

ANNUAL
REPORT
2010



COMPANY PROFILE

Country Heights Holdings Berhad (“CHHB”) was founded by Tan Sri Lee Kim Yew and was listed on the Main Market of the Bursa Malaysia Securities Berhad on 18 February 1994. The Company, through its subsidiaries, operates in three segments: Property Development, Property Investment and Hospitality & Health. Within these division, our business activities includes: Residential Development, Retail Investment, Hotel Resort Management, Preventive Health Services, Golf Course Development and Management, Education, Event planning, Exhibition and Time Share.

Our largest development is the Mines Resort City. CHHB spotted the potential in this 150 acres, world’s largest open-tin cast mining lake which was once a deserted wasteland. The development is founded on the philosophy to return some greenness to our mother nature after years of heavy mining activities. Today, most of CHHB’s award winning projects are developed around this majestic lake, adding value to the land and nation.

In CHHB, we take pride in our people, company and developments!





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**Proxy Form
Corporate Directory**



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

Corporate Information (cont'd)

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

Academician Tan Sri Emeritus
Professor Datuk Dr. Ong Soon Hock

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

Tan Sri Lee Kim Tiong @ Lee Kim Yew

Nik Hassan Bin Nik Mohd Amin

COMPANY SECRETARY

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

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad

SOLICITORS

Jeff Leong, Poon & Wong
Lee Perara & Tan
Soo Thien Ming & Nashrah
Lee Partnership

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

WEBSITE

www.countryheights.com.my

PROFILE OF BOARD OF DIRECTORS



General Tan Sri (Dr) Mohamed Hashim was appointed Chairman of Country Heights Holdings Berhad 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.

In May 1992, General Tan Sri (Dr) Mohamed Hashim joined Perwira Niaga Malaysia (PERNAMA) as Chairman, a company that served the Malaysian Armed Forces.

He is currently the Chairman of the Southeast Asian Association of Glutamate Science (SEAAGS). The member countries are Thailand, Indonesia, Philippines, Vietnam and Malaysia.

He is also the Chairman of Ajinomoto (Malaysia) Berhad, Chiyoda (M) Sdn Bhd, Yokogawa Kontrol (M) Sdn Bhd, Dibena Enterprise Sdn Bhd 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 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. GENERAL TAN SRI (DR) MOHAMED HASHIM BIN MOHD ALI (RTD)

*Chairman, Independent Non-Executive Director
Malaysian, 76 years of age*

Profile Of Board Of Directors (cont'd)

Tan Sri Lee, the founder of Country Heights Holdings Berhad 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 over 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 "Highly Commended-Best Development Malaysia" and "Highly Commended-Best Golf Development Malaysia" respectively in the Asia Pacific Residential Property Awards in association with Bloomberg Television 2010. Country Heights Holdings Berhad was awarded "BestBrand Conglomerate Awards 2010-2011".

One of the commercial project, Exhibition and Conference Center project ("Excel") in London took off when Malaysia was hit by the Asian Economic crisis in 1998. Excel Project was made possible by Tan Sri Lee's involvement. Excel London has hosted numerous consumer and trade, private and public events including exhibitions, conferences, concerts, weddings and religious events since its opening in 2000. The annual G-20 Leaders' Summit in 2009 was held in Excel.

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.

The MINES Resort & Golf Club the first Golf course to organize the first ever PGA TOUR sanctioned event in Southeast Asia. This premier golf tournament (which is also sanctioned by the Asian Tour) was held from the 28 to 31 October 2010.

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, Plentiful Gold-Class Berhad, Bluewater 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.



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

Deputy Chairman

Malaysian, 55 years of age

Profile Of Board Of Directors (cont'd)



Mr. Rozario was appointed as Group Managing Director of Country Heights Holdings Berhad 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 Country Heights 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.

MR. MARK VICTOR ROZARIO

*Group Managing Director
Malaysian, 47 years of age*

Profile Of Board Of Directors (cont'd)



Lee Cheng Wen was appointed to the Board on 1 October 2009.

Lee officially joined Country Heights Holdings Berhad on 7 July 2008 and was placed in Country Heights Damansara to manage the Sales division. During her tenure there, she managed to elevate her team to achieve a total profitability of RM58 million. Due to her excellent performance, she was appointed as the General Manager of Palace of the Golden Horses in June 2009. She turned around the profitability of a few divisions in Palace of the Golden Horses within 18 months.

She currently holds the position of the Chief Executive Office of Country Heights Hospitality and Health Division. Her portfolio is the second major contributor of Country Heights Holdings Berhad. In line with the company's vision of "Ever Searching for Better Living", she has also spearheaded the project to transform MINES Resort City to MINES WELLNESS CITY, an innovative enhancement on the group's flagship project.

Lee graduated 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.

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

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 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.

LEE CHENG WEN

*Non-Independent Executive Director
Malaysian, 25 years of age*

Profile Of Board Of Directors (cont'd)



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 400 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 is a senior fellow of the Academy of Sciences Malaysia.

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 has been elected as Fellow of King's College, London recently.

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

*Independent Non-Executive Director
Malaysian, 76 years of age*

Profile Of Board Of Directors (cont'd)

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 1971, 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 Senior Executive 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.



ENCIK NIK HASSAN BIN NIK MOHD AMIN

*Independent Non-Executive Director
Malaysian, 61 years of age*

Profile Of Board Of Directors (cont'd)



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 twenty 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 Schrodgers 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 top ten accounting and business advisory organization.

Mr Chew has no directorship in other public listed companies.

MR. CHEW CHONG EU

*Independent Non-Executive Director
Malaysian, 49 years of age*

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 joined Country Heights Holdings Berhad in 2008 as the Group Chief Financial Officer. He 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 Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Certified Public Accountants Australia.

Mr. Tan has more than 28 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 Country Heights Holdings Berhad, Mr. Tan 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).

As Group Chief Financial Officer, Mr. Tan oversees finance, tax, legal 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 (RCCLS).

In her role as Chief Executive Officer of Property Investment Division, Ms. Lee presently oversees the 2 main investment properties of the Country Heights Holdings Berhad Group, namely Mines Waterfront Business Park (Phase 1 and Phase 2) and Malaysia International Exhibition and Convention Centre. Ms. Lee also assist the Group Managing Director in the disposal of certain CHHB non-core assets, as and when applicable.



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 with a sales volume of over RM500 million in total for all the scheme abovementioned. His most recent accomplishment is conceptualizing and marketing the 1st in Malaysia oil palm farm sharing investment scheme named Country Heights Growers Scheme to over 10,000 investors with a sales volume of RM215 million.

Mr. Ricky Yip is currently the CEO of Mines Wellness Hotel and Country Heights Lifestyle Berhad. He is also the Chief Sales Officer for Palace of the Golden Horses and Golden Horses Health Sanctuary. He is currently the Vice Chairman of the Malaysian Holiday Timeshare Developers' Federation (MHTDF). He has over 23 years experience in the Malaysian timeshare industry.



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

TO OUR VALUED STAKEHOLDERS,

We are focused and committed in ensuring that our three core business sectors, namely Property Development, Property Investment and Hospitality & Health, continue to drive the Group forward in delivering long term value and sustained growth.

On this note and on behalf of the Board of Directors of Country Heights Holdings Berhad ("CHHB" or "Group"), it is with great pleasure that I present to you our annual report and audited financial statements of the Company and the Group for the financial year ended 31 December 2010 which encapsulates the Group's positive performance and key achievements.

Overview

The expectation of a global economic recovery in 2010 did not lose out to the hype. The Malaysian economy was off to a flying start in 2010 by registering the fastest growth in 10 years for the first quarter at 10.1%. Globally it has not been an easy journey, with many economies troubled with debt crises. Nevertheless it still appears that the expected 2010 recovery is very much intact for many economies especially Malaysia with a 2010 GDP growth of 7.2%. The Group has shown remarkable resilience in the wake of aftershocks from the global economic crisis and the ability to ride on the economic recovery wave, registering a solid turnaround in financial performance. A necessary pre-emptive phase of prudent management and corporate strategy has significantly improved our gearing and cash reserves to emerge stronger post-crisis. This was greatly attributed to our solid and dynamic business model that enabled us to increase the value of our core assets. More creative and aggressive marketing of our projects, and undeterred investment in brand building, has reinforced our position as a developer of premier properties. In addition to on going launches, concept planning for our landbanks is underway.

CHAIRMAN'S STATEMENT

Chairman's Statement (cont'd)



The property market has performed well in 2010. The property outlook for 2011 remains optimistic as a result of strong demand for landed residential properties, ample liquidity, steady employment rate and attractive financing packages. The prevailing low interest rate, healthy employment market and the fact that property investment is a preferred inflation hedge have proven to be a reliable asset class and with a stable base of income from its high-yield.

The Hospitality & Health division continued to strengthen its offering at Palace of Golden Horses and Mines Wellness Hotel, both located in the Mines Wellness City. Both hotels have grown from strength to strength and enjoyed strong visitors throughout the year. The Health division has also performed well with a variety of product offerings. The Mines Wellness City as an ingrained health and wellness resort, would seek to play a central role in tourism by becoming the foremost wellness destination in the Country as part of the Government's Economic Transformation Programme (ETP).

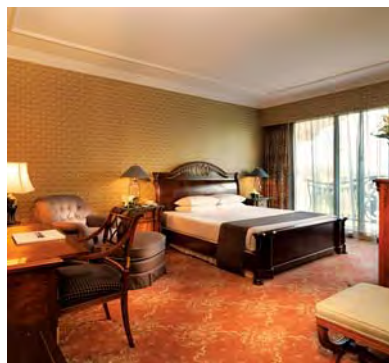
Group Performance

The economic recovery in 2010 has set the base for an improved performance of the Group. The Group registered revenue and profit before taxation of RM228.6 million and RM26.0 million respectively for the financial year ended 31 December 2010 as compared to RM176.3 million and RM2.8 million respectively for the financial year ended 31 December 2009.

The Board of Directors does not recommend any dividend to be declared for the financial year ended 31 December 2010.

Corporate Development

The Group commenced a number of capital management initiatives in 2010, some of which continued into 2011, to strengthen its balance sheet and position the Group's asset base for future growth opportunities.



Chairman's Statement (cont'd)



- De-registered some inactive subsidiaries during the year and continuing to streamline the structure and improve efficiency within the CHHB Group of Companies.
- The Group undertook the disposal of 3,000,000 ordinary shares of RM1.00 each representing 30% of the issued share capital of Mines Golf City Sdn Bhd ("MGC") by College Heights Utara Sdn Bhd ("CHU") to Tan Sri Lee Kim Yew. The disposal of shares was in the best interest of the Company although after completion of the disposal of shares, MGC has ceased to be an Associate of CHU and CHHB respectively. It would be more prudent for CHHB to repay the bond holder. The Sale Shares Consideration of RM7,393,637 is deemed paid by Tan Sri Lee through a settlement of the RM150 million 3% to 8% Redeemable Secured Bonds 1996/2011 ("the Bonds") Interest of up to Sale Shares Consideration.
- Universal Trustee (Malaysia) Berhad has via a circular resolution on behalf of the beneficiary bond holder, approved the extension of the Maturity Date of the Bonds from 31 December 2010 to 31 December 2011 on the same terms as previously agreed.
- On 30 December 2010, CHHB has fully redeemed the Bonds prior to the extended maturity date of the Bonds including interest accrued thereon.



Chairman's Statement (cont'd)



Prospects of the Company

We are fortunate to be the beneficiaries of a fundamentally sound economic and politically stable nation and believe that the Group's core businesses will register positive growth in the next financial year following the positive growth forecast for 2011. The Government has announced strategic plans in Budget 2011 to spur the real estate market in Malaysia especially in globalised areas that has a potential to attract large numbers of local and foreign investors. Further the implementation of the maximum loan-to-value (LTV) ratio of 70% will affect the investing movements in the housing market but the implementation of the ETP are expected to create new prospects and opportunities in the real estate market.

A factor in renewed consumer confidence for properties may be attributed to real estate taking an increasingly important role in investment portfolios being a safe and preferred hedge against inflation.

In the 2011 Budget, the Government has announced that there will be an allocation of RM100 million to support the tourism industry. The outlook for the hospitality sector will continue to be strong moving into 2011. Surveys indicated that more people will start traveling again when the global economy recovers and coupled with more travel packages offered by airlines like AirAsia, more tourists would be visiting the country, thus boosting the domestic hotel business.

Barring any unforeseen circumstances and external forces, the domestic and regional economy is expected to perform well but the impact of rising oil prices due to uncertainty in the Middle East is however a cause for concern as this could dampen sentiments and affect demand in certain sectors. The Group is however still confident to register a positive performance in the next financial year.

Acknowledgement & Appreciation

Towards the end of 2010, the Board of Directors bid farewell to our Non-Independent Non-Executive Director, Mr. Chew Cheng Keat, who had resigned on 15 December 2010. On behalf of the Board of Directors, I would like to take this opportunity to express our appreciation to Mr. Chew for his contribution through the years.

CHHB remains on course in delivering and enhancing shareholders' value on a sustained basis. Our success is a team effort and it is our hope that we will continue to work as a team to take the Group to greater heights of success.

On this note, I would like to express my sincere appreciation to the management and employees of CHHB group for their time, efforts and dedication. We are also thankful for the support of our customers, shareholders, financiers, media, consultants and relevant approving authorities who have helped the Group achieve our objectives.

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

Chairman



GROUP MANAGING DIRECTOR'S STATEMENT

In today's business environment, we are faced with challenges and uncertainties in our daily endeavors. It is imperative for the Group to not just master the art of adaptability but to be innovative and proactive in order to achieve the desired results. We must be good at running efficient operations, rolling out new products of high standards and exploiting our existing assets.

The Malaysian Government had announced that the Malaysian economy registered a growth of 7.2% for 2010 but expects growth to ease to 5-6% in 2011 due to the volatile and changing dynamics of the global economic environment. Notwithstanding the global economic uncertainties, the Economic Transformation Programme ("ETP") will play a crucial role in Malaysia's GDP growth for this year. This should indicate the beginning of better things ahead.

We will continue to intensify our branding initiatives, sales and marketing efforts to deliver the best value to our customers and shareholders.

MR. MARK VICTOR ROZARIO
Group Managing Director

Group Managing Director's Statement (cont'd)



Group Performance Review

Our turnover increased considerably from RM176.3 million in 2009 to RM228.6 million in 2010, an improvement of 29.6% despite the challenging business environment. We are targeting to improve further in 2011 as we believe our quality and branded lifestyle homes in prime locations will again perform well in 2011.

The Group achieved healthy profit after tax of RM17.6 million and recorded strong income growth for the financial year ended 31 December 2010. This is a clear statement of the Group's ability to prevail and remain profitable despite the challenging economic environment such as the debt crises in 2010 and the global economic slowdown in 2009.

The financial results reflected the Group's strong rebound through a host of deliberate and prudent financial management measures implemented over the past 12 months.

The Group continues to identify land in prime locations to increase its landbank as we are confident that the property outlook has brightened with the improved economic conditions. We continue to stamp our footprint on the property market across the country, by building sustainable lifestyle developments.

Undeterred by the economic challenges, we stayed focused on our key business strategies to sustain positive results.

Operations Review

Property Development

Property development continues to be the main driver of earnings for the Group recording RM95.9 million or 42% of the total Group's revenue of RM229 million for the financial year 2010, up 56% over last year. In terms of profitability, the division recorded a profit before tax of RM42.7 million.

The market continues to have high demand for quality and innovative property products in strategic locations. The current low interest rate environment, coupled with the increasing population in the Klang Valley will see demand continue to outstrip supply in the near future.

To add further excitement to the market, the government had announced the Economic Transformation Programme, the New Economic Model and the 10th Malaysia Plan. Therefore, the property outlook remains positive and vibrant with the government's transformation initiatives for high impact projects such as the Mass Rapid Transit, the greater Kuala Lumpur transformation plan and other projects that will continue to drive the market upwards.

The Group is aware that the impact of rising oil prices due to the uncertainties in the Middle East may dampen sentiments and affect demand in the property sector. Further the implementation of the maximum loan-to-value (LTV) ratio of 70% may affect demand in some sectors of the housing market.

CHHB is confident that the positive sentiments will out-weigh the negative impact. The property market is expected to remain buoyant in 2011. The Property Division has put in place a number of new projects in the pipeline for launching in the next 12 months. CHHB had recently launched its first ever garden terrace homes project known as Belleza Garden Homes in the northern region offering homeowners individualism in a Garden Homes environment. In addition, CHHB is also actively scouting for potential landbanks for future development.

The Group will continue to be *"the most green, innovative and trustworthy developer"* by delivering a dream living home to customers.

Group Managing Director's Statement (cont'd)

Property Investment

Property Investment registered gross profits of RM12.9 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 increased exhibition events at Malaysia International Exhibition & Convention Centre ("MIECC").



With breathtaking views over a 150-acre lake, a world-class golf course and award-winning landscape, MWBP provides an excellent working environment in the Southern Corridor which is part of the growing area such as Kajang, Cheras, Puchong, Serdang, Ampang and Bukit Jalil. It is strategically located between KL City and Putrajaya/Cyberjaya/KLIA with easy access via major highways. Hence, MWBP continuously achieved and maintained occupancy at over 90% since 2006. Tenancy renewals have consistently achieved average rental increases of over 10%.

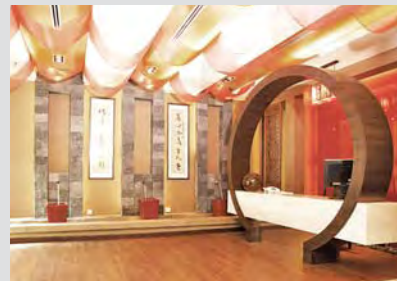
The Asia Pacific University College of Technology and Innovation (UCTI) have proposed to lease our newly completed Phase 2 Podium and remaining office space in MWBP for their Business School taking up total space of 50,138 sq ft.

MIECC is the largest exhibition venue in the country with a width of 160 feet, a length of 660 feet, a height of 50 feet, and a floor load of 3 tonnes per square meter, hosting a myriad of important and exciting functions. MIECC is located in a prime and commanding position to plan, organise and coordinate events detailed to perfection. MIECC is a sought after venue for bigger events or nationwide promotional and branding events.

Many specialist events at MIECC had attracted publicity in the year such as the Hari Perhimpunan Pekerja (Labour Day Assembly) in May. The Tsai Ching Concert Live in Malaysia in July was a show stopper that was a resounding success which attracted the young and old alike. There was also a Malayalee luncheon meeting with the Prime Minister in September and Dato' Seri Samy Vellu's farewell in December which was witnessed by 100,000 visitors and guests who came together to bid farewell to a long standing public figure and leader of the community.



Group Managing Director's Statement (cont'd)



Hospitality & Health

The Hospitality & Health Division contributed RM111.1 million or 49% to the Group's revenue in 2010. The increase of revenue by RM13.2 million or 13%, as compared to RM97.9 million in 2009, was mainly contributed by the Hotel, Health Sanctuary and Timeshare businesses.

The Hotel business has improved and continues to grow, especially with high profile events such as the 1st Ladies' Summit and CIMB Asia Pacific Classic (PGA Golf Tour Event in Malaysia) in October 2010. The golf event in particular had boosted the hotel occupancy rates and average room rates with the influx of overseas golf enthusiasts and spectators coming to see the best players from all over the world. Palace of the Golden Horses is in the midst of embarking on the refurbishment of rooms progressively over the next two years to serve the customers better.

The health sanctuary is looking forward to continuous growth with the planned expansion to overseas markets. The range of services has been extended with further investment and the completed expansion of Health Screening Centre to more than 30,000 sq feet at the Palace of the Golden Horses which was officially launched in March 2011 together with new products.

Future Outlook

With improved consumer and business sentiments, 2011 will be a good year for the Malaysia property market. Prospects for the residential, commercial and industrial segments are bright, given the better employment market, pent-up demand as well as still conducive interest rate levels.

We are optimistic and excited about our prospects for 2011 with the improved property outlook and the government's emphasis on enhancing infrastructure and connectivity as well as unlocking the value of major landbanks as these will have significant spillover effects on the property sector. We have

several exciting launches planned for 2011. The Group believes there will still be room for niche property players, particularly those with strong brand distinction and as the market matures, property purchasers become more discerning, seeking a specific combination of lifestyle elements that spell comfort, exclusivity and luxury.

CHHB as the owner of several properties around the lake in Mines Resort City is spearheading the proposed joint initiative to transform Mines Resort City into Mines Wellness City, mainly capitalizing on the wellness facilities that have already been established, such as our Health Screening Centre and TCM centre to be an integrated health and wellness resort. The city will serve as a one-stop destination with facilities that integrate and uphold the propagation of Lifestyle of Health and Sustainability (LOHAS), where people, businesses and networks are connected together in a single city.

This effort is in line with our Government's ETP under the National Key Economic Areas (NKEAs) of Wholesale and Retail. We are proud to be the first wellness resort in Malaysia.

By the year 2020, the Mines Wellness City is envisioned to be a RM5.5 billion development, playing a central role in tourism and becoming the foremost wellness destination in the country and CHHB is proud to be playing a leading role in this transformation.

At present, we are focusing on organic growth internally by doing what we do well and we are open to good opportunities which enable us to protect and create value for our shareholders.

Overall, the group will continue to focus its resources on engaging the regional markets, growing its recurrent income base and review its assets portfolio for opportunities, while pursuing its domestic growth agenda.



Sensitivity to our customers' needs has earned Country Heights Holdings Berhad a reputation as a pioneer in lifestyle property developments. Our motto of "*Ever Searching for Better Living*" expresses our commitment to creating environments that perfectly balance with every home owner's needs of work and play. This philosophy has guided us to create a comprehensive range of products that cater to different segments of market, ranging from country living concept to self-contained resort developments.



