Regular review and assessment of the Group's strategic direction after taking into consideration changes in the market condition and key business risk;
- Regular internal audit visits held to review the effectiveness of the business processes and system of internal control;
- The Audit Committee and Board of Directors reviewed the actual performance of the Group every quarter against the budget set with detailed explanations of any major variances; and
- Key functions such as finance, tax, treasury, corporate affairs, strategic planning and legal matters and etc are controlled and managed centrally.

The Group's system of internal control does not apply to associate companies, which the Group does not have full management control.

The Board is of the view that the system of internal control was generally satisfactory. There were no material losses incurred during the financial year as a result of weaknesses in the system of internal control that would require disclosure in the annual report. Nevertheless, the Group will continue to take measures to strengthen the internal control environment.

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Directors' Report

DIRECTORS' REPORT

The directors of COUNTRY HEIGHTS HOLDINGS BERHAD have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December, 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services.

The principal activities of the subsidiaries and associates are shown in Notes 17 and 18 to the financial statements respectively.

There have been no significant changes in the nature of the principal activities of the Company, its subsidiaries and associates during the financial year.

RESULTS OF OPERATIONS

The results of the operations of the Group and of the Company for the financial year are as follows:

	GROUP	COMPANY
	RM'000	RM'000
Profit before tax	2,758	740
Income tax expense	(2,144)	(579)
Profit for the year	614	161
Profit attributable to:		
Equity holders of the Company	3,413	
Minority interests	(2,799)	
	614	

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the income statements and the balance sheets of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowances had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount of bad debts written off or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year except as disclosed in Note 38 to the Financial Statements.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year other than those as disclosed in Note 42 to the Financial Statements.

Directors' Report (cont'd)

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)
 Tan Sri Lee Kim Tiong @ Lee Kim Yew
 Tan Sri Datuk Dr. Ong Soon Hock
 Mark Victor Rozario
 Nik Hassan bin Nik Mohd Amin
 Chew Chong Eu
 Chew Cheng Keat
 Lee Cheng Wen (appointed on 01.10.2009)

DIRECTORS' INTERESTS

The shareholdings and bondholding in the Company and related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 are as follows:

	Number of Ordinary Shares of RM1 each			
	Balance as of 1.1.2009	Bought	Sold	Balance as of 31.12.2009
The Company				
Direct Interest:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	-	-	89,600,000
Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	1,480,842	-	-	1,480,842
Tan Sri Datuk Dr. Ong Soon Hock	16,000	-	-	16,000
Lee Cheng Wen	-	5,378,831	-	5,378,831
Indirect Interest:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	42,986,400	5,381,831	-	48,368,231

	RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010			
	Balance as of 1.1.2009	Bought	Sold	Balance as of 31.12.2009
<hr/>				
The Company				
Direct Interest:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	150,000,000	-	-	150,000,000

By virtue of the above directors' interest in the shares of the Company, the abovementioned directors are also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 9 to the financial statements or being fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 39 to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte KassimChan, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

GEN. TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (RTD)

MARK VICTOR ROZARIO

Kuala Lumpur,
22 April, 2010

Statement by Directors

The Directors of **COUNTRY HEIGHTS HOLDINGS BERHAD** state that, in their opinion, the financial statements of the Group and of the Company, which comprise the balance sheets as of 31 December, 2009, and the statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 77 to 151, are drawn up in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of 31 December, 2009 and of the results of the businesses and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with
a resolution of the Directors,

**GEN. TAN SRI (DR) MOHAMED
HASHIM BIN MOHD ALI (RTD)**

MARK VICTOR ROZARIO

Kuala Lumpur,
22 April, 2010

Declaration by the Officer Primarily Responsible for the Financial Management of the Company

I, **TAN KOK KEE** being the Group Chief Financial Officer primarily responsible for the financial management of **COUNTRY HEIGHTS HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and of the Company, which comprise the balance sheets as of 31 December, 2009, and the statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 77 to 151 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TAN KOK KEE

Subscribed and solemnly declared by the
abovenamed **TAN KOK KEE** at **KUALA LUMPUR**
in Kuala Lumpur on 22 April, 2010.

Before me,

**COMMISSIONER FOR OATHS
SHAFIE B. DAUD, No. W350**

Independent Auditors' Report

To The Members Of Country Heights Holdings Berhad (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **COUNTRY HEIGHTS HOLDINGS BERHAD**, which comprise the balance sheets of the Group and of the Company as of 31 December, 2009 and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 77 to 151.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the content of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December, 2009 and their financial performance and cash flows for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we wish to draw attention to the financial position of the Group as of 31 December, 2009 for which the current liabilities exceeded the current assets of the Group and of the Company by RM77,779,000 and RM60,470,000 as of 31 December, 2009 as disclosed in Note 40(d) to the Financial Statements. The net current liabilities position of the Group and of the Company arose mainly from the classification of the Redeemable Secured Bonds 1996/2010 ("the Bonds") amounting to RM150,000,000 issued to a related party under current liabilities due to their maturity on 31 December, 2010 as disclosed in Note 28. The Group's and the Company's redemption of the Bonds is dependent upon the ability of management to successfully obtain refinancing arrangements which are being actively pursued.

Independent Auditors' Report

To The Members Of Country Heights Holdings Berhad (Incorporated In Malaysia) (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- b) we have considered the financial statements and auditors' reports of the subsidiaries of which we have not acted as auditors, as mentioned in Note 17 to the Financial Statements, being financial statements that have been included in the financial statements of the Group;
- c) we are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for these purposes; and
- d) the reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEE YOON CHONG
Partner - 1829/07/11 (J)
Chartered Accountant

22 April, 2010

Income Statements

For The Year Ended 31 December, 2009

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	4	176,339	243,191	10,058	4,361
Cost of sales	5	(70,183)	(104,291)	-	-
Gross profit		106,156	138,900	10,058	4,361
Other operating income		26,816	15,560	8,407	1,244
Selling and marketing expenses		(6,357)	(7,124)	(372)	(270)
Administrative expenses		(23,017)	(20,483)	(3,704)	(3,324)
Other operating expenses		(75,394)	(81,315)	(7,454)	(5,879)
Finance costs	6	(25,447)	(26,807)	(6,195)	(5)
Share of profit/(loss) of associates		1	(21)	-	-
Profit/(Loss) before tax	7	2,758	18,710	740	(3,873)
Income tax expense	10	(2,144)	(10,106)	(579)	(128)
Profit/(Loss) for the year		614	8,604	161	(4,001)
Attributable to:					
Equity holders of the Company		3,413	13,206	161	(4,001)
Minority interests		(2,799)	(4,602)	-	-
		614	8,604	161	(4,001)

Earnings per share attributable to equity holders of the Company (sen):

	Note	GROUP	
		2009 sen	2008 sen
Basic, for profit for the year	11(a)	1.24	4.79
Diluted	11(b)	N/A	N/A
Net dividends per ordinary share (sen)		-	-

The accompanying Notes form an integral part of the financial statements.

Balance Sheets

As Of 31 December, 2009

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
ASSETS					
Non-current assets					
Hotel properties and exhibition centre & showroom	12	340,866	344,676	-	-
Other property, plant and equipment	13	118,309	123,721	820	993
Property, plant and equipment		459,175	468,397	820	993
Investment properties	14	89,794	142,581	-	-
Prepaid land lease payments	15	348,331	352,637	-	-
Land held for property development	16(a)	174,366	193,135	-	-
Investment in subsidiaries	17	-	-	438,128	225,784
Investment in associates	18	5,443	3,274	41	247
Other investments	19	932	874	718	718
Long-term trade receivables	22	16,095	17,600	-	-
Funds held in trust	23	-	4,321	-	-
Deferred tax assets	32	9,401	10,709	-	-
Goodwill on consolidation	20	-	-	-	-
Total non-current assets		1,103,537	1,193,528	439,707	227,742
Current assets					
Property development costs	16(b)	77,163	90,284	-	-
Inventories	21	139,086	139,428	-	-
Trade and other receivables	22	126,410	88,833	250,681	553,575
Tax recoverable		1,526	3,049	837	2,108
Cash and bank balances	24	33,569	13,152	1,008	81
Non-current asset held for sale	25	377,754 9,789	334,746 -	252,526 -	555,764 -
Total current assets		387,543	334,746	252,526	555,764
TOTAL ASSETS		1,491,080	1,528,274	692,233	783,506

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	34	275,707	275,707	275,707	275,707
Share premium		57,251	57,251	57,251	57,251
Other reserves	35	160,854	159,102	19,048	19,048
Retained earnings	36	198,626	193,349	26,932	26,771
		692,438	685,409	378,938	378,777
Minority interest		29,041	31,840	-	-
Total equity		721,479	717,249	378,938	378,777
Non-current liabilities					
Borrowings	26	180,135	170,350	299	451
Long-term liabilities	31(a)	4,783	3,860	-	-
Deferred income	31(b)	32,439	30,887	-	-
Deferred tax liabilities	32	86,922	89,827	-	-
Total non-current liabilities		304,279	294,924	299	451
Current liabilities					
Borrowings	26	172,794	177,557	150,151	150,151
Trade and other payables	33	234,723	283,222	162,845	254,127
Tax payables		56,775	54,353	-	-
Deferred income	31(b)	1,030	969	-	-
Total current liabilities		465,322	516,101	312,996	404,278
Total liabilities		769,601	811,025	313,295	404,729
TOTAL EQUITY AND LIABILITIES		1,491,080	1,528,274	692,233	783,506

The accompanying Notes form an integral part of the financial statements.

Statement of Changes in Equity

For The Year Ended 31 December, 2009

Group	Note	Share Capital RM'000	Non-distributable Reserves Share Premium RM'000	Other Reserves RM'000	Distributable Reserves Retained Earnings RM'000	Attributable to Equity Holders of the Parent RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1 January, 2008		275,707	57,251	159,008	177,420	669,386	43,785	713,171
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	35(a)	-	-	(1,864)	1,864	-	-	-
Transfer from deferred tax	32	-	-	-	969	969	-	969
Exchange differences arising on translation of foreign operations	35(b)	-	-	(5,495)	-	(5,495)	-	(5,495)
Net transfers and profit recognised directly in equity		-	-	(7,359)	2,833	(4,526)	-	(4,526)
Reclassification		-	-	7,453	(110)	7,343	(7,343)	-
Profit for the year		-	-	-	13,206	13,206	(4,602)	8,604
Total recognised income and expense for the year		-	-	94	15,929	16,023	(11,945)	4,078
Balance at 31 December, 2008		275,707	57,251	159,102	193,349	685,409	31,840	717,249
Balance at 1 January, 2009		275,707	57,251	159,102	193,349	685,409	31,840	717,249
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	35(a)	-	-	(1,864)	1,864	-	-	-
Exchange differences arising on translation of foreign operations	35(b)	-	-	3,616	-	3,616	-	3,616
Net transfers and profit recognised directly in equity		-	-	1,752	1,864	3,616	-	3,616
Profit for the year		-	-	-	3,413	3,413	(2,799)	614
Total recognised income and expense for the year		-	-	1,752	5,277	7,029	(2,799)	4,230
Balance at 31 December, 2009		275,707	57,251	160,854	198,626	692,438	29,041	721,479

Company	Share Capital RM'000	Non-distributable Share Premium RM'000	Reserves Other Reserves RM'000	Distributable Reserves Retained Earnings RM'000	Total RM'000
Balance at 1 January, 2008	275,707	57,251	19,048	30,772	382,778
Total recognised income and expense for the year					
- loss for the year	-	-	-	(4,001)	(4,001)
Balance at 31 December, 2008/1 January, 2009	275,707	57,251	19,048	26,771	378,777
Total recognised income and expense for the year					
- profit for the year	-	-	-	161	161
Balance at 31 December, 2009	275,707	57,251	19,048	26,932	378,938

The accompanying Notes form an integral part of the financial statements.

Cash Flow Statements

For The Year Ended 31 December, 2009

Group	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,758	18,710
Adjustments for:			
Interest expense	6	25,447	26,807
Allowance for doubtful debts		8,575	7,389
Depreciation of other property, plant and equipment	13	7,041	8,157
Amortisation of prepaid land lease payment	15	4,306	4,306
Depreciation of hotel properties and exhibition centre & showroom	12	4,157	4,196
Bad debts written off		3,359	8,103
Impairment losses in value of :			
- other investment		-	160
- investment in associate		206	-
Other property, plant and equipment written off		48	4
Gain on disposal of investment properties		(3,401)	(3,301)
Gain on deemed disposal of a subsidiary		(1,462)	-
Interest income		(1,187)	(944)
Amortisation of deferred income		(956)	(746)
Allowance for doubtful debts written back		(353)	(1,371)
Net unrealised foreign exchange (gain)/loss		(120)	1
Reversal of impairment losses in value of other investments		(58)	(123)
Gain on disposal of other property, plant and equipment		(38)	(69)
Reversal of deferred income		(27)	(30)
Gain on disposal of a subsidiary		(3)	-
Share of results of associates		(1)	21
Loss on disposal of other investments		-	390
Investment properties written off	14	-	4
Inventories written off		-	1
Dividend income	4	-	(23)
Operating profit before working capital changes		48,291	71,642
Movements in working capital:			
(Increase)/Decrease in:			
Inventories		1,984	19,366
Property development costs		12,467	(4,063)
Receivables		(47,432)	(1,763)
Increase in:			
Deferred income		2,596	5,728
Payables		7,256	17,439
Cash generated from operations		25,162	108,349
Interest paid		(9,347)	(10,342)
Income tax refund		2,105	-
Income tax paid		(2,050)	(2,937)
Net cash from operating activities		15,870	95,070

Group	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of other investments		-	3,399
Proceeds from disposal of subsidiaries	17	6,997	-
Interest received		1,187	944
Proceeds from disposal of other property, plant and equipment		756	231
Net dividend received		-	19
Purchase of other property, plant and equipment	(a)	(5,272)	(14,114)
Expenditure on investment properties	(b)	(573)	(51,953)
Additional investment in other investments		-	(1,204)
Expenditure on hotel properties and exhibition centre & showroom	12	(347)	(197)
Proceeds from disposal of investment properties		9,220	-
Net cash from/(used in) investing activities		11,968	(62,875)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Repayment of Bank Guaranteed Commercial Paper/Medium Term Notes		(30,000)	(55,000)
Repayment of revolving credits		(2,502)	(9,066)
Bond interest expense paid		(12,668)	(9,025)
Hire purchase and lease creditors		(845)	(727)
Repayment of term loans		(195)	(288)
Drawdown of Bank Guaranteed Commercial Paper/Medium Term Notes		39,764	7,000
Drawdown of golf membership loans		-	30
Repayment of golf membership loans		(13)	-
Net cash used in financing activities		(6,459)	(67,076)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		21,379	(34,881)
Effects of foreign exchange rate changes		101	(498)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,736	45,115
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	31,216	9,736

Cash Flow Statements

For The Year Ended 31 December, 2009 (cont'd)

Note:

- (a) During the current financial year, the Group acquired property, plant and equipment through the following arrangements:

		GROUP	
	Note	2009 RM'000	2008 RM'000
Total costs of property, plant and equipment	13	7,640	23,429
Less: Disposal of subsidiary		(296)	-
Less: Purchase consideration satisfied by:			
Hire-purchase		(96)	(1,775)
Payables		(1,976)	(1,391)
Receivables		-	(6,149)
		5,272	14,114

- (b) During the current financial year, the Group acquired investment properties through the following arrangements:

		GROUP	
	Note	2009 RM'000	2008 RM'000
Total additions from subsequent expenditure	14	703	53,345
Less: Disposal of subsidiary		(130)	-
Less: Purchase consideration satisfied by payables		-	(1,392)
		573	51,953

The accompanying Notes form an integral part of the financial statements

Company	Note	2009 RM'000	2008 RM'000
CASH FLOWS USED IN OPERATING ACTIVITIES			
Profit/(Loss) before tax		740	(3,873)
Adjustments for:			
Interest expense	6	6,195	5
Impairment losses in value of:			
- investment in subsidiaries		5,205	-
- investment in associate		206	-
Bad debts written off		278	-
Depreciation of other property, plant and equipment	13	221	108
Allowance for doubtful debts:			
- others		176	-
- subsidiaries		64	9,907
Waiver of debts owing by subsidiaries		160	128
Loss on disposal of other property, plant and equipment		16	-
Loss on disposal of investment in a subsidiary		10	-
Allowance for doubtful debts written back:			
- subsidiaries		(7,836)	(5,910)
- others		-	(235)
Dividend income	4	(5,650)	(23)
Loss on disposal of other investments		-	390
Reversal of impairment losses in value of:			
- investment in subsidiaries		(559)	(952)
- other investment		-	(123)
Waiver of debts owing to a subsidiary		(20)	-
Interest income		(2)	(3)
Operating loss before working capital changes		(796)	(581)
Movements in working capital:			
Increase in:			
Receivables		(4,277)	(105)
Increase/(Decrease) in:			
Payables		(6,148)	(12,347)
Subsidiary companies balances	(a)	6,038	10,541
Cash used in operation		(5,183)	(2,492)
Tax refund		2,105	-
Interest paid		(18)	-
Net cash used in operating activities		(3,096)	(2,492)

Cash Flow Statements

For The Year Ended 31 December, 2009 (cont'd)

Company	Note	2009 RM'000	2008 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of other investments		-	2,196
Net dividend received		4,237	19
Interest received		2	3
Purchase of other property, plant and equipment	(b)	(94)	(117)
Proceeds from disposal of investment in subsidiaries	17	-	-
Proceeds from disposal of other property, plant and equipment		30	-
Net cash from investing activities		4,175	2,101
CASH FLOWS USED IN FINANCING ACTIVITY			
Hire purchase and lease creditors		(152)	(63)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		927	(454)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		81	535
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	1,008	81

Note:

- (a) During the current financial year, the Company increased its investment in subsidiaries through the subscription of Cumulative Redeemable Preference Shares via partial settlement of RM217,000,000 owing by certain subsidiaries.
- (b) During the current financial year, the Company acquired property, plant and equipment through the following arrangements:

		COMPANY	
		2009 RM'000	2008 RM'000
Total costs of property, plant and equipment	13	94	1,043
Less: Purchase consideration satisfied by:			
Hire-purchase		-	(665)
Payables		-	(211)
Receivables		-	(50)
		94	117

The accompanying Notes form an integral part of the financial statements

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries and associates are disclosed in Notes 17 and 18 respectively.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The registered office of the Company is located at 10th Floor, Block C, The Mines Waterfront Business Park, No. 3, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 22 April, 2010.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards ("FRS") in Malaysia.

FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective

At the date of authorisation for issue of these financial statements, the FRSs, Issues Committee Interpretations ("IC Interpretation") and amendments to FRSs and IC Interpretations which were issued but not yet effective until future periods are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ²
FRS 1	First-time Adoption of Financial Reporting Standards (Revised in 2010) ⁴
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters) ⁵
FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations) ²
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) ⁴
FRS 3	Business Combinations (Revised in 2010) ⁴
FRS 4	Insurance Contracts ²
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) ⁴
FRS 7	Financial Instruments: Disclosures ²
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition) ²
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) ⁵
FRS 8	Operating Segments ¹
FRS 101	Presentation of Financial Statements (Revised in 2009) ²
FRS 123	Borrowing Costs (Revised) ²
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ²
FRS 127	Consolidated and Separate Financial Statements (Revised in 2010) ⁴
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation) ²
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue) ³
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3) ⁴
FRS 139	Financial Instruments: Recognition and Measurement ²
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets, reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS 3 and revised FRS 127) ²

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Improvements to FRSs (2009)²

IC Interpretation 9	Reassessment of Embedded Derivatives ²
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives) ²
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) ⁴
IC Interpretation 10	Interim Financial Reporting and Impairment ²
IC Interpretation 11	FRS 2 - Group and Treasury Share Transactions ²
IC Interpretation 12	Service Concession Arrangements ⁴
IC Interpretation 13	Customer Loyalty Programmes ²
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction ²
IC Interpretation 15	Agreements for the Construction of Real Estate ⁴
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation ⁴
IC Interpretation 17	Distributions of Non-cash Assets to Owners ⁴

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 January 2010

³ Effective for annual periods beginning on or after 1 March 2010

⁴ Effective for annual periods beginning on or after 1 July 2010

⁵ Effective for annual periods beginning on or after 1 January 2011

Consequential amendments were also made to various FRSs as a result of these new/revised FRSs.

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 and of the Company in the period of initial application except for the following:

FRS 7: Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments of the Group's and the Company's financial position and performance, the nature and extent of risks arising from the financial instruments, and the objectives, policies and processes for managing capital. By virtue of exemption in paragraph 44AB of FRS 7, the impact on the financial statements upon initial application of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

FRS 7: Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.

FRS 8: Operating Segments

FRS 8, which replaces FRS 114²⁰⁰⁴ Segment Reporting, requires the identification of operating segments based on the internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and to assess its performance. Currently, the Group presents its segment information based on its business segments and geographical segments as disclosed in Note 41.

FRS 101: Presentation of Financial Statements (Revised in 2009)

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

FRS 139: Financial Instruments: Recognition and Measurement

This new standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. By virtue of the exemption in paragraph 103AB of FRS 139, the impact on the financial statements upon initial application of this standard as required by paragraph 30(b) of FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Improvements to FRSs (2009)

Improvements to FRSs (2009) contain amendments to 21 FRSs. Some of the improvements involve accounting changes to presentation, recognition or measurement whilst some are changes to terminology with little effect on accounting. However, only the following improvements are expected to have an impact on the Group's financial statements.

- FRS 117 Leases generally requires leases of land with an indefinite useful life to be classified as operating leases. Following the amendments, leases of land are classified as either 'finance' or 'operating' using the general principles of FRS 117. These amendments are effective for annual periods beginning on or after 1 January 2010, and they are to be applied retrospectively to unexpired leases as of 1 January 2010 if the necessary information was available at the inception of the lease. Otherwise, the revised Standard will be applied based on the facts and circumstances existing on 1 January 2010 (i.e. the date of adoption of the amendments) and the Group will recognise assets and liabilities relating to land leases newly classified as finance leases at their fair values on that date; any difference between those fair values will be recognised in retained earnings. It is likely that the changes will affect the classification of some of the Group's leases of land.
- FRS 140 Investment Property has been amended to include within its scope investment property in the course of construction. In accordance with the Group's accounting policy for investment property; such properties are to be measured at fair value (where that fair value is reliably determinable), with changes in fair value recognised in the income statements. The Group's accounting policy is currently account for such assets at cost less accumulated impairment losses under FRS 116 Property, Plant and Equipment. The change will be applied prospectively.
- IC Int. 15 Agreements for the Construction of Real Estate addresses how entities should determine whether an agreement for the construction of real estate is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue and when revenue from the construction of real estate should be recognised. Under IC Int. 15, an agreement for the construction of real estate is a construction contract within the scope of FRS 111 only when the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress (whether it exercises that ability or not). If the buyer has that ability, FRS 111 applies. If the buyer does not have that ability, FRS 118 applies.
- Presently, the agreements for the construction of real estate of the Group are accounted for in accordance with FRS 201²⁰⁰⁴ Property Development Activities whereby revenue is recognised using the percentage of completion method as construction of real estate progresses. Upon the adoption of IC Int. 15, the Group will review the nature of its agreements for the construction of real estate and will generally account for these agreements in accordance with FRS 118 as FRS 201²⁰⁰⁴ would by then have been withdrawn. It is likely that revenue from many of these agreements will be recognised at a single time - at completion upon or after delivery of the real estate. The agreements affected will be mainly those that do not meet the definition of a construction contract as interpreted by IC Int. 15 and do not transfer to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The directors are of the view that the impact of the eventual application of this Interpretation is not known or reasonably estimable presently.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the accounting policies stated below.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains and losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Acquisitions of subsidiaries are accounted for using the acquisition method. The acquisition method of accounting involves allocating the cost of the acquisitions to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Minority interest represents that portion of the income statement and net assets in subsidiaries not held by the Group. Minority interest is measured at the minorities' share of the fair values of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries' equity since that date.

Investments In Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the income statements.

Investment In Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associates is carried in the consolidated balance sheet at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associates is recognised in the consolidated income statements. Where there has been a change recognised directly in the equity of the associates, the Group recognises its share of such changes. In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates. The associates are equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associates.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's income statement in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available annual financial statements of the associates are used by the Group in applying the equity method. Where the dates of the financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last annual financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses.

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

Goodwill arising on the acquisition of subsidiary represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of properties

Revenue from sales of properties under development is accounted for using the percentage of completion method where the outcome of development can be reliably estimated and is in respect of sales where agreements have been finalised by the end of the financial year. The percentage/stage of completion is measured by reference to the cost incurred to date compared to the estimated total cost of the development.

Revenue from the sale of completed property unit is measured at the fair value of the consideration received or receivable and is recognised when the entity has transferred the significant risks and rewards of ownership of the unit, and when it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably.

(ii) Revenue from Hotel Operations

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

(iii) Management Fees

Management fees are recognised when services are rendered.

(iv) Golf and Health Membership Fees

Membership fees are recognised upon signing of the membership agreement.

(v) Subscription Fees

Subscription fees are recognised as revenue when due and payable pursuant to membership agreements.

(vi) Timeshare Fees

Revenue from timeshare membership fees is recognised based on the nature of the services provided in relation to the timeshare fees. If the fee permits only membership, and all other services or products are paid for separately, or if there is a separate annual subscription, the fee is recognised as revenue when no significant uncertainty as to its collectability exists. If the fee entitles the member to services or publications to be provided during the membership period, or to purchase goods or services at prices lower than those charged to non-members, it is recognised on a basis that reflects the timing, nature and value of the benefits provided.

Annual maintenance fees are recognised on an accrual basis based on fees chargeable to members upon execution and renewal of the membership agreements, unless recoverability is in doubt, in which case, they are recognised on receipt basis.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

(vii) Rental Income

Rental income is recognised on a straight-line basis over the term of the lease and includes service charges on general maintenance services rendered to the tenants.

(viii) Revenue from Services

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

(ix) Interest Income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

(x) Revenue from Promotions

Revenue from promotions is recognised on an accrual basis.

(xi) Dividend Income

Dividend income is recognised when the right to receive payment is established.

Deferred Income

The portion of the membership fees from timeshare membership sales disclosed under Note (vi) Revenue Recognition above, which is deferred and disclosed as deferred income, is recognised over the membership period.

Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and building elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases - the Group as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

(iii) Operating Leases - the Group as Lessee

Operating lease payments are recognised as an expense in the income statements on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the income statements for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operations, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the income statements. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operations, are recognised in the income statements for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operations, regardless of the currency of the monetary item, are recognised in the income statements in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the income statements for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies (cont'd)

(iii) Foreign Operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (Ringgit Malaysia "RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January, 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the balance sheet date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January, 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

Employee Benefits

(i) Short-term benefits

Wages, salaries, paid annual leave, bonuses and social contributions are recognised in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the income statement as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the income statements in the period in which they are incurred.

Taxation

Income tax on the income statement for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for hotel properties and exhibition centre & showroom are stated at cost less accumulated depreciation and any accumulated impairment losses.

Hotel properties and exhibition centre & showroom consist of hotels and an exhibition centre & showroom buildings. The land on which these properties are situated is leasehold and is classified as prepaid land lease payments.

Hotel properties and exhibition centre & showroom are stated at their revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the balance sheet date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the income statement, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in the income statement. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Depreciation of hotel properties and exhibition centre & showroom is provided for over their estimated useful lives.

Certain freehold land and buildings of the Group were revalued based on independent valuations on an open market value basis in 1994 and have not since been revalued. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of International Accounting Standard 16 (Revised), Property, Plant and Equipment, as approved by the Malaysian Accounting Standards Board, these assets have continued to be stated on the basis of their 1994 valuations less accumulated depreciation and accumulated impairment.

Freehold land and freehold golf courses included in golf clubs & courses and boat clubs have unlimited useful lives and are therefore not depreciated. Capital work-in-progress are also not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Freehold buildings	2%
Leasehold land	Over the leasehold period
Leasehold buildings, other than hotel properties and exhibition centre & showroom	2% - 10%
Leasehold golf courses included in golf clubs & courses and boat clubs	Over the leasehold period
Freehold clubhouse included in golf clubs & courses and boat clubs	2%
Leasehold clubhouse included in golf clubs & courses and boat clubs	Over the leasehold period
Irrigation system and equipment included in golf courses and boat clubs	10%
Office furniture and fittings	10% - 20%
Plant, machinery and equipment	10% - 33.3%
Motor vehicles	10% - 20%

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment and Depreciation (cont'd)

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the income statements and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

Prepaid Lease Payments

Leasehold land that has an indefinite economic life and title is not expected to pass to the Group by the end of the lease period is classified as operating lease. The upfront payments for right to use the leasehold land over a predetermined period are accounted for as prepaid lease payments and are stated at cost less amount amortised.

Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair values of investment properties are recognised in the income statements in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of an investment property are recognised in the income statements in the year in which they arise.

Land Held For Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as a non-current asset and is stated at cost less accumulated impairment losses, if any.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and where the development activities can be completed within the Group's normal operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Non-Current Assets Held For Sale and Discontinued Operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current assets (other than inventories, investment properties, deferred tax assets, employee benefits assets and financial assets) are measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the income statements.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the income statements by using the stage of completion method.

The stage of completion is determined by the proportion of the property development costs incurred for work performed to date bears to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that are probable of recovery, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in the income statement is classified as progress billings within trade payables.

Impairment of Non-Financial Assets

The carrying amounts of assets, other than investment property, property development costs, inventories and deferred tax assets and non-current assets held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Non-Financial Assets (cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that the Group will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported in the income statement. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the cash flow statements.

Cash and cash equivalents comprise cash and bank balances, demand deposits, fixed deposits pledged to financial institutions and short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, against which bank overdraft, if any, is deducted.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(ii) Other Non-Current Investments

Non-current investments other than investments in subsidiaries, associates and investment properties are stated at cost less accumulated impairment losses. On disposal of investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

(iii) Marketable Securities

Marketable securities are carried at the lower of cost and market value, determined on an aggregate basis. Cost is determined on the weighted average basis while market value is determined based on quoted market values. Increases or decreases in the carrying amount of marketable securities are recognised in the income statements. On disposal of marketable securities, the difference between net disposal proceeds and the carrying amount is recognised in the income statements.

(iv) Trade Receivables

Trade receivables are carried at anticipated realisable values. Bad debts are written off when proper action and reasonable steps had been taken by the directors to identify and ascertain its non-recoverability. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(v) Trade Payables

Trade payables are stated at the nominal value of the consideration to be paid in the future for goods and services received.

(vi) Interest Bearing Loans and Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

(vii) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(viii) Derivative Financial Instruments

Derivative financial instruments are not recognised in the financial statements. Further details of derivative financial instruments are disclosed in Note 40 to the financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical judgements in applying the Group's accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(a) Critical judgements in applying the Group's accounting policies (cont'd)

(ii) Operating Lease Commitments - The Group As Lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out as operating leases.

(iii) Revenue Recognition

The Group commenced the Palace Health Sanctuary Programme ("PHS") since 2006 and Traditional Chinese Medicine Programme ("TCM"). PHS and TCM are membership programmes involving the provision of vacations and preventive healthcare to its members. The memberships are valid for a duration of 5 to 20 years.

The membership fees comprise participation and rejoining fees. Participation fees represent upfront payment (or installment plans) upon execution of membership agreements whereas rejoining fees are due and payable on a yearly basis (except for the first year free rejoining fees) pursuant to the membership agreements.

In making its judgement, the directors considered the detailed criteria for the recognition of participation fees as revenue in FRS 118 Revenue and, in particular, whether it is probable the economic benefits associated with the transactions will flow to the Group. Following the assessment of the terms and conditions pursuant to the membership agreements, the limitation on the members' abilities for refund of the participation fees and the requirements for the payment of the rejoining fees for continuation of the membership, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the participation fees as revenue in the current financial year is appropriate upon execution of the membership agreements.

(b) Key sources of estimation uncertainty

The key assumption concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(i) Revenue Recognition on Timeshare Fee

The Group recognises the revenue on timeshare fees by using the stage of completion method. The stage of completion method is determined by the proportion that membership costs incurred to date bear to the estimated total membership costs over the period of the membership.

Significant judgement is required in determining the stage of completion, the extent of the membership costs incurred, the estimated total membership costs, as well as the recoverability of the membership fees. In making the judgement, the Group evaluates based on past experience and the analysis of membership costs incurred on yearly basis.

(ii) Fair Values of Investment Properties and Property, Plant and Equipment Carried At Valuation

The best evidence of fair value is current prices in an active market for similar lease and other contracts or valuations carried out by independent firms of valuers annually.

In the absence of current prices in an active market, the Group considers discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rentals for similar properties in the same location and condition, and using discount rates that reflect current market assessment of the uncertainty in the amount and timing of the cash flows. Further details are disclosed in Notes 13 and 14.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(iii) Property Development

The Group recognises property development revenue and expenses in the income statements by using the stage of completion method. The stage of completion is determined by the proportion of that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. Further details of property development costs are disclosed in Note 16.

(iv) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of deferred tax assets are disclosed in Note 32.

(v) Income Tax

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Revised Estimated Useful Lives of Property, Plant and Equipment

The Group reviews the estimated useful lives of certain property, plant and equipment at the end of each annual reporting period. During the current financial year, the directors are of the opinion that there is no requirement to revise the estimated useful lives of property, plant and equipment.

(vii) Impairment of Property, Plant and Equipment and Prepaid Land Lease Payments

The directors have reviewed the carrying amounts of property, plant and equipment and prepaid land lease payments and have estimated their recoverable amounts to determine whether any impairment loss is required.

In estimating the recoverable amounts of hotel properties and certain other property, plant and equipment and prepaid land lease payments, the directors have made reference to valuations on 29 February, 2008 and subsequently updated on 12 February, 2009 and 12 February, 2010 by Mr. Chockalingam P. Mohan, a register valuer of TD Aziz Sdn Bhd, an independent firm of professional valuers using the comparison method, involving comparisons to other similar properties. The directors have also made reference to values in-use of those properties in determining the recoverable amount.

The recoverable amount of the exhibition centre & showroom used in the impairment review is determined based on a valuation report dated 29 February, 2008 and subsequently updated on 12 February, 2009 and 12 February, 2010 by Chockalingam P. Mohan, a register valuer of TD Aziz Sdn Bhd, an independent firm of professional valuers, using the comparison method and the depreciated replacement cost method. The directors have also made reference to values in-use of those properties, which involves judgement and estimation of the cash generating unit ("CGU") to which the assets belong and the use of appropriate discount rates on a pre-tax basis.

The recoverable amount of certain property, plant and equipment and prepaid land lease payments are based on value-in-use involving judgement and estimation of the cash generating unit ("CGU") to which the assets belong and the use of appropriate discount rates on a pre-tax basis.

The directors are of the opinion that there is no impairment to the carrying amounts of items in property, plant and equipment and prepaid land lease payments.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

4. REVENUE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property development	61,449	141,402	-	-
Property investment	17,024	11,901	-	-
Hospitality, leisure and health	97,866	89,865	-	-
Gross dividend income				
- quoted shares	-	23	-	23
- unquoted shares	-	-	5,650	-
Management fees from subsidiaries	-	-	4,408	4,338
	176,339	243,191	10,058	4,361

As of the end of the financial year, the Group has entered into sale and purchase agreements with various purchasers for the sale of completed properties and a piece of land totalling RM34,100,000, of which vacant possessions have not passed to the purchasers. Sales pursuant to the above sale and purchase agreements will be recognised in subsequent financial statements once vacant possessions have passed to the purchasers.

5. COST OF SALES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Property development	17,096	34,431	-	-
Cost of inventories sold	1,033	18,818	-	-
Cost of services rendered	52,054	51,042	-	-
	70,183	104,291	-	-

6. FINANCE COSTS

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest expense on:					
RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010	28,33	12,405	12,000	12,405	12,000
Reimbursed by a subsidiary		-	-	(7,919)	(12,000)
		12,405	12,000	4,486	-
Bank Guaranteed					
Commercial Paper and Medium Term Notes	30	6,925	7,909	1,691	-
Term loans, revolving credits, and bank overdrafts		2,827	3,659	-	-
68,821,674 Redeemable Secured Loan Stock 2004/2011 ("RSL Series B")	29,33	3,441	3,441	-	-

6. FINANCE COSTS (cont'd)

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Hire purchase and lease		114	121	18	7
Others		-	-	-	(2)
		25,712	27,130	6,195	5
Less: Interest expense capitalised in qualifying assets					
- Property development cost	16(b)	(265)	(323)	-	-
		25,447	26,807	6,195	5

7. PROFIT/(LOSS) BEFORE TAX

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Employee benefits expense	8	40,233	39,903	2,532	1,926
Allowance for doubtful debts:					
- subsidiaries		-	-	64	9,907
- others		8,575	7,389	176	-
Depreciation of other property, plant and equipment	13	7,041	8,157	221	108
Amortisation of prepaid land lease payments	15	4,306	4,306	-	-
Depreciation of hotel properties and exhibition centre & showroom	12	4,157	4,196	-	-
Bad debts written off		3,359	8,103	278	-
Tax penalty		2,423	1,341	-	-
Rental of premises		1,124	1,273	699	991
Lease rental expense		903	962	27	65
Auditors' remuneration:					
Statutory audit					
- auditors of the Group		377	380	50	50
- other auditors		71	84	-	-
Non audit services					
- auditors of the Group		55	60	-	-
- other auditors		69	56	-	-
Non-executive directors' remuneration	9	291	336	125	101
Impairment losses in value of:					
- other investments		-	160	-	-
- investment in associate		206	-	206	-
- investment in subsidiaries		-	-	5,205	-
Rental of equipment		136	178	-	-
Other property, plant and equipment written off		48	4	-	-
Gain on disposal of investment properties		(3,401)	(3,301)	-	-
Rental income		(1,502)	(546)	-	-
Gain on deemed disposal of a subsidiary		(1,462)	-	-	-
Amortisation of deferred income		(956)	(746)	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

7. PROFIT/(LOSS) BEFORE TAX

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Interest income:					
- short-term deposits		(368)	(637)	(2)	(3)
- others		(819)	(307)	-	-
Allowance for doubtful debts written back:					
- subsidiaries		-	-	(7,836)	(5,910)
- others		(353)	(1,371)	-	(235)
Net unrealised foreign exchange (gain)/loss		(120)	1	-	-
Reversal of impairment losses in value of:					
- investment in subsidiaries		-	-	(559)	(952)
- other investment		(58)	(123)	-	(123)
(Gain)/Loss on disposal of other property, plant and equipment		(38)	(69)	16	-
Reversal of deferred income		(27)	(30)	-	-
(Gain)/Loss on disposal of a subsidiary		(3)	-	10	-
Loss on disposal of other investments		-	390	-	390
Investment properties written off	14	-	4	-	-
Inventories written off		-	1	-	-
Bad debts recovered		-	(11)	-	-
Waiver of debt owing by subsidiaries		-	-	160	128
Waiver of debt owing to a subsidiary		-	-	(20)	-

8. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Wages and salaries	29,885	29,860	2,089	1,574
Social security costs	403	417	13	7
Contribution to defined contribution plans	3,186	3,341	267	233
Other staff related expenses	6,759	6,285	163	112
	40,233	39,903	2,532	1,926

Included in employee benefits expense of the Group and of the Company are remuneration (excluding benefits-in-kind) of executive directors of the Group and of the Company amounting to RM1,283,000 (2008: RM1,861,000) and RM595,000 (2008: RM662,000) respectively as further disclosed in Note 9.

