



Ever-Searching for Better Living



绿野集团

Country Heights Holdings Berhad
(119416-K)



COMPANY PROFILE

Country Heights Holdings Berhad (“CHHB”) is a public listed conglomerate with subsidiaries in property development and investments, hotel and resort management, healthcare, event planning and exhibitions, education and timeshare. CHHB was listed on the Main market of the Bursa Malaysia Securities Berhad on 18 February 1994.

Our largest development is the Mines Resort City, where a once deserted opencast tin-mining lake was transformed into a sprawling hive of greenery and activities. Many of our award-winning projects, such as the Palace of the Golden Horses Hotel, Mines Waterfront Business Park and Mines International Exhibition and Convention Centre (MIECC) were developed around this now majestic lake.

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

OUR VALUES

The values to govern our way of doing business and branding:-

- Nature
- Love
- Quality
- Style
- Excellence

OUR VISION

Ever Searching for Better Living!

OUR MISSION

To be a lifestyle developer and make a difference in people's lives through innovation.





CONTENTS

3	Corporate Information
4	Profile of Board of Directors
10	Profile of Senior Management
12	Chairman's Statement
16	Group CEO Statement
20	Property Development
32	Property Investment
38	Hospitality & Health
50	Corporate Social Responsibility
54	Group Structure
56	Five-Year Group Financial Highlights
58	Statement of Corporate Governance
66	Audit & Risk Management Committee Report
70	Statement on Internal Control
73	Financial Statements
162	Analysis of Shareholdings
163	List of Thirty Largest Securities Accounts Holders
164	List of Landed Properties Held by the Group
171	Notice of Annual General Meeting
174	Statement Accompanying Notice of Annual General Meeting

Proxy Form
Corporate Directory

We are the CHAMPs!

Country Heights Amazing Peoples!

(Plural of people, Def: a body of persons that are united by a common culture, tradition, or a sense of kinship)

Moving to its 30th anniversary soon, Country Heights understands that to be able to gain competitive edge and to maintain sustainability, Human Development is a crucial foundation. Hence, for 2012, Country Heights has dedicated to transform its Human Resource initiatives in formulating systematic programs for its employees towards a purposeful and effective workforce.

The first initiative was the launch of "CHAMPs!" The coining of a name is to create a common identity among all employees under different business units towards one goal, one culture and one direction.

CHAMPs! is aimed to create unity, inclusiveness and a heighten energy among the approximately 1,200 workforce within the group. Each CHAMPs! abides the common values of caring, committed, healthy, honesty, appreciative, assertive, mannered, motivated, persistent, positive, sincere and successful as a guide in one's individual conduct in the working environment.

All employees working within the group is recognised as a CHAMPs!

C	I AM Caring & Committed!
H	I AM Healthy & Honest!
A	I AM Appreciative & Assertive!
M	I AM Mannered & Motivated!
P	I AM Persistent & Positive!
S	I AM Sincere & Successful!
!	We HAVE Oomph! (Energy)

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*

Lee Cheng Wen

*Group CEO
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

AUDIT & RISK MANAGEMENT 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

Yip & Co
Richard Tallal & Harun
Arif & Hakim
Lee Partnership
Soo Thien Ming & Nashrah
Ming, Yee & Co

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

WEBSITE

www.countryheights.com.my



PROFILE OF BOARD OF DIRECTORS

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

*Chairman, Independent Non-Executive Director
Malaysian, 77 years of age*



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 & Risk Management 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. He also sits on the Board of 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.

Profile of Board of Directors

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 "BestBrands Conglomerate Awards 2010-2011".



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

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

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

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

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

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

*Deputy Chairman
Non-Independent Non-Executive Director
Malaysian, 56 years of age*

Profile of Board of Directors

LEE CHENG WEN

Group CEO

Non-Independent Executive Director

Malaysian, 26 years of age



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

Lee officially joined Country Heights Holdings Berhad on 7 July 2008. She was attached with the Managing Director's office prior to her post in managing Country Heights Damansara. During her tenure there, she managed to elevate sales and improve the overall financial stability of the division. In June 2009, she was appointed as the General Manager of Palace of the Golden Horses. She turned around the profitability of a few divisions in Palace of the Golden Horses and her portfolio organically grew to oversee the hospitality and health division. She was then re-designated to Chief Executive Officer of Country Heights Hospitality and Health Division.