PROPERTY DEVELOPMENT



Artist impression of Super Linked Homes in Cyber Heights Phase 3

CYBER HEIGHTS VILLAS

Smart, Secure, Serene - A Smarter Way of Living

Located right in the middle of one of the world's most prestigious smart cities, Cyberjaya, Cyber Heights Villas brings a touch of class to a city renowned as the heart of the Multimedia Super Corridor (MSC).

Speed and ease of communications are facilitated by world-class transportation infrastructure that brings the world to Cyberjaya's doorstep. Witness the smooth connection via the MAJU Expressway, North-South Expressway Central Link, South Klang Valley Expressway and the Putrajaya Link to Cyberjaya. Serviced by an efficient rail system, the Express Rail Link (ERL) seamlessly connects KL Sentral in the Capital City of Kuala Lumpur to Kuala Lumpur International Airport (KLIA) via the Federal Government Administration Capital in Putrajaya and Cyberjaya.

Totalling 1,556 units, the villas add a touch of sophistication through a generous low density arrangement of 23 spacious apartment units per acre over an area of 28 hectares (69.70 acres) of premium freehold land. Designed to enhance the serene surroundings of the villas, each phase emphasises the view and exclusivity. All units are corner units with only four units per floor, the villas offer the space and freedom to create a personal sanctuary amidst peaceful surroundings. With security, serenity and swiftness of

connection, life at Cyber Heights Villas is truly a smarter way of living.

Phase 1B shall consist of 159 units housed in six blocks including three 10-storey blocks of 117 units with a GDV of approximately RM50 million. Cyber Residency is expected to be officially launched in June 2011 and affords every resident an exclusive corner unit as there are only 4 units per floor. The expected good take-up of units will contribute positively to the Group's earnings for the 2011 financial year onwards.

Development planning of Cyber Heights Villa Phase 2, which comprises of three blocks of 23-storey condominiums and 24 units of superlink homes meanwhile, is underway. This phase contributes a total GDV of approximately RM350 million and has the potential to substantially boost the Group's revenue from the financial year 2012 onwards.

CYBER COMMERCIAL CENTRE

The Cyber Commercial Centre, a planned commercial hub of offices and serviced apartments where savvy business facilities meet the practicality of affording residents an avenue to entertain new opportunities. This development will contribute an estimated GDV of RM650 million.



Artist impression of Cyber Commercial Centre



COUNTRY HEIGHTS DAMANSARA

A Little Forest in Kuala Lumpur

Country Heights Damansara allows residents an escape to nature right at their doorstep in one of the premier suburbs of Kuala Lumpur. Spread out over 200 acres of lush, undulating land this low-density commune offers only two units per acre, ensuring exclusivity, privacy and maximum appreciation of location and nature.

The fresh country air and cool breezes proffer a healthy, refreshing living environment while magnificent views of the metropolis that is Kuala Lumpur City drives success to new heights. This enclave is only a 5-10 minute drive from happening spots like Mont Kiara, Sri Hartamas, Petaling Jaya and One Utama. Complemented by Kuala Lumpur's highest man-made waterfall, a 1.2-km jungle track and a 19-acre Garden Park, Country Heights Damansara pioneers new heights of living.

Green not only describes the surrounds of Country Heights Damansara but also our ethos of hillside living with each bungalow created in a non-invasive, non-destructive manner, allowing nature to breathe its imprint on every work of art. In bringing nature into closer focus, our homes are tastefully furnished with the highest grade of natural elements of stone, timber and marble, designing a harmonious blend of nature with our residents' lifestyle needs.

This asset is greatly appreciated not only by the residents but home seekers, even during the adverse times of the world's credit crisis in 2008, a year which saw Country Heights Damansara being awarded the Best Development Malaysia by CNBC Asia Pacific Property Awards. This followed by Asia Pacific Residential Property Awards in association with Bloomberg Television as Highly Commended Best Development Malaysia 2010.



Artist impression of proposed Country Heights Bungalows

The end of last year also saw a good 36 units of bungalows completed by landowners and successfully occupied with another 60 units under construction. Current valuations of existing bungalows are in the range of RM 8 – RM 10 million, reflecting good capital appreciation of the development since the preceding year.

The closing quarter of 2011 will expect to see the launch of 30 bungalow units which will substantially add to the total GDV of Country Heights Damansara. Despite not being officially launched yet, the strong show of interest among existing residents and potential investors proves the development's tremendous growth potential.

BORNEO HIGHLANDS RESORT

The Best That Borneo Offers
A Rainforest Highland Getaway

Just an hour's drive from the Kuching International Airport, Borneo Highlands Resort stands at 1,000 metres above sea level and is nestled in the lushness of the world's oldest and second largest tropical rainforest. This pioneering highland resort offers purchasers four phases of bungalow lots from between 6,000 square feet to 68,500 square feet to choose from, namely Borneo Forest (Phase 1), Golf Forest (Phase 2), Hornbill Forest (Phase 3) and Swan Lake Forest (Phase 4).

Each masterpiece is surrounded with the beauty of the rainforest and the magnificent views enhanced by the altitude of the highland. It is no surprise that this exciting development has been awarded the Best Golf Development Malaysia by CNBC Asia Pacific Property Awards in 2008 and Highly Commended Best Golf Development Malaysia by the Asia Pacific Residential Property Awards in association

Property Development (cont'd)



with Bloomberg Television in 2010. Ensuring a low-density development, only 1,500 acres of the total 5,000 acres will be developed, with the remainder maintained in its original state.

The past years has seen 21 bungalows completed and occupied with every home designed to suit the owner's individual style and tastes. In this exciting and exuberant estate, each vista carries the distinctive and exclusive signature of its master.

In delivering greater access to interested residents, Swan Lake Forest (Phase 4) has seen an immense improvement to infrastructure connecting the main access road to this enclave. Residents, guests and members can now enjoy greater convenience with the new car park facility at the foothill.

The magical and majestic call of the rainforest is made complete for our residents with dedicated employees within easy reach. A new reception and commercial centre will be completed in order to better serve the residents, members and guests. Continuous improvements to the resort facilities is planned and undertaken to enhance the livability of Borneo Highlands Resort and to provide better living amenities to our staff, the year 2010 also saw the commencement of works for our new staff quarters.



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Country Heights Holdings Berhad

Artist impression of Linear Garden in Belleza Garden Homes

Property Development (cont'd)



KOLEJ HEIGHTS UTARA

Distinguished Country Living Up North

The most prestigious country living in the north is seen in Kolej Heights Utara, where 489 acres of prime freehold land in Kubang Pasu, Kedah is converted into a distinguished enclave of mainly bungalows adorned with Mother Nature's charm by College Heights Utara, a wholly owned subsidiary of Country Heights.

Well supplemented with excellent access to Hadyai (Thailand), Kangar, the Sultan Halim International Airport and Alor Setar, Kolej Heights Utara offers residents Kedah's largest, exclusive, low-density community replete with its own manicured lawns and exquisitely glamorous designs.

Living in this guarded community ensures excellent security benefits including perimeter fencing, 24-hour security patrol and CCTV monitoring at strategic locations. In a bold move to create a garden living experience, the latest phase of Kolej Heights Utara, Belleza Garden Homes is the first development project with a garden living concept in the Northern region. These garden homes will be equipped with smoke detectors and security alarm systems, providing safety and peace of mind for every resident.

The wisdom of Country Heights continues with the legacy of creating sustainable living environments through concealed underground cabling and drainage and the facilitation of a country community living via a clubhouse that comes complete with a swimming pool, children's playground, indoor badminton courts, gymnasium, restaurants and meeting rooms.

The latest phase, Belleza Garden Homes, was soft launched at the end of 2010 to much resounding success as during the pre-launch period prior to the completion of the show houses, approximately 40% of Belleza Garden Homes were sold. The group is optimistic that this trend will continue well into 2011.



COUNTRY HEIGHTS PECANWOOD GOLF & COUNTRY CLUB

Teeing Off In A Magnificent Green

The swell of the hill, the thrill of escaping the water hazard and the challenge of getting out of a sand trap all pale in comparison to the refreshing breeze billowing softly over the undulating hills of the Magaliesberg, where the perfectly maintained Pecanwood Golf & Country Club is located. South of Hartbesspoort Dam, this emerald gem casts the perfect backdrop to the winding fairway and serene housing estate within its enclaves. A mere 40 minutes away from JHB or Pretoria, Pecanwood is ideally located for any business getaway or private function.

Constantly ranked among the top 10 golf courses by golfers in the know, Pecanwood's solid track record of earning top awards from the golfing fraternity for a good decade since its inauguration and its position within the top 5 golf courses in South Africa for five consecutive years is proof that these magnificent greens possess an enduring quality to remain at the top of its game. In fact, the solid grounds held its own even through turbulent economic weather and came out even more competitive and innovative than ever before.

Besides golfing, boating enthusiasts will find Pecanwood the idyll marina of their dreams, with waterfront homes on the banks of the Hartbesspoort Dam, the perfect playground to indulge in watersports. The boat club is more than generous in its capacity to fulfill any requirements needed to fuel a relaxed summer sail out at the water.

Complemented with a golf teaching academy, health spa, cutting-edge gymnasium replete with personal trainers, a children's crèche, yoga for youngsters and tennis lessons, Pecanwood will have both body and soul score a hole-in-one, all the time.

Development Updates

The pro-shop underwent significant upgrading and restocking, increasing sales revenue throughout and after the exercise. The Golf Operations team has also managed to increase the amount of member and visitor tournaments including the Pecanwood Majors, coinciding with the four PGA Majors (Masters, US Open, Open Championship and PGA Championship), and the annual Club Championship for the Mens, Ladies and Seniors.

Emphasis on the personal touch with our corporate clients and members have been enhanced by better communication and technology, fortified with old school values of paying visits to our members and corporate clients. Along with this, value-added incentives were developed, namely conferencing, banqueting and private catering plans, to provide a complete suite of services to make hosting events at Pecanwood a resounding success.

A strategic partnership with Omni Struct Nkosi began with the installation of a 12m-high water spout on the inland lake of the third hole, added water coolers and refuse bins at strategic sites and relevant golfing products at Pecanwood for the ease of golfers. This partnership aims to improve Pecanwood's standing at the top of its industry. In line with this, the Golf Teaching Academy helmed by a PGA Teaching Professional, Max Birkenhead. With years of similar experience in the U.K and having the title of European long drive champion under her belt, she is helping golfers better their game, regardless of age with the use of the latest golf teaching technology.

Meanwhile, the health spa's variety of treatments is guaranteed to leave guests feeling totally pampered and the gymnasium, right beside the children's crèche, will lift the daily stresses away for both kids and adults alike. Pecanwood, it is truly the heartwood of a quality lifestyle.

COUNTRY HEIGHTS KAJANG

The Origins of Villa Living

Legendary in every way, Country Heights Kajang presents Malaysia's first country living concept amplified with generosity of space amidst lush greenery. This flagship freehold estate offers discerning homeowners the choice of bungalow lots from 8,000 sq ft to 20,000 sq ft, evidencing an exclusive and exquisite lifestyle much sought after by the elites of society.

This magnificent estate ushers all who enter into harmonious living spaces developed within the original contours of the land and enveloped in picturesque landscaping. Elevating the posh lifestyle is the enjoyment of the serene lakes and streams nearby. This ideal enclave guarantees each owner a low density estate with the highest levels of round-the-clock security.

This plush yet pristine county is just 20 km or a 20-minute drive away from Kuala Lumpur and is effortlessly connected via the North-South Expressway Central Link, South Klang Valley Expressway (SKVE) to major townships like Kajang and Bangi,

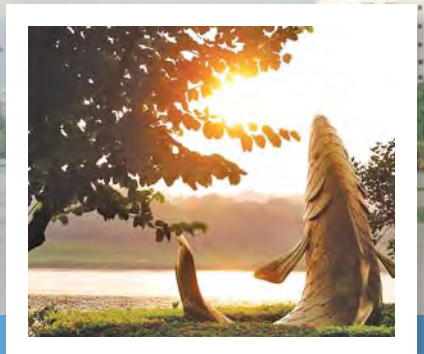
The Mines Resort City, Putrajaya/Cyberjaya and KLIA/Sepang. Country Heights Kajang truly brings the opulence and original meaning of country living to life.

Country Villas @ Country Heights offers homeowners a low-rise Mediterranean luxury waterfront home surrounded by exuberant nature sated with comprehensive recreational features, derived from the origins of opulent lifestyle and the classic concept of Grecian villas. Residents will find the swimming pool, fully-equipped gymnasium with aerobic rooms, covered tennis courts, indoor badminton courts, basketball and volleyball courts, fishing pond, an auditorium and function room a satisfying complement to their elevated standards of living.

The upcoming showcase of Country Heights Kajang's Semi-Detached & Bungalow units presents a unique masterpiece of private, luxurious living amidst an exclusive, secure and guarded estate. The modern contemporary design highlights the generous spaces within and works in harmony with a multi-generational family's needs and the distinctive lifestyle of its occupants.



Artist impression of green streetscape within Country Heights Kajang new Bungalow and Semi-Detached Homes



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 is one Malaysia's premier exhibition venue with major events, both regional and international, under its belt.

MINES WATERFRONT BUSINESS PARK

With breath taking views over a 150-acre lake, a world-class golf course and award-winning landscape, Mines Waterfront Business Park ("MWBP") is an excellent working environment in the Southern Corridor which encompasses of the growing areas of Kajang, Cheras, Puchong, Serdang, Ampang and Bukit Jalil. It is strategically located between KL City and Putrajaya/Cyberjaya/KLIA with easy access via major highways. Hence, MWBP continuously achieved & maintained the occupancy at minimum of 90% since 2006. MWBP is one of the sources to generate recurring revenue for the Property Investment division.

Despite an increase in supply of office space in Kuala Lumpur/Petaling Jaya area, MWBP has still attracted new tenants this year. These includes Topnet Communication, CHD IP Technology, Millennium Release & etc with total space taken up to approximately 6,000 sq ft. Existing anchor tenants like Measat Broadcasting Network (Astro) and CyberSecurity Malaysia also expanded their Production Department (Astro) and Information Technology Department (CyberSecurity Malaysia) by taken up another 2,000 sq ft.

MWBP has continuously renewed all their reputable tenants with an average increase of 10% to 15% in rental. Tenants such as Measat Broadcasting Network (Astro), Infovalley, The Sanderson Design, Mynic, Mediabanks, Sazaen, Lee Partnership, Scotts and Sumitomo, to name a few.



Property Investment (cont'd)



MWBP is surrounded by business amenities such as convenient banking facilities, shopping malls, hotels and entertainment centers. MWBP also provide friendly management as value-added services to tenants like free shuttle bus service to/from Serdang KTM Station and Sungei Besi LRT Station, free shuttle van to/from Multi Level carpark podium, Phase 2 and the open space car parking, registered guest parking (added parking services), 24-hour patrolling security, escort services by security to car parking at late evening. Tenants of MWBP are able to enjoy privilege rate for rooms and F&B facilities at two luxury hotels, namely, the Palace of the Golden Horses Hotel and also the Mines Wellness Hotel.

With all these value added services and facilities (parking system and security), MWBP has lately received numerous enquiries from colleges and universities. Mines Resort City being identified as an ideal location for institution/college/university by education industry, Asia Pacific University College of Technology and Innovation (UCTI) has agreed to lease MWBP Phase 2 Podium and office space in MWBP (in total space of 50,138 sq ft) as their Business School. We look forward to position Mines Waterfront Business Park as an education and health related centre that coalesces with the corporate building impression for the entire MWBP Phase 2 for future development.



Property Investment (cont'd)



Tsai Ching Concert



Public Bank Berhad Annual Dinner



World Chinese Book Fair 2010



Malaysia Sports Trade and Golf Expo 2010



Hari Perhimpunan Pekerja

MIECC – MALAYSIA INTERNATIONAL EXHIBITION & CONVENTION CENTRE

MIECC – Malaysia International Exhibition & Convention Centre is the largest exhibition venue in the nation, hosting a myriad of important and exciting functions. Located 20 minutes from Kuala Lumpur and the federal administrative capital of Malaysia, Putrajaya, MIECC is a sought after venue for the bigger events or nationwide promotional and branding events.

Sitting in the midst of a host of renowned establishments such as The Palace of the Golden Horses, Mines Wellness Hotel, Mines Shopping Fair and the Mines International Golf and Country Resort, MIECC is located in a strategic and commanding position to plan, organise and coordinate event details to perfection.

The Centre boasts the largest column-free exhibition space in the country with a width of 160 feet, a length of 660 feet a height of 50 feet, and a floor load of 3 tons per square meter. Visitors to this venue have met their match in their pursuit to host sophisticated and complex events and speak highly of the organisational skills of the team and their warm approach.



Golden Chef Cooking Competition

Property Investment (cont'd)



Some of the specialised events that MIECC has managed to attract publicity and draw attention in the year are:

May 8 : Hari Perhimpunan Pekerja (Labour Day Assembly) attracted a huge number of employers and employees who came together to showcase their solidarity and unity on this special day that commemorates World Labour Day. Organised by the Malaysian government, this event commemorated and celebrated the contribution of labour to nation building. A big feat and a successful event that tested the skills and ability of the MIECC with their guest of honour being none other than the Honourable Prime Minister of Malaysia.

July 24 : Tsai Ching Concert Live in Malaysia was a show stopper that was a resounding success, a Chinese musical event that attracted the young and old alike. The venue was tasked to arrange the sound and light, stage and acoustics to bring alive the soul and spirit of the Tsai Ching community.

September 19 : Malayalee PM luncheon selected the MIECC as the venue for their important luncheon meeting with the Prime Minister. The event required the creation of a fitting ambience for the minority Malayalee community for a long awaited meeting with the Prime Minister.

December 12 : Dato Seri Samy Vellu's farewell was a definite watershed event that witnessed 100,000 visitors and guests who came together to say farewell to a long standing government servant and leader of the community. A special menu blended with a specially crafted setting added to the aura of the occasion. The evening was yet another resplendent success and a feather in the MIECC cap.



HOSPITALITY & HEALTH



As the continuous effort to promote the ideal living concept-“Ever Searching for a Better Living” that was established by our founder, the Group has leaped beyond the spheres of property development by venturing into the field of leisure and hospitality.

The Group always believes that the service industry embraces great potential to educate and transform the mindset of the public in building a healthy lifestyle - as a bright and healthy future strongly lies upon embracing wellness for ourselves, humankind and earth.

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.



PALACE OF THE GOLDEN HORSES

Asia's Most Extraordinary Hotel

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 becoming a preferred and ultimate accommodation to home the special precious guests, such as heads of states, dignitaries and royalty. Over the years, the hotel has offered its hospitality services to other exceptional personalities and leaders in their own fields, playing host to numerous sporting celebrities, including football stars, international golfers, race car drivers, the list of distinguished guests is long and exclusive.

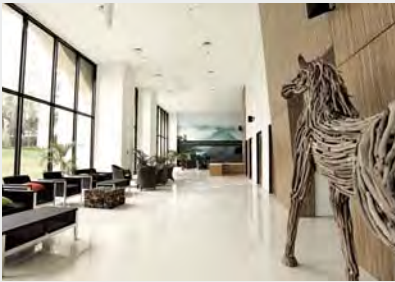
Enacted as the precursor of the convention centre that is equipped with the best modern day facilities and attached with world class accommodation, The Palace is the first hotel in Malaysia to offer such a deluxe experience. The Palace of the Golden Horses was built in 1997, as a component part of an integrated destination – the Mines Wellness 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 Holdings Berhad, one of Malaysia's visionary developers, which was instrumental in formulating and creating this holistic resort city.

Palace of the Golden Horses offers 472 exquisite guestrooms and suites of which 20 are designed for heads of states, one host nation suite and one golden suite. There are also three restaurants, a lounge and a cafe 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 centre and lounge. Not forgetting is the airport lounge in Kuala Lumpur International Airport (KLIA), an exclusive lounge for travelers to escape the hustle and bustle of an international airport.

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 the 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.

Hospitality & Health (cont'd)



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), FEL World Cup Horse Jumping Final, Gourmand World Media Awards, Global Indian Film Awards (GIFA), Manchester United & Chelsea Asia Tour, Disney On Ice, First Ladies Summit 2010 and CIMB Asia Pacific Classic PGA Tour 2010.



Side Walk Café

- offering delectable pastries and juices

Sea Horse Café

- serves scrumptious snacks and healthy juices

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



Kim Ma Chinese Restaurant



Kin No Uma Japanese Restaurant



Carousel Restaurant

The high standard of attentive service at Palace of the Golden Horses has been recognized with the international accolades for establishing the gold standard of hospitality service. Awards received such as *Best MICE Facility and Service Hotel 2008* and *Best Innovative Chinese Restaurant 2008/2009* for Kim Ma Restaurant.

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

- | | |
|--------------------------------|--|
| Carousel Restaurant | - An all day dining restaurant serving Asian and International favorites |
| Kim Ma Chinese Restaurant | - serves contemporary Cantonese cuisine |
| Kin No Uma Japanese Restaurant | - an authentic Japanese fare |
| Sagar Restaurant | - specializing in Northern Indian delicacies |
| Grand Salon Lobby | - serves evening cocktails and nightly live entertainment Lounge |

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 40,000sqf of complete screening and preventive healthcare services.

As part of the wellness endeavor, Palace of the Golden Horses and Mines Wellness Hotel pledged their part for the environment by launching their very own organic gardens under the banner of a brand new environmental unit, the Mines Green Circle. The unit was officiated by Country Heights Hospitality and Health Division CEO, Ms Dianna Lee on 24th September 2010 in conjunction with the World Vegetarian Day as a corporate responsibility (CR) programme to promote the 3Rs: Reduce, Reuse and Recycle.

Palace of the Golden Horses, located within the Mines Wellness City 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

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 unique green environment unit formed to promote sustainability through initiating and retaining environment consciousness among its entire staff, guests, and the public. 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. Mines Wellness Hotel was awarded the **Asean Green Award 2010**.