9. DIRECTORS' REMUNERATION

Non-Executive Directors:

- (i) Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)
- (ii) Tan Sri Lee Kim Tiong @ Lee Kim Yew
- (iii) Tan Sri Datuk Dr Ong Soon Hock
- (iv) Chew Cheng Keat
- (v) Chew Chong Eu
- (vi) Nik Hassan bin Nik Mohd Amin

Executive Directors:

- (i) Mark Victor Rozario
- (ii) Lee Cheng Wen (appointed on 1 October, 2009)

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors of the Company				
Non-Executive Directors				
Fees and other emoluments	125	181	125	101
Benefits-in-kind	28	-	28	-
	153	181	153	101
Executive Directors:				
Salaries, fee and other emoluments	533	495	533	463
Bonus	-	-	-	-
Contribution to defined contribution plans	62	61	62	57
Benefits-in-kind	80	73	80	71
	675	629	675	591
	828	810	828	692
Directors of Subsidiaries				
Non-Executive Directors				
Fees and other emoluments	166	155	-	-
Executive Directors:				
Salaries and other emoluments	606	1,015	-	-
Bonus	-	165	-	125
Contribution to defined contribution plans	82	125	-	17
Benefits-in-kind	44	97	-	-
	732	1,402	-	142
	898	1,557	-	142
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefits-in-kind	1,283	1,861	595	662
Total non-executive directors' remuneration (Note 7)	291	336	125	101
Total directors' remuneration excluding benefits-in-kind [Note 39 (b)]	1,574	2,197	720	763

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

10. INCOME TAX EXPENSE

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current tax expense:					
Malaysian		6,402	12,557	579	-
Foreign		-	-	-	-
(Over)/under provision in prior year		(2,016)	(1,305)	-	128
Tax saving from group relief		(809)	(1,728)	-	-
		3,577	9,524	579	128
Deferred tax expense:					
Relating to origination and reversal of temporary differences		(268)	(915)	-	-
Relating to changes in foreign tax rates		-	(80)	-	-
Reversal of temporary differences in respect of depreciation on revaluation surplus		(315)	(992)	-	-
(Over)/under provision in prior years tax:					
Malaysian		(1,498)	2,569	-	-
Foreign		648	-	-	-
	32	(1,433)	582	-	-
		2,144	10,106	579	128

Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profit for the year. In prior year, the income tax for small and medium scale companies which had a paid-up share capital of RM2.5million or less was charged at the following rates pursuant to paragraph 2A, Schedule 1 of the Income Tax Act, 1967:

- (a) 20% on the first RM500,000 of the chargeable income; and
- (b) 26% on chargeable income in excess of RM500,000.

However, these companies no longer qualify for these tax rates pursuant to paragraph 2B, Schedule 1 of the Income Tax Act, 1967 which became effective for year of assessment 2009. Taxation for other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions. The income tax rate applicable to the subsidiaries in South Africa is 28%.

The group tax charge for the year has been reduced by RM809,000 (2008: RM1,728,000) because of the losses surrendered by certain loss making subsidiaries to certain profit making subsidiaries. No payment for this surrender was made among the subsidiaries involved.

A reconciliation of income tax expense applicable to profit before tax at the applicable statutory income tax rates to income tax expense at the effective income tax rates of the Group and of the Company is as follows:

	2009 RM'000	2008 RM'000
Group		
Profit before tax:	2,758	18,710

10. INCOME TAX EXPENSE (cont'd)

Group	2009 RM'000	2008 RM'000
Tax at the applicable tax rate of:		
20% on the first RM500,000 of chargeable income	-	(30)
25% (2008: 26%) on the remaining chargeable income	690	4,864
Tax effects of:		
Expenses that are not deductible in determining taxable profit	10,845	13,815
Income that are not taxable in determining taxable profit	(5,138)	(10,540)
Utilisation of tax losses brought forward and unabsorbed capital allowances previously not recognised	(806)	(701)
Deferred tax assets not recognised	543	4,154
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties and exhibition centre & showroom	(315)	(992)
Group relief	(809)	(1,728)
(Over)/Under provision in prior years in respect of:		
Current tax	(2,016)	(1,305)
Deferred tax	(850)	2,569
Tax expense for the year	2,144	10,106
Company		
Profit/(Loss) before tax	740	(3,873)
Tax at the applicable statutory tax rate of 25% (2008: 26%)	185	(1,007)
Tax effects of:		
Expenses that are not deductible in determining taxable profit	2,498	2,884
Income that are not taxable in determining taxable profit	(2,104)	(1,877)
Under provision in prior years in respect of current tax	-	128
Tax expense for the year	579	128

11. EARNINGS PER SHARE**(a) Basic**

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2009 RM'000	2008 RM'000
Profit attributable to ordinary equity holders of the Company	3,413	13,206
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	275,707	275,707
Basic earnings per share (sen)	1.24	4.79

(b) Diluted

There is no dilution in earnings per share as the Company has no potential dilutive ordinary shares.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

12. HOTEL PROPERTIES AND EXHIBITION CENTRE & SHOWROOM

Group	Hotel Properties RM'000	Exhibition Centre & Showroom RM'000	Total RM'000
At Valuation			
As of 1 January, 2008	307,875	134,840	442,715
Additions	197	-	197
As of 31 December, 2008/1 January, 2009	308,072	134,840	442,912
Additions	347	-	347
As of 31 December, 2009	308,419	134,840	443,259
Accumulated Depreciation			
As of 1 January, 2008	6,629	1,704	8,333
Charge for the year	3,343	853	4,196
As of 31 December, 2008/1 January, 2009	9,972	2,557	12,529
Charge for the year	3,305	852	4,157
As of 31 December, 2009	13,277	3,409	16,686
Accumulated Impairment Losses			
As of 31 December, 2008/2009	24,162	61,545	85,707
Carrying Amount			
As of 31 December, 2009	270,980	69,886	340,866
As of 31 December, 2008	273,938	70,738	344,676

Hotel properties comprise Palace of the Golden Horses and Mines Wellness Hotel held by Golden Horse Palace Berhad ("GHP") and Mines Beach Resort Berhad (formerly known as Mines Beach Resort Sdn. Bhd.) ("MBR") respectively.

Palace of the Golden Horses was revalued on 20 May, 2004 by James Wong Kwong Onn, a registered valuer of the independent professional valuer company, VPC Alliance (KL) Sdn Bhd, using the investment method.

No adjustment has been made to the carrying amount of Palace of the Golden Horses since 20 May, 2004 as the directors, based on another valuation carried out on 29 February, 2008 and subsequently updated on 12 February, 2009 and 12 February, 2010 by Chockalingam P. Mohan, a registered valuer of TD Aziz Sdn. Bhd., an independent firm of professional valuers, using the comparison method of valuation, regard the carrying value to approximate the market value.

Mines Wellness Hotel is stated at directors' assessment of valuation which is determined by reference to a professional valuation carried out by Chockalingam P. Mohan, a registered valuer of the independent professional valuer company, TD Aziz Sdn. Bhd., on 29 February, 2008 and subsequently updated on 12 February, 2009 and 12 February, 2010 using the comparison method and by directors' reference to the value-in-use of Mines Wellness Hotel.

Malaysia International Exhibition & Convention Centre & Showroom held by Mines International Exhibition Centre Sdn. Bhd. is stated at directors' assessment of valuation which is determined by reference to a professional valuation carried out by Chockalingam P. Mohan, a registered valuer of the independent professional valuer company, TD Aziz Sdn Bhd on 29 February, 2008 and subsequently updated on 12 February, 2009 and 12 February, 2010 using the comparison method and depreciated replacement cost method.

As of 31 December, 2009, had the revalued hotel properties and exhibition centre & showroom of the Group been carried under the cost model, the carrying amount would have been RM244,442,000 (2008: RM247,076,000) and RM69,886,000 (2008: RM70,738,000) respectively.

Palace of the Golden Horses and Malaysia International Exhibition & Convention Centre & Showroom are pledged as security for borrowings as disclosed in Notes 28 and 29 respectively.

13. OTHER PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold Land and Buildings RM'000	Leasehold Buildings RM'000	Office Furniture and Fittings RM'000	Plant, Machinery and Equipment RM'000	Golf Clubs & Courses and Boat Clubs RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
Cost/Transitional Cost*									
As of 1 January, 2009		24,421	6,929	32,440	120,082	60,863	9,337	38,427	292,499
Additions		-	-	2,180	804	2,030	473	2,153	7,640
Reclassification		-	-	(418)	413	-	5	-	-
Transfer to non-current asset held for sale	25	(1,050)	-	-	-	-	-	-	(1,050)
Disposal of subsidiary	17	(7,187)	-	(24)	-	-	(274)	-	(7,485)
Disposals/write-off		(34)	-	(978)	(42)	-	(1,848)	-	(2,902)
Exchange differences		-	-	113	-	3,151	32	-	3,296
As of 31 December, 2009		16,150	6,929	33,313	121,257	66,044	7,725	40,580	291,998
Representing:									
At cost		-	6,929	33,313	121,257	66,044	7,725	40,580	275,848
At transitional cost*		16,150	-	-	-	-	-	-	16,150
Accumulated Depreciation									
As of 1 January, 2009		1,703	1,678	28,765	112,843	9,787	5,685	-	160,461
Depreciation charge for the year		139	301	2,420	2,202	1,048	931	-	7,041
Transfer to non-current asset classified as held for sale	25	(273)	-	-	-	-	-	-	(273)
Disposal of subsidiary	17	-	-	(2)	-	-	(14)	-	(16)
Disposals/write-off		(10)	-	(932)	(37)	-	(1,157)	-	(2,136)
Exchange differences		-	-	92	-	174	29	-	295
As of 31 December, 2009		1,559	1,979	30,343	115,008	11,009	5,474	-	165,372
Accumulated Impairment									
As of 1 January, 2009/ 31 December, 2009		-	-	-	-	-	-	8,317	8,317
Net Carrying Amount									
At cost		-	4,950	2,970	6,249	55,035	2,251	32,263	103,718
At transitional cost*		14,591	-	-	-	-	-	-	14,591
		14,591	4,950	2,970	6,249	55,035	2,251	32,263	118,309
Cost/Transitional Cost*									
As of 1 January, 2008		4,158	13,854	31,983	118,770	67,702	6,253	33,726	276,446
Reclassification		6,926	(6,925)	220	(247)	(1,399)	1,425	-	-
Additions		13,337	-	1,043	1,984	155	2,209	4,701	23,429
Disposal/write-off		-	-	(535)	(425)	(1,374)	(507)	-	(2,841)
Exchange differences		-	-	(271)	-	(4,221)	(43)	-	(4,535)
As of 31 December, 2008		24,421	6,929	32,440	120,082	60,863	9,337	38,427	292,499
Representing:									
At cost		-	6,929	32,440	120,082	60,863	9,337	38,427	268,078
At transitional cost*		24,421	-	-	-	-	-	-	24,421

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

13. OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Freehold Land and Buildings RM'000	Leasehold Buildings RM'000	Office Furniture and Fittings RM'000	Plant, Machinery and Equipment RM'000	Golf Clubs & Courses and Boat Clubs RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
Accumulated Depreciation								
As of 1 January, 2008	387	2,545	28,220	108,795	11,704	3,802	-	155,453
Reclassification	1,178	(1,178)	78	(78)	(1,341)	1,341	-	-
Depreciation charge for the year	138	311	1,640	4,136	1,002	930	-	8,157
Disposals/write-off	-	-	(938)	(5)	(1,374)	(358)	-	(2,675)
Exchange differences	-	-	(235)	(5)	(204)	(30)	-	(474)
As of 31 December, 2008	1,703	1,678	28,765	112,843	9,787	5,685	-	160,461
Accumulated Impairment								
As of 1 January, 2008/ 31 December, 2008	-	-	-	-	-	-	8,317	8,317
Net Carrying Amount								
At cost	-	5,251	3,675	7,239	51,076	3,652	30,110	101,003
At transitional cost*	22,718	-	-	-	-	-	-	22,718
	22,718	5,251	3,675	7,239	51,076	3,652	30,110	123,721

* Revalued based on independent valuations on the open market value basis in 1994 as allowed by the transitional provisions of International Accounting Standard 16 (Revised), Property, Plant and Equipment; these assets have continued to be stated at surrogate cost, based on the 1994 valuations.

Company	Office Furniture and Fittings RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Renovation RM'000	Total RM'000
Cost					
As of 1 January, 2008	32	59	7	19	117
Additions	10	31	975	27	1,043
As of 31 December, 2008/1 January, 2009	42	90	982	46	1,160
Additions	19	21	-	54	94
Disposal	-	-	(50)	-	(50)
As of 31 December, 2009	61	111	932	100	1,204
Accumulated Depreciation					
As of 1 January, 2008	12	36	4	7	59
Charge for the year	3	16	86	3	108
As of 31 December, 2008/1 January, 2009	15	52	90	10	167
Charge for the year	5	20	188	8	221
Disposal	-	-	(4)	-	(4)
As of 31 December, 2009	20	72	274	18	384
Net Carrying Amount					
As of 31 December, 2009	41	39	658	82	820
As of 31 December, 2008	27	38	892	36	993

13. OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)

- (a) Certain freehold land and buildings of the Group were revalued based on independent valuations carried out by En. Sulaiman Mustafa, a registered valuer in Jones Lang Wootton, on an open market value basis in 1994. As allowed by the transitional provisions of International Accounting Standard 16 (Revised), Property, Plant and Equipment, these assets have continued to be stated at surrogate cost, based on the 1994 valuations.
- (b) Net carrying amount of other property, plant and equipment of the Group held under hire purchase and finance lease arrangements as at balance sheet date is RM2,215,000 (2008: RM3,454,000).
- (c) The net carrying amount of other property, plant and equipment of RM29,304,000 (2008: RM35,957,000) are charged as security for borrowings as disclosed in Notes 26 and 29.
- (d) A subsidiary, Country Heights Lifestyle Berhad, is in the process of obtaining the strata titles for certain apartment units included in leasehold buildings from the respective developers. Net book value of those apartment units amounted to RM853,000 (2008: RM887,000).
- (e) Included in property, plant and equipment of the Group and of the Company are the following fully depreciated assets which are still in use:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cost:				
Office, furniture and fittings	25,093	17,061	35	33
Plant, machinery and equipment	102,328	99,719	-	-
Motor vehicles	2,784	293	7	-
	130,205	117,073	42	33

14. INVESTMENT PROPERTIES

		GROUP	
	Note	2009 RM'000	2008 RM'000
At beginning of year		142,581	91,367
Additions from subsequent expenditure		703	53,345
Disposals		(5,819)	(3,000)
Disposal of subsidiary		(47,671)	-
Written off	7	-	(4)
Reclassified from non-current asset held for sale	25	-	873
At end of year		89,794	142,581

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

14. INVESTMENT PROPERTIES (cont'd)

The following investment properties are held under lease terms:

	GROUP	
	2009 RM'000	2008 RM'000
Leasehold land	54,374	54,374
Buildings	22,279	22,209
	76,653	76,583

The investment properties with carrying amount of RM75,583,000 (2008: RM88,748,000) are charged as security for borrowings as disclosed in Note 29.

15. PREPAID LAND LEASE PAYMENTS

	Note	GROUP	
		2009 RM'000	2008 RM'000
At beginning of year		352,637	356,943
Amortisation for the year	7	(4,306)	(4,306)
At end of year		348,331	352,637

The land represents long-term leasehold land of the Group.

Included in prepaid land lease payments are certain parcels of land, with an aggregate carrying value of RM13,762,000 (2008: RM13,930,000), for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

Prepaid land lease payments with carrying amount of RM331,930,000 (2008: RM336,042,000) are charged as security for borrowings as disclosed in Note 26, 28 and 29.

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land Held for Property Development

Group	Note	Freehold Land RM'000	Leasehold Land RM'000	Total RM'000
Cost/Carrying amount				
As of 1 January, 2008		116,859	59,779	176,638
Additions		11,855	5,824	17,679
Transfer to property development costs	16(b)	(1,182)	-	(1,182)
As of 31 December, 2008/1 January, 2009		127,532	65,603	193,135
Additions		293	1,968	2,261
Disposal of subsidiary		(10,411)	-	(10,411)
Transfer to Non-current asset held for sale	25	(9,012)	-	(9,012)
Transfer to property development costs	16(b)	-	(1,607)	(1,607)
As of 31 December, 2009		108,402	65,964	174,366

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (cont'd)**(a) Land Held for Property Development (cont'd)**

Included in land held for property development are certain parcels of land, with an aggregate carrying value of RM50,639,000 (2008: RM61,046,000), for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

Land held for property development with a carrying amount of RM74,497,000 (2008: RM74,208,000) are charged as security for borrowings as disclosed in Notes 26 and 30.

(b) Property Development Costs

	Note	GROUP	
		2009 RM'000	2008 RM'000
At beginning of year			
Freehold land - at cost		118,351	118,351
Leasehold land - at cost		163	163
Development expenditure		279,621	255,692
		398,135	374,206
Costs incurred during the year:			
Freehold land - at cost		(234)	-
Leasehold land - at cost		-	-
Development expenditure		(1,139)	23,929
		(1,373)	23,929
Cost recognised as expense in the income statement:			
Previous years		(304,316)	(269,588)
Current year		(16,890)	(34,728)
		(321,206)	(304,316)
Transfers from/(to) :			
Land held for property development	16(a)	1,607	1,182
Inventories		-	(4,717)
		1,607	(3,535)
Net		77,163	90,284

Included in property development costs incurred during the financial year is interest capitalised of RM265,000 (2008: RM323,000).

The property development costs with a carrying amount of RM21,130,000 (2008: RM32,713,000) are charged as security for borrowings as disclosed in Note 30.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

17. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2009 RM'000	2008 RM'000
Unquoted shares, at cost	233,191	233,201
Investment in Cumulative Redeemable Preference Shares	217,000	-
	450,191	233,201
Less: Accumulated impairment losses	(12,063)	(7,417)
	438,128	225,784

During the financial year, certain subsidiaries issued 217,000,000 Cumulative Redeemable Preference Shares of RM0.01 par value at RM1 per share to the Company as part settlement of amount owing by the said subsidiaries.