Under her portfolio, the Hospitality and Health Division is the second major revenue contributor in 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. In June 2011, she was re-designated to Group Chief Executive Officer of Country Heights Holdings Berhad.

Lee graduated with a Bachelor of Science in Corporate Finance and Organisational 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 organisations. 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.

Lee is the daughter of Tan Sri Lee Kim Yew, Deputy Chairman of the Company.

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

Profile of Board of Directors

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 & Risk Management 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, 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 recognised 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 in 2011.

He was awarded the Palm Oil Industry Leadership Award (PILA) in July 2011.

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

*Independent Non-Executive Director
Malaysian, 78 years of age*

Profile of Board of Directors

ENCIK NIK HASSAN BIN NIK MOHD AMIN

*Independent Non-Executive Director
Malaysian, 62 years of age*



Encik Nik Hassan was appointed to the Board on 29 April 2008. He also serves as the Chairman of the Audit & Risk Management 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 Al Rajhi Banking & Investment Corporation (Malaysia) Berhad and Golden Horse Palace Berhad.

Profile of Board of Directors

Mr. Chew was appointed to the Board on 29 April 2008. He is also a member of the Audit & Risk Management 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 with Ernst & Young. He was also actively involved in providing professional advice to various Australian companies looking to invest in Asia and vice-versa. He further has experience in audit, tax, and management consultancy services. His industry experience includes hotel and tourism, transportation, printing and manufacturing, retail and property development.

In 2005 until present, together with a number of his colleagues from BDO Capital, he established Covenant Equity Consulting Sdn Bhd, to provide quality corporate finance and advisory services with a personal touch across the Asia Pacific Region. In 2009, he was appointed as the Quality Control Director of PKF Malaysia, a member of PKF International, one of the world's top ten accounting and business advisory organisation.

Mr Chew has no directorship in other public listed companies.



Mr. Chew Chong Eu

*Independent Non-Executive Director
Malaysian, 50 years of age*

He had also acted as Head of Corporate Finance for Schroders Advisory Services and Perdana Merchant Bankers Berhad. Whilst in service, he successfully assisted companies in various industries to restructure for the purpose of initial public offerings, completed equity, debt or equity-linked capital raising exercises, in addition to being involved in several reverse take-over and privatisation 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, where he took on appointments in corporate advisory for debt restructuring and turnaround exercises of several public listed and private companies.

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



Ms. Lee Sow Lin

*Chief Executive Officer, Property Investment
Division*



Mr. Ricky Yip Chun Mun

*Chief Executive Officer, Palace
Vacation Club Division*

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 29 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, Procurement & Legal) and Southern Steel Berhad (as the Financial Controller).

As Group Chief Financial Officer, Mr. Tan oversees Finance, Tax, Legal, Procurement and IT functions of the holding company and its subsidiaries.

Ms. Lee Sow Lin

Chief Executive Officer, Property Investment Division

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

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

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

In her present position 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. Apart from the two above mentioned properties. Ms Lee also help to oversee 2 other related commercial investment properties within the Mines Resort City vicinity.

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 conceptualising 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 24 years experience in the Malaysian timeshare industry.



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

Chairman

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors of Country Heights Holdings Berhad ("CHHB"), I am pleased to present to you the Annual Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2011.

Chairman's Statement



The Group is confident that we will continue to grow from strength to strength as evidenced by our tenacious spirit to go beyond boundaries. More importantly, we remain guided by our underlying mission to be a lifestyle developer and make a difference in people's lives through innovation. On this matter, the Group remained focus on its vision to move forward with its plans for further growth and expansion.

A strategic action plan was deliberated amongst the Board and by senior management, in order to achieve our corporate and brand evolution goals. This requires focus securing strategic alliances with renowned and international institutions, the development of new growth engines and more importantly the strategic plan that outlines bottomline growth and sustainable profit targets as well as measures to fortify the CHHB Group human resource and talent pool.

Overview

This year has been a challenging year. While the Malaysian Economy registered a growth of 5.1% in year 2011, there were still concerns over the sustainability of a global recovery. Malaysia will continue to be affected by the spillover effects of global developments. These include the effects of developments and policies being pursued by the advanced economies, the geo-political tensions in the Middle East and more recently, the tragic developments in Japan.

The Group is confident that we will continue to grow from strength to strength as evidenced by our tenacious spirit to go beyond boundaries.