Nestled amidst the concrete jungle of Kuala Lumpur, **Mines Wellness Hotel** is an unexpected haven offering a full experience of sophisticated style, comfort, privacy and tranquility. 2009 marked a year of transformation for the hotel as it positioned itself as the one-stop holistic wellness resort offering eastern healthcare services, incorporating Traditional Chinese Medicine (TCM), Ayurvedic and complementary health therapies based on eastern medical philosophy. Dubbed the only "beach in the city" it is also the perfect choice not only for health retreat or weekend getaway, but also 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** provides the perfect escape from the hectic city life, just 15 minutes away from Kuala Lumpur city centre. It is a place where you look for a little piece of serene nature within the city.

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

Revitalize your senses and benefit from the wisdom derived from ancient Chinese practices dating back to 5000 years at the **Golden Horses Health Sanctuary Wellness** (Traditional Chinese and Complimentary Medicine) centre located on the third and fourth floor of the hotel. The GHHS Wellness centre was founded to provide sustainable holistic wellness programs

to the masses in order to enable them to regain optimal health by blending oriental culture into Traditional Chinese Medicine such as Acupuncture, Traditional Tuina Therapy for Body and Foot, Health Qi Gong exercise and Chinese Herbal Medicine. The ground floor of the hotel also houses a spa and offers a wide range of aromatherapy treatments such as the Revitalizing Therapy, Fusion Therapy, Stress Reducing Therapy, and Body Detoxifying Treatment to name a few. Be spoilt for choice and let our professional masseuse pamper you.

There are three different restaurants to fulfill one's gastronomical needs.

Abdul & Charlie's - an all-day open concept dining coffee restaurant house that serves Malaysian cuisine with a "Kampung" twist.

Cheng Ho Court - a pork-free Chinese restaurant that serves delectable dim sum and Cantonese style cooking.

Sunset Lounge - Perfect place for unwinding as it overlooks the lakeside, offering a calm and soothing effect.

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 the business centre providing secretarial services for the guests' convenience.

With an array of water sports activities such as parasailing, water-skiing, and wake-boarding, one will be spoilt for choice. If you are not into adrenaline-pumping activities, have a quiet time at our man-made beach.

Situated adjacent to the Malaysian International Exhibition and Convention Centre (MIECC) and The Mines Shopping Centre, **Mines Wellness Hotel** is the ideal hotel for patrons and exhibitors alike. The hotel continued to record high traffic from leisure markets from neighboring Asian countries and Middle East.

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





GOLDEN HORSES HEALTH SANCTUARY

Uniting the knowledge of the great eastern philosophies, marvels of modern medicine and cutting edge technology, Golden Horses Health Sanctuary (GHHS), the largest dedicated centre for preventive healthcare in Malaysia, is set within a resort in the Mines Wellness City. The first of its kind to be based within an award-winning five star establishment, the 40,000 sq ft GHHS is a boon to its members, health tourists and corporations alike who place wellness at the forefront of their lifestyles.

Golden Horses Health Sanctuary is a one-stop haven for your wellness needs that infuses Eastern and Western preventive methods. A complete health sanctuary, inspired by wisdom dating back 5000 years, it is a haven for wellbeing equipped with cutting-edge technology.

Started off as a Health Screening Centre in 2001, Golden Horses Health Sanctuary now offers preventive clinic services, TCM and Ayurvedic treatments as well as aromatherapy massages. We are the pioneers in Malaysia to incorporate Eastern values into Western preventive medical practices. Our Eastern services are designed with you in mind to bring your body back to its natural state of wellness. Renew yourself with total wellbeing based on the notion of harmony and balance for better living ahead.

The health screening centre incorporates eight state-of-the-art preventive clinics and popular complementary wellness programmes. The clinics, which specialize in early detection encompasses multidisciplinary medical services and procedures in the areas of gastroenterology and liver, eye care, metabolic syndrome and obesity, heart, dietetic, skin and cosmetology, longevity and age management, and internal medicine.



Through relentless research, and the commitment to improve human life, GHHS operates upon the philosophy that "Prevention is always better than cure," and has centred its operational services and facilities to create better lifestyles since its inception in 2001.

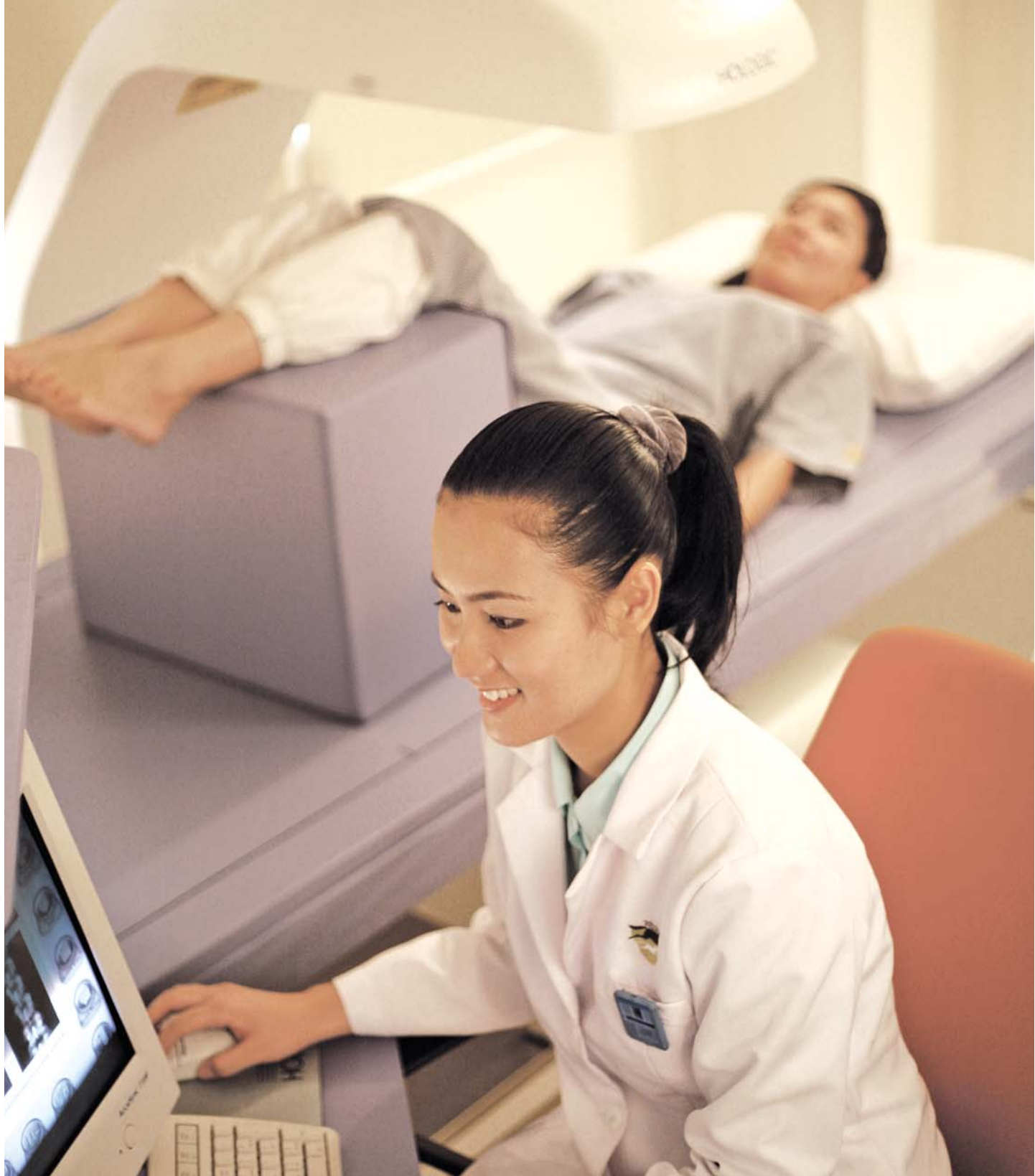
The establishment of GHHS was inspired by its founder, Tan Sri Lee Kim Yew's, philosophy that "A Complete 100% Life Starts with Health." Towards this aim, GHHS is dedicated to providing the finest preventive medical check-ups for early detection in a relaxing and conducive environment.

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

The end of 2010 marked another milestone, the commencement of the highly anticipated expansion project for Palace of the Golden Horses health screening centre.

The expansion of the centre is the first phase in the development of the Mines Wellness City master plan which seeks to transform the current RM 2.5 billion development spanning over 1,000 acres. While the centre conducts 22,000 check-ups annually, the City, once completed by 2020, will be set-up to complete 58,400 health procedures annually. The City will seek to play a central role in tourism by becoming the foremost wellness destination in the country as part of the government's Economic Transformation Plan (ETP), spearheaded by PEMANDU.

Country Heights Holdings Berhad has invested approximately RM 30 million to expand the previous 10,000 sq ft space of screening facilities to 40,000 sq ft, cradled within 20 acres of lush greenery.



Along with the expansion in physical space, new equipment completes the centre's excellence in service delivery, including the introduction of the Architect ci8200 PLUS, and the Digital Radiography – X ray machine (IDC, Canada), the first two integrated medical equipment to be placed in a private healthcare laboratory in Malaysia. The machine is an integrated chemistry and immunoassay platform that delivers high throughput and fast turnaround times for improved lab workflow and maximum operator productivity. With the Architect ci8200, all results will be delivered in one day, making it convenient for individuals, health tourists as well as corporations who work in collaboration with GHHS.

Besides the addition to the laboratory, the Health Screening Centre will also feature an upgraded, state of the art imaging system which includes technology for full field digital mammography, digital radiography, web-based reporting and robotics archival-retrieval solution, and DEXA bone mineral density measurement.

The expansion had commenced in August 2009 and the centre was officially open by the Minister of Health to begin operations in March 2011. While the previous centre's set-up could only cater to its existing 16,000 members, the new centre will have the capacity to accommodate 50,000 members.

Hospitality & Health (cont'd)



Complementing the state-of-the-art technology, the Golden Horses Health Sanctuary Wellness centre, located in the adjacent Mines Wellness Hotel (MWH), offers a comprehensive range of traditional and complementary medicine (TCM), which is derived from over 5,000 years of knowledge in traditional Chinese medicine. Advocating the understanding of the holistic relationship between the human body and the universe, the centre's objective is to cultivate a harmonious equilibrium towards restoring the human body system to its original balanced state of being.

The wellness centre, the most exclusive TCM centre in the region, with a built-up area of 8,000 sq ft is staffed with qualified and certified Chinese physicians, tuinalogists, reflexologists and herbalists who are endorsed by the Ministry of Health Malaysia.

Within an elegant and relaxing ambience, patrons of the GHHS Wellness are invited to experience unparalleled exclusive 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, Meridian point reading, TCM herbal footbath as well as practice health qigong. A TCM pharmacy is also made available with consultants who dispense herbal prescriptions which promotes the restoration of harmony in the body.

Membership for GHHS Wellness was introduced in May 2008 and since then, the membership increased by 115%. Provisioned by a dedicated team, GHHS Wellness has successfully accomplished over 26,735 TCM procedures and therapies to 19,710 patrons to date.

In March 2009, the GHHS Wellness incorporated aromatherapy services into its menu in conjunction with the renovation of the Spa. This had contributed to an increase in services provided to a comprehensive menu of a total of 873 services.

In line with the transformation of Palace Beach & Spa into Mines Wellness Hotel; GHHS Wellness offered complimentary daily Health Qigong class for the Hotel's patrons as well as its corporate check-in groups. Other initiatives to promote wellness in the community undertaken were the development of wellness de-stress and rejuvenating packages, the execution of an H1N1 prevention campaign, health talks, green efforts, and many other events throughout the year.

As an innovation of its TCM pharmacy services, a series of TCM Herbal Products, 9 types of DIY herbal footbaths, and a range of herbal health tea was created. The innovations were developed specially by GHHS-Wellness Resident Chinese Physician.

As a continuation of GHHS Wellness efforts to propagate health Qigong, GHHS-Wellness in-house Qigong Master had participated in the 3rd International Health Qigong Competition in China and was acknowledged as the competition's 1st runner-up.

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

Looking forward to year 2011, members can expect an increase in benefits as further tie-ups with complementary services are being planned.



BORNEO HIGHLANDS HORNBILL GOLF AND JUNGLE CLUB

Borneo Highlands Resort is an eco-friendly, self contained resort resting amidst beautiful breathtaking nature environments which is pollution free with a temperature ranging from 18 degree Celsius to 28 degree Celsius throughout the year.

Borneo Highlands Resort promotes a "Back to Nature, Back to Basics" lifestyle where man and nature co-exists harmoniously in the 21st century to achieve a state of wellness for the body, mind and soul. Here, we wish to share the wellness nature eco-living in the world's oldest tropical rainforest with you. Life at Borneo Highlands Resort is truly "Heaven on Earth".

Borneo Highlands Resort offers world class golf facilities, amazing outdoor nature offerings including a jungle themed spa with traditional massages, herbal treatment, gardens, organic farm and horseback riding. Borneo Highlands Resort is located at 1,000m above sea level and is the only location in Sarawak of this altitude that is easily accessible with variety of flora and fauna.

Annually, Borneo Highlands Resort organizes 3 events namely the BHR Padawan Nature Challenge in collaboration with Padawan Municipal Council, Colours of Nature, and Bird Race in collaboration with Malaysian Nature Society. Last year the events organized are:

- 22nd May 2010 - Launching of BHR in an Important Bird Area (IBA) by the Deputy Minister of Tourism Malaysia (Dato' James Dawos Mamit)
- 4th July 2010 - BHR Padawan Nature Challenge 2010 (Cycling & Trekking Event - Jointly organized with Padawan Municipal Council)
- 28th August 2010 - 16th September 2010 - Colours of Nature 2010 (In conjunction with the National Day and Malaysia Day)
- 8th October 2010 - 10th October 2010 - Sarawak Bird Race 2010 (Jointly organized with Malaysian Nature Society)

For the year 2011, our annual events would be held in a larger scale to promote Borneo Highlands Resort internationally. The 2011 event dates are:-

- BHR Padawan Nature Challenge 2011 - 3rd July 2011
- Colours of Nature - 27th August 2011 - 16th September 2011
- Sarawak Bird Race - 28th October 2011 - 30th October 2011

Up to now, our achievements are:

- Best Golf Development (Malaysia) - Awarded by CNBC Asia Pacific Property Award 2008
- Best Golf Resort - Awarded by Expatriate Lifestyle in the Best of Malaysia 2008/2009
- Asia's Best Course in Malaysia (1st Runner Up) - Awarded by Asian Golf Monthly Awards 2008.
- Toro Asian Golf Course Environment Award - Awarded in the recognition for the dedication and commitment to all environmental aspects of golf operations.
- Accepted as a "IGOLF Laureate Course" - By the International Golf & Life Foundation which acknowledges golf courses which promotes environmental and social responsibility.
- Best Traditional Treatment for Jungle Spa's Peso Perong Therapy (Traditional Bidayuh Massage) - Awarded by the "Malaysia Spa & Wellness Awards 2009"
- Launching of Borneo Highlands Resort in an Important Bird Area (IBA) status on the 22nd May 2010 by BirdLife International and Malaysian Nature Society



PALACE VACATION CLUB

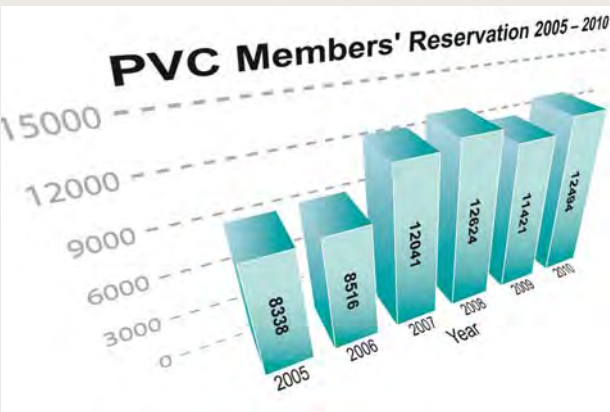
A Lifetime of Memories Begins Here...

Vacations with families and loved ones will create wonderful memories and Palace Vacation Club was exclusively designed with just that in mind, to provide members with a lifetime of wonderful vacation memories. Being a member will ensure affordable family vacation and with Palace Vacation Club, members will be enjoying vacations with the most flexibility in the industry. Palace Vacation Club has just acquired a brand new property located in Old Street, Central London to add into its extensive resort listing. Members can also look forward to new holiday destinations such as South Africa and Vietnam through the internal affiliation. Apart from that members have direct access to an extensive list of quality resorts around the globe through our strong affiliations with Resort Condominium International (RCI) - the world's largest resort exchange company with access to more than 4000 holiday resorts around the world! And with new upcoming resorts in more exciting destinations continually being added, members will have endless opportunities to have a holiday of their lifetime as well as enjoy exclusive privileges such as the facilities at its two

established hotels, Palace of The Golden Horses and Mines Wellness Hotel. The recreational facilities provided includes special discount at F&B outlets, spa packages, water sports and cruises within the Mines Resort City.

Palace Vacation Club members enjoy unique privileges such as exchanges of the holiday's entitlement for other products ranging from health services, entertainment and Wellness services.

The Member Services department of Palace Vacation Club has successfully processed a total of 12,494 room bookings for 2010 with 95% success booking ratio, made possible through our dynamic team and the availability of over 100 internal and direct affiliation resorts covering Malaysia, Thailand, the Philippines, Indonesia, India, Australia, China, Europe, Vietnam and South Africa. Palace Vacation Club will continue its effort and commitment in product innovation, redevelopment and enhancement of the membership. Through Palace Vacation Club you will experience exhilarating vacations as it is established as the prestigious timesharing program that offers immense benefits and privileges.



PVC Successful Bookings Ratio 2010

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
Successful Booking	660	761	959	837	761	1144	930	723	822	652	980	1435	10644
Cancellation	124	170	153	79	110	259	125	109	171	119	151	260	1830
Unsuccessful Booking	23	111	14	4	3	34	7	12	45	53	140	214	660
Total Booking Processed	784	931	1112	916	871	1403	1055	832	993	771	1131	1695	12494
Booking Efficiency %	97.1%	89.3%	98.8%	99.6%	99.7%	97.6%	99.3%	98.6%	95.7%	93.6%	95.5%	88.8%	95%



Pecanwood Golf & Country Club – Hartbeespoort, South Africa



Bezier Apartment – 91, City Road, London

International Malaysia Education Centre (IMEC)

The education industry is recession-proof as it is regarded as a necessity; however, the Ringgit's appreciation in 2010 against major currencies such as the US dollar had a direct impact on students' enrolment. IMEC's students came mainly from Middle East where transactions were mainly through the US Dollar. Indirectly, it resulted in a higher cost of studying and living in Malaysia. To overcome this, IMEC improved on its quality of teaching and material, and customer service to provide better quality and service to its students.

The Academic team revised the academic material and syllabus, and introduced standardised tests to help benchmark IMEC students' abilities and skill sets. We also introduced an online language lab for students to practice their skills from our computer lab or at home. The lab has materials that span the entire syllabus and has exercises to help students improve their speaking, reading, writing, and listening. These advancements made our students more competitive in meeting their language goals in Malaysia and abroad.

The year 2010 saw a wealth of special events and activities in IMEC. We had our first international food day celebration, IMEC "Amazing Race," IMEC World Cup, and trips to The French Village and Genting Highlands. All our trips were multicultural communicative events meant to promote teamwork and enjoyment. For our food day celebration, students worked together to prepare their home countries food dishes. Students were judged on taste, teamwork and description of their prepared dish. The "Amazing Race" was an activity based on the TV programme of the same name where students worked in teams to finish the race in the shortest time possible. We also had a small football tournament in which players from different classes competed against each other. Class trips were well attended and enjoyed by the majority of the students in the school.



Hospitality & Health (cont'd)



In keeping with the times, IMEC also created a Facebook community among our students and potential customers to be in touch with them at all times with an objective of informing them about IMEC promotional programmes and activities. Besides these, we also received a lot of constructive comments from students. This allowed the management of IMEC to be informed of the market demand and expectations in order to strive for the best in English Language education. Furthermore, the statistic showed that a majority of leads received were through friends, internet and word-of-mouth.

We also worked within the community to expand our students' mindsets and experience. In March 2010, we invited special needs students and their tutors from E-able centre at the Mines to join classes at IMEC. Both groups integrated well and benefited from the other as they learned. E-able also accompanied IMEC to the French Village and participated in the International Food Day. We look forward to welcoming the E-able group back in 2011.

Despite the challenges faced in year 2010, IMEC will continuously seek to improve to serve our students and the community better. The launch of "Strategy Plan for Higher Education: Laying the Foundation Beyond 2020" by Ministry of Higher Education gives ample opportunities for IMEC to continue to grow in the English language education industry.

To know more about IMEC, join our community, visit our website: www.imec.edu.my.

CORPORATE SOCIAL RESPONSIBILITY



Mindful of the impact its operations have on society, the Company seeks to ensure that the interests of its key stakeholders; from shareholders, investors, consumers, customer and employees to the larger community are looked after. The Company seeks to be socially responsible and hope to make a difference in the society that it operates in.

THE WORKPLACE

We expect all our staff to maintain the highest standards of propriety, integrity and conduct in all their business relationships. Employees are contractually bound to observe prescribed standards of business ethics when conducting themselves at work and in relationship with external parties, such as customers and suppliers.

We know the value of our intellectual capital and show this by encouraging personal development, by recognizing achievements and by looking after their well-being. We are committed to ensuring equality of opportunity. The Group provides a healthy and safe working environment for our employees including the provision of insurance coverage in terms of hospitalization and surgical allowances, as well as, group term life and personal accident coverage for employees for medical or accidental contingencies.

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

In addition, the Group produces and designs an informative e-health newsletter for dissemination to our staff in an effort to continuously educate them about health issues.

THE ENVIRONMENT

Keeping the environment's elements in balance is always a top priority in all our projects as we strongly uphold the value of preserving nature. Our flagship project, MINES RESORT CITY which used to be an abandoned tin mine was transformed from a crater to an idyllic natural surrounding making it an peaceful haven from the concrete jungle of Kuala Lumpur.