In the previous financial years, the entire issued and paid-up share capital of Mines Shopping Fair Sdn Bhd, Mines Waterfront Business Park Sdn Bhd and Mines International Exhibition Centre Sdn Bhd were charged as security in favour of Khazanah Nasional Berhad and AmInvestment Bank Berhad ("AmInvestment") (previously known as AmMerchant Bank Berhad), AmFinance Berhad, AmBank Berhad, RHB Bank Berhad ("RHB") and CIMB Bank Berhad ("CIMB") ("Lenders") in relation to the issuance of RCSLS Series A and RSLS Series B as disclosed in Note 29.

RCSLS Series A has been fully redeemed in the previous financial year ended 31 December, 2007 as disclosed in Note 29.

The details of the subsidiaries are as follows:

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
Country Heights Sdn Bhd	Malaysia	Property development	100	100
College Heights Utara Sdn Bhd	Malaysia	Property development	100	100
Borneo Heights Sdn Bhd	Malaysia	Property development and property investment	70	70
Tindak Murni Sdn Bhd	Malaysia	Property development	100	100
Country Heights Industries Sdn Bhd	Malaysia	Property development and property investment	100	100
Country Heights W.T.C. Sdn Bhd	Malaysia	Property development and property investment	100	100
Country Heights Properties Sdn Bhd	Malaysia	Property management and investment holding	100	100
Etika Cergas (M) Sdn Bhd	Malaysia	Investment holding	100	100
Speedbuild Sdn Bhd	Malaysia	Investment holding	100	100
Steady Prospect Sdn Bhd	Malaysia	Investment holding	100	100
East Vision Leisure Group Sdn Bhd	Malaysia	Investment holding	100	100

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
Mines Holdings Sdn Bhd	Malaysia	Investment holding	100	100
^ Country Heights China Ltd	Labuan	Investment holding	100	100
^ Country Heights Global Ltd	Labuan	Dormant	100	100
Walum Enterprise Sdn Bhd	Malaysia	Ownership of land held for property development	100	100
Hasil Cermat Sdn Bhd	Malaysia	Ownership of land held for property development	100	100
Country Heights Development Sdn Bhd	Malaysia	Property investment	100	100
Country Heights eMarketing Services Sdn Bhd	Malaysia	Provision of marketing services	100	100
Versatile Champion Sdn Bhd	Malaysia	Property trading	100	100
Nasmaya Juara Sdn Bhd	Malaysia	Building and infrastructure contractor	100	100
Golden Horse Palace Berhad	Malaysia	Ownership and operation of a hotel and provision of health programs	81	81
Mines ePurse Sdn Bhd	Malaysia	Resort and hotel management and investment holding	100	100
Country Heights Resorts & Leisure Sdn Bhd	Malaysia	Resort management and investment holding	100	100
Lokasi Istimewa Sdn Bhd	Malaysia	Dormant	100	100
Magnitude Knight (M) Sdn Bhd	Malaysia	Investment holding	100	100
IMEC Education Services Sdn Bhd	Malaysia	Dormant	100	100
Country Heights Resources Management (M) Sdn Bhd	Malaysia	Dormant	100	100
Country Heights Property Development Berhad	Malaysia	Dormant	100	100
Country Heights Garden Resort (Sibu) Sdn Bhd	Malaysia	Dormant	100	100
Country Heights Sea Resort Sdn Bhd	Malaysia	Dormant	100	100
Kristal Peramah (M) Sdn Bhd	Malaysia	Provision of project development services	100	100
Country Heights Education Sdn Bhd	Malaysia	Provision of educational related services	70	70
Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd	Malaysia	Dormant	60	60

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
Country Heights Quality Life Services Sdn Bhd	Malaysia	Dormant	60	60
Country Heights Promotions Sdn Bhd	Malaysia	Dormant	-	100
Subsidiary of Borneo Heights Sdn Bhd				
Borneo Highlands Hornbill Golf & Jungle Club Berhad	Malaysia	Ownership & operation of a golf course and club hotel	100	100
Subsidiary of Country Heights Industries Sdn Bhd				
Master Strike Sdn Bhd	Malaysia	Property investment	100	100
Subsidiaries of Country Heights Properties Sdn Bhd				
^ Best Golden Inc	British Virgin Islands	Dormant	100	100
Country Heights Enterprise Sdn Bhd	Malaysia	Investment holding and property development	100	100
Mega Palm Sdn Bhd	Malaysia	Property development	100	100
Country Heights Pangsa Rakyat Sdn Bhd	Malaysia	Property investment	100	100
Subsidiary of Country Heights Enterprise Sdn Bhd				
Country Heights Golden Lifestyle Sdn Bhd	Malaysia	Dormant	100	100
Subsidiary of Speedbuild Sdn Bhd				
^ Lines Pte Ltd	United Kingdom	Dormant	100	100
Subsidiaries of Steady Prospect Sdn Bhd				
Fresh Innovatives Sdn Bhd	Malaysia	Property investment	100	100
Profound Concept Sdn Bhd	Malaysia	Property investment	100	100
Endless Gain Sdn Bhd	Malaysia	Letting of shops	100	100
Subsidiaries of Mines Holdings Sdn Bhd				
Timbang Makmur Sdn Bhd	Malaysia	Dormant	100	100
Country Heights Health Tourism Sdn Bhd	Malaysia	Provision of health screening services and health programs	70	70

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
Mines Beach Resort Berhad (formerly known as Mines Beach Resort Sdn Bhd)	Malaysia	Ownership & operator of a hotel	100	100
Mines Engineering & Technical Services Sdn Bhd	Malaysia	Dormant	100	100
Kin No Uma Sdn Bhd	Malaysia	Dormant	100	100
^ Country Heights Promotions Limited	British Virgin Islands	Dormant	100	100
Ten Plus One Sdn Bhd	Malaysia	Dormant	100	100
IDEC (M) Sdn Bhd	Malaysia	Dormant	100	100
Subsidiaries of East Vision Leisure Group Sdn Bhd				
Mines Shopping Fair Sdn Bhd	Malaysia	Letting of promotion space*	100	100
Mines Waterfront Business Park Sdn Bhd	Malaysia	Letting of office space	100	100
Mines International Exhibition Centre Sdn Bhd	Malaysia	Investment holding, manager of exhibition centre and conventions and provision of catering services	100	100
Subsidiaries of Mines International Exhibition Centre Sdn Bhd				
Mines Exhibition Management Sdn Bhd	Malaysia	Provision of management services	70	70
Output Combination Sdn Bhd	Malaysia	Dormant	100	100
Subsidiaries of Mines ePurse Sdn Bhd				
Signature Catering & Conference Services Sdn Bhd	Malaysia	Dormant	100	100
#+Signature Hotels Ptd Ltd	Singapore	Dormant	-	100
Subsidiaries of Country Heights Resorts & Leisure Sdn Bhd				
Country Heights Lifestyle Berhad	Malaysia	Provision of leisure related services	100	100
World Racquet Centre Sdn Bhd	Malaysia	Provision of marketing services	100	100

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
Mines Premium Sdn Bhd	Malaysia	Solutions provider and promotion activities	100	100
Subsidiary of College Heights Utara Sdn Bhd				
Mines Golf City Sdn Bhd	Malaysia	Property investment	-	100
Subsidiaries of Magnitude Knight (M) Sdn Bhd				
+ Country Heights Pecanwood Golf & Country Club (Pty) Ltd	South Africa	Ownership and operators of golf estate club	100	100
+ Country Heights Pecanwood Boat Club (Pty) Ltd	South Africa	Ownership and operator of boat club	100	100

+ Audited by other firm of auditors

* Ceased principal activities of letting of shopping mall lots in financial year 2007

^ No auditors are required to be appointed for dormant companies

Company struck off during the financial year

Disposal of Subsidiaries

During the financial year the following subsidiaries were disposed of and struck-off:

(i) Deemed disposal of 70% equity interest in a subsidiary, Mines Golf City Sdn Bhd ("MGC")

On 18 March, 2009, MGC increased its issued and paid-up share capital from RM2,600,000 to RM10,000,000 by way of allotment of 7,000,000 and 400,000 ordinary shares of RM1 each to Bee Garden Holdings Sdn Bhd ("Bee Garden") and College Heights Utara Sdn Bhd ("CHU") respectively at an issue price of RM1 each as partial settlement for the amount owing to Bee Garden and Country Heights Holdings Berhad. Concurrently, a shareholders agreement was entered into between Bee Garden and CHU to regularise their rights and obligation as shareholders of MGC.

Arising from the above transactions, CHU's equity interest in MGC was diluted, resulting in MGC ceasing to be a subsidiary and sub-subsidiary of CHU and the Company respectively and became a 30% owned associate as disclosed in Note 18. The deemed disposal resulted in a gain of RM1,462,000 to the Group.

(ii) Disposal of shares in a subsidiary, Country Heights Promotions Sdn Bhd ("CHPSB")

On 14 July, 2009, the Company disposed of its wholly-owned dormant subsidiary, CHPSB to Tan Sri Lee Kim Yew, for a cash consideration of RM2. The cash consideration was arrived at based on the net liability of CHPSB as at 14 July, 2009 of RM3,227. The said disposal resulted in a gain of RM3,000 to the Group and a loss of RM10,000 to the Company.

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Disposal of Subsidiaries (cont'd)

(iii) Struck-off Subsidiary - Subsidiary Company, Signature Hotels Pte Ltd

On 20 October, 2009, Signature Hotels Pte Ltd ("SHPL"), a company incorporated in the Republic of Singapore and a wholly-owned dormant subsidiary of Mines ePurse Sdn Bhd, had been struck off from the Register of Companies pursuant to Section 344(4) of the Companies Act of Singapore with effect from 8 October, 2009 and notification of the same was published in the Government Gazette on 14 October, 2009. The net asset of SHPL as at 20 October, 2009 amounted to RM5.

The revenue, results and cash flows of the two subsidiaries being disposed of were as follows:

	MGC Period ended 18.03.2009 RM'000	CHPSB Period ended 14.07.2009 RM'000	Total RM'000
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Administrative expenses	(22)	(1)	(23)
Other expenses	(267)	-	(267)
Loss before tax	(289)	(1)	(290)
Income tax expense	-	-	-
Loss for the year	(289)	(1)	(290)
Cashflows from/(used in):			
Operating activities	(7,017)	1	(7,016)
Investing activities	(412)	-	(412)
Financing activities	7,633	-	7,633
Net cash flows	204	1	205

The net assets of the two subsidiaries being disposed of were as follows:

	MGC As at 18.03.2009 RM'000	CHPSB As at 14.07.2009 RM'000	Total RM'000
Other property, plant and equipment	5,228	-	5,228
Land held for property development	7,288	-	7,288
Investment property	33,370	-	33,370
Trade receivables and other receivables	7	-	7
Cash and bank balances	-	3	3
Borrowings	(163)	-	(163)
Trade payables and other payables	(40,192)	(6)	(40,198)
Net assets/(liabilities) disposed of	5,538	(3)	5,535
Total disposal proceeds	(7,000)	-	(7,000)

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Disposal of Subsidiaries (cont'd)

	MGC As at 18.03.2009 RM'000	CHPSB As at 14.07.2009 RM'000	Total RM'000
Gain on disposal to the Group	(1,462)	(3)	(1,465)
Net cash inflow arising from the disposals:			
Cash consideration, representing cash inflow to the Company			7,000
Cash and cash equivalents of subsidiary disposed of			(3)
Net cash inflow to the Group			6,997

There was no tax charge or credit or credit arising from the disposal.

18. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
In Malaysia:				
Unquoted shares, at cost	5,562	3,357	247	247
Group share of post-acquisition reserves	87	(83)	-	-
	5,649	3,274	247	247
Accumulated impairment losses	(206)	-	(206)	-
	5,443	3,274	41	247

The Group's interests in associates are analysed as follows:

	GROUP	
	2009 RM'000	2008 RM'000
Share of net assets	5,226	3,057
Goodwill on acquisition	217	217
	5,443	3,274

18. INVESTMENT IN ASSOCIATES (cont'd)

Details of the associates are as follows:

Names of Associates	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2009 %	Equity Interest 2008 %
+ Simplex Design Sdn. Bhd.	Malaysia	Interior designing, renovation, construction and other related services	47.50	47.50
+ Dragon Spring Investment (Labuan) Limited	Labuan	Investment holding	20.00	20.00
Mines Golf City Sdn Bhd	Malaysia	Property Investment	30.00	-

+ Audited by other firms of auditors

The financial statements of the above associates are coterminous with those of the Group, except for Simplex Design Sdn Bhd which has a financial year end of 30 June. For the purpose of applying the equity method of accounting, the audited financial statements of Simplex Design Sdn Bhd for the year ended 30 June, 2009 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2009 and 31 December, 2009.

The summarised financial information of the associates are as follows:

	GROUP	
	2009 RM'000	2008 RM'000
Assets and liabilities		
Current assets	18,382	12,127
Non-current assets	103,977	30,962
Total assets	122,359	43,089
Current liabilities	80,482	10,160
Non-current liabilities	16,789	17,000
Total liabilities	97,271	27,160
Results		
Revenue	7,332	11,836
Profit for the year	281	951

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

19. OTHER INVESTMENTS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At cost				
Quoted shares in Malaysia	240	240	-	-
Unquoted shares in Malaysia	2,000	2,000	-	-
Memberships	798	798	718	718
	3,038	3,038	718	718
Less: Accumulated impairment losses				
Quoted shares in Malaysia	(106)	(164)	-	-
Unquoted shares in Malaysia	(2,000)	(2,000)	-	-
	(2,106)	(2,164)	-	-
	932	874	718	718
Market value of quoted shares in Malaysia	134	76	-	-

20. GOODWILL ON CONSOLIDATION

	GROUP	
	2009 RM'000	2008 RM'000
Cost		
At beginning/end of year	35,097	35,097
Accumulated impairment losses		
At beginning/end of year	(35,097)	(35,097)
As of year end	-	-

21. INVENTORIES

	GROUP	
	2009 RM'000	2008 RM'000
At cost		
Properties held for sale	93,460	103,660
Consumable materials	1,457	1,502
	94,917	105,162
At net realisable value		
Properties held for sale	44,169	34,266
Total inventories	139,086	139,428

Included in inventories are certain parcels of land, with aggregate carrying value of RM40,256,000 (2008: RM41,403,000), for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

Inventories with a carrying value of RM12,169,000 (2008: RM25,904,000) are charged as security for borrowings as disclosed in Note 26(c).

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current					
Trade receivables					
Third parties	(b)	107,805	86,006	-	-
Amount owing by subsidiaries	(c)	-	-	11,216	6,994
Owing by companies in which certain directors have interest		2,149	2,677	-	-
		109,954	88,683	11,216	6,994
Less: Allowance for doubtful debts:					
Third parties	(f)	(23,364)	(20,059)	-	-
Trade receivables, net		86,590	68,624	11,216	6,994
Other receivables, deposits and prepayments					
Amount owing by subsidiaries	(c)	-	-	236,464	574,315
Amount owing by associate	(c)	17,336	-	17,336	17,384
Deposits		6,422	4,395	25	15
Prepayments		1,252	1,254	2	3
Sundry receivables		12,164	16,398	1,044	1,337
Owing by companies in which certain directors have interest		4,446	4,237	669	525
		41,620	26,284	255,540	593,579
Less: Allowance for doubtful debts:					
Amount owing by subsidiaries	(e)	-	-	(15,711)	(46,567)
Sundry receivables	(e),(f)	(1,800)	(6,075)	(364)	(431)

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Other receivables, net		39,820	20,209	239,465	546,581
		126,410	88,833	250,681	553,575
Non-current					
Trade receivables					
Third parties	(d)	16,095	17,600	-	-

(a) Credit risk

The Group's normal trade credit terms range from 14 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single trade debtor or to groups of trade debtors.

Other information on credit risk is disclosed in Note 40(e).

(b) Trade receivables, current

Trade receivables are non-interest bearing, which are due within one year except those relating to the instalment scheme mentioned in Note 22(d).

(c) These amounts owing by subsidiaries and amount owing by associate (formerly a subsidiary company) as mentioned in Note 17 are non-trade in nature, unsecured, non-interest bearing, and are repayable on demand except for an amount of RMNil (2008: RM150,000,000) due from a subsidiary, Golden Horse Palace Berhad, relating to RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010 ("Bonds") which bears interest at a rate of 8% (2008: 8%) per annum and is repayable in accordance with the Bonds repayment terms as disclosed in Note 28.

(d) Non-current trade receivables represent amounts that are expected to be collected after twelve months from balance sheet date, arising from instalment plans of 12 months to 60 months granted in respect of timeshare program memberships and health program memberships issued by subsidiaries, Country Heights Lifestyle Berhad, Country Heights Health Tourism Sdn Bhd and Golden Horse Palace Berhad.

(e) Allowance for doubtful debts of RM15,711,000 and RM364,000 (2008: RM46,567,000 and RM431,000) have been made for estimated irrecoverable amounts for amount owing by subsidiaries and sundry receivables respectively by the Company. During the financial year, the Company has written off the amount owing by subsidiaries and sundry receivables amounting to RM23,084,000 and RM243,000 (2008: RMNil and RMNil) against allowance for doubtful debts respectively.

(f) Allowance for doubtful debts of RM23,364,000 and RM1,800,000 (2008: RM20,059,000 and RM6,075,000) have been made for estimated irrecoverable amounts from trade receivables and sundry receivables respectively by the Group. During the financial year, the Group has written off trade receivables and sundry receivables amounting to RM4,917,000 and RM4,275,000 (2008: RM8,928,000 and RM591,000) against allowance for doubtful debts respectively.

23. FUNDS HELD IN TRUST

Funds held in trust arose when certain subsidiaries disposed of properties which were charged to the trustee of the bondholders as security for the RM150,000,000 3% to 8% Redeemable Secured Bonds 1996/2010 ("Bonds") issued by the Company, as disclosed in Note 28.

Upon the disposal of the pledged properties, the sales proceeds ("redemption sum") received from purchasers are retained by the trustee of the bondholder until the Bonds have been redeemed, the properties discharged and the disposed properties' titles are released to the purchasers.

During the financial year, the funds held in trust were used to partially settle the accrued interest from the bonds as disclosed in Note 33.

24. CASH AND CASH EQUIVALENTS

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits with licensed banks and other financial institutions	(a)	9,562	5,294	-	-
Cash on hand and at banks	(b)	24,007	7,858	1,008	81
Cash and bank balances		33,569	13,152	1,008	81

(a) Included in deposits with licensed banks of the Group are:

- (i) A sum of RM2,572,000 (2008: RM1,857,000) pledged for bank guarantee facilities granted to certain subsidiaries;
- (ii) An amount held under a trust account pursuant to a trust deed in relation to a timeshare membership scheme of a subsidiary, Country Heights Lifestyle Berhad of RM505,000 (2008: RM187,000); and
- (iii) An amount held on behalf of members in relation to a "Silver Hair Programme" of a subsidiary, Country Heights Quality Life Services Sdn Bhd of RM132,000 (2008: RM129,000).