Our name MINES - Making Impossible Natural Environment Sustainable stands for what we truly believe and practice which is restoring nature back to its natural state.

Although the Group's overall environmental impact is indirect, we strive to reduce our consumption of resources and generation of waste, while encouraging paper usage reduction and recycling plans. It is a signature that all the hotels under the group have its own organic farm. The most successful is seen in Borneo Highlands where only vegetarian food is served.

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 were chosen to receive the Green Award in 2010, for being supportive in the use of green products, provision of training programmes for operations on environmental management, and introduction of waste management techniques such as recycling.

In conjunction with World Vegetarian Day 2010, the Group's hotels, Palace of the Golden Horses, the Mines Wellness Hotel, as well as Borneo Highlands, had pledged their part for the environment by launching their very own organic gardens under the banner of a brand new environmental unit, the Mines Green Circle, a green environmental unit dedicated towards promoting "Better Environment, Better Health." Combined, the three hotels had dedicated a total of 6,000 sq ft for gardens in their compounds. While the produce from the gardens will be used in the hotels' restaurants, from time to time, the organic gardens will be made available to the public during special events to encourage healthier eating.

Among the Mines Green Circle's continuous educational efforts includes the maintenance of an educational blog, as well as a social media platforms that propagate environmental awareness, health and personal development.

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.

The Health Division for the Group was founded as an entity to promote Lifestyles of Health and Sustainability, to centre its goods and services focused on health, the environment, social justice, personal development and sustainable living.

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.

The Group has frequently organized parties and special occasions for the orphans and underprivileged children.

The Group hosted a charity high tea at Grand Salon, Palace of the Golden Horses for the underprivileged as a joint-effort with LiteFM to benefit the children of SHELTER. Exciting entertainment was lined up for the children, turning the party into a mini carnival, a memorable event for all.

During the month of Ramadan, Mines Wellness Hotel had organized a charity dinner at Abdul & Charlie to benefit the senior citizens of Puchong. The beneficiaries each received Hari Raya goodies and packets of Duit Raya. They were also treated with a sumptuous Buka Puasa Buffet with traditional and Malay cuisine specially prepared by the Hotel's chefs.

The Group recognizes the importance of meeting the environmental and social needs of the community and will endeavor to take appropriate and timely action in relation to CSR.

CORPORATE STRUCTURE



- 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
- 100% Steady Prospect Sdn Bhd
- 100% Tindak Murni Sdn Bhd
- 100% Walum Enterprise Sdn Bhd
- 100% Timbang Makmur Sdn Bhd
- 100% Versatile Champion Sdn Bhd
- 100% Country Heights Commercial Development Sdn Bhd (fka Mines ePurse Sdn Bhd)
- 100% Country Heights China Ltd
- 48% Simplex Design Sdn Bhd
- 20% Dragon Spring Investment (Labuan) Ltd

- 100% East Vision Leisure Group Sdn Bhd
- 100% Endless Gain Sdn Bhd
- 100% WIEXPO Sdn Bhd (fka 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% KAT Events Sdn Bhd (fka Ten Plus One Sdn Bhd)
- 100% Mines Premium Sdn Bhd
- 100% Mines Events Management Sdn Bhd (fka Output Combination Sdn Bhd)

Corporate Structure (cont'd)



FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Revenue	228,595	176,339	243,191	258,535	213,165
Profit/(Loss) before taxation	26,014	2,758	18,710	78,615	(33,965)
Profit/(Loss) after taxation	17,976	614	8,604	99,808	(36,030)
Net Profit/(Loss) Attributable to Shareholders	19,570	3,413	13,206	100,481	(32,689)
Total Assets	1,452,718	1,491,080	1,528,274	1,553,061	1,885,755
Total Liabilities	715,915	769,601	811,025	839,890	1,273,217
Share Capital	275,707	275,707	275,707	275,707	275,707
Reserves	433,681	416,731	409,702	393,679	292,373
Shareholders' Funds	709,388	692,438	685,409	669,386	568,080
	Sen	Sen	Sen	Sen	Sen
Basic Earnings/(Loss) Per Share (sen)	7.10	1.24	4.79	36.44	(11.85)
Net Assets Per Share (RM)	2.57	2.51	2.49	2.43	2.06
Return on Total Assets (%)	1.35	0.23	0.86	6.47	(1.73)
Return on Equity (%)	2.76	0.49	1.93	15.01	(5.75)
Gearing (Net Debt/Equity)	0.39	0.46	0.49	0.53	1.40

Five-Year Group Financial Highlights (cont'd)

Revenue (RM'000)

2010	● ● ● ● ● ●	228,595
2009	● ● ●	176,339
2008	● ● ● ● ● ● ●	243,191
2007	● ● ● ● ● ● ● ●	258,535
2006	● ● ● ● ●	213,165

Basic Earnings/(Loss) Per Share (SEN)

2010	● ● ●	7.10
2009	●	1.24
2008	● ●	4.79
2007	● ● ● ● ● ● ●	36.44
2006	● ● ● ● ●	(11.85)

Profit/(Loss) before taxation (RM'000)

2010	● ● ● ● ●	26,014
2009	●	2,758
2008	● ● ●	18,710
2007	● ● ● ● ● ● ● ●	78,615
2006	● ● ● ● ●	(33,965)

Net Assets Per Share (RM)

2010	● ● ● ● ● ● ●	2.57
2009	● ● ● ● ● ● ●	2.51
2008	● ● ● ● ●	2.49
2007	● ● ● ●	2.43
2006	● ●	2.06

Shareholders' Funds (RM'000)

2010	● ● ● ● ● ● ●	709,388
2009	● ● ● ● ●	692,438
2008	● ● ● ●	685,409
2007	● ● ●	669,386
2006	● ●	568,080

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

Country Heights Holdings Berhad (“CHHB”) fully subscribes to the recommendations of the revised Malaysian Code on Corporate Governance (“Code”) in 2010. 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 takes full responsibility for the performance 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 seven (7) members, comprising five (5) Non-Executive Directors and two (2) Executive Directors. Of the five (5) Non-Executive Directors, four (4) are Independent, thus fulfilling the requirement that at least one-third of the Board comprise of Independent Directors. A brief profile of each Director is presented on pages 4-10 of this Annual Report.

The Board constitutes an optimal size and appropriate composition that 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 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.

There is a clear division of responsibilities between the Chairman and the Group Managing Director 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 day-to-day running of the businesses.

Board Meetings

During the financial year, the Board of Directors held six (6) 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)	6/6
Tan Sri Lee Kim Tiong @ Lee Kim Yew	4/6
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	6/6
Mark Victor Rozario	6/6
Nik Hassan Bin Nik Mohd Amin	6/6
Chew Chong Eu	6/6
Lee Cheng Wen	6/6
Chew Cheng Keat (resigned w.e.f 15/12/2010)	5/6

Directors’ Training

All the Directors have attended 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:-

- Malaysia Green Forum 2010
- Asian Infrastructure & Property Development Summit 2010
- FIABCI Malaysia Smart Investment in Property Seminar 2010 – “Malaysia Properties : Bubble or Boom?”
- ASLI 13th National Housing & Property Summit “Gearing up for Sustainable Growth during the 10th Malaysia Plan Period”
- Business Leadership Retreat
- Portfolio Risk Management in a Diversified Company
- Global Islamic Finance Forum :Opportunities for Tomorrow
- Asia Pacific Young Business Conference & Trade 2010
- FIABCI morning talk on EPF Involvement & Investment in Property Sector
- Corporate Malaysia Forum – Private Enterprises: Re-engineering Economic Growth by The Leaders Forum
- Corporate Governance and Ethics: Strengthening Professionalism Through Ethics

Corporate Governance Statement (cont'd)

- Economics and Capital Markets I: Forces Shaping Global Capital Markets
- Asia Pacific Young Business Conference & Trade – “What I do not understand”
- Corporate Affairs Update – “Topic 1: Challenges facing the corporate profession” & “Topic 2: Adding Value”
- How To Make The Competition Irrelevant
- Is Your Long Term Incentive Plan Driving Sustainable Long Term Results?
- Competency As The Backbone of Transformation
- Building a Board & Management Relationship that adds real value & Analysis of what the analysts are saying & why
- Conference for Directors & Senior Executive: Corporate Governance, Tax Planning & New Approaches in Taxation for University Holding Companies
- Sustainability Programme for Corporate Malaysia
- Corporate Governance Guide: Towards Boardroom Excellence

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 has delegated specific responsibilities to four (4) board committees which include the Audit Committee, Nomination Committee, Remuneration Committee and Management Executive Committee. These Committees have the authorities to examine particular issues within their terms of reference and report back 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 59 to 60 of this Annual Report.

2. Nomination Committee

The Nomination Committee comprises wholly of Non-Executive Directors and all are independent:-

Members

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

The Committee met twice 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. 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 Remuneration Committee comprises wholly of Non-Executive Directors:

Members

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

Corporate Governance Statement (cont'd)

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 of six senior management and is chaired by the Group Managing Director.

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.

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 2010 categorised into the appropriate components are as follows:-

Description	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Salaries & Other emoluments	787	34	821
Benefit-in-kinds	100	28	128
EPF Contribution	94	-	94
Fees	24	102	126
Total	1,005	164	1,169

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	-	6
RM250,000 to RM300,000	1	-
RM700,000 to RM750,000	1	-
Total	2	6

Corporate Governance Statement (cont'd)

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. It provides shareholders with an opportunity to seek clarification on the Group's business strategy, performance and major developments.

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 pages 61 to 62 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 2010, 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.

Corporate Governance Statement (cont'd)

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 Depositary Receipt (ADR) or Global Depositary 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 RM1,648,000 imposed by the Inland Revenue Board in respect of outstanding taxes relating to the financial year ended 31 December 2010.

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 2010 amounted to RM107,000.

Variation between Audited and Unaudited Results for the Financial Year Ended 31 December 2010

There was no variance of 10% or more between the audited results for the financial year ended 2010 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 buy-backs 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 2010.

AUDIT COMMITTEE'S REPORT

AUDIT COMMITTEE'S REPORT

The Audit Committee of Country Heights Holdings Berhad 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);
- Academician Tan Sri Emeritus Professor 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 2010 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
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	5/5
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:

- must be a member of the Malaysian Institute of Accountants;
- 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:

- To make appropriate recommendations to the Board on matters pertaining to the nomination, appointment and dismissal of external auditors and the fee thereof;
- To review and discuss with the external auditors and internal auditors before the commencement of audit, the nature and scope of the audit;
- 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:
 - public announcement of results and dividend payments;
 - any significant changes in accounting policies and practices;
 - significant adjustments and unusual events resulting from the audit;
 - the going concern assumption;
 - compliance with stock exchange, accounting standards and legal requirements.

Audit Committee's Report (cont'd)

- 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.
- 4) To review and discuss with the external auditors concerning findings 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 Audit Committee

During the financial year, the Committee carried out its duties as set out in the terms of reference and discussed the following issues:-

- 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;

Summary of Activities of the Internal Audit Function

The internal audit function is undertaken by an independent firm of consultants appointed by the Board. The outsourced internal audit function reports independently to the Audit Committee and its role encompasses the examination and evaluation of the adequacy and effectiveness of the Group's system of internal control to provide reasonable assurance to the members of the Audit Committee.

During the financial year, the outsourced internal audit function carried out the following activities:

- i. Formulated annual risk based audit plan and reviewed the resource requirements for audit executions;
- ii. Executed internal audit reviews in accordance with the approved annual audit plan;
- iii. Issued reports on the internal audit findings identifying weaknesses and highlighting recommendations for improvements on a periodic basis;
- iv. Followed-up on the implementation of corrective action plans or best practices agreed with management; and
- v. Attended Audit Committee meetings to table and discuss the audit reports and followed up on matter raised.

The internal audit reviews conducted did not reveal weaknesses that have result in material losses, contingencies or uncertainties that would require separate disclosure in the annual report.

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 Country Heights Holdings Berhad affirms its overall responsibility for the Group's system of internal controls 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.

KEY FEATURE OF THE GROUP'S INTERNAL CONTROL SYSTEM

Key elements of the Group's internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

1. Control Environment

- **Organization Structure & Authorization Procedures**
The Group maintains a formal organisation structure with well-defined delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures in order to enhance the internal control system of the Company's various operations.

- **Monitoring and Reporting Procedures**

The Group Managing Director meets on a regular basis with all divisional heads to consider the Group's financial performance, business developments, management and corporate issues.

- **Human Resource Policy**

Comprehensive and rigorous guidelines on the employment are in place, to ensure that the Company has a team of employees who are equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.

- **Annual Budget**

The Company has a comprehensive budgeting system established to meet the annual business plan. The annual business plan and budget are approved by the Board. Budgetary control is in place for every operations of the Company, where actual performance is closely monitored against budgets to identify and to address significant variances.

2. Risk Management

The Board with the assistance of the Audit Committee continuously reviewed the on going process of identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the financial year under review.

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.

Statement On Internal Control (cont'd)

3. 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.

The costs incurred in maintaining the outsourced internal audit function for the financial year ended 31 December 2010 amounted to RM138,385.00.

3. Information and Communication

Information critical to the achievement of the Company's business objectives are communicated through established reporting lines across the Company. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

4. Review & Monitoring Process

Regular management meetings are held to discuss and monitor the Group's operations and performance, including meetings to discuss deviation of results against performance targets, with significant variances explained for and corrective management action formulated, where necessary. In addition to the above, schedule and ad-hoc meetings are held at operational and management levels to identify, discuss and resolve business and operational issues as and when necessary.

CONCLUSION

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.

This statement is made in accordance with the Board's resolution dated 26 April 2011.



FINANCIAL STATEMENTS

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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, 2010.

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 RM'000	Company RM'000
Profit before tax	26,014	17,286
Income tax expense	(8,038)	(1,069)
Profit for the year	17,976	16,217
Profit attributable to:		
Equity holders of the Company	19,570	
Non-controlling interests	(1,594)	
	17,976	

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.

Directors' Report

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position 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.

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.

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
Lee Cheng Wen
Chew Cheng Keat (resigned on 15.12.2010)

Directors' Report (cont'd)

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			
	As of 1.1.2010	Bought	Sold	As of 31.12.2010
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	48,368,231	-	-	48,368,231
Lee Cheng Wen	-	132,589,400	-	132,589,400
The Subsidiary, Golden Horse Palace Berhad				
Direct Interest				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	50,000,000	-	-	50,000,000

	RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010			
	As of 1.1.2010	Bought	Sold	As of 31.12.2010
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' Report (cont'd)

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
26 April, 2011

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 statements of financial position of the Group and of the Company as of 31 December, 2010 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 70 to 154.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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 contents 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 of financial statements that give a true and fair view 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, 2010 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, 2010 for which the current liabilities exceeded the current assets of the Group and of the Company by RM88,097,000 and RM162,833,000 as of 31 December, 2010 as disclosed in Note 40 to the Financial Statements. The net current liabilities position of the Group arose mainly from the classification of the RSLs Series B amounting to RM68,821,674 under current liabilities due to their maturity on 20 December, 2011 as disclosed in Note 29(B) to the Financial Statements, and the short-term interest-free loan amounting to RM84,451,795 granted by a director of the Company to the Company which is due for repayment before 21 December, 2011 as disclosed in Note 26(b)(iii) to the Financial Statements. The Group's repayment of the RSLs Series B, and the ability of the Group and the Company to repay the said loan to the director is dependent upon the Group generating sufficient cash flows from operations and the ability of management to successfully obtain refinancing arrangements which are being actively pursued.

Independent Auditors' Report (cont'd)

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

Report on Other Legal and Regulatory Requirements

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

- 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 subsidiaries of which we have acted as auditors, have been properly kept in accordance with the provisions of the Act;
- b) we have considered the accounts and auditors' reports of the subsidiaries of which we have not acted as auditors, as mentioned in Note 17 to the Financial Statements, being accounts that have been included in the financial statements of the Group;
- c) we are satisfied that the accounts 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 financial statements of the Group, and we have received satisfactory information and explanations as required by us for these purposes; and
- d) the auditors' report on the accounts 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.

Other Reporting Responsibilities

The supplementary information set out in Note 42 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

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

26 April, 2011
Petaling Jaya

STATEMENTS OF COMPREHENSIVE INCOME

For The Year Ended 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Revenue	4	228,595	176,339	26,894	10,058
Cost of sales	5	(73,339)	(70,183)	-	-
Gross profit		155,256	106,156	26,894	10,058
Other operating income		21,207	26,816	16,367	8,407
Selling and marketing expenses		(9,559)	(6,357)	(166)	(372)
Administrative expenses		(28,370)	(23,017)	(4,731)	(3,704)
Other operating expenses		(87,100)	(75,394)	(6,154)	(7,454)
Finance costs	6	(25,945)	(25,447)	(14,924)	(6,195)
Share of profit of associates		525	1	-	-
Profit before tax	7	26,014	2,758	17,286	740
Income tax expense	10	(8,038)	(2,144)	(1,069)	(579)
Profit for the year		17,976	614	16,217	161
Other comprehensive income/(loss)					
Exchange differences on translating foreign operations		(100)	3,616	-	-
Gain arising on revaluation of available-for-sale financial assets	35(d)	57	-	-	-
Transfer from revaluation reserve to retained earnings upon depreciation on revalued assets		(1,864)	(1,864)	-	-
Realisation of revaluation reserve to retained earnings upon depreciation on revalued assets		1,864	1,864	-	-
Other comprehensive income/(loss) for the year, net of tax		(43)	3,616	-	-
Total comprehensive income for the year		17,933	4,230	16,217	161
Profit/(Loss) attributable to:					
Equity holders of the Company		19,570	3,413	16,217	161
Non-controlling interests		(1,594)	(2,799)	-	-
Profit for the year		17,976	614	16,217	161
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		19,527	7,029	16,217	161
Non-controlling interests		(1,594)	(2,799)	-	-
Total comprehensive income for the year		17,933	4,230	16,217	161
Earnings per share attributable to equity holders of the Company (sen):					
Basic	11(a)	7.10	1.24		
Diluted	11(b)	N/A	N/A		
Net dividends per ordinary share (sen)		-	-		

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

STATEMENTS OF FINANCIAL POSITION

As Of 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
ASSETS					
Non-Current Assets					
Hotel properties and exhibition centre & showroom	12	337,014	340,866	-	-
Other property, plant and equipment	13	89,356	118,309	669	820
Property, plant and equipment		426,370	459,175	669	820
Investment properties	14	108,394	89,794	-	-
Prepaid land lease payments	15	344,025	348,331	-	-
Land held for property development	16(a)	182,446	174,366	-	-
Investment in subsidiaries	17	-	-	631,708	438,128
Investment in associates	18	3,834	5,443	41	41
Available-for-sale financial assets	19	1,005	932	718	718
Long-term trade receivables	22	25,101	16,095	-	-
Funds held in trust	23	-	-	-	-
Deferred tax assets	32	7,093	9,401	-	-
Goodwill on consolidation	20	-	-	-	-
Total Non-Current Assets		1,098,268	1,103,537	633,136	439,707
Current Assets					
Property development costs	16(b)	74,048	77,163	-	-
Inventories	21	129,616	139,086	-	-
Trade and other receivables	22	69,162	126,410	18,502	250,681
Tax recoverable		5,643	1,526	3,398	837
Cash and bank balances	24	75,981	33,569	2,072	1,008
		354,450	377,754	23,972	252,526
Non-current asset classified as held for sale	25	-	9,789	-	-
Total Current Assets		354,450	387,543	23,972	252,526
TOTAL ASSETS		1,452,718	1,491,080	657,108	692,233

Statements Of Financial Position (cont'd)

As Of 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	34	275,707	275,707	275,707	275,707
Share premium		57,251	57,251	57,251	57,251
Other reserves	35	158,947	160,854	19,048	19,048
Retained earnings	36	217,483	198,626	43,149	26,932
Equity attributable to equity holders of the Company		709,388	692,438	395,155	378,938
Non-controlling interests		27,415	29,041	-	-
Total Equity		736,803	721,479	395,155	378,938
Non-Current Liabilities					
Borrowings	26	147,894	180,135	75,148	299
Long-term liabilities	31(a)	4,800	4,783	-	-
Deferred income	31(b)	35,337	32,439	-	-
Deferred tax liabilities	32	85,337	86,922	-	-
Total Non-Current Liabilities		273,368	304,279	75,148	299
Current Liabilities					
Borrowings	26	205,066	172,794	84,603	150,151
Trade and other payables	33	172,878	234,723	102,202	162,845
Tax liabilities		63,622	56,775	-	-
Deferred income	31(b)	981	1,030	-	-
Total Current Liabilities		442,547	465,322	186,805	312,996
Total Liabilities		715,915	769,601	261,953	313,295
TOTAL EQUITY AND LIABILITIES		1,452,718	1,491,080	657,108	692,233

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

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December, 2010

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	Non-Controlling Interest RM'000	Total Equity RM'000
As of 1 January, 2009		275,707	57,251	159,102	193,349	685,409	31,840	717,249
Profit for the year		-	-	-	3,413	3,413	(2,799)	614
Other comprehensive income		-	-	1,752	1,864	3,616	-	3,616
Total comprehensive income		-	-	1,752	5,277	7,029	(2,799)	4,230
As of 31 December, 2009		275,707	57,251	160,854	198,626	692,438	29,041	721,479
As of 1 January, 2010		275,707	57,251	160,854	198,626	692,438	29,041	721,479
As previously reported		275,707	57,251	160,854	198,626	692,438	29,041	721,479
Effect of changes in accounting policy - Adoption of FRS139	2	-	-	-	(2,577)	(2,577)	-	(2,577)
As restated		275,707	57,251	160,854	196,049	689,861	29,041	718,902
Profit for the year		-	-	-	19,570	19,570	(1,594)	17,976
Other comprehensive income/(loss)		-	-	(1,907)	1,864	(43)	-	(43)
Total comprehensive income/(loss)		-	-	(1,907)	21,434	19,527	(1,594)	17,933
Effect of dilution on equity interest in subsidiaries		-	-	-	-	-	(32)	(32)
As of 31 December, 2010		275,707	57,251	158,947	217,483	709,388	27,415	736,803