(b) Included in cash at banks of the Group are:

- (i) Sinking funds of RM621,000 (2008: RM481,000) maintained by certain subsidiaries for the purpose of repair and maintenance of properties;
- (ii) Amounts of RM592,000 (2008: RM229,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are therefore restricted from use in other operations;
- (iii) An amount held under a trust account pursuant to a trust deed in relation to a timeshare membership scheme of a subsidiary, Country Heights Lifestyle Berhad of RM471,000 (2008: RM357,000); and
- (iv) An amount of RM9,832,000 (2008: RM2,338,000) is pledged as security for the purpose of the Bank Guaranteed Commercial Paper and Bank Guaranteed Medium Term Notes issued as disclosed in Note 30. Included in the pledged amount is an amount of RM4,868,000 (2008: RM1,196,000) which represents the amount deposited in the redemption account established under the Trust Deed for the sole purpose of redemption of the Bank Guaranteed Commercial Paper and Bank Guaranteed Medium Term Notes issued as disclosed in the Note 30 and payment of finance cost of Bank Guaranteed Medium Term Notes.

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date:

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash and bank balances		33,569	13,152	1,008	81
Bank overdrafts	26(a)	(2,353)	(3,416)	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

24. CASH AND CASH EQUIVALENTS (cont'd)

For the purpose of the cash flow statements, cash and cash equivalents comprise the following as at the balance sheet date: (cont'd)

	GROUP		COMPANY	
Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Total cash and cash equivalents	31,216	9,736	1,008	81

The weighted average effective interest rates at the balance sheet date for deposits are as follows:

	GROUP		COMPANY	
	2009 %	2008 %	2009 %	2008 %
Licensed banks and other financial institutions	3.2	3.2	-	-

The average maturities of deposits as at the end of the financial year are as follows:

	GROUP		COMPANY	
	2009 Days	2008 Days	2009 Days	2008 Days
Licensed banks	365	366	-	-

25. NON-CURRENT ASSET HELD FOR SALE

	GROUP		
	Note	2009 RM'000	2008 RM'000
At beginning of year		-	873
Building reclassified to investment property	14	-	(873)
Building transfer from:			
- land held for property development	16(a)	9,012	-
- other property, plant and equipment	13	777	-
At end of year		9,789	-

The building reclassified to investment property refers to the Venice Walk Building. Pursuant to the agreement between Mines Shopping Fair Sdn Bhd ("MSF") and Mutual Stream Sdn Bhd ("MSSB"), a put and call option was issued over an ancillary land and building of MSF which has not been disposed of and is known as Venice Walk Land and Venice Walk Building. Disposal of Venice Walk Land and Building is subject to the Group obtaining certain approvals from the authorities over the Venice Walk Land and Building. The put and call option shall be exercisable within a period of 30 days from receipt of the approvals from the authorities. Upon exercise of the put or call options, MSSB shall pay RM3,000,000 to MSF for the Venice Walk Land & Building.

On 26 September, 2008, the Group notified MSSB on the rejection by the authorities over the disposal of the Venice Walk Land and Building. Hence, the put and call option shall automatically expire and the exercise price of RM3,000,000 shall no longer be applicable. As at 31 December, 2008, the said property has been reclassified under investment properties as there is no indication of the property being disposed of in the foreseeable future.

26. BORROWINGS

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Short-term Borrowings					
Secured:					
Bank Guaranteed Commercial Paper	30	4,963	-	-	-
Bank overdrafts	(a),24	2,344	2,569	-	-
Term loans	(b)	175	166	-	-
Revolving credits	(c)	-	3,600	-	-
RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010 ("Bonds")	28	150,000	150,000	150,000	150,000
		157,482	156,335	150,000	150,000
Unsecured:					
Bank overdrafts	(a),24	9	847	-	-
Revolving credits	(c)	14,800	19,600	-	-
Hire purchase and finance lease payables	27	503	775	151	151
		15,312	21,222	151	151
Total Short-term Borrowings		172,794	177,557	150,151	150,151
Long-term Borrowings					
Secured:					
Term loans	(b)	2,632	2,836	-	-
Revolving credits	(c)	3,722	1,824	-	-
Redeemable Secured Loan Stock 2004/2011 ("RSLs Series B")	29	68,822	68,822	-	-
Bank Guaranteed Commercial Paper	30	46,763	11,962	-	-
Bank Guaranteed Medium Term Notes	30	40,000	70,000	-	-
		161,939	155,444	-	-
Unsecured:					
Revolving credits	(c)	16,800	12,800	-	-
Hire purchase and finance lease payables	27	1,396	2,106	299	451
		18,196	14,906	299	451
Total Long-term Borrowings		180,135	170,350	299	451
Total Borrowings					
Bank overdrafts	(a)	2,353	3,416	-	-
Term loans	(b)	2,807	3,002	-	-
Revolving credits	(c)	35,322	37,824	-	-
Hire purchase and finance lease payables	27	1,899	2,881	450	602
Bonds	28	150,000	150,000	150,000	150,000
RSLs Series B	29	68,822	68,822	-	-
Bank Guaranteed Commercial Paper	30	51,726	11,962	-	-
Bank Guaranteed Medium Term Notes	30	40,000	70,000	-	-
		352,929	347,907	150,450	150,602

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

26. BORROWINGS (cont'd)

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Maturity of borrowings (excluding hire purchase and finance lease):				
Within one year	172,291	176,783	150,000	150,000
More than 1 year and less than 2 years	111,721	6,798	-	-
More than 2 years and less than 5 years	65,377	159,362	-	-
5 years or more	1,641	2,083	-	-
	351,030	345,026	150,000	150,000

The weighted average effective interest rates at the balance sheet date for borrowings, excluding hire purchase and finance lease payables, are as follows:

		GROUP		COMPANY	
	Note	2009 %	2008 %	2009 %	2008 %
Bank overdrafts	(a)	7.3	8.9	-	-
Term loans	(b)	5.5	5.5	-	-
Revolving credits	(c)	6.6	6.9	-	-
Bonds	28	8.0	8.0	8.0	8.0
RSLs Series B	29	5.0	5.0	-	-
Bank Guaranteed Commercial Paper	30	4.3	4.3	-	-
Bank Guaranteed Medium Term Notes	30	6.1	6.1	-	-

(a) **Bank overdrafts**

		GROUP	
	Note	2009 RM'000	2008 RM'000
Short-term			
Secured:			
RM3,000,000 facility	(i)	2,344	2,569
South African Rand 750,000 facility	(ii)	-	-
		2,344	2,569
Unsecured:			
RM15,000,000 facility	(iii)	9	847
Total bank overdrafts	24	2,353	3,416

26. BORROWINGS (cont'd)

(a) Bank overdrafts (cont'd)

Salient features of the bank overdrafts granted to subsidiaries are as follows:

(i) Overdraft facility of RM3,000,000 (2008: RM3,000,000) granted to Country Heights W.T.C. Sdn Bhd is secured by:

- A lien-holder's caveat over other property, plant and equipment with a carrying value of RM6,509,000 (2008: RM6,592,000) held by Country Heights W.T.C. Sdn Bhd;
- A lien-holder's caveat over prepaid land lease payments with a carrying value of RM3,933,000 (2008: RM3,983,000) held by Country Heights W.T.C. Sdn Bhd;
- Deposit of the original clubhouse title held under Lot.24731 Pajakan Negeri 7211, HSD 22918, Mukim of Kajang, District of Ulu Langat, Selangor Darul Ehsan; and
- A corporate guarantee of RM5,000,000 provided by the Company.

The said overdraft facility bears interest at 1.75% (2008: 1.75%) above the bank's base lending rate.

(ii) South Africa Rand 750,000 facility granted to Country Heights Pecanwood Golf & Country Club (Pty) Ltd ("PGCC") is secured by:

- First continuous covering mortgage bond over the land and building erected on Erf 876, Erf 877 Extension 12 and Erf 1083 Extension 10 (previously portions 127 and 128 of portion 123 of the farm Harbeespoort, No. 482 Registration Division J.Q., Province of North-West, South Africa, known as the Country Heights Pecanwood Golf and Country Club), with a carrying value of RM14,427,000 (2008: RM11,778,000) held by PGCC included in other property, plant and equipment as disclosed in Note 13.

The said overdraft facility bears interest at 14.5% (2008: 14.5%) per annum.

(iii) Unsecured facility of RM15,000,000 granted to Country Heights Sdn Bhd is secured by:

- Negative pledge over the assets of Country Heights Sdn Bhd, except for certain bungalow lots adjacent to the existing development undertaken by the Group in Kajang; and
- Corporate guarantee and indemnity of up to RM15,000,000 provided by the Company.

The overdraft facility bears interest at 2.5% (2008: 2.5%) above bank's base lending rate.

(b) Term loans

	GROUP	
	2009 RM'000	2008 RM'000
Short-term		
Secured:		
RM3,340,000 facility	175	166
Long-term		
Secured:		
RM3,340,000 facility	2,632	2,836
Total term loans	2,807	3,002

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

26. BORROWINGS (cont'd)

(b) Term loans (cont'd)

Salient features of the term loans granted to subsidiaries are as follows:

- (i) Term loan facility of RM3,340,000 granted to a subsidiary, Country Heights Health Tourism Sdn Bhd is secured by:
- A first legal charge over certain units situated at Level 3 of Block C of the building known as Plaza Mont' Kiara included in other property, plant and equipment as disclosed in Note 13(c) with an aggregate net book value of RM3,843,000 (2008: RM3,927,000); and
 - A corporate guarantee of RM3,340,000 provided by the Company.

Principal and interest are repayable by 60 equal monthly installments of RM27,291 each from year one to year five commencing from 26 October, 2006 and subsequently 120 equal monthly installments of RM29,251 each from year six onwards until 26 October, 2021.

The term loan facility bears interest at 5.5% (2008: 5.5%) per annum for the first five years and thereafter at 0.5% (2008: 0.5%) above the bank's base lending rate.

(c) Revolving credits

GROUP			
	Note	2009 RM'000	2008 RM'000
Short-term			
Secured:			
RM32,000,000 (restructured) facility	(i)	-	3,600
Unsecured:			
RM15,000,000 facility	(ii)	14,800	14,800
RM30,000,000 (restructured) facility	(iii)	-	4,800
		14,800	19,600
		14,800	23,200
Long-term			
Secured:			
RM32,000,000 (restructured) facility	(i)	3,722	1,824
Unsecured:			
RM30,000,000 (restructured) facility	(iii)	16,800	12,800
		20,522	14,624
Total revolving credits		35,322	37,824

26. BORROWINGS (cont'd)

(b) Revolving credits (cont'd)

Revolving credit facilities are secured as follows:

- (i) Revolving credit (restructured) facility of RM32,000,000 granted to a subsidiary, Country Heights Industries Sdn Bhd ("CHISB") is secured by:

- A corporate guarantee of RM32,000,000 provided by the Company;
- A third party first legal charge over 96 (2008: 96) parcels of land and building held by CHISB with carrying values as follows:

	GROUP	
	2009 RM'000	2008 RM'000
Land held for property development	4,911	4,911
Inventories	3,469	3,469
	8,380	8,380

- A first legal charge over 1 (2008: 1) industrial lot at the College Valley Industrial Park, Pajam, held by a subsidiary, Country Heights Industries Sdn Bhd, with a carrying value of RM230,000 (2008: RM230,000);
- A debenture over certain bungalow lots belonging to a subsidiary, Walum Enterprise Sdn Bhd with a carrying value of RM1,612,000 (2008: RM1,636,000);
- A third party first fixed legal charge over certain bungalow lots held by a subsidiary, Walum Enterprise Sdn Bhd with a carrying value of RM973,000 (2008: RM1,210,000); and
- A second fixed legal charge over certain bungalow lots held by a subsidiary company, Walum Enterprise Sdn Bhd with a carrying value of RM5,885,000 (2008: RM5,973,000).

The revolving credits are repayable by 24 equal monthly installments of RM200,000 each with the first installment payable on 30 August, 2005, and thereafter 23 monthly installments of RM300,000 each with the first installment to commence on 30 August, 2007 and a final installment payment of RM4,756,000 to be paid in one lump sum on 30 July, 2009.

During the financial year, the Company obtained a moratorium period of up to February 2011 towards the remaining outstanding principal amount under the revolving credit facility. Upon expiry of this moratorium period, the remaining principal portion of the facility shall be repaid in 5 equal monthly installments of RM300,000 with the first installment to commence on 28 February, 2011, and a final installment payment of RM2,222,000 to be repaid in one lump sum on 31 July, 2011, or by way of the security properties, whichever is earlier. Where redemptions exist, the redemption sums shall be utilised towards payment of the installments in inverse order.

The revolving credit facility bears interest at 2.5% (2008: 2.5%) above Cost of Fund.

- (ii) The unsecured revolving credit facility of RM15,000,000 granted to a subsidiary, Country Heights Sdn Bhd has the following guarantees and pledges:

- Negative pledge over the assets of Country Heights Sdn Bhd, except for certain bungalow lots adjacent to the existing development undertaken by the Group in Kajang; and
- A corporate guarantee of RM15,000,000 provided by the Company.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

26. BORROWINGS (cont'd)

(b) **Revolving credits (cont'd)**

The revolving credit facility bears interest at 2.5% (2008: 2.5%) above Cost of Fund.

The short-term revolving credit is repayable on demand.

(iii) The unsecured revolving credit (restructured) facility of RM30,000,000 granted to Country Heights Sdn Bhd has a corporate guarantee and indemnity of RM30,000,000 provided by the Company.

The revolving credit facility bears interest at 2.5% (2008: 2.5%) above Cost of Fund.

27. HIRE PURCHASE AND FINANCE LEASE PAYABLES

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Minimum lease payments:					
Not later than 1 year		651	895	169	169
Later than 1 year but not later than 2 years		677	1,015	293	339
Later than 2 years but not later than 5 years		639	944	44	167
Later than 5 years		146	369	-	-
		2,113	3,223	506	675
Less: Future finance charges		(214)	(342)	(56)	(73)
Present value of finance lease liabilities	26	1,899	2,881	450	602
Present value of finance lease liabilities:					
Not later than 1 year		503	775	151	151
Later than 1 year but not later than 2 years		637	909	261	303
Later than 2 years but not later than 5 years		619	956	38	148
Later than 5 years		140	241	-	-
		1,899	2,881	450	602
Analysed as:					
Due within 12 months		503	775	151	151
Due after 12 months		1,396	2,106	299	451
		1,899	2,881	450	602

The hire purchase and lease liabilities bear interest at the balance sheet date at rates ranging between 2.25% to 8.25% (2008: 2.25% to 8.25%) per annum.

28. RM150 MILLION 3% TO 8% REDEEMABLE SECURED BONDS 1996/2010 ("BONDS") REDESIGNATED FROM RM150 MILLION 3% TO 8% REDEEMABLE SECURED BONDS 1996/2009

By a resolution dated 6 November, 2009, the Bondholder approved the extension of the redemption of the outstanding RM150 million of the Bonds previously issued by the Company as RM200 million 3% to 8% Redeemable Secured Bonds 1996/2005 to 31 December, 2010.

The salient terms and features of the Bonds revised pursuant to the extension are as follows:

- (i) The interest rate will continue to be 8% per annum, calculated on the outstanding balance and is payable semi-annually. For the period from 9 November, 2004 to 6 November, 2008, only 6% of the 8% interest per annum shall be paid semi-annually in two equal installments on 6 May and 6 November each year. The 2% interest per annum shortfall since 1 January, 2002 onwards shall continue to be accrued and paid in the final year in 2 equal installments i.e. on 6 May, 2009 and 6 November, 2009 provided always that if the Bonds are fully redeemed before 6 November, 2009 any unpaid interest shall be paid in full by the Company on the date of such redemption. Upon the extension of the redemption of the outstanding RM150 million of the Bonds to 31 December, 2010, all interest due on 6 November, 2009 shall be deferred to 31 December, 2010.

- (ii) The maturity date for the redemption of the Bonds is extended to 31 December, 2010.

As a result of the maturity of the Bonds on 31 December, 2010 and hence their redemption on the same date, the Bonds are classified under current liabilities as of 31 December, 2009.

- (iii) The Bonds will be secured by the following revised securities pursuant to the extension:

- A fixed charge over a leasehold land and hotel building held by a subsidiary, Golden Horse Palace Berhad known as the Palace of the Golden Horses, classified under hotel properties and exhibition centre & showroom and prepaid land lease payments with aggregate carrying value of RM395,515,000 (2008: RM399,991,000).

The Bonds are not rated and not transferable or tradable on Real Time Electronic Transfer of Funds and Securities ("RENTAS").

As of 31 December, 2009, Tan Sri Lee Kim Tiong @ Lee Kim Yew is the only beneficial holder of the Bonds.

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCK 2004/2011 ("RCLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCK 2004/ 2011 ("RSL SERIES B")

The Company and a subsidiary, East Vision Leisure Group Sdn Bhd ("EVL") entered into a Master Agreement and a Supplemental Master Agreement on 16 December, 2003 and 21 May, 2004 respectively, with Khazanah Nasional Berhad ("KNB") to regulate their relationships and undertakings in respect of the investment in EVL.

Pursuant to the Master Agreement and Supplemental Master Agreement, EVL will be the investment vehicle to facilitate KNB and Lenders' Investment in EVL as defined below, which include the acquisition of certain subsidiaries within the Group.

On 20 December, 2004, EVL completed the acquisitions of the entire issued and paid up share capital of Mines Shopping Fair Sdn Bhd ("MSFSB"), Mines Waterfront Business Park Sdn Bhd ("MWBPB") and Mines International Exhibition Centre Sdn Bhd ("MIECSB") ("Target Companies") based on the adjusted net tangible assets as at 31 October, 2003, after taking into consideration the fair values of those Target Companies' respective assets, namely, Mines Shopping Fair ("MSF"), Mines Waterfront Business Park ("MWBP") and Malaysia International Exhibition & Convention Centre ("MIEC") ("Identified Assets").

On 20 December, 2004, EVL issued the following to KNB and AmInvestment Bank Berhad (previously known as AmMerchant Bank Berhad) ("AmInvestment"), AmFinance Berhad, AmBank Berhad, RHB Bank Berhad ("RHB") and CIMB Bank Berhad ("CIMB") ("Lenders") as consideration for a cash injection by KNB in EVL amounting to RM125,000,000 and an investment by the Lenders of RM295,000,000 in EVL (collectively referred to as the "KNB and Lenders Investment") pursuant to a Settlement Agreement dated 14 May, 2004 and a Supplemental Settlement Agreement dated 17 May, 2004 (collectively referred to as the "Settlement Agreements"):

- (i) RM420,000,000 nominal value 7-year 6% Redeemable Convertible Secured Loan Stocks with a nominal value of RM1 each ("RCLS Series A") to KNB.
- (ii) RM68,821,674 nominal value 7-year 5% Redeemable Secured Loan Stocks with a nominal value of RM1 each ("RSL Series B") to the Lenders; and

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCK 2004/2011 ("RCSLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCK 2004/ 2011 ("RSLs SERIES B") (cont'd)

- (iii) One golden share to KNB ("Golden Share") pursuant to the Master Agreement dated 16 December, 2003 and the Supplemental Master Agreement dated 21 May, 2004.

(A) RCSLS Series A

The Company fully redeemed the RCSLS Series A of RM 420,000,000 on 19 December, 2007 four years prior to the RCSLS Series A redemption date on 20 December, 2011, from proceeds on the disposal of Mines Shopping Fair.

(B) RSLs Series B

The salient terms and features of the RSLs Series B were as follows:

- (i) Redemption Tenure and Rate of Interest

The RSLs Series B shall have a Tenure of 7 years.