Company	Share Capital RM'000	Non-distributable Reserves Share Premium RM'000	Other Reserves RM'000	Distributable Reserves - Retained Earnings RM'000	Total Equity RM'000
As of 1 January, 2009	275,707	57,251	19,048	26,771	378,777
Total comprehensive income for the year	-	-	-	161	161
As of 31 December, 2009	275,707	57,251	19,048	26,932	378,938
As of 1 January, 2010	275,707	57,251	19,048	26,932	378,938
Total comprehensive income for the year	-	-	-	16,217	16,217
As of 31 December, 2010	275,707	57,251	19,048	43,149	395,155

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

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM/(USED IN)					
OPERATING ACTIVITIES					
Profit before tax		26,014	2,758	17,286	740
Adjustments for:					
Interest expense	6	25,945	25,447	14,924	6,195
Allowance for doubtful debts					
Subsidiaries		-	-	406	64
Others		15,755	8,575	16	176
Depreciation of:					
Other property, plant and equipment	13	7,522	7,041	243	221
Hotel properties and exhibition centre & showroom	12	4,160	4,157	-	-
Bad debts written off		5,559	3,359	-	278
Amortisation of prepaid land lease payment	15	4,306	4,306	-	-
Fair value adjustment to long term receivable		800	-	-	-
Loss/(Gain) on disposal of:					
Investment properties		39	(3,401)	-	-
Investment in associates		(5,260)	-	-	-
Other property, plant and equipment		(471)	(38)	-	16
Non-current asset classified as held for sale		(333)	-	-	-
Investment in subsidiaries		-	(3)	-	10
Impairment losses in value of:					
Goodwill on consolidation	20	8	-	-	-
Investment in associate		-	206	-	206
Investment in subsidiaries		-	-	3,760	5,205
Other property, plant and equipment written off		5	48	-	-
Allowance for doubtful debts written back					
Subsidiaries		-	-	(15,711)	(7,836)
Others		(1,429)	(353)	-	-
Amortisation of deferred income		(983)	(956)	-	-
Interest income		(751)	(1,187)	(17)	(2)
Share of results of associates		(525)	(1)	-	-
Net unrealised foreign exchange gain		(219)	(120)	-	-
Reversal of deferred income		(106)	(27)	-	-
Gain on deemed disposal of a subsidiary		-	(1,462)	-	-
Reversal of impairment losses in value of:					
Investment in subsidiaries		-	-	-	(559)
Available-for-sale financial assets		-	(58)	-	-
Waiver of debts owing by subsidiaries		-	-	16	160
Waiver of debts owing to a subsidiary		-	-	(628)	(20)
Dividend income	4	-	-	(21,553)	(5,650)
Operating Profit/(Loss) Before Working Capital Changes		80,036	48,291	(1,258)	(796)
Movements in working capital:					
(Increase)/Decrease in:					
Inventories		9,470	1,984	-	-
Property development costs		16,348	12,467	-	-
Receivables		15,550	(47,432)	17,722	(4,277)
Increase/(Decrease) in:					
Deferred income		3,938	2,596	-	-
Payables		(39,896)	7,256	(90)	6,520
Subsidiary companies balances		-	-	(6,848)	6,038
Cash Generated From Operations		85,446	25,162	9,526	7,485
Interest paid		(10,162)	(9,347)	(1,143)	(18)
Income tax refund		-	2,105	-	2,105
Income tax paid		(4,392)	(2,050)	-	-
Net Cash From Operating Activities		70,892	15,870	8,383	9,572

Statements Of Cash Flows (cont'd)

For The Year Ended 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Proceeds from disposal of :					
Other property, plant and equipment		7,557	756	-	30
Investment in associate		7,394	-	-	-
Non-current asset classified as held for sale		1,110	-	-	-
Investment properties		257	9,220	-	-
Interest received		751	1,187	17	2
Net cash inflow from:					
Acquisition of a subsidiary	17	513	-	-	-
Disposal of subsidiaries	17	7	6,997	-	-
Purchase of:					
Other property, plant and equipment	(a)	(9,121)	(5,272)	(89)	(94)
Investment properties	(b)	(2,353)	(573)	-	-
Hotel properties and exhibition centre & showroom	12	(308)	(347)	-	-
Non-controlling interest		(37)	-	-	-
Investment in subsidiaries		-	-	(287)	-
Net dividend received		-	-	17,923	4,237
Net Cash From Investing Activities		5,770	11,968	17,564	4,175
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of:					
Bonds		(75,000)	-	(75,000)	-
Bank Guaranteed Commercial Paper/Medium Term Notes		(4,964)	(30,000)	-	-
Revolving credits		(1,819)	(2,502)	-	-
Hire-purchase and lease creditors		(619)	(845)	(151)	(152)
Term loans		(163)	(195)	-	-
Golf membership loans		-	(13)	-	-
Bond interest expense paid		(24,732)	(12,668)	(24,732)	(12,668)
Drawdown of:					
Term loan		75,000	-	75,000	-
Golf membership loans		17	-	-	-
Bank Guaranteed Commercial Paper/Medium Term Notes		-	39,764	-	-
Net Cash Used In Financing Activities		(32,280)	(6,459)	(24,883)	(12,820)

Statements Of Cash Flows (cont'd)

For The Year Ended 31 December, 2010

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
NET INCREASE IN CASH AND CASH EQUIVALENTS		44,382	21,379	1,064	927
Effects of foreign exchange rate changes		(75)	101	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		31,216	9,736	1,008	81
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	75,523	31,216	2,072	1,008

Note:

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

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Total costs of property, plant and equipment	13	13,768	7,640	92	94
Less: Disposal of subsidiary		-	(296)	-	-
Less: Purchase consideration satisfied by:					
Payables		(4,647)	(1,976)	(3)	-
Hire-purchase		-	(96)	-	-
		9,121	5,272	89	94

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

		Group	
	Note	2010 RM'000	2009 RM'000
Total additions from subsequent expenditure	14	2,353	703
Less: Disposal of subsidiary		-	(130)
		2,353	573

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December, 2010

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 26 April, 2011.

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.

Adoption of new and revised Financial Reporting Standards

In the current financial year, the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretation") and amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual periods beginning on or after 1 January, 2010 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ¹
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets – effective date and transition)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate) ¹
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)
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)
Improvements to FRSs issued in 2009	
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of these new and revised FRSs have not affected amounts reported on the financial statements of the Group and of the Company 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 for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions of the standard. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December, 2010.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

FRS 8: Operating Segments

FRS 8, which replaces FRS 114²⁰⁰⁴ Segment Reporting, requires the identification of operating segments based on 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 their performance.

The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively.

FRS 101: Presentation of Financial Statements (revised)

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. 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

The Group and the Company have adopted FRS 139 prospectively on 1 January, 2010 in accordance with the transitional provisions in FRS 139. On that date, financial assets were either classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were either classified as financial liabilities at fair value through profit or loss or other financial liabilities (i.e. those financial liabilities which are not held for trading or designated as at fair value through profit or loss upon initial recognition). The accounting policies for financial assets and financial liabilities are as disclosed in Note 3.

The effects arising from the adoption of this Standard has been accounted for by adjusting respective opening balance as of 1 January, 2010, as shown below and comparatives are not restated.

	As of 31 December, 2009 RM'000	Effect of FRS 139 RM'000	As of 1 January, 2010 RM'000
Statements of financial position			
The Group			
Capital and Reserves			
Retained earnings	198,626	(2,577)	196,049
Non-Current Assets			
Long-term trade receivables	16,095	(2,577)	13,518

Amendments to FRS 140 Investment Property

As part of Improvements to FRSs issued in 2009, FRS 140 has been amended to include within its scope investment property in the course of construction. Therefore, following the adoption of the amendments and in line with the Group's accounting policy, investment property under construction is measured at fair value (where that fair value is reliably determinable), with changes in fair value recognised in profit or loss. The Group had previously accounted for such assets at cost less accumulated impairment losses under FRS 116 Property, Plant and Equipment.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

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 Interpretation which were issued but not yet effective until future periods are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised) ¹
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters) ²
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters) ²
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) ¹
FRS 2	Share-based Payment (Amendments relating to group cash settled share-based payment transactions) ²
FRS 3	Business Combinations (Revised) ¹
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary) ¹
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments) ²
FRS 124	Related Party Disclosure (Revised) ³
FRS 127	Consolidated and Separate Financial Statements (Revised) ¹
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue) ⁴
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3) ¹
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127) ¹
Improvements to FRSs issued in 2010 ²	
IC Interpretation 4	Determining whether an arrangement contains a lease ²
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3) ¹
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to scope of IC Interpretation 9 and revised FRS 3) ¹
IC Interpretation 12	Service Concession Arrangements ¹
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement) ⁷
IC Interpretation 15	Agreements for the Construction of Real Estate ⁵
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation ¹
IC Interpretation 17	Distributions of Non-cash Assets to Owners ¹
IC Interpretation 18	Transfers of Assets from Customers ⁶
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

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

² Effective for annual periods beginning on or after 1 January, 2011

³ Effective for annual periods beginning on or after 1 January, 2012

⁴ Effective for annual periods beginning on or after 1 March, 2010

⁵ Original effective date of 1 July, 2009 deferred to 1 January, 2012 via amendment issued by MASB on 30 August, 2010

⁶ Applies prospectively to transfers of assets from customers received on or after 1 January, 2011

⁷ Effective for annual periods beginning on or after 1 July, 2011

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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

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 IC Interpretation 15 Agreements for the Construction of Real Estate as detailed below:

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Interpretation 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 Interpretation 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 Interpretation 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 Interpretation 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 end of financial reporting period. 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.

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 profit or loss.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Non-controlling interest represents that portion of the consolidated statement of comprehensive income and net assets in subsidiaries not held by the Group. Non-controlling interest is measured at the non-controlling shareholders' share of the fair values of the subsidiaries' identifiable assets and liabilities at the acquisition date and the non-controlling shareholders' 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 profit or loss.

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 statement of financial position 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 statement of comprehensive income. 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 recognised immediately in profit or loss.

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 management-prepared 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-prepared 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 profit or loss.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

(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.

(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 3(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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

(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 statement of financial position 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 profit or loss 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.

(iii) Operating Leases – the Group as Lessee

Operating lease payments are recognised as an expense in profit or loss 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 in the statement of financial position 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 the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies (cont'd)

(ii) Foreign Currency Transactions (cont'd)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss 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 profit or loss. 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 profit or loss 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 profit or loss 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 profit or loss 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.

(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 statement of financial position presented are translated at the closing rate prevailing at the end of the reporting period;
- Income and expenses for each statement of comprehensive income 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 end of the reporting period. 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 profit or loss 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 profit or loss in the period in which they are incurred.

Taxation

Income tax expense 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 by the end of the reporting period.

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.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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 profit or loss 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 and 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 and 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 end of the reporting period. Any revaluation increase is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A revaluation decrease is first offset against unutilised previously recognised revaluation increase in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Depreciation of hotel properties and exhibition centre and 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 been 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%

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 profit or loss 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 profit or loss in the year in which they arise.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties (cont'd)

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 profit or loss 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.

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 profit or loss.

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 resell.

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 profit or loss 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Development Costs (cont'd)

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss 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 the end of each reporting period 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 the end of each reporting period 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.

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 profit or loss 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 profit or loss, 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 the end of each reporting period 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 statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

(a) Financial Assets

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(i) Financial Assets At FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instruments.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

a) Financial Assets (cont'd)

(i) Financial Assets At FVTPL (cont'd)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:-

- such designation eliminates or significantly reduces measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 Financial Instruments; Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the statements of comprehensive income. Fair value is determined in the manner described in Note 40.

(ii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(iii) AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investment or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Fair value is determined in the manner described in Note 40. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in that foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(iv) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

a) Financial Assets (cont'd)

(v) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(vi) Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(b) Financial Liabilities and Equity Instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(i) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

(ii) Financial Liabilities

Financial liabilities are initially measured at fair value, net of transaction costs. It is subsequently measured at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

(iii) Financial Liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of comprehensive income. Fair value is determined in the manner described in Note 40.

(iv) Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(b) Financial Liabilities and Equity Instruments issued by the Group (cont'd)

(v) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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.

(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 instalment 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, 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.

(iii) Property Development

The Group recognises property development revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of 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 unused tax losses and unabsorbed 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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)

(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 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, 12 February, 2010 and 9 January, 2011 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, 12 February, 2010 and 9 January, 2011 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.

4. REVENUE

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property development	95,875	61,449	-	-
Property investment	21,657	17,024	-	-
Hospitality and health	111,063	97,866	-	-
Gross dividend income from unquoted shares	-	-	21,553	5,650
Management fees from subsidiaries	-	-	5,341	4,408
	228,595	176,339	26,894	10,058

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

5. COST OF SALES

	Group	
	2010 RM'000	2009 RM'000
Property development	24,532	17,096
Cost of inventories sold	4,019	1,033
Cost of services rendered	44,788	52,054
	73,339	70,183

6. FINANCE COSTS

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Interest expense on:					
RM150 million 3% to 8%					
Redeemable Secured Bonds 1996/2010	28	12,107	12,405	12,107	12,405
Reimbursed by a subsidiary		-	-	-	(7,919)
		12,107	12,405	12,107	4,486
Bank Guaranteed Commercial Paper and Medium Term Notes	30	4,475	6,925	1,640	1,691
68,821,674 Redeemable Secured Loan Stocks 2004/2011 ("RSL Series B")	29	3,441	3,441	-	-
Term loans, revolving credits, and bank overdrafts		2,712	2,827	34	-
Hire-purchase and lease		82	114	18	18
Others		3,376	-	1,125	-
		26,193	25,712	14,924	6,195
Less: Interest expense capitalised in qualifying assets – property development costs	16(b)	(248)	(265)	-	-
		25,945	25,447	14,924	6,195

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

7. PROFIT BEFORE TAX

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

	Note	Group		Company	
		2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Employee benefits expense	8	53,150	40,233	3,636	2,532
Allowance for doubtful debts:					
Subsidiaries		-	-	406	64
Others		15,755	8,575	16	176
Depreciation of:					
Other property, plant and equipment	13	7,522	7,041	243	221
Hotel properties and exhibition centre & showroom	12	4,160	4,157	-	-
Bad debts written off		5,559	3,359	-	278
Amortisation of prepaid land lease payments	15	4,306	4,306	-	-
Tax penalty		1,648	2,423	1	-
Rental of premises		1,598	1,124	697	699
Lease rental expense		967	903	24	27
Fair value adjustment to long-term receivables		800	-	-	-
Auditors' remuneration:					
Statutory audit:					
Auditors of the Group		471	377	57	50
Other auditors		102	71	-	-
Non audit services:		-	-	-	-
Auditors of the Group		30	55	-	-
Other auditors		77	69	-	-
Rental of equipment		187	136	-	-
Non-executive directors' remuneration	9	136	291	136	125
Loss/(Gain) on disposal of:					
Investment properties		39	(3,401)	-	-
Investment in associates		(5,260)	-	-	-
Other property, plant and equipment		(471)	(38)	-	16
Non-current asset classified as held for sale		(333)	-	-	-
Investment in subsidiaries		-	(3)	-	10
Impairment losses in value of:					
Goodwill on consolidation		8	-	-	-
Investment in associate		-	206	-	206
Investment in subsidiaries		-	-	3,760	5,205
Other property, plant and equipment written off		5	48	-	-
Rental income		(3,603)	(1,502)	-	-
Allowance for doubtful debts written back:					
Subsidiaries		-	-	(15,711)	(7,836)
Others		(1,429)	(353)	-	-
Amortisation of deferred income		(983)	(956)	-	-
Gain on deemed disposal of a subsidiary		-	(1,462)	-	-
Interest income:					
Short-term deposits		(683)	(368)	(8)	(2)
Others		(68)	(819)	(9)	-
Bad debts recovered		(506)	-	-	-
Net unrealised foreign exchange gain		(219)	(120)	-	-
Reversal of deferred income		(106)	(27)	-	-
Reversal of impairment losses in value of:					
Investment in subsidiaries		-	-	-	(559)
Available-for-sale financial assets		-	(58)	-	-
Waiver of debts owing by subsidiaries		-	-	16	160
Waiver of debt owing to a subsidiary		-	-	(628)	(20)

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	40,996	29,885	3,150	2,089
Social security costs	433	403	16	13
Contribution to defined contribution plans	3,579	3,186	326	267
Other staff related expenses	8,142	6,759	144	163
	53,150	40,233	3,636	2,532

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 RM1,918,000 (2009: RM1,283,000) and RM905,000 (2009: RM595,000) 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) Nik Hassan Bin Nik Mohd Amin
- (v) Chew Chong Eu
- (vi) Chew Cheng Keat (resigned on 15 December, 2010)

Executive Directors:

- (i) Mark Victor Rozario
- (ii) Lee Cheng Wen

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

9. DIRECTORS' REMUNERATION (cont'd)

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors of the Company				
Non-Executive Directors				
Fees and other emoluments	136	125	136	125
Benefits-in-kind	28	28	28	28
	164	153	164	153
Executive Directors:				
Salaries, fee and other emoluments	811	533	811	533
Contribution to defined contribution plans	94	62	94	62
Benefits-in-kind	100	80	100	80
	1,005	675	1,005	675
	1,169	828	1,169	828
Directors of Subsidiaries				
Non-Executive Directors				
Fees and other emoluments	-	166	-	-
Executive Directors:				
Salaries and other emoluments	843	606	-	-
Bonus	77	-	-	-
Contribution to defined contribution plans	93	82	-	-
Benefits-in-kind	62	44	-	-
	1,075	732	-	-
	1,075	898	-	-
Analysis excluding benefits-in kind:				
Total non-executive directors' remuneration (Note 7)	136	291	136	125
Total executive directors' remuneration	1,918	1,283	905	595
Total directors' remuneration excluding benefits-in-kind [Note 39 (b)]	2,054	1,574	1,041	720

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

10. INCOME TAX EXPENSE

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Estimated tax payable:					
Malaysian		8,491	6,402	1,049	579
Foreign		-	-	-	-
(Over)/under provision in prior year		(228)	(2,016)	20	-
Tax saving from group relief		(924)	(809)	-	-
		7,339	3,577	1,069	579
Deferred tax expense:					
Relating to origination and reversal of temporary differences		1625	(268)	-	-
Reversal of temporary differences in respect of depreciation on revaluation surplus		(466)	(315)	-	-
(Over)/underprovision in prior years tax:					
Malaysian		(608)	(1,498)	-	-
Foreign		148	648	-	-
	32	699	(1,433)	-	-
		8,038	2,144	1,069	579

Malaysian income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated taxable profit for the year.

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 RM924,000 (2009: RM809,000) 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:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Profit before tax:	26,014	2,758	17,286	740
Tax at the applicable tax rate of 25% (2009: 25%)	6,504	690	4,321	185
Tax effects of:				
Non-deductible expenses	16,751	10,845	5,147	2,498
Non-taxable income	(12,871)	(5,138)	(8,419)	(2,104)
Utilisation of deferred tax assets previously not recognised	(268)	(263)	-	-
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties and exhibition centre and showroom	(466)	(315)	-	-
Group relief	(924)	(809)	-	-
Overprovision in prior years in respect of:				
Current tax	(228)	(2,016)	20	-
Deferred tax	(460)	(850)	-	-
Tax expense for the year	8,038	2,144	1,069	579

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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	
	2010 RM'000	2009 RM'000
Profit attributable to ordinary equity holders of the Company	19,570	3,413
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	275,707	275,707
Basic earnings per share (sen)	7.10	1.24

(b) Diluted

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

12. HOTEL PROPERTIES AND EXHIBITION CENTRE & SHOWROOM

Group	Note	Hotel Properties RM'000	Exhibition Centre & Showroom RM'000	Total RM'000
At Valuation				
As of 1 January, 2009		308,072	134,840	442,912
Additions		347	-	347
As of 31 December, 2009/1 January, 2010		308,419	134,840	443,259
Additions		308	-	308
As of 31 December, 2010		308,727	134,840	443,567
Accumulated Depreciation				
As of 1 January, 2009		9,972	2,557	12,529
Charge for the year	7	3,305	852	4,157
As of 31 December, 2009/1 January, 2010		13,277	3,409	16,686
Charge for the year	7	3,308	852	4,160
As of 31 December, 2010		16,585	4,261	20,846
Accumulated Impairment Losses				
As of 31 December, 2009/2010		24,162	61,545	85,707
Carrying Amount				
As of 31 December, 2010		267,980	69,034	337,014
As of 31 December, 2009		270,980	69,886	340,866

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

12. HOTEL PROPERTIES AND EXHIBITION CENTRE & SHOWROOM (cont'd)

Hotel properties comprise Palace of the Golden Horses and Mines Wellness Hotel held by Golden Horse Palace Berhad ("GHP") and Mines Beach Resort Berhad ("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 valuations carried out on 29 February, 2008 and subsequently updated on 12 February, 2009, 12 February, 2010 and 20 December, 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, 12 February, 2010 and 9 January, 2011 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, 12 February, 2010 and 9 January, 2011 using the comparison method and depreciated replacement cost method.

As of 31 December, 2010, had the revalued hotel properties and exhibition centre & showroom of the Group been carried under the cost model, the carrying amount would have been RM241,764,000 (2009: RM244,442,000) and RM69,034,000 (2009: RM69,886,000) respectively.

Palace of the Golden Horses and Malaysia International Exhibition & Convention Centre & Showroom are charged as securities for borrowings as disclosed in Notes 26b(ii), 28(ii) and 29 respectively.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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, 2010		16,150	6,929	33,313	121,257	66,044	7,725	40,580	291,998
Additions		4,576	-	6,277	1,512	101	4	1,298	13,768
Disposals		(7,848)	-	(717)	(139)	-	(211)	-	(8,915)
Write off		-	-	(1,686)	(22)	(112)	-	-	(1,820)
Reclassification		32	142	54,724	(52,433)	(2,474)	4	5	-
Acquisition of subsidiary		-	-	3,094	54	-	423	-	3,571
Transfer to investment properties	14	-	-	-	-	-	-	(33,390)	(33,390)
Transfer to property development cost	16(b)	(3,771)	-	-	-	-	-	-	(3,771)
Exchange differences		-	-	-	-	-	-	-	-
As of 31 December, 2010		9,139	7,071	95,005	70,229	63,559	7,945	8,493	261,441
Representing:									
At cost		-	7,071	95,005	70,229	63,559	7,945	8,493	252,302
At transitional cost*		9,139	-	-	-	-	-	-	9,139
Accumulated Depreciation									
As of 1 January, 2010		1,559	1,979	30,343	115,008	11,009	5,474	-	165,372
Depreciation charge for the year	7	181	311	3,336	2,247	698	749	-	7,522
Disposals		(853)	-	(641)	(132)	-	(203)	-	(1,829)
Write off		-	-	(1,675)	(28)	(112)	-	-	(1,815)
Reclassification		9	113	51,840	(49,836)	(2,124)	(2)	-	-
Acquisition of subsidiary		-	-	2,397	35	-	388	-	2,820
Exchange differences		-	-	2	-	13	-	-	15
As of 31 December, 2010		896	2,403	85,602	67,294	9,484	6,406	-	172,085
Accumulated Impairment									
As of 1 January, 2010		-	-	-	-	-	-	8,317	8,317
Transfer to investment properties	14	-	-	-	-	-	-	(8,317)	(8,317)
As of 31 December, 2010		-	-	-	-	-	-	-	-
Net Carrying Amount									
At cost		-	4,668	9,403	2,935	54,075	1,539	8,493	81,113
At transitional cost*		8,243	-	-	-	-	-	-	8,243
		8,243	4,668	9,403	2,935	54,075	1,539	8,493	89,356

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

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
Disposals/write-off		(34)	-	(978)	(42)	-	(1,848)	-	(2,902)
Reclassification		-	-	(418)	413	-	5	-	-
Disposal of subsidiary		(7,187)	-	(24)	-	-	(274)	-	(7,485)
Transfer to non-current asset classified as held for sale	25	(1,050)	-	-	-	-	-	-	(1,050)
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	7	139	301	2,420	2,202	1,048	931	-	7,041
Disposals/write-off		(10)	-	(932)	(37)	-	(1,157)	-	(2,136)
Disposal of subsidiary		-	-	(2)	-	-	(14)	-	(16)
Transfer to non-current asset classified as held for sale	25	(273)	-	-	-	-	-	-	(273)
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

* 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

Company	Note	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, 2009		42	90	982	46	1,160
Additions		19	21	-	54	94
Disposal		-	-	(50)	-	(50)
As of 31 December, 2009/1 January, 2010		61	111	932	100	1,204
Additions		2	85	-	5	92
As of 31 December, 2010		63	196	932	105	1,296
Accumulated Depreciation						
As of 1 January, 2009		15	52	90	10	167
Charge for the year	7	5	20	188	8	221
Disposal		-	-	(4)	-	(4)
As of 31 December, 2009/1 January, 2010		20	72	274	18	384
Charge for the year	7	5	42	185	11	243
As of 31 December, 2010		25	114	459	29	627
Net Carrying Amount						
As of 31 December, 2010		38	82	473	76	669
As of 31 December, 2009		41	39	658	82	820

- (a) Net carrying amount of other property, plant and equipment of the Group held under hire-purchase and finance lease arrangements at the end of the reporting period is RM1,300,000 (2009: RM2,215,000).
- (b) The net carrying amount of other property, plant and equipment of RM28,575,000 (2009: RM29,304,000) are charged as security for borrowings as disclosed in Notes 26 and 29.
- (c) A subsidiary, Golden Horse Palace 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 RM805,000 (2009: RM853,000).

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

- (d) 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	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Cost:				
Office, furniture and fittings	25,925	25,093	59	35
Plant, machinery and equipment	100,824	102,328	-	-
Motor vehicles	2,972	2,784	7	7
	129,721	130,205	66	42

14. INVESTMENT PROPERTIES

		Group	
	Note	2010	2009
		RM'000	RM'000
At beginning of year		89,794	142,581
Additions from subsequent expenditure		2,353	703
Disposals		(296)	(5,819)
Disposal of subsidiary		-	(47,671)
Transfer from/(to):			
Other property, plant and equipment	13	25,073	-
Property development costs	16(b)	(8,530)	-
At end of year		108,394	89,794

The following investment properties are held under lease terms:

	Group	
	2010	2009
	RM'000	RM'000
Leasehold land	54,976	54,374
Buildings	49,344	22,279
	104,320	76,653

The investment properties with carrying amount of RM103,446,000 (2009: RM75,583,000) are charged as security for borrowings as disclosed in Note 29.

The rental income earned by the Group from its investment properties during the year amounted to RM8,097,000 (2009: RM7,553,000). Direct operating expenses arising from the investment properties during the year amounted to RM1,843,000 (2009: RM1,889,000).

Investment properties are 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 valuer company, TD Aziz Sdn. Bhd., on 29 February, 2008 and subsequently updated on 12 February, 2009, 12 February, 2010 and 9 January, 2011 using comparison method of valuation, which is regarded to approximate the market value.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

15. PREPAID LAND LEASE PAYMENTS

		Group	
	Note	2010 RM'000	2009 RM'000
At beginning of year		348,331	352,637
Amortisation for the year	7	(4,306)	(4,306)
At end of year		344,025	348,331

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 RM13,594,000 (2009: RM13,762,000), 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 RM327,818,000 (2009: RM331,930,000) 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, 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 classified as held for sale	25	(9,012)	-	(9,012)
Transfer to property development costs	16(b)	-	(1,607)	(1,607)
As of 31 December, 2009/1 January, 2010		108,402	65,964	174,366
Additions		811	149	960
Transfer from property development costs	16(b)	-	7,120	7,120
As of 31 December, 2010		109,213	73,233	182,446

Included in land held for property development are certain parcels of land, with an aggregate carrying value of RM25,099,000 (2009: RM50,639,000), 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 RM65,850,000 (2009: RM74,497,000) are charged as security for borrowings as disclosed in Notes 26 and 30.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (cont'd)

(b) Property Development Costs

		Group	
	Note	2010 RM'000	2009 RM'000
At beginning of year			
Freehold land - at cost		118,117	118,351
Leasehold land - at cost		1,770	163
Development expenditure		278,482	279,621
		398,369	398,135
Costs incurred during the year:			
Freehold land - at cost		18	(234)
Development expenditure		7,169	(1,139)
		7,187	(1,373)
Cost recognised as expense in profit or loss:			
Previous years		(321,206)	(304,316)
Current year		(24,495)	(16,890)
		(345,701)	(321,206)
Transfers from/(to):			
Other property, plant and equipment	13	3,771	-
Investment properties	14	8,530	-
Land held for property development	16(a)	(7,120)	1,607
Non-current asset classified as held for sale	25	9,012	-
		14,193	1,607
At end of year		74,048	77,163

Included in property development costs incurred during the financial year is interest capitalised of RM248,000 (2009: RM265,000).

The property development costs with a carrying amount of RM11,738,000 (2009: RM21,130,000) are charged as security for borrowings as disclosed in Note 30.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2010	2009
	RM'000	RM'000
Unquoted shares, at cost	233,478	233,191
Investment in Cumulative Redeemable Preference Shares	414,053	217,000
	647,531	450,191
Less: Accumulated impairment losses	(15,823)	(12,063)
Net	631,708	438,128

During the financial year, certain subsidiaries issued 197,053,000 (2009: 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.

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 2010 %	Interest 2009 %
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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2010 %	Interest 2009 %
East Vision Leisure Group Sdn Bhd	Malaysia	Investment holding	100	100
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
Country Heights Commercial Development Sdn Bhd (formerly known as 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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2010 %	Interest 2009 %
#Country Heights Garden Resort (Sibu) Sdn Bhd	Malaysia	Dormant	-	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
Country Heights Quality Life Services Sdn Bhd	Malaysia	Dormant	60	60
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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2010 %	Interest 2009 %
Subsidiary of Speedbuild Sdn Bhd				
#^Lines Pte Ltd	United Kingdom	Dormant	-	100
Subsidiaries of Steady Prospect Sdn Bhd				
# Fresh Innovatives Sdn Bhd	Malaysia	Dormant	-	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
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
KAT Events Sdn Bhd (formerly known as Ten Plus One Sdn Bhd)	Malaysia	Dormant	100	100
WIXPO Sdn Bhd (formerly known as 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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2010 %	Interest 2009 %
Subsidiaries of East Vision Leisure Group Sdn Bhd (cont'd)				
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
Mines Event Management Sdn Bhd (formerly known as Output Combination Sdn Bhd)	Malaysia	Dormant	100	100
Subsidiaries of Country Heights Commercial Development Sdn Bhd (Formerly known as Mines ePurse Sdn Bhd)				
#Signature Catering & Conference Services Sdn Bhd	Malaysia	Dormant	-	100
Subsidiaries of Country Heights Resorts & Leisure Sdn Bhd				
World Racquet Centre Sdn Bhd	Malaysia	Provision of marketing services	100	100
Mines Premium Sdn Bhd	Malaysia	Solutions provider and promotion activities	100	100
Country Heights Lifestyle Berhad	Malaysia	Provision of leisure related services	-	100
Subsidiaries of Golden Horse Palace Bhd				
Country Heights Lifestyle Berhad	Malaysia	Provision of leisure related services	100	-
Mines Marketing Sdn Bhd	Malaysia	Provision of marketing services	100	-
Subsidiaries of Country Heights Health Tourism Sdn Bhd				
GHHS Wellness Sdn Bhd	Malaysia	Provision of health screening services and health programs	100	-

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2010 %	Interest 2009 %
Subsidiaries of Country Heights Property Development Berhad				
Profound Concept Sdn Bhd	Malaysia	Property investment	100	-
Endless Gain Sdn Bhd	Malaysia	Letting of shops	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 on these dormant companies				
# Company struck off during the financial year				
@ Company disposed of during the financial year				

Acquisition, Disposal and Incorporation of Subsidiaries

(i) Acquisition of Subsidiary - Subsidiary Company, Mines Marketing Sdn Bhd ("MMSB")

On 11 January, 2010, Golden Horse Palace Bhd, a 81% owned subsidiary of the Company 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.

(ii) Disposal of 70% equity interest in a subsidiary, Mines Exhibition Management Sdn Bhd ("MEMSB").

On 11 March, 2010, Mines International Exhibition Centre Sdn Bhd, an indirect wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with Tan Sri Lee Kim Tiong@ Lee Kim Yew 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.

(iii) Struck-off Subsidiary - Subsidiary Company, Lines Pte Ltd

On 11 May, 2010, Lines Pte Ltd, an indirect wholly-owned subsidiary company incorporated in United Kingdom, had been struck off from the Register of Companies pursuant to section 1003 of the Companies Act 2006.

On 2 August, 2010, the Company received three Notices of Strike-Off, all dated 15 July, 2010, from the Companies Commission of Malaysia that the following wholly-owned dormant subsidiaries have been struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act 1965:-

- (a) Fresh Innovatives Sdn Bhd
- (b) Country Heights Garden Resort (Sibu) Sdn Bhd
- (c) Signature Catering & Conference Services Sdn Bhd

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

(iv) Incorporation of Subsidiary - Subsidiary Company, GHHS Wellness Sdn Bhd ("GHHS")

On 21 July, 2010, Country Heights Health Tourism Sdn Bhd, an indirect 70% owned subsidiary of the Company incorporated a subsidiary company, GHHS. The intended principal activity of GHHS is to provide wellness or health services to members.

The fair value of the net assets acquired from the acquisition of MMSB on 11 January, 2010 was as follows:

	Note	MMSB As of 11.1.2010 RM'000
Property, plant and equipment		751
Club membership		16
Trade and other receivables		16,656
Tax recoverable		217
Cash and bank balances		613
Trade and other payables		(18,096)
Hire-purchase payables		(39)
Deferred tax liabilities	32	(15)
Fair value of net assets acquired		103
Total cost of investment in MMSB		(100)
		3
Less: Non-controlling interest portion		(1)
Goodwill		2
Cash consideration paid		100
Less: cash and cash equivalents acquired		(613)
Cash flows on acquisition, net of cash and cash equivalents acquired		(513)

The effects of the abovementioned acquisition of MMSB on the financial results of the Group from the date of acquisition to 31 December, 2010 were as follows:

	Group 2010 RM'000
Revenue	1,268
Loss after tax	(297)

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

The revenue, results and cash flows of the disposal of MEMSB on 11 March, 2010 were as follows:

	MEMSB Period ended 11.3.2010 RM'000
Revenue	-
Cost of sales	-
Gross profit	-
Administrative expenses	-
Other expenses	-
Profit before tax	-
Income tax expense	-
Profit for the year	-
Cashflows used in:	
Operating activities	(80)
Investing activities	-
Financing activities	-
Net decrease in cash & cash equivalents	(80)
Cash & cash equivalents at beginning of year	86
Cash & cash equivalents at end of year	6

The fair value of the net assets of MEMSB disposed of on 11 March, 2010 was as follows:

	MEMSB As of 11.3.2010 RM'000
Amount due from related company	70
Cash and bank balances	6
Amount due to related company	(56)
Trade and other payables	(2)
Fair value of net assets disposed of	18
Less: Non-controlling interest portion	(5)
Fair value of net assets disposed of	13
Sales proceeds received	(13)
Gain on disposal of subsidiary	-

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

17. INVESTMENT IN SUBSIDIARIES (cont'd)

MEMSB
As of
11.03.2010
RM'000

Cash consideration, representing sales proceeds received	13
Less: Cash and cash equivalents disposed of	(6)
Cash flows on disposal, net of cash and cash equivalents disposed of	7

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

18. INVESTMENT IN ASSOCIATES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
In Malaysia:				
Unquoted shares, at cost	3,444	5,562	247	247
Group share of post-acquisition reserves	596	87	-	-
	4,040	5,649	247	247
Accumulated impairment losses	(206)	(206)	(206)	(206)
Net	3,834	5,443	41	41

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

	Group	
	2010	2009
	RM'000	RM'000
Share of net assets	3,617	5,226
Goodwill on acquisition	217	217
	3,834	5,443

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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	
			2010 %	2009 %
+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

Company disposed of during the financial year

Disposal of Associate

On 21 December, 2010, College Heights Utara Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Sales and Purchase of Share Agreement with Tan Sri Lee Kim Tiong @ Lee Kim Yew for the disposal of its 30% equity interest in Mines Golf City Sdn Bhd. for a consideration of RM7,393,637. The said disposal resulted in a gain of RM5,260,000 to the Group.

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, 2010 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2010 and 31 December, 2010.

The summarised financial information of the associates are as follows:

	Group	
	2010 RM'000	2009 RM'000
Assets and liabilities		
Current assets	5,010	18,382
Non-current assets	36,334	103,977
Total assets	41,344	122,359
Current liabilities	7,379	80,482
Non-current liabilities	14,917	16,789
Total liabilities	22,296	97,271
Results		
Revenue	15,695	7,332
Profit for the year	1,825	281

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At cost				
Quoted shares in Malaysia	240	240	-	-
Unquoted shares in Malaysia	2,000	2,000	-	-
Memberships	814	798	718	718
	3,054	3,038	718	718
Less: Accumulated impairment losses:				
Quoted shares in Malaysia	(49)	(106)	-	-
Unquoted shares in Malaysia	(2,000)	(2,000)	-	-
	(2,049)	(2,106)	-	-
Net	1,005	932	718	718
Market value of quoted shares in Malaysia	189	134	-	-

20. GOODWILL ON CONSOLIDATION

	Group	
	2010 RM'000	2009 RM'000
Cost		
At beginning of year	35,097	35,097
Addition during the year	8	-
At end of year	35,105	35,097
Accumulated impairment losses		
At beginning of year	(35,097)	(35,097)
Impairment loss recognised during the year	(8)	-
At end of year	(35,105)	(35,097)
Net	-	-

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

21. INVENTORIES

	Group	
	2010 RM'000	2009 RM'000
At cost		
Properties held for sale	86,772	93,460
Consumable materials	1,355	1,457
	88,127	94,917
At net realisable value		
Properties held for sale	41,489	44,169
Total inventories	129,616	139,086

Included in inventories are certain parcels of land, with aggregate carrying value of RM38,168,000 (2009: RM40,256,000), for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

On 3 January, 2011, the Group successfully obtained registration of land titles of certain parcels of land with aggregate carrying value of RM35,157,000 from the relevant authorities.

Inventories with a carrying value of RM12,253,000 (2009: RM12,169,000) are charged as security for borrowings as disclosed in Note 26(c).

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current					
Trade receivables					
Amount owing by subsidiaries	(b)	-	-	11,041	11,216
Owing by companies in which certain directors have interest		4,144	2,149	-	-
Third parties	(c)	80,014	107,805	-	-
		84,158	109,954	11,041	11,216
Less: Allowance for doubtful debts for third parties		(32,120)	(23,364)	-	-
Trade receivables, net		52,038	86,590	11,041	11,216
Other receivables, deposits and prepayments					
Amount owing by subsidiaries	(b)	-	-	6,893	236,464
Amount owing by associate	(b)	-	17,336	-	17,336
Owing by companies in which certain directors have interest		4,725	4,446	721	669
Sundry receivables		12,515	12,164	618	1,044
Deposits		2,904	6,422	15	25
Prepayments		1,165	1,252	-	2
		21,309	41,620	8,247	255,540

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Less: Allowance for doubtful debts					
Amount owing by subsidiaries		-	-	(406)	(15,711)
Sundry receivables		(4,185)	(1,800)	(380)	(364)
		(4,185)	(1,800)	(786)	(16,075)
Other receivables, net		17,124	39,820	7,461	239,465
Total receivables, net		69,162	126,410	18,502	250,681

Non-current Trade receivables

Third parties	(d)	25,101	16,095	-	-
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	Group 2010 RM'000	Company 2010 RM'000
Movement in the allowance for doubtful debts of trade receivables		
At beginning of year	23,364	-
Impairment loss recognised on receivable	13,363	-
Amount written off	(3,178)	-
Amount written back	(1,429)	-
At end of year	32,120	-

Aging analysis of trade receivables

Aging of past due but not impaired

30 days and below	2,105	895
31 to 60 days	1,936	785
61 to 90 days	2,369	1,352
91 to 120 days	2,521	2,438
120 days above	12,165	5,571
	21,096	11,041

Aging of impaired

30 days and below	3,849	-
31 to 60 days	212	-
61 to 90 days	346	-
91 to 120 days	313	-
120 days above	27,400	-
	32,120	-

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

	Group 2010 RM'000	Company 2010 RM'000
Movement in the allowance for doubtful debts in other receivables		
At beginning of year	1,800	364
Impairment loss recognised on receivable	2,392	16
Amount written off	(7)	-
At end of year	4,185	380
Aging analysis of other receivables		
<u>Aging of past due but not impaired</u>		
30 days and below	220	75
31 to 60 days	947	5
61 to 90 days	149	138
91 to 120 days	371	180
120 days above	9,399	1,335
	11,086	1,733
<u>Aging of impaired</u>		
30 days and below	-	-
31 to 60 days	-	-
61 to 90 days	-	-
91 to 120 days	-	-
120 days above	4,185	380
	4,185	380
		Company 2010 RM'000
Movement in the allowance for doubtful debts of amount owing by subsidiaries		
At beginning of year		15,711
Impairment loss recognised on receivable		406
Amount written back		(15,711)
At end of year		406

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

(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.

(b) Amounts owing by subsidiaries and associate

These amounts owing by subsidiaries and amount owing by associate (formerly a subsidiary company) are non-trade in nature, unsecured, non-interest bearing, and are repayable on demand.

(c) Trade receivables, current

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

(d) Trade receivables, non-current

Non-current trade receivables represent amounts that are expected to be collected after twelve months from the end of the reporting period, 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.

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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

24. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deposits with licensed banks and other financial institutions	(a)	20,692	9,562	-	-
Cash on hand and at banks	(b)	55,289	24,007	2,072	1,008
Cash and bank balances	40	75,981	33,569	2,072	1,008

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

- (i) A sum of RM2,657,000 (2009: RM2,572,000) 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 RM2,040,000 (2009: RM505,000); 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 RM136,000 (2009: RM132,000).

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

- (i) Sinking funds of RMNil (2009: RM621,000) maintained by certain subsidiaries for the purpose of repair and maintenance of properties. The fund had been separated and maintained by a management body during the year;
- (ii) Amounts of RM2,116,000 (2009: RM592,000) 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 RM643,000 (2009: RM471,000); and
- (iv) An amount of RM38,222,000 (2009: RM9,832,000) 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 RM27,764,000 (2009: RM4,868,000) 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.