In the event of the full redemption of RCSLS Series A without any or all of the Identified Assets being sold, the RSLs Series B shall not be cancelled or converted into ordinary shares of RM1 in EVL but shall be redeemed on or before the maturity date thereof from out of the proceeds of sale of the remaining Identified Assets.

In the event of a disposal of the Identified Assets/Security Shares, the redemption of RSLs Series B is subject to the full redemption of RCSLS Series A and after payment in full of the RSLs Series B, the holders of RSLs Series B shall be entitled to be paid interest on RSLs Series B. However, this interest is payable only in the circumstances mentioned in the foregoing paragraph.

Subject to the provisions of the trust deed and relevant agreements, the RSLs Series B shall be entitled to be paid a back end interest at the rate of 5% per annum (simple interest). However, this interest is payable only in the event the RCSLS Series A is fully redeemed and all interest (including any default interest) thereon fully paid and:-

- (a) there is an excess from the proceeds of sales of the Identified Assets or, as the case may be, the Security Shares, after the full redemption of RCSLS Series A and after paying in full the redemption sum of the RSLs Series B; or
- (b) RCSLS Series A is fully redeemed without any or all of the Identified Assets/Security Shares being disposed and the disposal price of the Identified Assets/Security Shares remaining unsold after the full redemption of RCSLS Series A, exceeds the RSLs Series B redemption sum; or
- (c) there are any of the Identified Assets/Security Shares remaining unsold after the redemption in full of RCSLS Series A and the payment in full of the RSLs Series B redemption sum.

As disclosed in Note 33(d), the back end RSLs Series B interest on RSLs Series B up to 31 December, 2009 has been accrued.

- (ii) Security

The RSLs Series B shall be secured by way of:

- (a) second legal charge on two of the Identified Assets known as Malaysia International Exhibition Convention Centre and Mines Waterfront Business Park; and
- (b) second legal charge on the Security Shares.

- (iii) Conversion of RSLs Series B

In the event EVL fails to redeem the RCSLS Series A in full on or before its maturity and the RCSLS Series A holders, being unable to procure the sale of the Identified Assets/Security Shares for at least the RCSLS Series A redemption sum:

- (a) KNB procures the transfer by the Company to the RCSLS Series A holders of all the shares in EVL; or
- (b) KNB or any of the other RCSLS Series A holders converts its RCSLS Series A into ordinary shares in EVL; or
- (c) the RCSLS Series A holders unanimously agree to extend the tenure of the RCSLS Series A.

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCK 2004/2011 ("RCSLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCK 2004/ 2011 ("RSLs SERIES B") (cont'd)

(B) RSLs Series B (cont'd)

(iii) Conversion of RSLs Series B (cont'd)

EVL shall thereafter within 14 business days, by notice in writing to the RSLs Series B holders, convert all the RSLs Series B of each RSLs Series B holders into one ordinary share of RM1 in EVL.

In the event that all the Identified Assets/Security Shares are sold at a value of less than the RCSLS Series A redemption sum, all of each RSLs Series B shall be converted into one ordinary share of RM1 in EVL and shall be deemed fully settled.

In the event the disposal price of all the Identified Assets/Security Shares exceeds the RCSLS Series A redemption sum, the amount in excess will be utilised to pay off the equivalent amount of the RSLs Series B proportionately and the remaining balance of each RSLs Series B shall be converted into one (1) ordinary share of RM1 in EVL and shall be deemed fully settled.

Each RSLs Series B holder shall, upon being requested to, sell its share in EVL arising from the conversion of the RSLs Series B to KNB, or, if the RCSLS Series A has been fully redeemed or converted into ordinary shares of EVL to the Company, for a nominal consideration of RM1.

Golden Share

On 20 December, 2004, East Vision Leisure Group Sdn Bhd ("EVL") issued one golden share in the form of redeemable preference share ("Golden Share") to Khazanah Nasional Berhad ("KNB") pursuant to the Master Agreement dated 16 December, 2003 and Supplemental Master Agreement dated 21 May, 2004, both of which were entered into by EVL, KNB and the Company.

Pursuant to the rights conferred on the Golden Share, the affirmative vote of KNB in general meetings is required for certain matters in relation to EVL including:

- (a) cessation to conduct or carry on its business substantially as now conducted and/or acquire any subsidiaries, associated companies and/or any other business, company, partnership or sole proprietorship;
- (b) making any distribution of profits amongst the shareholders by way of dividend, capitalisation of reserves or otherwise; and
- (c) issuing or transferring any shares, preference or otherwise or any loan stocks or any other securities.

The Golden Share shall:

- (a) not be transferable without prior written consent of EVL;
- (b) be redeemable by EVL at par upon the RCSLS Series A being fully redeemed; and
- (c) not be entitled to any dividend of EVL.

Following the redemption of RCSLS Series A, the Golden Share issued by EVL was redeemed on 11 January, 2008.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

30. BANK GUARANTEED COMMERCIAL PAPER & BANK GUARANTEED MEDIUM TERM NOTES

The Bank Guaranteed Commercial Paper ("CP") and Bank Guaranteed Medium Term Notes ("MTN") are constituted by a Trust Deed dated 2 May, 2006 made by a subsidiary of the Company, Mega Palm Sdn Bhd and the Trustee for the notesholders of the CP and MTN. All notes shall be redeemed in full at face amount on the maturity date. The CP is of a tenure of not more than 12 months up to a sublimit of RM80,000,000 in nominal value. CP redeemed shall be cancelled but shall be available for re-issue subject to terms stipulated in the Programme and Underwriting Agreement dated 2 May, 2006. MTN is of a tenure of more than 1 year but not exceeding 7 years up to a sublimit of RM70,000,000 in nominal value. MTN redeemed shall be cancelled and not available for reissuance.

The CP and MTN are secured by the following:

- (a) Unconditional and irrevocable bank guarantee issued by Malayan Banking Berhad ("Guarantor") to guarantee repayment of the borrowings;
- (b) First fixed charge over the master title known as Geran 37112, Lot 826, Mukim Batu being the Country Heights Damansara project land under the National Land Code which shall exclude the units sold in the said land as of 2 May, 2006;
- (c) Corporate guarantee from the Company;
- (d) First legal charge and assignment over all Designated Accounts for the Project (i.e. Proceeds Account, Project Account and Redemption Account) and the proceeds therein;
- (e) Assignment of insurance proceeds and/or endorsement of the security agent as loss payee over all insurance proceeds attributable to the Issuer in relation to the Project;
- (f) Assignment of all the Issuer's rights title and benefit in and to the credit balance and all monies in the HDA accounts;
- (g) Land held for property development and property development cost with a carrying amount of RM69,586,000 (2008: RM69,297,000) and RM21,130,000 (2008: RM32,713,000) respectively; and
- (h) Any other security to be advised by the Guarantor and/or its legal counsel and agreed by the Issuer.

The terms of CP and MTN arrangements contain various covenants, including the following:

- (i) the Issuer must maintain a Debt Equity Ratio of not more than 2.5 times at all times; and
- (ii) the Issuer must maintain a Debt Service Cover Ratio of not less than 1.2 times at all times.

The annual interest rates at the balance sheet date for the borrowings are as follows:

	2009 %	2008 %
Bank Guaranteed Commercial Paper	4.00 - 4.20	3.90 - 4.35
Bank Guaranteed Medium Term Notes	5.20 - 7.10	5.20 - 7.10

The proceeds from the issue of the MTN and CP are accounted for in balance sheets of the Group as follows:

	GROUP	
	2009 RM'000	2008 RM'000
Bank Guaranteed Medium Term Notes Nominal value	40,000	70,000
Bank Guaranteed Commercial Paper Nominal value	52,000	12,000
Less: Unamortised discount*	(274)	(38)
	51,726	11,962

* Discount is recognised as interest expense in the income statements over the tenure of financing.

31. LONG-TERM LIABILITIES AND DEFERRED INCOME

GROUP			
	Note	2009 RM'000	2008 RM'000
Unsecured:			
Golf membership loans	(a)	4,783	3,860
Deferred income	(b)	33,469	31,856
		38,252	35,716

(a) These loans are granted to a subsidiary by members of a golf club operated by that subsidiary. The loans are unsecured, interest free and repayable at the earlier of 25 years from registration as member or upon members' resignation from the golf and country club.

(b) This represents the deferred income portion of membership fees of a timeshare scheme operated by a subsidiary, recognised over the membership period of the scheme.

31. DEFERRED TAX LIABILITIES/(ASSETS)

GROUP			
	Note	2009 RM'000	2008 RM'000
At beginning of year		79,118	79,216
(Charge)/Credit to income statement for the year	10	(1,433)	582
(Charge)/Credit to equity for the year:			
Transfer to retained earnings		-	(969)
Exchange differences		(164)	289
At end of year		77,521	79,118
Presented after appropriate offsetting as follows:			
Deferred tax assets		(9,401)	(10,709)
Deferred tax liabilities		86,922	89,827
		77,521	79,118

The components and movements of deferred tax liabilities and assets during the financial year are as follows:

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Investment Properties RM'000	Revaluation Surplus RM'000	Land Held For Development RM'000	Total RM'000
As of 1 January, 2008	2,435	562	86,306	3,557	92,860
Recognised in income statement	-	-	(1,150)	(757)	(1,907)
Transfer to retained earnings	-	-	(969)	-	(969)
Exchange differences	(157)	-	-	-	(157)

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

31. DEFERRED TAX LIABILITIES/(ASSETS) (cont'd)

Deferred Tax Liabilities of the Group (cont'd):

	Accelerated Capital Allowances RM'000	Investment Properties RM'000	Revaluation Surplus RM'000	Land Held For Development RM'000	Total RM'000
As of 31 December, 2008/1 January, 2009	2,278	562	84,187	2,800	89,827
Recognised in income statement	(1,497)	(148)	(1,025)	(235)	(2,905)
As of 31 December, 2009	781	414	83,162	2,565	86,922

Deferred Tax Assets of the Group:

	Unabsorbed Capital Allowances RM'000	Unabsorbed Tax Losses RM'000	Property Development Cost RM'000	Others RM'000	Total RM'000
As of 1 January, 2008	(114)	(689)	(12,502)	(339)	(13,644)
Recognised in income statement	(208)	-	2,679	18	2,489
Exchange differences	365	-	-	81	446
As of 31 December, 2008/1 January, 2009	43	(689)	(9,823)	(240)	(10,709)
Recognised in income statement	-	598	824	50	1,472
Exchange difference	-	(110)	-	(54)	(164)
As of 31 December, 2009	43	(201)	(8,999)	(244)	(9,401)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 31 December, 2009, the estimated amount of deductible/(taxable) temporary differences, unused tax losses and unused tax credits not recognised in the financial statements due to uncertainty of their realisation, are as follows:

	GROUP	
	2009 RM'000	2008 RM'000
Unabsorbed tax losses	159,552	162,519
Unabsorbed capital allowances	214,753	212,258
Unabsorbed investment tax allowances	35,234	35,234
Temporary differences arising from:		
- Property, plant and equipment	(70,086)	(69,506)
- Trade receivables	3,143	3,143
	342,596	343,648

The carried forward tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances are subject to the agreement of the tax authorities.

The unused tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective subsidiaries, subject to no substantial changes in shareholdings of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade payables					
Third parties	(a)	23,879	38,658	-	-
Due to companies in which certain directors have interest		6,146	4,161	-	-
Progress billings in respect of property development cost		-	5,673	-	-
Retentions		2,212	2,996	-	-
Trade accruals		20,337	23,739	-	-
		52,574	75,227	-	-
Other payables and accrued expenses					
Amount due to subsidiaries	(b)	-	-	109,704	201,015
Accruals		25,096	24,550	644	733
Sundry payables	(c)	54,758	52,042	2,033	1,896
Interest on RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010 ("Bonds")	28	22,077	22,340	22,077	22,340
Interest accrued on 68,821,674 Redeemable Secured Loan Stock 2004/2011 ("RSLs Series B")	(d)	17,318	13,877	-	-
Deposits received		10,693	6,478	-	-
Provision for tax penalty		11,620	8,873	-	-
Provision for liquidated ascertained damages		1,702	1,399	-	-
Amount due to directors		38	43	-	4
Due to companies in which certain directors have interest	(e)	38,847	78,393	28,387	28,139
		182,149	207,995	162,845	254,127
		234,723	283,222	162,845	254,127

(a) The normal credit terms granted to the Group range from 30 to 45 days.

(b) The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

(c) Included in sundry payables of the Group and of the Company is dividend payable on Cumulative Redeemable Preference Shares (CRPS I) issued by a subsidiary in prior years to Puan Sri Tan Bee Hong, spouse of a director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew, and Tan Sri Lee Kim Tiong @ Lee Kim Yew, of RM553,000 (2008: RM553,000) and RM553,000 (2008: RM553,000) respectively.

These amounts are unsecured, non-interest bearing and are payable on demand.

(d) In 2007, East Vision Leisure Group Sdn Bhd ("EVL") completed the disposal of one of the Identified Assets, Mines Shopping Fair ("MSF"), and fully redeemed the 420,000,000 Redeemable Convertible Secured Loan Stock 2004/2011 ("RCSLS Series A") on 19 December, 2007 as disclosed in Note 29. Following the disposal of MSF and the redemption of RCSLS Series A, interest on Redeemable Secured Loan Stock Series B amounting to RM17,318,000 (2008: RM13,877,000) is payable to the extent of sales proceeds arising from the disposal of the remaining Identified Assets, that is Mines Waterfront Business Park and Malaysia International Exhibition & Convention Centre, and is calculated up to 31 December, 2009.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (cont'd)

(e) Included in amounts due to companies in which certain directors have interest are:

- (i) Cash payment portion of purchase consideration amounting to RM11,214,000 (2008: RM11,214,000) constituting a tax retention sum payable by the Company directly to the Inland Revenue Board pursuant to the terms of acquisition of various property and leisure related interests and assets from companies in which, Tan Sri Lee Kim Tiong @ Lee Kim Yew, a director of the Company, has controlling interest;
- (ii) An amount of RM15,443,000 (2008: RM15,443,000) due to a company owned by Lee Kim Choon and Lee Hoo, close family members of Tan Sri Lee Kim Tiong @ Lee Kim Yew, a director of the Company. The company was a former subsidiary of the Company and was disposed of by the Company in 2004; and
- (iii) An amount of RMNil (2008: RM45,819,000) owing by an associate, Mines Golf City Sdn Bhd, to Bee Garden Holdings Sdn Bhd ("Bee Garden"), a company in which Puan Sri Tan Bee Hong, the spouse of a director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew, has an interest.

These amounts are unsecured, non-interest bearing and repayable on demand.

34. SHARE CAPITAL

	Number of Shares		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
Authorised:				
Ordinary shares of RM1 each	5,050,000	5,050,000	5,050,000	5,050,000
Issued and fully paid:				
Ordinary shares of RM1 each	275,707	275,707	275,707	275,707

35. OTHER RESERVES

	Note	GROUP		COMPANY	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Non-distributable:					
Revaluation reserve	(a)	148,929	150,793	-	-
Translation reserve	(b)	(7,123)	(10,739)	-	-
Capital redemption reserve	(c)	19,048	19,048	19,048	19,048
		160,854	159,102	19,048	19,048

35. OTHER RESERVES (cont'd)

The movements, nature and purpose of each category of reserves are as follows:

(a) Revaluation reserve

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revaluation reserve - hotel properties				
At beginning of year	150,793	145,204	-	-
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	(1,864)	(1,864)	-	-
Reclassification to minority interests	-	7,453	-	-
At end of year	148,929	150,793	-	-

(b) Translation reserve

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning of year	(10,739)	(5,244)	-	-
Arising in the year	3,616	(5,495)	-	-
At end of year	(7,123)	(10,739)	-	-

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries at balance sheet date.

(c) Capital redemption reserve

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At beginning/end of year	19,048	19,048	19,048	19,048

The capital redemption reserve arose from the redemption of 190,478,000 Cumulative Redeemable Preference Shares of RM0.10 each issued by the Company ("CRPS I") in prior years.

Pursuant to the Asset Based Settlement Exercise, the CRPS I was redeemed on 23 June, 2005 instead of its original due date on 25 October, 2005. A total of RM19,047,800 constituting the nominal value of the CRPS I redeemed was transferred from the Company's retained profits to the capital redemption reserve. This amount would otherwise have been available for distribution as dividend.

The capital redemption reserve may be applied in paying up unissued shares of the Company as fully paid bonus shares.

Notes to the Financial Statements

For The Financial Year Ended 31 December, 2009 (cont'd)

36. RETAINED EARNINGS

Prior to the year of assessment 2009, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December, 2007 companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December, 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as of 31 December, 2008 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as of 31 December, 2009 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

As of 31 December, 2009, the Company has tax exempt profits of approximately RM136,437,000 (2008: RM136,437,000) available for distribution, subject to the agreement of the Inland Revenue Board.

As of 31 December, 2009, the Company has sufficient credit in the Section 108 balance and the balance in the tax-exempt income account to pay franked dividends out of its entire retained earnings.

37. COMMITMENTS

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Capital commitments:				
Approved and contracted for	6,545	32,799	-	-
Approved but not contracted for	54,068	54,975	-	-
	60,613	87,774	-	-

38. CONTINGENT LIABILITIES

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Secured:				
Corporate guarantees and letters of undertaking given to financial institutions in respect of borrowing facilities granted to subsidiaries, the amount of which is utilised by the subsidiaries	-	-	100,598	92,957
	-	-	100,598	92,957

38. CONTINGENT LIABILITIES (cont'd)

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unsecured:				
Corporate guarantees and letters of undertaking given to financial institutions in respect of borrowing facilities granted to subsidiaries, the amount of which is utilised by the subsidiaries	-	-	31,609	33,247
Lawsuit by Government of Malaysia in relation to Real Property Gains Tax for the year of assessment 1993, 1998 & 1999	*13,215	-	-	-
Guarantees to financial institutions in respect of borrowing facilities granted to customers	1,953	3,683	-	-
Bank guarantees given to suppliers for the purpose of hotel utilities	898	701	-	-
Bank guarantees given to related parties for the purpose of utilities	347	250	-	-
	16,413	4,634	31,609	33,247
	16,413	4,634	132,207	126,204

* The contingent liability arises from the following lawsuits against the Company and one of the subsidiaries of the Company:

On 10 February, 2010, the Government of Malaysia ("Plaintiff") has filed a claim against the Company for Real Property Gains Tax for the Year of Assessment 1993, 1998, 1999 amounting to the sum of RM22,617,000 together with interest at 8% thereon. The Plaintiff has on 23 February, 2010 served the Summons on the Company and the Company has on 23 February, 2010 filed the memorandum of appearance vide its Solicitors to dispute the said claim. The Solicitors have also filed a defence on 18 March, 2010. As disclosed in Note 33 (e)(i), the Company had tax retention sum of RM11,214,000 which is payable by the Company directly to the Inland Revenue Board, as such, the Company is contingently liable for RM11,403,000.

On 23 February, 2010, the Government of Malaysia ("Plaintiff") has filed a claim against Timbang Makmur Sdn Bhd ("TMSB") for Real Property Gains Tax for the Year of Assessment 1998 amounting to the sum of RM1,812,000. The Plaintiff has on 26 March, 2010 served the Summons on TMSB and TMSB has filed the memorandum of appearance vide its Solicitors on 1 April, 2010 and a Statement of Defence on 14 April, 2010 to dispute the said claim.

39. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

(i) Transactions with companies in which a director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew, has controlling interests:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Insurance expenses	1,462	1,644	23	65
Security charges	682	798	-	-
Rental expenses	179	177	-	-
Rental income	(148)	(552)	-	-

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

39. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

- (a) In addition to the transactions disclosed in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

- (ii) Transactions with directors of the Company:

	GROUP	
	2009 RM'000	2008 RM'000
Bond interest paid and payable to Tan Sri Lee Kim Tiong @ Lee Kim Yew	12,405	12,000
Rental expense paid to Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	48	48

- (iii) Transactions with subsidiaries

	COMPANY	
	2009 RM'000	2008 RM'000
Dividend received from subsidiaries, net of tax	(4,237)	-
Management fees receivable from subsidiaries	(4,408)	(4,338)

The directors are of the opinion that all the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with third parties.

- (b) Compensation of key management personnel

The remuneration of directors and other members of key management during the financial year are as follows:

	GROUP		COMPANY	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Salaries and other emoluments	1,702	1,826	1,097	699
Bonuses	-	165	-	125
Pension costs - defined contribution plans	209	212	126	100
Director fees	261	236	95	82
	2,172	2,439	1,318	1,006

Included in the total compensation of key management personnel are:

		GROUP		COMPANY	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Directors' remuneration	9	1,574	2,197	720	763

40. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its interest rate risk, foreign exchange risk, liquidity risk and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest Rate Risk

The Group's primary interest risk relates to interest-bearing borrowings which are principally denominated in Malaysian Ringgit. The Group has no substantial long-term interest bearing assets as at 31 December, 2009. The investments in financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Foreign Exchange Risk

The Group operates internationally and is exposed to various currencies, mainly United States Dollar, South African Rand, Sterling Pound and New Zealand Dollar. Foreign currency denominated assets and liabilities together with expected cash flows from probable purchases and sales give rise to foreign exchange exposures.

There is minimal foreign exchange exposure as the transactional currencies are the functional currencies of the operating entities.

(d) Liquidity Risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The financial position of the Group and of the Company as of 31 December, 2009 indicates that its current liabilities exceeded its current assets by RM77,779,000 and RM60,470,000. The net current liabilities position of the Group and of the Company arose mainly from the classification of the Redeemable Secured Bonds 1996/2010 ("the Bonds") amounting to RM150,000,000 issued to a related party under current liabilities due to their maturity on 31 December, 2010 as disclosed in Note 28. The Group's and the Company's redemption of the Bonds is dependent upon the ability of management to successfully obtain refinancing arrangements which are being actively pursued.

(e) Credit Risk

Credit risks or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

40. FINANCIAL INSTRUMENTS (CONT'D)

(f) Fair Values (cont'd)

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

		GROUP		COMPANY	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets					
2009					
Non-current unquoted shares	19	2,000	*	-	-
Non-current Memberships	19	798	*	718	*
Long-term receivables	22	16,095	13,897	-	-
2008					
Non-current unquoted shares	19	2,000	*	-	-
Non-current Memberships	19	798	*	718	*
Long-term receivables	22	17,600	15,804	-	-
Financial Liabilities					
2009					
Term loans	26	2,807	2,429	-	-
Revolving credits	26	35,322	34,709	-	-
Bank Guaranteed Commercial Paper	26	51,726	@	-	-
Bank Guaranteed Medium Term Notes	26	40,000	38,204	-	-
Bonds	28	150,000	150,000	150,000	150,000
RSLs Series B	29	68,822	47,720	-	-
Golf membership loans	31	4,783	#	-	-
2008					
Term loans	26	3,002	2,702	-	-
Revolving credits	26	37,824	37,813	-	-
Bank Guaranteed Commercial Paper	26	11,962	@	-	-
Bank Guaranteed Medium Term Notes	26	70,000	72,334	-	-
Bonds	28	150,000	150,000	150,000	150,000
RSLs Series B	29	68,822	54,633	-	-
Golf membership loans	31	3,860	#	-	-

* It is not practicable to estimate the fair values of the Group's non-current unquoted shares and memberships because of the lack of quoted market prices and the inability to estimate their fair value without incurring excessive costs.

It is not practicable to estimate the fair value of golf membership loans which are derived from a foreign subsidiary due to volatility of the foreign exchange currency rates, uncertainties in its repayment terms which could be repayable in 25 years or upon resignation of its members and without incurring excessive costs.

@ The fair values of the Bank Guaranteed Commercial Paper in issue are equivalent to their carrying amount as their effective interest rates are considered to be market rates.

40. FINANCIAL INSTRUMENTS (CONT'D)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) **Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short-term Borrowings**

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) **Marketable Securities**

The fair value of quoted shares is determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iii) **Interest-Bearing Receivables/Borrowings**

The fair value of interest-bearing receivables/borrowings is estimated by discounting the expected future cash flows using current interest rates for liabilities with similar types of lending and borrowing arrangements and risk profiles.

41. SEGMENT INFORMATION

(a) **Business Segments**

The Group is organised and operates internationally into four major business segments:

- (i) Property development
- (ii) Property investment
- (iii) Hospitality, leisure and health
- (iv) Others

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
2009						
Revenue						
External sales	61,449	17,024	97,866	-	-	176,339
Inter-segment sales	6,466	2,351	15,095	10,058	(33,970)	-
Total revenue	67,915	19,375	112,961	10,058	(33,970)	176,339
Results						
Segment results	40,612	4,065	10,155	11,764	(38,392)	28,204
Profit from operations						28,204
Finance costs						(25,447)
Share of results of associates	1	-	-	-	-	1
Profit before tax						2,758
Income tax expense						(2,144)
Profit for the year						614

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

41. SEGMENT INFORMATION (cont'd)

(a) Business Segments (Cont'd)

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2009						
Assets						
Segment assets	540,443	342,831	568,161	23,275	-	1,474,710
Tax recoverable	645	43	-	838	-	1,526
Deferred tax assets	9,401	-	-	-	-	9,401
Investment in associates	5,391	-	-	52	-	5,443
Consolidated total assets						1,491,080
Liabilities						
Segment liabilities	240,764	95,070	233,362	56,708	-	625,904
Deferred tax liabilities	4,769	30,233	51,920	-	-	86,922
Tax liabilities	54,905	592	341	937	-	56,775
Consolidated total liabilities						769,601
Other Information						
Capital expenditure	935	2,359	4,873	96	-	8,263
Depreciation/Amortisation	1,200	3,686	10,395	223	-	15,504
Allowance for doubtful debts	713	(260)	7,919	203	-	8,575
Allowance for doubtful debts written back	(9)	-	(317)	(27)	-	(353)
Other significant non cash expenses	-	-	3,359	-	-	3,359
Impairment losses in value of investment in associate	-	-	-	206	-	206

41. SEGMENT INFORMATION (cont'd)

(a) Business Segments (Cont'd)

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
2008						
Revenue						
External sales	141,402	11,901	89,865	23	-	243,191
Inter-segment sales	7,904	3,138	15,089	4,338	(30,469)	-
Total revenue	149,306	15,039	104,954	4,361	(30,469)	243,191
Results						
Segment results	48,963	423	(4,564)	(4,981)	5,697	45,538
Profit from operations						45,538
Finance costs						(26,807)
Share of results of associates	(21)	-	-	-	-	(21)
Profit before tax						18,710
Income tax expense						(10,106)
Profit for the year						8,604

Notes to the Financial Statements
For The Financial Year Ended 31 December, 2009 (cont'd)

41. SEGMENT INFORMATION (cont'd)

(a) Business Segments (Cont'd)

	Property Development RM'000	Property Investment RM'000	Hospitality, Leisure & Health RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
2008						
Assets						
Segment assets	598,186	341,330	566,578	5,148	-	1,511,242
Tax recoverable	917	23	-	2,109	-	3,049
Deferred tax assets	10,709	-	-	-	-	10,709
Investment in associates	3,026	-	-	248	-	3,274
Consolidated total assets						1,528,274
Liabilities						
Segment liabilities	285,924	89,983	233,129	57,809	-	666,845
Deferred tax liabilities	5,185	32,029	52,613	-	-	89,827
Tax liabilities	53,468	869	-	16	-	54,353
Consolidated total liabilities						811,025
Other Information						
Capital expenditure	68,903	3,371	3,654	1,043	-	76,971
Depreciation/Amortisation	1,365	3,735	11,448	111	-	16,659
Allowance for doubtful debts	(182)	27	7,544	-	-	7,389
Allowance for doubtful debts written back	-	(28)	(769)	(574)	-	(1,371)
Other significant non cash expenses	-	-	8,103	-	-	8,103
Impairment losses in value of other investments	-	160	-	-	-	160

(b) Geographical Segments

Although the Group's four major business segments are managed internationally, its operations are in two principal geographical areas. In Malaysia, the Group's areas of operation are principally property development, property investment, hospitality, leisure and health and others. The Group also operates in South Africa, principally in golf estate ownership and operation of a boat club.

	Total Revenue From External Customers RM'000	Segment Assets RM'000	Capital Expenditure RM'000
2009			
Malaysia	167,082	1,467,178	8,177
South Africa	9,257	23,847	86
Others	-	55	-
	176,339	1,491,080	8,263
2008			
Malaysia	233,219	1,507,945	76,793
South Africa	9,972	20,274	178
Others	-	55	-
	243,191	1,528,274	76,971

42. SUBSEQUENT EVENTS

(a) Acquisition of the entire equity interest in Mines Marketing Sdn Bhd ("MMSB")

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

(b) Disposal of the entire equity interest in Country Heights Lifestyle Bhd ("CHLB")

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

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

(c) Disposal of shares in a subsidiary, Mines Exhibition Management Sdn Bhd ("MEMSB")

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

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

Upon completion of the Disposal, MEMSB will cease to be a subsidiary of the Company.

43. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Analysis Of Shareholdings as at 10 May 2010

Authorised Share Capital	:	RM5,050,000,000 divided into 5,050,000,000 ordinary shares of RM1.00 each
Paid-up Share Capital	:	275,707,403 ordinary shares of RM1.00 each
Class of Share	:	Ordinary Share of RM1.00 each
Voting Rights	:	1 Vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	71	1.0	1,298	0.0005
100 - 1,000	2,241	32.9	2,128,970	0.7722
1,001 - 10,000	4,035	59.2	14,114,641	5.1194
10,001 - 100,000	426	6.2	10,904,070	3.9549
100,001 to less than 5% of issued shares	43	0.6	87,429,286	31.7109
5% and above of issued shares	5	0.1	161,129,138	58.4421
Total	6,821	100	275,707,403	100

SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	No. of Shares			
		Direct	%	Indirect	%
1	Golden Touch Venture Sdn Bhd	39,425,000	14.30	-	-
2	Chunghwa Picture Tubes (Malaysia) Sdn Bhd	48,000,000	17.41	-	-
3	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	48,368,231 (1)	17.54

STATEMENT OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares			
		Direct	%	Indirect	%
1	General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	1,480,842	0.54	-	-
2	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	48,368,231 (1)	17.54
3	Mr. Mark Victor Rozario	-	-	-	-
4	Ms. Lee Cheng Wen	5,378,831	1.95	132,589,400 (2)	48.09
5	Tan Sri Datuk Dr. Ong Soon Hock	16,000	0.01	-	-
6	Encik Nik Hassan Bin Nik Mohd Amin	-	-	-	-
7	Mr. Chew Chong Eu	-	-	-	-
8	Mr. Chew Cheng Keat	-	-	-	-

Note :

- (1) Deemed interested by virtue of his substantial interests in Golden Touch Venture Sdn Bhd and his child's interest pursuant to Section 6A of the Companies Act, 1965
- (2) Deemed interested by virtue of her father, YBhg Tan Sri Lee Kim Yew who is a major Shareholder of the Company

List of Thirty Largest Securities Accounts Holders as at 10 May 2010

Name of Shareholders	No. of Shares	Percentage
1. Lee Kim Tiong @ Lee Kim Yew	62,874,338	22.8047
2. Chunghwa Picture Tubes (Malaysia) Sdn Bhd	40,000,000	14.5081
3. AMMB Nominees (Tempatan) Sdn Bhd <i>AmBank (M) Berhad for Country Heights Venture Sdn Bhd</i>	23,675,000	8.5870
4. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Kim Tiong @ Lee Kim Yew</i>	18,000,000	6.5287
5. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Wee Hang</i>	16,579,800	6.0135
6. Kensington Group Management Limited	13,784,000	4.9995
7. Joint Win Investments Limited	12,909,000	4.6821
8. Mayban Nominees (Tempatan) Sdn Bhd <i>Aseambankers Malaysia Berhad for Golden Touch Venture Sdn Bhd</i>	8,750,000	3.1737
9. Chunghwa Picture Tubes (Malaysia) Sdn Bhd	8,000,000	2.9016
10. HDM Nominees (Tempatan) Sdn Bhd <i>HDM Capital Sdn Bhd for Loke Kim Wan</i>	7,394,200	2.6819
11. Golden Touch Venture Sdn Bhd	7,000,000	2.5389
12. Mayban Nominees (Tempatan) Sdn Bhd <i>Maybank Investment Bank Berhad for Lee Kim Tiong @ Lee Kim Yew</i>	5,980,862	2.1693
13. Lee Cheng Wen	5,378,831	1.9509
14. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Bee Garden Holdings Sdn Bhd</i>	3,561,400	1.2917
15. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Kim Tiong @ Lee Kim Yew</i>	2,721,430	0.9871
16. Berjaya Sompo Insurance Berhad	1,880,600	0.6821
17. Berjaya Sompo Insurance Berhad	1,219,400	0.4423
18. Citigroup Nominees (Asing) Sdn Bhd <i>JP Morgan CLR Corp for FPP Emerging Markets Fund II Limited</i>	974,120	0.3533
19. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	811,200	0.2942
20. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	669,642	0.2429
21. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ng Faai @ Ng Yoke Pei</i>	581,100	0.2108
22. Mulpha Engineering & Construction Sdn Bhd	488,000	0.1770
23. Anchor Point Sdn Bhd	480,000	0.1741
24. Malpac Capital Sdn Bhd	468,500	0.1699
25. Tan Eng Hock	335,500	0.1217
26. Lim Hong Liang	315,600	0.1145
27. AIBB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Luah Aik Chew</i>	307,100	0.1114
28. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged securities account for Chong Kim Chan</i>	300,000	0.1088
29. Loh Siew Hooi	250,500	0.909
30. Lee Ah Leong	231,001	0.0838
Total	245,921,124	89.1964
Total Issued Capital	275,707,403	

Analysis Of Bondholdings as at 10 May 2010

Type : Redeemable Secured Bonds

Nominal Value Outstanding : RM150,000,000

Maturity : 31 December 2010

Coupon : 8%

No. of Bondholder : 1

DISTRIBUTION OF BONDHOLDERS

Size of Bondholdings	No. of Bondholders	%	No. of Bonds Held	%
Less than 100	-	-	-	-
100 - 1,000	-	-	-	-
1,001 - 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 to less than 5% of issued Bonds	-	-	-	-
5% and above of issued Bonds	1	100.00	150,000,000	100.00
Total	1	100.00	150,000,000	100.00

LIST OF BONDHOLDERS

No.	Name of Bondholders	No. of Bonds	%
1	HSBC Bank Malaysia Berhad (For the A/C of Tan Sri Lee Kim Tiong @ Lee Kim Yew)	150,000,000	100.00
	Total	150,000,000	100.00

STATEMENT OF DIRECTORS' BONDHOLDINGS

No.	Name of Directors	No. of Bonds			
		Direct	%	Indirect	%
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	150,000,000#	100.00	-	-

Note :

Held through HSBC Bank Malaysia Berhad

List of Landed Properties Held by the Group as at 31 December 2009

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	45	Freehold	Residential - bungalow land	20.54	-	4,728	13/7/1987
Lot 594 HSD 24692 P.T. No. 20149 Mukim of Kajang District of Ulu Langat Selangor	65 Jalan Cinta Alam Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Bungalow	0.41	15	509	15/6/1993
HSD 20047 P.T. No. 12956 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten)))))		21	521	15/6/1993
HSD 20055 P.T. No. 12964 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Education) land)))	1.55		1,600	27/2/2008
HSD 20283 P.T. No. 13194 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten) land))))			870	27/2/2008
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Commercial) land, Tadika))))			540	27/2/2008
Lot 37653 GRN 122934 P.T. No. 34881 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Convenience) Centre, Banking) Hall & Clubhouse	6.40	21	12,300	15/6/1993
HSD 52968 P.T.No. 40835 Mukim of Kajang District of Ulu Langat Selangor	Limited Additions Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Residential - bungalow land	0.38	-	199	21/4/1989
Pajakan Negeri 7212 No. Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	23 villas 63 villas	Leasehold (expiring 12.11.2088)	Villas) - P1: completed)) - P2: completed) (unsold units) retained for) rental purposes))	45.52	15 13	516 15,116	24/8/1988 24/8/1988

List of Landed Properties Held by the Group
as at 31 December 2009 (cont'd)

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Pajakan Negeri 7211 No. Lot 24731 HSD 22918 P.T.No. 14193 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	1	Leasehold (expiring 12.11.2088)	Clubhouse & Tennis Courts	12.28	15	11,008	24/8/1988
HSD 59893 P.T. No. 16721 Mukim of Petaling District of Petaling Selangor	Malaysia International Exhibition & Convention Centre (MIECC)	1	Leasehold (expiring 20.3.2091)	Exhibition Centre	6.74	12	204,105	1/7/2003
HSD 232191 P.T. No. 852 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	1	Leasehold (expiring 4.6.2105)	Proposed Condo	1.69	-	1,104	15/6/1993
PN 11297 Lot 1591 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	37	Leasehold (expiring 1.12.2107)	Residential - bungalow land	9.07	-	9,920	15/6/1993
HSD 59885 P.T. No. 16713 Mukim of Petaling District of Petaling Selangor	Palace of the Golden Horses The Mines Resort City	1	Leasehold (expiring 20.3.2091)	Hotel	13.80	12	395,515	20/5/2004
	College Valley Industrial Park	97	Freehold	Industrial land	20.60	-	8,609	31/3/1995
Lot 27 HSD 105214 P.T. No. 13092 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	13)))))		1/6/1994
Lot 28 HSD 104395 P.T. No. 12273 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	13)))))		1/6/1994
Lot 397 HSD 104778 P.T. No. 12656 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	13)))))		1/6/1994
Lot 890 HSD 105017 P.T. No. 12895 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	13)))))		1/6/1994

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 963 HSD 105344 P.T. No. 13222 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	13)))))	24,340	1/6/1994
Lot 965 HSD 105342 P.T. No. 13220 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	13)))))		1/6/1994
Lot 972 HSD 105335 P.T. No. 13213 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.16	13)))))		1/6/1994
Lot 973 HSD 105241 P.T. No. 13119 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	13)))))		1/6/1994
Lot 1038 HSD 105294 PT 13173 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	13)))))		1/6/1994
Lot 1323 HSD 105606 PT 13485 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	2)))))		1/6/1994
Lot 1324 HSD 105607 PT 13486 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	2)))))		
Lot 1325 HSD 105608 PT 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	2)))))		
Lot 1326 HSD 105609 PT 13488 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	2)))))		
Lot 1327 HSD 105610 PT 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	2)))))		
	College Heights Garden Resort	223	Freehold	Residential - bungalow land	48.87	) ) )		1/6/1994