The weighted average effective interest rates and average maturities of deposits with licensed banks and other financial institutions at the end of the reporting period are as follows:

	Group	
	2010	2009
Weighted average effective interest rates (%)	2.80%	3.20%
Average maturities (Days)	30 to 365	30 to 365

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

24. CASH AND CASH EQUIVALENTS (cont'd)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances		75,981	33,569	2,072	1,008
Bank overdrafts	26(a)	(458)	(2,353)	-	-
Cash and cash equivalents		75,523	31,216	2,072	1,008

25. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

		Group	
	Note	2010 RM'000	2009 RM'000
At beginning of year		9,789	-
Disposed off during the year		(777)	-
Transfer (to)/from:			
Property development costs	16(b)	(9,012)	
Land held for property development	16(a)	-	9,012
Other property, plant and equipment	13	-	777
At end of year		-	9,789

- (a) In the previous financial year, Mega Palm Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a third party for the disposal of a piece of freehold land and building for a cash consideration of RM19,974,385. The said disposal was completed during the financial year.
- (b) In the previous financial year, Country Heights Lifestyle Berhad, a subsidiary of the Company, entered into sale and purchase agreements with a third party for the disposal of 4 pieces of freehold land and buildings for a total cash consideration of RM1,110,000. The said disposals were completed during the financial year.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

26. BORROWINGS

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term Borrowings					
Secured:					
Bank Guaranteed Medium Term Notes	30	30,000	-	-	-
Bank Guaranteed Commercial Paper	30	-	4,963	-	-
Bank overdrafts	(a)	458	2,344	-	-
Term loans	(b)	166	175	-	-
Revolving credits	(c)	1,903	-	-	-
Redeemable Secured Loan					
Stocks 2004/2011 ("RSLs Series B")	29	68,822	-	-	-
RM150 million 3% to 8% Redeemable					
Secured Bonds 1996/2010 ("Bonds")	28	-	150,000	-	150,000
		101,349	157,482	-	150,000
Unsecured:					
Bank overdrafts	(a)	-	9	-	-
Term loan	(b)	84,452	-	84,452	-
Revolving credits	(c)	18,800	14,800	-	-
Hire-purchase and finance lease payables	27	465	503	151	151
		103,717	15,312	84,603	151
Total Short-term Borrowings		205,066	172,794	84,603	150,151
Long-term Borrowings					
Secured:					
Term loans	(b)	77,478	2,632	75,000	-
Revolving credits	(c)	-	3,722	-	-
Redeemable Secured Loan Stocks					
2004/2011 ("RSLs Series B")	29	-	68,822	-	-
Bank Guaranteed Commercial Paper	30	46,762	46,763	-	-
Bank Guaranteed Medium Term Notes	30	10,000	40,000	-	-
		134,240	161,939	75,000	-
Unsecured:					
Revolving credits	(c)	12,800	16,800	-	-
Hire-purchase and finance lease payables	27	854	1,396	148	299
		13,654	18,196	148	299
Total Long-term Borrowings		147,894	180,135	75,148	299
Total Borrowings					
Bank overdrafts	(a)	458	2,353	-	-
Term loans	(b)	162,096	2,807	159,452	-
Revolving credits	(c)	33,503	35,322	-	-
Hire-purchase and finance lease payables	27	1,319	1,899	299	450
Bonds	28	-	150,000	-	150,000
RSLs Series B	29	68,822	68,822	-	-
Bank Guarantee Commercial Paper	30	46,762	51,726	-	-
Bank Guaranteed Medium Term Notes	30	40,000	40,000	-	-
	40	352,960	352,929	159,751	150,450

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

26. BORROWINGS (cont'd)

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Maturity of borrowings (excluding hire-purchase and finance lease):				
Within one year	204,601	172,291	84,452	150,000
More than 1 year and less than 2 years	37,120	111,721	-	-
More than 2 years and less than 5 years	109,920	65,377	75,000	-
5 years or more	-	1,641	-	-
	351,641	351,030	159,452	150,000

The weighted average effective interest rates for borrowings, excluding hire-purchase and finance lease payables, are as follows:

		Group		Company	
	Note	2010	2009	2010	2009
		%	%	%	%
Bank overdrafts	(a)	7.30	7.30	-	-
Term loans	(b)	8.30	5.50	8.30	-
Revolving credits	(c)	7.00	6.60	-	-
Bonds	28	8.00	8.00	8.00	8.00
RSLs Series B	29	5.00	5.00	-	-
Bank Guaranteed Commercial Paper	30	4.00	4.30	-	-
Bank Guaranteed Medium Term Notes	30	6.10	6.10	-	-

(a) Bank overdrafts

		Group	
	Note	2010	2009
		RM'000	RM'000
Short-term			
Secured:			
RM3,000,000 facility	(i)	458	2,344
South African Rand 750,000 facility	(ii)	-	-
		458	2,344
Unsecured:			
RM15,000,000 facility	(iii)	-	9
Total bank overdrafts	24	458	2,353

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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 (2009: 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 RM6,427,000 (2009: RM6,509,000) held by Country Heights W.T.C. Sdn Bhd;
 - A lien-holder's caveat over prepaid land lease payments with a carrying value of RM3,883,000 (2009: RM3,933,000) 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% (2009: 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 RM14,096,000 (2009: RM14,427,000) held by PGCC included in other property, plant and equipment as disclosed in Note 13.

The said overdraft facility bears interest at 14.5% (2009: 14.5%) per annum.

- (iii) Unsecured facility of RM15,000,000 granted to Country Heights Sdn Bhd in prior year was 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 said overdraft facility bore interest at 2.5% above bank's base lending rate. The said bank overdraft was fully repaid and the said overdraft facility had been cancelled during the financial year.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

26. BORROWINGS (cont'd)

(b) Term loans

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Short-term					
Secured:					
RM3,340,000 facility	(i)	166	175	-	-
		166	175	-	-
Unsecured:					
RM84,452,000 facility	(iii)	84,452	-	84,452	-
		84,618	175	84,452	-
Long-term					
Secured:					
RM3,340,000 facility	(i)	2,478	2,632	-	-
RM75,000,000 facility	(ii)	75,000	-	75,000	-
		77,478	2,632	75,000	-
Total term loans		162,096	2,807	159,452	-

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 RM3,759,000 (2009: RM3,843,000); 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 5.50% (2009: 5.50%) per annum for the first five years and thereafter at 0.50% (2009: 0.50%) above the bank's base lending rate.

- (ii) Term loan facility of RM75,000,000 granted to the Company for the purpose of partially redeeming the RM150,000,000 3% to 8% Redeemable Secured Bonds. The term loan is secured by a first legal charge for RM75,000,000 over leasehold land and building known as Palace of the Golden Horses held under title No. PT 16713 HSD 59885.

Tenure of the term loan facility is four years from date of drawdown on 29 December, 2010. Interest is payable on a monthly basis in arrears and principal is repayable over 36 monthly instalments of RM2,100,000 each. The first monthly instalment is to commence on the first anniversary date from 29 December, 2010.

Other terms of the term loan facility include the following:

- The Company must maintain maximum debt to equity ratio of 0.6 times at all times; and
- Security coverage to be maintained at minimum of 2.0 times at all times.

The term loan facility bears interest at 2.00% above bank's base lending rate.

- (iii) Tan Sri Lee Kim Tiong @ Lee Kim Yew granted to the Company a short term interest-free loan of RM84,451,795 of which RM75,000,000 is used to partially redeem the RM150,000,000 3% to 8% Redeemable Secured Bonds.

The loan is interest-free and shall be for a period to be specified by the Lender to the Company but in any event shall not be for a period of more than twelve months from 22 December, 2010.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

26. BORROWINGS (cont'd)

c) Revolving credits

	Note	Group 2010 RM'000	2009 RM'000
Short-term			
Secured:			
RM32,000,000 (restructured) facility	(i)	1,903	-
Unsecured:			
RM15,000,000 facility	(ii)	14,800	14,800
RM30,000,000 (restructured) facility	(iii)	4,000	-
		18,800	14,800
Long-term			
Secured:			
RM32,000,000 (restructured) facility	(i)	-	3,722
Unsecured:			
RM30,000,000 (restructured) facility	(iii)	12,800	16,800
		12,800	20,522
Total revolving credits		33,503	35,322

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 (2009: 96) parcels of land and building held by CHISB with carrying values as follows:

	Group 2010 RM'000	2009 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 (2009: 1) industrial lot at the College Valley Industrial Park, Pajam, held by a subsidiary, Country Heights Industries Sdn Bhd, with a carrying value of RM245,000 (2009: RM230,000);
- A debenture over certain bungalow lots belonging to a subsidiary, Walum Enterprise Sdn Bhd with a carrying value of RM1,615,000 (2009: RM1,612,000);
- 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 (2009: RM973,000); and

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

26. BORROWINGS (cont'd)

c) Revolving credits (cont'd)

- (i) Revolving credit (restructured) facility of RM32,000,000 granted to a subsidiary, Country Heights Industries Sdn Bhd ("CHISB") is secured by: (cont'd)
- 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 (2009: RM5,885,000).

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, 2010.

During the previous financial year, the Company obtained a moratorium period up to February 2011 for settlement of 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 2.50% (2009: 2.50%) 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.

The revolving credit facility bears interest at 2.50% (2009: 2.50%) 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 2.50% (2009: 2.50%) above Cost of Fund.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

27. HIRE-PURCHASE AND FINANCE LEASE PAYABLES

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Minimum lease payments:					
Not later than 1 year		468	651	169	169
Later than 1 year but not later than 2 years		417	677	168	293
Later than 2 years but not later than 5 years		290	639	-	44
Later than 5 years		280	146	-	-
		1,455	2,113	337	506
Less: Future finance charges		(136)	(214)	(38)	(56)
Present value of finance lease liabilities	26	1,319	1,899	299	450
Present value of finance lease liabilities:					
Not later than 1 year		465	503	151	151
Later than 1 year but not later than 2 years		415	637	148	261
Later than 2 years but not later than 5 years		267	619	-	38
Later than 5 years		172	140	-	-
		1,319	1,899	299	450
Analysed as:					
Due within 12 months	26	465	503	151	151
Due after 12 months	26	854	1,396	148	299
		1,319	1,899	299	450

The hire-purchase and lease liabilities bear interest at rates ranging between 2.25% to 8.25% (2009: 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 for 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 8.00% per annum, calculated on the outstanding balance and is payable semi-annually. For the period from 9 November, 2004 to 6 November, 2008, only 6.00% of the 8.00% interest per annum shall be paid semi-annually in two equal installments on 6 May and 6 November each year. The 2.00% 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 for 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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

- (ii) The Bonds were 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 RM390,996,000 (2009: RM395,515,000).
- (iii) The maturity date for the redemption of the Bonds was further extended to 31 December, 2011 ("Extended maturity date"). However, the Bonds were redeemed on 31 December, 2010 prior to the extended maturity date.

The Bonds were not rated and not transferable or tradable on Real Time Electronic Transfer of Funds and Securities ("RENTAS").

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS 2004/2011 ("RCSLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCKS 2004/ 2011 ("RSLs 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 ("MWBP") and Mines International Exhibition Centre Sdn Bhd ("MIECSB") ("Target Companies") based on the adjusted net tangible assets as of 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 ("RCSLS Series A") to KNB.
- (ii) RM68,821,674 nominal value 7-year 5% Redeemable Secured Loan Stocks with a nominal value of RM1 each ("RSLs Series B") to the Lenders; and
- (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 RM420,000,000 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS 2004/2011 ("RCSLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCKS 2004/ 2011 ("RSLs SERIES B") (cont'd)

(B) RSLs Series B

The salient terms and features of the RSLs Series B are 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 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 ensuing 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(c), the back end RSLs Series B interest on RSLs Series B up to 31 December, 2010 has been accrued.

(ii) Security

The RSLs Series B was 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 their 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 convert their 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.

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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

29. 420,000,000 REDEEMABLE CONVERTIBLE SECURED LOAN STOCKS 2004/2011 ("RCSLS SERIES A") AND 68,821,674 REDEEMABLE SECURED LOAN STOCKS 2004/ 2011 ("RSLs SERIES B") (cont'd)

(B) RSLs Series B (cont'd)

(iii) Conversion of RSLs Series B (cont'd)

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, 2009.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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 RM60,924,000 (2009: RM69,586,000) and RM11,753,000 (2009: RM21,130,000) 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 for the borrowings are as follows:

	Group	
	2010	2009
	%	%
Bank Guaranteed Commercial Paper	4.00	4.30
Bank Guaranteed Medium Term Notes	5.20 - 7.10	5.20 - 7.10

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

30. BANK GUARANTEED COMMERCIAL PAPER & BANK GUARANTEED MEDIUM TERM NOTES (cont'd)

The proceeds from the issue of the MTN and CP are accounted for in the statement of financial position of the Group as follows:

	Group	
	2010 RM'000	2009 RM'000
Bank Guaranteed Medium Term Notes Nominal value	40,000	40,000
Bank Guaranteed Commercial Paper Nominal value	47,000	52,000
Less: Unamortised discount*	(238)	(274)
Net	46,762	51,726

* Discount is recognised as interest expense in profit or loss over the tenure of financing.

31. LONG-TERM LIABILITIES AND DEFERRED INCOME

		Group	
	Note	2010 RM'000	2009 RM'000
Long-Term Liabilities:			
Unsecured			
Golf membership loans	(a)	4,800	4,783
Deferred income	(b)	35,337	32,439
		40,137	37,222
Short-Term Liabilities:			
Unsecured			
Deferred income	(b)	981	1,030
		981	1,030
		41,118	38,252

(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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

32. DEFERRED TAX LIABILITIES/(ASSETS)

		Group	
	Note	2010 RM'000	2009 RM'000
At beginning of year		77,521	79,118
(Charge)/Credit to profit or loss for the year	10		
Investment properties		-	(148)
Revaluation surplus		(992)	(1,025)
Land held for property development		(608)	(235)
Property development costs		2,119	824
Others		24	50
Unused tax losses		156	598
Unabsorbed capital allowances		-	(1,497)
		699	(1,433)
(Charge)/Credit to equity for the year:			
Acquisition of a subsidiary	17	15	-
Exchange differences		9	(164)
		24	(164)
At end of year		78,244	77,521

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheets purposes:

	Group	
	2010 RM'000	2009 RM'000
Deferred tax assets	(7,093)	(9,401)
Deferred tax liabilities	85,337	86,922
	78,244	77,521

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	Group	
	2010 RM'000	2009 RM'000
Deferred tax assets		
Temporarily differences arising from:		
Property development costs	(6,880)	(8,999)
Others	(175)	(201)
Unused tax losses	(38)	(201)
	(7,093)	(9,401)

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

32. DEFERRED TAX LIABILITIES/(ASSETS) (cont'd)

	Group	
	2010	2009
	RM'000	RM'000
Deferred tax liabilities		
Temporarily differences arising from:		
Investment properties	414	414
Revaluation surplus	82,170	83,162
Land held for property development	1,957	2,565
Unabsorbed capital allowances	796	781
	85,337	86,922

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, 2010, the estimated amount of deductible/(taxable) temporary differences, unused tax losses and unused tax credits, for which the tax effects are not recognised in the financial statements due to uncertainty of their realisation, is as follows:

	Group	
	2010	2009
	RM'000	RM'000
Temporarily differences arising from:		
Property, plant and equipment	(57,773)	(69,916)
Trade receivables	-	3,143
Unused tax losses	137,087	137,347
Unabsorbed capital allowances	193,345	203,156
Unabsorbed investment tax allowances	175,086	175,086
	447,745	448,816

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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Trade payables					
Third parties	(a)	17,875	23,879	-	-
Due to companies in which certain directors have interest		6,633	6,146	-	-
Retentions		2,295	2,212	-	-
Trade accruals		14,868	20,337	-	-
		41,671	52,574	-	-
Other payables and accrued expenses					
Amount due to subsidiaries	(b)	-	-	71,191	109,704
Accruals		27,436	25,096	969	644
Sundry payables		23,650	54,758	1,613	2,033
Interest on RM150 million 3% to 8% Redeemable Secured Bonds 1996/2010 ("Bonds")	28	-	22,077	-	22,077
Interest accrued on 68,821,674 Redeemable Secured Loan Stock 2004/2011 ("RSLs Series B")	(c)	20,759	17,318	-	-
Deposits received		9,503	10,693	-	-
Provision for tax penalty		13,284	11,620	-	-
Provision for liquidated ascertained damages		1,529	1,702	-	-
Amount due to directors		38	38	-	-
Due to companies in which certain directors have interest	(d)	35,008	38,847	28,429	28,387
		131,207	182,149	102,202	162,845
		172,878	234,723	102,202	162,845

(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) 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 Stocks 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 Stocks Series B amounting to RM20,759,000 (2009: RM17,318,000) is payable to the extent that there is an excess from the sales proceeds arising from the disposal of the remaining Identified Assets, that is Mines Waterfront Business Park and Malaysia International Exhibition & Convention Centre, after paying in full the redemption sum of the RSLs Series B, and is calculated up to 31 December, 2009.

(d) Included in amounts due to companies in which certain directors have interest are:

- (i) Cash payment portion of the purchase consideration amounting to RM11,214,000 (2009: 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;

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

33. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (cont'd)

(d) Included in amounts due to companies in which certain directors have interest are: (cont'd)

- (ii) An amount of RM15,443,000 (2009: 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

These amounts are unsecured, non-interest bearing and repayable on demand.

- (iii) An amount of RM553,000 (2009: RM553,000) due 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.

These amounts are unsecured, non-interest bearing and are repayable on demand.

34. SHARE CAPITAL

	Group and Company	
	2010 RM'000	2009 RM'000
Authorised:		
5,050,000, 000 ordinary shares of RM1 each	5,050,000	5,050,000
Issued and fully paid:		
275,707,403 ordinary shares of RM1 each	275,707	275,707

35. OTHER RESERVES

		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Non-distributable:					
Revaluation reserve	(a)	147,065	148,929	-	-
Translation reserve	(b)	(7,223)	(7,123)	-	-
Capital redemption reserve	(c)	19,048	19,048	19,048	19,048
Fair value reserve	(d)	57	-	-	-
		158,947	160,854	19,048	19,048

The movements, nature and purpose of each category of reserves are as follows:

(a) Revaluation reserve

	Group	
	2010 RM'000	2009 RM'000
Revaluation reserve – hotel properties		
At beginning of year	148,929	150,793
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	(1,864)	(1,864)
At end of year	147,065	148,929

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

35. OTHER RESERVES (cont'd)

(b) Translation reserve

	Group	
	2010	2009
	RM'000	RM'000
At beginning of year	(7,123)	(10,739)
Arising during the year	(100)	3,616
At end of year	(7,223)	(7,123)

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries at the end of the reporting period.

(c) Capital redemption reserve

	Group and Company	
	2010	2009
	RM'000	RM'000
At beginning and end of year	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 earnings 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.

(d) Fair value reserve

	Company	
	2010	2009
	RM'000	RM'000
At beginning of year	-	-
Arising during the year	57	-
At end of year	57	-

Fair value reserve comprises fair value gain on revaluation of available-for-sale financial assets.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

36. RETAINED EARNINGS

Prior to the year of assessment 2008, 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, 2010 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

As of 31 December, 2010, the Company has tax exempt profits of approximately RM136,437,000 (2009: RM136,437,000) available for distribution, subject to the agreement of the Inland Revenue Board.

As of 31 December, 2010, 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	
	2010	2009
	RM'000	RM'000
Capital commitments:		
Approved and contracted for	16,302	6,545
Approved but not contracted for	53,824	54,068
	70,126	60,613

38. CONTINGENT LIABILITIES

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	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	-	-	91,767	100,598
	-	-	91,767	100,598

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

38. CONTINGENT LIABILITIES (cont'd)

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	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	-	-	31,600	31,609
Lawsuit by Government of Malaysia in relation to Real Property Gain Tax for the year of assessment 1993, 1998 & 1999*	13,215	13,215	-	-
Guarantees to financial institutions in respect of borrowing facilities granted to customers	963	1,953	-	-
Bank guarantees given to suppliers for the purpose of hotel utilities	898	898	-	-
Bank guarantees given to related parties for the purpose of utilities	250	347	-	-
	15,326	16,413	31,600	31,609
	15,326	16,413	123,367	132,207

* 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(d)(i), the Company had tax retention sum of RM11,214,000 which is payable by the Company directly to the Inland Revenue Board and, 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 which were determined based on negotiations, as agreed with the following related parties:

(i) Transactions with companies in which a director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew, has controlling interests:

	Group		Company	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Insurance expenses	1,524	1,462	29	23
Security charges	214	682	-	-
Rental expenses	178	179	-	-
Rental income	(147)	(148)	-	-

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

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 which were determined based on negotiations, as agreed with the following related parties: (cont'd)

- (ii) Transactions with directors of the Company:

	Group	
	2010	2009
	RM'000	RM'000
Bond interest paid and payable to Tan Sri Lee Kim Tiong @ Lee Kim Yew	12,107	12,405
Rental expense paid to Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	36	48
Disposal of an associate to Tan Sri Lee Kim Tiong @ Lee Kim Yew	(7,394)	-
Disposal of a subsidiary to Tan Sri Lee Kim Tiong @ Lee Kim Yew	(13)	-

- (iii) Transactions with subsidiaries

	Company	
	2010	2009
	RM'000	RM'000
Dividend received from subsidiaries, net of tax	(17,923)	(4,237)
Management fees receivable from subsidiaries	(5,341)	(4,408)
Rental of premises payable to a subsidiary	695	692

- (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	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	2,550	1,702	1,484	1,097
Bonuses	102	-	-	-
Pension costs - defined contribution plans	281	209	26	126
Director fees	-	261	169	95
	2,933	2,172	1,679	1,318

Included in the total compensation of key management personnel are:

		Group		Company	
	Note	2010	2009	2010	2009
		RM'000	RM'000	RM'000	RM'000
Directors' remuneration	9	2,054	1,574	1,041	720

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

40. FINANCIAL INSTRUMENTS

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 capital risk, 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.

Capital Risk Management

The Group manages its capital to ensure that the entities in the Group will be able to continue as going-concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in Notes 26 and 24 respectively) and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in Notes 34 to 36).

The Board of Directors reviews the capital structure of the Group on a regular basis. As part of the review, the Board of Directors considers the cost of capital and risk associated with each class of capital. The gearing ratio at the end of the reporting period is as follows:

	Note	Group RM'000	Company RM'000
Borrowings	26	352,960	159,751
Cash and bank balances	24	(75,981)	(2,072)
Net debt		276,979	157,679
Equity		709,388	395,155
Net debt to equity ratio		39.0%	39.9%

Interest Rate Risk

The Group's and the Company's primary interest risk relates to interest-bearing borrowings which are principally denominated in Malaysian Ringgit. The Group and the Company have no substantial long-term interest bearing assets as of 31 December, 2010. The investments in financial assets are mainly short-term in nature of which a portion is placed in fixed deposits.