List of Landed Properties Held by the Group as at 31 December 2009 (cont'd)

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 23560 HM 132798 Mukim of Setul District of Seremban	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	8)))	9,671	1/6/1994
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	8))		1/6/1994
	College Heights Garden Resort	344	Freehold	Low cost flat/shop	22.08		12,787	1/6/1994
	College Heights Garden Resort	7	Freehold	Institutional land	80.17	) ) )	12,324	1/6/1994
	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56))		
	College Heights Garden Resort	2	Freehold	Residential future	4.13	) ) )		1/6/1994
	College Heights Garden Resort	154	Freehold	Commercial Development	12.87	) ) )	4,751	1/6/1994
	College Heights Garden Resort	4	Freehold	Hotel, Medical, Petrol Station & Gerai	5.58	) ) )		1/6/1994
Lot 8217 PM 336 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	1	Leasehold (Expiring 08/12/2093)	Agriculture Land	2.00	) ) ) ) )	1,189	6/8/2001
Lot 9225 PM 333 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.91	) ) ) ) )		6/8/2001
Lot 9226 PM 332 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.47	) ) ) )		6/8/2001
CT 8095 - 8098 Lot 4129 - 4132 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	89	Freehold	Residential - bungalow land	13.29		5,563	1/3/1995
PN 17796 (formerly HSD 10483) Lot 1284 (formerly Lot 1115) Pekan Teluk Kemang District of Port Dickson Negeri Sembilan	Ocean Wave Water Theme Park		Leasehold (expiring 18.12.2089)	Theme Park & service apartments	3.83		8,292	27/2/1990

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date	
HSD 79509 GRN 37650 PT No. 2712 Mukim of Setul District of Seremban Negeri Sembilan	Lot 162 Staffield Country Resort	1	Freehold	Residential - bungalow land	0.20		181	23/8/1995	
Lot No.15 section 11 Gunung Penrisen Padawan Kuching, Pangkalan Ampat Land District of Sarawak	Borneo Heights	68	Leasehold 198 years	Residential - bungalow land	28.12	)	47,007	20/9/1994
)			
				Future Development	4,803.92)			
)			
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	10	32,583	27/6/2000	
Lot 4 (Lot 4756) Geran No. 44342 Lot 7 Geran No. 7062 Lot 6534 Geran No. 25870 Lot 1818 HM 1820 Lot 1962 HM 1819 Lot 503 HM 614 Lot 1710 HM 1833 Lot 11 HM 1672 Jenan, Kedah	Jenan Estate, Kubang Pasu, Kedah	282	Freehold	Bungalow lots	45.77	)	44,752	8/11/1995
)			
		8	Freehold	Bungalow house	1.58	9)			
		-		Shoppoffice & Commercial lots	10.84	)		8/11/1995
				Proposed Mixed Development	214.54)			
				Club House	6.48	5		8,053	
	Cyber Heights	113	Freehold	Villas	Approx. 34.37	5)	42,369	11/2/1999	
				Proposed Mixed Development	Approx. 26.23)			
)			
)			
HSD 22645 P.T. No. 38015 Mukim of Dengkil District of Sepang Selangor	Cyberjaya	1	Freehold	Bungalow land	0.41	)	6,148	15/1/2008
)			
)			
)			
)			
)			
)			
HSD 22639 P.T. No. 38009 Mukim of Dengkil District of Sepang Selangor	Cyberjaya	1	Freehold	Bungalow land	0.41)			
)			
)			
)			
)			
)			
HSD 22640 P.T. No. 38010 Mukim of Dengkil District of Sepang Selangor	Cyberjaya	1	Freehold	Bungalow land	0.49)			
)			
)			
)			
)			

List of Landed Properties Held by the Group
as at 31 December 2009 (cont'd)

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Geran 60932/M5/1/42 Lot 23505 Mukim Dengkil Daerah Sepang Selangor	D'Melor Condominium Cyberjaya	1	Freehold	Condominium	0.04	7	458	
HSD 59892 P.T. No. 16720 Mukim of Petaling District of Petaling Selangor	Palace Beach Resort & Spa	1	Leasehold (expiring 20.3.2091)	Hotel	9.25	13	58,531	4/2/2002
HSD 59887 P.T. No. 16715 Mukim of Petaling District of Petaling Selangor	Mines Waterfront Business Park	1	Leasehold (expiring 20.3.2091)	Commercial Building	12.05	13	114,314	29/2/2008
HSD 59886 P.T. No. 16714 Mukim of Petaling District of Petaling Selangor	Golf View Apartments	1	Leasehold (expiring 20.3.2091)	Recreational	11.86		25,985	25/9/1998
HSD 59888 P.T. No. 16716 Mukim of Petaling District of Petaling Selangor	Fisherman's Wharf	1	Leasehold (expiring 20.3.2091)	Recreational	1.77	) ) ) ) ) ) )	13,762	25/9/1998
HSD 59890 P.T. No. 16718 Mukim of Petaling District of Petaling Selangor	Mines Resort City Lake	1	Leasehold (expiring 20.3.2091)	Recreational	153.40	) ) )		25/9/1998
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	4	Freehold	Apartments	0.07	13	429	12/11/2001
HSM 9-93 PT NO. 249 Mukim of Padang Matairat District of Langkawi Langkawi, Kedah Darul Aman	Perdana Beach Resort Mukim Padang Matairat Langkawi	4	Freehold	Apartments	0.09	11	424	21/5/2002
HSD 47623 Lot No.3177 Tanjung Tokong District Timur Laut	Leisure Bay, Penang	6	Freehold	Apartments	0.11	19	798	7/7/2005
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	45 3	Freehold Freehold Freehold Freehold Freehold	Bungalow lots Bungalow House Cluster Bungalow Future Development Clubhouse	14.37 0.73 13.40 6.42 2.96	) 1))))))	90,716	14/11/2000

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 8242 HM 34157 Mukim of Durian Tunggal District of Alor Gajah Melaka	Melaka Land	1	Leasehold (expiring 21.4.2103)	Future Mixed Development	62.02		15,041	14/4/2004
Erf 258	Extension 5 482 JQ North West Province South Africa	1	Freehold	Etika house	0.13		106	31/12/1997
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate lodge	0.13		975	31/12/1999
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	11)))))	340	1/6/2003
Portion 124	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Club Marina	9.87	) ) )		1/6/2003
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	10)))))		1/6/2003
Erf 876	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	18.03	) ) ) ) )		1/6/2003
Erf 877	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	176.65	) ) ) ) )	14,284	1/6/2003
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	) ) ) ) )		1/6/2003
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	P O S	0.29	) ) ) ) )		1/6/2003
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52	) ) ) ) )		1/6/2003
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74	) ) ) ) )	731	1/6/2003
Remaining extent of portion 77	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	17.66	) ) ) ) )		1/6/2003
Erf 1233	Extension 8 482 JQ North West Province South Africa	1	Freehold	None	0.12		551	1/6/2003

List of Landed Properties Held by the Group
as at 31 December 2009 (cont'd)

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2009 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Erf 1261	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.30		609	1/6/2003
Erf 1273	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.14		628	1/6/2003
Erf 1275	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.14		589	1/6/2003
Erf 1277	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.13		547	1/6/2003
Erf 1258	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.31		647	1/6/2003
Erf 1259	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.27		628	1/6/2003
Erf 1260	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.29		609	1/6/2003
Erf 1300	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		663	1/6/2003
Erf 1302	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		643	1/6/2003
Erf 1304	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		628	1/6/2003
					6,232.66		1,270,806	

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Sixth Annual General Meeting of Country Heights Holdings Berhad will be held at Unity Room, Lower Ground Level, Palace of the Golden Horses, Jalan Kuda Emas, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 25 June 2010 at 11.00 a.m. to transact the following businesses:-

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon. *(Ordinary Resolution 1)*

2. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2009. *(Ordinary Resolution 2)*

3. To re-elect Ms Lee Cheng Wen who retires pursuant to Article 106 of the Company's Articles of Association, and being eligible, has offered herself for re-election. *(Ordinary Resolution 3)*

4. To consider and if thought fit, to pass the following resolution to re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as a Director of the Company who is retiring pursuant to Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) who has attained the age of 70 years be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

(Ordinary Resolution 4)

5. To consider and if thought fit, to pass the following resolution to re-appoint Academician Tan Sri Datuk Dr Ong Soon Hock as a Director of the Company who is retiring pursuant to Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, Academician Tan Sri Datuk Dr Ong Soon Hock who has attained the age of 70 years be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting."

(Ordinary Resolution 5)

6. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Resolutions:-

7. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares from the unissued share capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

(Ordinary Resolution 7)

Notice of Annual General Meeting (cont'd)

8. Proposed Renewal of General Mandate for Recurrent Related Party Transactions And Proposed New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties as specified in Section 3.2 of the Circular to Shareholders dated 3 June 2010 ("Circular").

AND THAT a mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties as specified in Section 3.2 of the Circular PROVIDED ALWAYS that :-

- i. the transactions are necessary for the day to day operations of the Group;
- ii. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and the transactions are undertaken at arm's length basis and are not detrimental to the minority shareholders of the Company; and
- iii. disclosure is made in the Annual Report of the break down of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year;

AND THAT such approval shall continue to be in force until:-

- a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM whereby the authority is renewed; or
- b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier,

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution."

(Ordinary Resolution 8)

9. Proposed Renewal of Authority for the Purchase of its Own Shares by the Company

"THAT subject always to the Companies Act, 1965 ("the Act"), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of shares purchased and/or held pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up ordinary share capital of the Company for the time being quoted on Bursa Securities.
- (ii) an amount not exceeding the total audited retained profits of the Company of RM26,932,000 and/or audited share premium reserves of the Company of RM57,251,000 as at 31 December 2009, be allocated by the Company for the Proposed Share Buy-Back.

- (iii) at the discretion of the Directors of the Company, the shares of the Company to be purchased are proposed to be cancelled and/or retained as treasury shares and may be distributed as dividends or resold on the Bursa Securities or subsequently cancelled.

AND THAT the Directors of the Company be and are hereby empowered to do all acts and things to give effect to the Proposed Share Buy-Back AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution was passed at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities or any other relevant authorities.

AND FURTHER THAT authority be and is hereby unconditionally and generally given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Securities, and all other relevant governmental and/or regulatory authorities."

(Ordinary Resolution 9)

- 10. To transact any other business of which due notice shall have been given.

By Order of the Board

TAN KOK KEE (MIA 4028)
CHOO MUN LAI (MAICSA 7039980)
 Company Secretaries

Seri Kembangan, Selangor Darul Ehsan
 3 June 2010

Notice of Annual General Meeting (cont'd)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If no name is inserted in the space for the name of the proxy, the Chairman of the meeting will act as the proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The duly completed and signed Proxy Form must be deposited at the Registered Office of the Company at 10th Floor, Block C, The Mines Waterfront Business Park, No. 3, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude the member from attending and voting in person at the meeting should the member subsequently wish to do so.

Explanatory notes to Special Business:

1. The proposed Ordinary Resolution 7 is to renew the authority granted by the shareholders of the Company at the Twenty-Fifth Annual General Meeting ("AGM") held on 24 June 2009. The proposed mandate, if passed, will empower the Directors of the Company, from the date of the above AGM the authority to allot and issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued capital of the Company. This is to avoid any delay and cost involved in the convening of further general meetings to obtain shareholders approval for such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The purpose and utilisation of the proceeds could only be determined if the Board decides to allot the shares.

The Board of Directors did not issue any shares pursuant to the mandate obtained at the Twenty-Fifth AGM held on 24 June 2009.
2. The proposed Ordinary Resolution 8, if passed, will allow the Company and/or of its subsidiaries to enter into the Recurrent Related Party Transactions and additional Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of its business as set out in the Circular to Shareholders dated 3 June 2010 with the Related Parties mentioned therein which are necessary for the Group's day to day operations. The Shareholders' Mandate is subject to renewal on an annual basis.
3. The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to purchase the Company's shares of up to ten (10) per centum of the issued and paid-up share capital of the Company for the time being quoted on Bursa Malaysia Securities Berhad by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. This authority unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

Statement Accompanying Notice of Annual General Meeting

Details of Directors standing for re-election/re-appointment are as follows:

The Directors who are standing for re-election/re-appointment at the Twenty-Sixth Annual General Meeting are as follows:-

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)
Tan Sri Datuk Dr Ong Soon Hock
Lee Cheng Wen

The details of the above Directors and their interest in the securities of the Company are set out on pages 4, 7, 8 and 152 of the Annual Report.



Country Heights Holdings Berhad
(119416 - K)

PROXY FORM

No. of shares held

*I / We _____ NRIC/Passport No. _____

of _____

being a member/members of Country Heights Holdings Berhad hereby appoint _____

NRIC/Passport No. _____ of _____

or failing him, the Chairman of the Meeting as *my/our proxy to attend and vote for *me/us on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at Unity Room, Lower Ground Level, Palace of the Golden Horses, Jalan Kuda Emas, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 25 June 2010 at 11.00 a.m., and any adjournment thereof.

Please indicate with an "X" in the spaces provided, how you wish your vote to be cast. If you do not do so, the proxy will vote as he thinks fit, or at his discretion or abstain from voting.

AGENDA

Ordinary Resolutions		For	Against
1.	To receive the Audited Financial Statements for the financial year ended 31 December 2009 and the Reports of the Directors and Auditors thereon (Resolution 1)		
2.	To approve the payment of Directors' fees (Resolution 2)		
3.	To re-elect Ms Lee Cheng Wen as Director (Resolution 3)		
4.	To re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as Director (Resolution 4)		
5.	To re-appoint Tan Sri Datuk Dr Ong Soon Hock as Director (Resolution 5)		
6.	To re-appoint Messrs Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration (Resolution 6)		
7.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 7)		
8.	To approve the Proposed Renewal of General Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 8)		
9.	To approve the Proposed Renewal of Authority for the Purchase of its Own Shares by the Company (Resolution 9)		

* Strike out whichever not applicable

Signed this _____ day of _____, 2010.

Signature/Common Seal of Shareholder _____

Notes :

- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b) and (c) of the Companies Act, 1965 shall not apply to the Company.
- Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- If no name is inserted in the space for the name of the proxy, the Chairman of the meeting will act as the proxy.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
- The duly completed and signed Form of Proxy must be deposited at the Registered Office of the Company at 10th Floor, Block C, The Mines Waterfront Business Park, No.3, Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or adjournment thereof. The lodging of the Form of Proxy will not preclude the member from attending and voting in person at the meeting should the member subsequently wish to do so.

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Affix
Stamp

The Company Secretary
Country Heights Holdings Berhad (119416 - K)
10th Floor, Block C, MINES Waterfont Business Park
No 3, Jalan Tasik, MINES Resort City
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia

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Corporate Directory

COUNTRY HEIGHTS HOLDINGS BERHAD

10th Floor, Block C, MINES Waterfront Business Park, No.3, Jalan Tasik,
MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan
Tel: 603-8943 8811
Fax: 603-8941 1470
Homepage: <http://www.countryheights.com.my>

PROPERTY DEVELOPMENT

COUNTRY HEIGHTS PROPERTY DEVELOPMENT BERHAD COUNTRY HEIGHTS eMARKETING SERVICES SDN BHD PECANWOOD RESORT & RESIDENTIAL ESTATE

Ground Floor, Block A, MINES Waterfront Business Park, No.3, Jalan
Tasik, MINES Resort City, 43300 Seri Kembangan, Selangor Darul
Ehsan
Tel: 603-8948 5555
Fax: 603-8945 1477
Email: inquiry@countryheights.com.my
Homepage: <http://www.properties.countryheights.com>

PROPERTY INVESTMENT

MINES WATERFRONT BUSINESS PARK

Retail 6, Ground Floor, Block D, MINES Waterfront Business Park, No.3,
Jalan Tasik, MINES Resort City, 43300 Seri Kembangan, Selangor Darul
Ehsan
Tel: 603-8943 8811
Fax: 603-8943 1837
Email: enquiry@mwbp.mines.com.my
Homepage: <http://mwbp.mines.com.my>

MALAYSIA INTERNATIONAL EXHIBITION & CONVENTION CENTRE (MIECC)

Ground Floor, MIECC, Jalan Dulang, MINES Resort City, 43300 Seri
Kembangan, Selangor Darul Ehsan
Tel: 603-8945 2055
Fax: 603-8945 2155
Email: info@miecc.mines.com.my
Homepage: <http://miecc.mines.com.my>

HOSPITALITY, LEISURE & HEALTH

PALACE OF THE GOLDEN HORSES

Jalan Kuda Emas, MINES Resort City, 43300 Seri Kembangan, Selangor
Darul Ehsan
Tel: 603-8946 4888
Fax: 603-8943 2666
Email: enquiry@pgh.mines.com.my
Homepage: <http://www.palaceofthegoldenhorses.com.my>

MINES WELLNESS HOTEL

Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor
Darul Ehsan
Tel: 603-8943 6688
Fax: 603-8943 5555
Email: sales@pbs.mines.com.my
Homepage: <http://www.palacebeachandspa.com.my>
Toll-Free Reservations:
Malaysia: 1 800 88 6018
Singapore: 800 601 1106

BORNEO HIGHLANDS RESORT

Borneo Highlands Resort, Ground & 1st Floor, Lot 11607-11608, Block
16, RH Plaza, Lorong Lapangan Terbang 1, 93250 Kuching, Sarawak
Tel: 082-577 930 / 578 930
Fax: 082-576 680
Email: enquiry@borneohighlands.com.my
Homepage: <http://www.borneohighlands.com.my>

PALACE VACATION CLUB

c/o MINES Marketing Sdn Bhd
10th Floor, Block C, MINES Waterfront Business Park, No.3, Jalan Tasik,
MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan
Tel: 603-8941 1888
Fax: 603-8945 3320
Email: enquiries@palacevacationclub.com
Homepage: <http://www.palacevacationclub.com>

COUNTRY HEIGHTS HEALTH TOURISM SDN BHD

Lower Ground Floor, East Wing, Palace of the Golden Horses, Jalan
Kuda Emas, MINES Resort City, 43300 Seri Kembangan, Selangor Darul
Ehsan
Tel: 603-8941 5833
Fax: 603-8941 6163
Email: enquiry.hs@ghhs.com..my
Homepage: <http://www.ghhs.com.my>

INTERNATIONAL MALAYSIA EDUCATION CENTRE (IMEC)

Pusat Bahasa Antarabangsa Cemerlang
IMEC Centre, NO. 1, Jalan Sinar Pagi
Country Heights, 43300 Kajang, Selangor Darul Ehsan
Tel: 603-8736 2868
Fax: 603-8733 2866
Email: info@imec.edu.my
Homepage: <http://www.imec.edu.my>

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COUNTRY HEIGHTS
DAMANSARA
A little Forest in Kuala Lumpur



Cyber Heights
VILLAS
IN AN INTELLIGENT CITY, CYBERJAYA



MINES
Resort City



Country Heights Kajang
Country living at its best



MINES
Waterfront Business Park
Phase 2

KOLEJ HEIGHTS UTARA
KUBANG PASU
A Paradise For Country-Style Living



COUNTRY VILLAS
The Ultimate Haven For Country Living



MINES
SIGNATURE MANAGEMENT GROUP
COLLECTION OF LUXURY HOTELS & RESORTS