The Group and the Company manage its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group and the Company review 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 Group's and the Company's exposures to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 10% increase or decrease in the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

40. FINANCIAL INSTRUMENTS (cont'd)

Interest Rate Risk (cont'd)

If interest rates had been increased or decreased by 10% and all other variables were held constant, the Group's and the Company's exposures to interest rates are as follows:

	Group 2010	
	Changes in Interest Rate	RM'000
Floating rate liabilities		
Term loans	0.83%	644
Revolving credits	0.70%	234
Bank Guaranteed Commercial Paper	0.40%	187
Bank overdrafts	0.73%	3

	Company 2010	
	Changes in Interest Rate	RM'000
Floating rate liability		
Term loans	0.83%	623

Foreign Exchange Risk

The Group has operations in South Africa and is exposed to foreign exchange of the South African Rand. Foreign currency denominated in 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.

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 and the Company's associations to business partners with high creditworthiness. The Group's and the Company's exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the senior management on case-by-case basis.

Trade receivables consist of a large number of customers, spread across diverse industries. The Group and the Company do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics except for the following:

	Group 2010 RM'000	Company 2010 RM'000
Amount owing by companies in which certain directors have interest:		
Trade receivables	4,144	-
Other receivables	4,725	721
	8,869	721
Total receivables	90,194	959
% over total receivables	9.8%	75.1%

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

40. FINANCIAL INSTRUMENTS (cont'd)

Credit Risk (cont'd)

The Group defines counterparties as having similar characteristics if they are related entities. In management's opinion, the concentration of credit risk is minimal as the Group and the Company also owe the above mentioned companies in which certain directors have interest at the end of the reporting period as follows:

	Group 2010 RM'000	Company 2010 RM'000
Amount owing to companies in which certain directors have interest:		
Trade payables	6,633	-
Other payables	35,008	28,429
	41,641	28,429

Liquidity Risk

The Group and the Company manage 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 and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group and the Company raise 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, 2010 indicates that its current liabilities exceeded its current assets by RM88,097,000 and RM162,833,000. The net current liabilities position of the Group arose mainly from the classification of the RSLs Series B amounting to RM68,821,674 issued to a related party under current liabilities due to their maturity on 20 December, 2011 as disclosed in Note 29(B) and the short-term interest-free loan amounting to RM84,451,795 granted by a director of the Company to the Company which is due for repayment before 21 December, 2011 as disclosed in Note 26(b)(iii). The net current liabilities position of the Company arose mainly from conversion of amount owing by subsidiaries of RM414,053,000 to Cumulative Redeemable Preference Shares as disclosed in Note 17 and the short-term interest-free loan granted by a director to the Company as mentioned above. The Group's repayment of the RSLs Series B and the ability of the Group and the Company to repay the said loan to the director is dependent upon the Group generating sufficient cash flows from operations and the ability of management to successfully obtain refinancing arrangements which are being actively pursued.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

40. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk (cont'd)

		Group			
	Con- tractual interest rate %	Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	Total RM'000
2010					
Financial liabilities					
Non-interest bearing					
Trade and other payables	-	100,367	-	-	100,367
Term loan	-	-	84,452	-	84,452
Golf club membership loans	-	-	-	4,800	4,800
Financial guarantee contracts	-	-	-	-	-
		100,367	84,452	4,800	189,619
Interest bearing					
Term loans	8.30%	41	125	77,478	77,644
RSLs Series B	5.00%	-	68,822	-	68,822
Bank Guarantee Commercial Paper	4.00%	-	-	46,762	46,762
Bank Guaranteed Medium Term Notes	6.10%	-	30,000	10,000	40,000
Revolving credits	7.00%	1,400	19,303	12,800	33,503
Hire-purchase and finance lease payables	2.25% - 8.25%	116	349	854	1,319
Bank overdraft	7.30%	458	-	-	458
		2,015	118,599	147,894	268,508
Total financial liabilities		102,382	203,051	152,694	458,127

	Con- tractual interest rate %	The Company			Total RM'000
		Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	
Financial liabilities					
Non-interest bearing					
Trade and other payables	-	101,233	-	-	101,233
Term loan	-	-	84,452	-	84,452
Financial guarantee contracts	-	-	-	-	-
		101,233	84,452	-	185,685
Interest bearing					
Term loans	8.30%	-	-	75,000	75,000
Hire-purchase and finance lease payables	2.25% - 8.25%	38	113	148	299
		38	113	75,148	75,299
Total financial liabilities		101,271	84,565	75,148	260,984

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

40. FINANCIAL INSTRUMENTS (cont'd)

At the end of the reporting period, it was not probable that the counterparties to the financial guarantee contract will claim under the contract as disclosed in Note 38.

The amounts for financial guarantee contracts are the maximum amounts that the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparties to the guarantee. Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparties claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparties which are guaranteed suffer credit losses.

The maximum amount the Group could be forced to settle under the financial guarantee contracts if the fully guaranteed amount is claimed by the counterparties to the guarantee are RM2,111,000 (2009: RM3,198,000).

Categories of Financial Instruments and their Fair Values

The carrying amounts and the estimated fair values of financial instruments of the Group and of the Company at the end of the reporting period are as follows:

		Group		Company	
	Note	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial Assets					
2010					
Available-for-sale financial assets					
Quoted shares in Malaysia	19	191	189 *	-	-
Memberships	19	814	^	718	^
Loans and receivables					
Non-current trade receivables	22	25,101	25,101	-	-
Financial Liabilities					
2010					
Held at amortised cost					
Term loans	26	162,096	162,096 #	159,452	159,452 #
Revolving credits	26	33,503	33,503 #	-	-
Bank Guaranteed Commercial Paper	26	46,762	46,762 #	-	-
Bank Guaranteed Medium Term Notes	26	40,000	40,000 #	-	-
Hire-purchase and finance lease payables	27	1,319	1,319 #	299	299 #
RSLs Series B	29	68,822	68,822 #	-	-
Golf membership loans	31	4,800	**	-	-

* The fair values of financial assets traded on active liquid markets are determined with reference to quoted market prices at the end of the reporting period.

^ It is not practicable to estimate the fair values of the Group's and the Company's memberships because of the lack of quoted market prices and the inability to estimate their fair value without incurring excessive costs.

The fair values of the financial liabilities in issue are equivalent to their carrying amount as their effective interest rates are considered to be market rates.

** 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.

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

41. SEGMENT INFORMATION

(a) Business Segments

The Group is organised into and operates internationally in four major business segments:

- (i) Property development
- (ii) Property investment
- (iii) Hospitality and health
- (iv) Others

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
2010						
Revenue						
External sales	95,875	21,657	111,063	-	-	228,595
Inter-segment sales	11,637	2,047	35,927	26,894	(76,505)	-
Total revenue	107,512	23,704	146,990	26,894	(76,505)	228,595
Results						
Segment results	61,704	3,584	4,700	32,335	(50,889)	51,434
Profit from operations						51,434
Finance costs						(25,945)
Share of results of associates						525
Profit before tax						26,014
Income tax expense						(8,038)
Profit for the year						17,976
Assets						
Segment assets	499,398	345,385	585,833	5,532	-	1,436,148
Tax recoverable	258	54	285	5,046	-	5,643
Deferred tax assets	7,093	-	-	-	-	7,093
Investment in associates	3,593	-	-	241	-	3,834
Consolidated total assets						1,452,718
Liabilities						
Segment liabilities	198,357	99,591	77,062	191,946	-	566,956
Deferred tax liabilities	4,159	29,875	51,303	-	-	85,337
Tax liabilities	59,168	2,696	225	1,533	-	63,622
Consolidated total liabilities						715,915
Other Information						
Capital expenditure	554	2,607	13,176	92	-	16,429
Depreciation/Amortisation	1,109	3,634	11,001	244	-	15,988
Allowance for doubtful debts	5,287	39	10,412	17	-	15,755
Allowance for doubtful debts written back	(1,325)	-	-	(104)	-	(1,429)
Other significant non cash expenses	25	-	2,951	6	-	2,982

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

41. SEGMENT INFORMATION (cont'd)

(a) Business Segments (cont'd)

	Property Development RM'000	Property Investment RM'000	Hospitality & 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
Profit before tax						2,758
Income tax expense						(2,144)
Profit for the year						614
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	97	-	8,264
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

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

41. SEGMENT INFORMATION (cont'd)

(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 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
2010			
Malaysia	218,342	1,430,142	16,350
South Africa	10,253	22,520	79
Others	-	56	-
	228,595	1,452,718	16,429
2009			
Malaysia	167,082	1,467,178	8,178
South Africa	9,257	23,847	86
Others	-	55	-
	176,339	1,491,080	8,264

Notes To The Financial Statements (cont'd)

For The Year Ended 31 December, 2010

42. SUPPLEMENTARY INFORMATION - Disclosure on realised and unrealised profits/losses

On 25 March, 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements which requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December, 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of 31 December, 2010 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	Group 2010 RM'000	Company 2010 RM'000
The share of retained earnings of the Company and its subsidiaries:		
Realised	352,025	43,149
Unrealised	(5,872)	-
	346,153	43,149
Total share of retained earnings from associated companies:		
Realised	683	-
	346,836	43,149
Less : Consolidation adjustments	(129,353)	-
Total retained earnings as per statements of financial position	217,483	43,149

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia Securities Berhad on 25 March, 2010.

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants on 20 December, 2010. A charge or credit to the profit or loss of a legal entity is deemed realised when it resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and is not made for any other purposes.

STATEMENT BY DIRECTORS

The directors of **COUNTRY HEIGHTS HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of 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, 2010 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information sent out in Note 42, which is not part of the financial statements, is prepared in all material aspects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

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

MARK VICTOR ROZARIO

Kuala Lumpur
26 April, 2011

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 accompanying financial statements of the Group and of the Company 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, Federal Territory
on this 26th day of April, 2011.

Before me,

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

ANALYSIS OF SHAREHOLDINGS

As At 10 May 2011

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	78	1.24	1,416	0.0005
100 - 1,000	2,078	32.97	1,959,362	0.7107
1,001 - 10,000	3,708	58.83	12,859,331	4.6641
10,001 - 100,000	399	6.33	10,187,770	3.6951
100,001 to less than 5% of issued shares	33	0.52	54,037,793	19.5997
5% and above of issued shares	7	0.11	196,661,731	71.3299
Total	6,303	100	275,707,403	100

Substantial Shareholders

No.	Name of Shareholders	Direct	No. of Shares %	Indirect	%
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	57,968,231 ⁽¹⁾	21.02
2	Golden Touch Venture Sdn Bhd	39,425,000	14.30	-	-
3	Chunghwa Picture Tubes (Malaysia) Sdn Bhd	38,400,000	13.93	-	-
4	Lim Wee Hang	16,989,100	6.162	-	-
5	Lee Cheng Wen	14,978,831	5.43	132,589,400 ⁽²⁾	48.09

Statement of Directors' Shareholdings

No.	Name of Directors	Direct	No. of Shares %	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	57,968,231 ⁽¹⁾	21.02
3	Mr. Mark Victor Rozario	-	-	-	-
4	Ms. Lee Cheng Wen	14,978,831	5.43	132,589,400 ⁽²⁾	48.09
5	Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	16,000	0.01	-	-
6	Encik Nik Hassan Bin Nik Mohd Amin	-	-	-	-
7	Mr. Chew Chong Eu	-	-	-	-

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 2011

Name of Shareholders	No. of Shares	Percentage
1. HDM Nominees (Tempatan) Sdn Bhd <i>Lee Kim Tiong @ Lee Kim Yew</i>	54,124,338	19.6311
2. Chunghwa Picture Tubes (Malaysia) Sdn Bhd	38,400,000	13.9278
3. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Lee Kim Tiong @ Lee Kim Yew</i>	32,730,862	11.8716
4. AMMB Nominees (Tempatan) Sdn Bhd <i>AMBank (M) Berhad for Country Heights Venture Sdn Bhd</i>	23,675,000	8.5870
5. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Wee Hang</i>	17,002,700	6.1669
6. Golden Touch Venture Sdn Bhd	15,750,000	5.7126
7. HDM Nominees (Tempatan) Sdn Bhd <i>HDM Capital Sdn Bhd for Lee Cheng Wen</i>	14,978,831	5.4329
8. Kensington Group Management Limited	13,784,000	4.9995
9. Joint Win Investment Limited	11,929,000	4.3267
10. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Loke Kim Wan</i>	7,419,200	2.6910
11. Berjaya Sampo Insurance Berhad	4,601,200	1.6689
12. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Bee Garden Holdings Sdn Bhd</i>	3,561,400	1.2917
13. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Lee Kim Tiong @ Lee Kim Yew</i>	2,721,430	0.9871
14. Siva Kumar a/l M. Jeyapalan	1,880,500	0.6821
15. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Siva Kumar A/L M. Jeyapalan</i>	1,413,000	0.5125
16. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	811,200	0.2942
17. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	669,642	0.2429
18. Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Faai @ Ng Yoke Pei</i>	581,100	0.2108
19. Anchor Point Sdn Bhd	480,000	0.1741
20. Malpac Capital Sdn Bhd	468,500	0.1699
21. Tan Eng Hock	458,500	0.1663
22. Lim Hong Liang	315,600	0.1145
23. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged Securities Account for Chong Kim Chan</i>	300,000	0.1088
24. Loh Siew Hooi	250,500	0.0909
25. Lee Ah Leong	231,001	0.0838
26. Citigroup Nominees (Asing) Sdn Bhd	223,020	0.0809
27. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tee Kim Chee</i>	200,000	0.0725
28. Chan Kuang	166,200	0.0603
29. King Wan Construction Pte Ltd	160,000	0.0580
30. Koh Kin Lip	160,000	0.0580
Total	249,446,724	90.4753
Total Issued Capital	275,707,403	

As At 31 December 2010

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List of Landed Properties Held By The Group (cont'd)

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2010 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	14	201,616	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		1,108	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		9,937	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	13	390,996	20/5/2004 *
	College Valley Industrial Park	96	Freehold	Industrial land	20.06		8,678	31/3/1995
Lot 27 HSD 105214 P.T. No. 12274 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	14)))))		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	14)))))		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	14)))))		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	14)))))		1/6/1994
Lot 963 HSD 105344 P.T. No. 13222 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	14)))))	31,701	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	14)))))		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	14)))))		1/6/1994

List of Landed Properties Held By The Group (cont'd)

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2010 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 973 HSD 105241 P.T. No. 13212 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	14)))))		1/6/1994
Lot 1038 HSD 105294 P.T. No. 13173 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	14)))))		1/6/1994
Lot 1323 HSD 105606 P.T. No. 13485 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	3)))))		1/6/1994
Lot 1324 HSD 105607 P.T. No. 13486 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	3)))))		
Lot 1325 HSD 105608 P.T. No. 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	3)))))		
Lot 1327 HSD 105610 P.T. No. 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	3)))))		
	College Heights Garden Resort	13	Freehold	Bungalow	2.79	14))))		
	College Heights Garden Resort	222	Freehold	Residential - bungalow land	48.63	) ) )		1/6/1994
	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	9))))	9,671	1/6/1994
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	9)))		1/6/1994
Lot 23560 HM 132798 Mukim of Setul District of Seremban	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	) ) )		1/6/1994
	College Heights Garden Resort	4	Freehold	Hotel, Medical, Petrol Station & Gerai	5.58	) ) )	4,751	1/6/1994

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate	2010	Revaluation*/ Acquisition Date
						Age of Building (Years)	Net Book Value (RM'000)	
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		5,644	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		8,278	27/2/1990
Lot 7938 HM 37650 PT No. 2712 Mukim of Setul District of Seremban Negeri Sembilan	Lot 162, Staffield Country Resort	1	Freehold	Residential - bungalow land	0.21		181	23/8/1995
Lot No.15 section 11 Gunung Penrissen Padawan Kuching, Pangkalan Ampat Land District of Sarawak	Borneo Heights	59	Leasehold 198 years	Residential - bungalow land	26.47	) ) ) ) )	40,214	20/9/1994
				Future Development	4,803.92	) )		20/9/1994
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	11	31,365	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	272 8 12 458	Freehold Freehold Freehold Freehold	Bungalow Lots Bungalow House Commercial Lots Super Linked House	44.00 1.64 3.09 30.28	) ) ) ) ) ) ) )	42,617	8/11/1995 8/11/1995

List of Landed Properties Held By The Group (cont'd)

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2010 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
			Freehold	Petro Station & Recreational Land	10.82))))		
			Freehold	Future Development	203.37)		
		1	Freehold	Club House	6.48	6	8,186	
HSD 220868 P.T. No. 27694 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	113	Freehold	Villas	Approx. 34.37	6)))))))	41,735	11/2/1999
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor				Proposed Mixed Development	Approx. 26.23)))))))		
Geran 60932/M5/1/42 Lot 23505, Mukim Dengkil Daerah Sepang Selangor	D'Melor Condominium Cyberjaya	1	Freehold	Condominium	0.04	8	458	
HSD 59892 P.T. No. 16720 Mukim of Petaling District of Petaling Selangor	Mines Wellness Hotel	1	Leasehold (expiring 20.3.2091)	Hotel	9.25	14	57,817	29/2/2008 *
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	14	113,945	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	) ) ) ) ) ) )	13,594	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
Pajakan Negeri 7212 No Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	20 villas	Leasehold (expiring 12.11.2088)	Palace Vacation Club		16	3,982	1/3/2010

List of Landed Properties Held By The Group (cont'd)

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2010 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	14	803	12/11/2001
HSM 9-93 P.T. 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	12	862	21/5/2002
Suite C-03-01, 3rd Floor, Block C, Plaza Mont' Kiara, 50480 Kuala Lumpur	Mont' Kiara	1	Freehold	Medical Centre	0.24	7	3,759	28/2/08
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	26 3	Freehold Freehold Freehold Freehold	Bungalow lots Bungalow House Cluster Bungalow Future Development	14.37 0.73 13.40 6.42	) 2)))))	99,955	14/11/2000
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		15,044	14/4/2004
Erf 258	Extension 5 482 JQ North West Province South Africa	1	Freehold	Etika house	0.13	11	100	31/12/1997
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	10	800	31/12/1999
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	12)))	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	12)))		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

List of Landed Properties Held By The Group (cont'd)

As At 31 December 2010

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2010 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	12))))		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 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		660	1/6/2003
Erf 1277	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.13		618	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		406	1/6/2003
Erf 1302	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		416	1/6/2003
Erf 1304	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		451	1/6/2003
					6,248.02		1,260,218	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of Country Heights Holdings Berhad will be held at Dewan Cemerlang 2, Level 2, MINES International Exhibition & Convention Centre, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 21 June 2011 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 2010 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 2010. *(Ordinary Resolution 2)*
3. To re-elect Mr Mark Victor Rozario who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for reelection. *(Ordinary Resolution 3)*
4. To re-elect Encik Nik Hassan bin Nik Mohd Amin who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Ordinary Resolution 4)*
5. To re-elect Mr. Chew Chong Eu who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Ordinary Resolution 5)*
6. 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 6)
7. To consider and if thought fit, to pass the following resolution to re-appoint Academician Tan Sri Emeritus Professor 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 Emeritus Professor 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 7)
8. 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 8)*

As Special Business

To consider and if thought fit, with or without any modification, to pass the following Resolutions:-

9. **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 9)

Notice of Annual General Meeting (cont'd)

10. 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 30 May 2011 ("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 10)

11. 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 does 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.

Notice of Annual General Meeting (cont'd)

- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its shares shall not exceed the total retained earnings and share premium reserves of the Company at the time of the purchase(s); and
- (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 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 is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary and/or enter into any and all agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

(Ordinary Resolution 11)

12. To transact any other business of which due notice shall have been given.

By Order of the Board

CHOO MUN LAI (MAICSA 7039980)

Company Secretary

Seri Kembangan, Selangor Darul Ehsan
30 May 2011

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 9 is to renew the authority granted by the shareholders of the Company at the Twenty-Sixth Annual General Meeting ("AGM") held on 25 June 2010. 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-Sixth AGM held on 25 June 2010.

2. The proposed Ordinary Resolution 10, if passed, will allow the Company and/or of its subsidiaries to enter into the 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 30 May 2011 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 11, 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-Seventh Annual General Meeting are as follows:-

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)
Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock
Mr. Mark Victor Rozario
Encik Nik Hassan bin Nik Mohd Amin
Mr. Chew Chong Eu

The details of the above Directors and their interest in the securities of the Company are set out on pages 4 to 10 and 157 of the Annual Report.

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Proxy Form

No. of ordinary shares held

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Country Heights Holdings Berhad
(119416-K)

*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-Seventh Annual General Meeting of the Company to be held at Dewan Cemerlang 2, Level 2, MINES International Exhibition & Convention Centre, Jalan Dulang, MINES Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan on Tuesday, 21 June 2011 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 2010 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 Mr Mark Victor Rozario as Director (Resolution 3)		
4. To re-elect Encik Nik Hassan bin Nik Mohd Amin as Director (Resolution 4)		
5. To re-elect Mr Chew Chong Eu as Director (Resolution 5)		
6. To re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as Director (Resolution 6)		
7. To re-appoint Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock as Director (Resolution 7)		
8. To re-appoint Messrs Deloitte Kassim Chan as Auditors and to authorise the Directors to fix their remuneration (Resolution 8)		
9. To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 9)		
10. To approve the 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 (Resolution 10)		
11. To approve the Proposed Renewal of Authority for the Purchase of its Own Shares by the Company (Resolution 11)		

* Strike out whichever not applicable

Signed this _____ day of _____, 2011.

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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Postage

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 & 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 : 603-8944 3399
Email : sales@pbs.mines.com.my
Homepage : <http://www.mineswellnesshotel.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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Phase 2



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COLLECTION OF LUXURY HOTELS & RESORTS



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.

Tel : 03-8943 8811

Fax : 03-8941 1470

www.countryheights.com.my