The construction and real estate sector in Malaysia can remain optimistic despite a marked increase in building materials and labour costs under the projects rolled out under the Economic Transformation Programme (ETP). More affordable housing is expected to be built, spearheaded by the Government, under such initiatives as My First House Scheme (MFHS) and 1Malaysia Housing Programme (PR1MA), also represents an opportunity for the property development and property investment sector.

The National Property Information Centre (NAPIC) reported that the take-up rate of newly launched residential units expanded to 13.5% in the first half of year 2011 compared with 13.1% in the corresponding period last year benefited by the improved household incomes and better job prospects.

Chairman's Statement

Riding on positive sentiment and confidence in the economy, the local property market kicked off 2011 on a high note. However, overall demand for residential and commercial properties softened in second half 2011 as persistent economic woes in Europe and the US began to affect sentiment and the Malaysia Government introduced measures to halt the escalating property prices.

Malaysia will continue to be affected by the spillover effects of global developments and against a backdrop of rising economic uncertainties, which have increased the possibility of a double-dip global recession. The continued strengthening of our economic structure and the financial system, and the improvement in our macroeconomic fundamentals will increase the resilience of our economy to the global economic development.

Group Performance

For the financial year ending 2011, the Group recorded a profit attributable to shareholders of RM23.6 million against RM19.6 million in the previous year. Profit contribution from the hospitality and health division improved by 71%. Whereas revenue & profit contribution from the property development activities declined. Nevertheless property development division contributed 42% of the total profit contribution before finance cost. Steps taken to clean up the accounts, write back unnecessary provisions, waiver of debt received and striking off dormant companies have also contributed to this year's results.

The Board of Directors does not recommend any dividend to be declared for the financial year ended 31 December 2011.



Chairman's Statement

Corporate Development

The Group commenced a number of capital management initiatives in 2011, some of which continued into 2012, to strengthen its balance sheet and position the Group's asset base for future growth opportunities.

- De-registered some inactive subsidiaries during the year and continuing to streamline the structure and improve efficiency within the CHHB Group of Companies.
- On 16 December 2011, East Vision Leisure Sdn Bhd, a wholly owned subsidiary of CHHB has fully redeemed the 68,821,674 Redeemable Secured Loan Stocks 2004/2011 ("RSLs Series B").

Prospects of the Company

Despite a challenging external environment, the Malaysian economy is projected to grow by 4–5% in 2012. Growth is likely to improve during the course of the year with better growth performance in the second half of the year supported by strong domestic demand, deriving from private sector activity and the ETP will be a vital component as well as various Government initiatives.

In tandem with the stable economic performance and higher disposable income from the improved labour market, the property market is expected to be buoyant in the highly sought-after locations such as Klang Valley and Cyberjaya.

The global economy may continue to exhibit significant volatility and uncertainty and while we do expect the impact on Asian economic growth to be less severe, we remain cautious about the strength of global economic growth in the year ahead.

Our strategies of customer centric, product innovation, quality emphasis and flexible to quickly adapt to the changing business conditions are vital for the long term success of our business activities in the increasingly competitive market.

Today, CHHB's core businesses are well positioned not only to benefit from the long term secular trends but are also sufficiently strong and healthy to withstand short term fluctuations in the global economic cycle. The Group will continue to adopt a prudent risk management approach in all our core businesses and embark on the strategy of building our core business on a sustainable basis. Barring unforeseen circumstances, we envisage the Group will achieve satisfactory results in the ensuing financial year.

Acknowledgement & Appreciation

To my fellow Board members, I thank you for your guidance and advice throughout the year. I would also like to express our appreciation and gratitude to our former Group Managing Director, Mr. Mark Victor Rozario, who stepped down from all executive position in the Company and its subsidiaries on 21 June 2011 to take up an appointment with the Government of Malaysia. I would like to extend a warm welcome to Ms. Dianna Lee Cheng Wen who was re-designated from Executive Director to Group Chief Executive Officer on 21 June 2011 to ensure clear leadership and continuity to pursue the Group's current initiatives.

The Group's success would not have been possible without the dedication and commitment of our management and staff. I am confident that they will continue to inject new and relevant ideas that will elevate the group to even greater heights of success. We will certainly continue our strategy to promote effective interaction between all levels of staff to ensure that the Group's mission is clearly communicated. On behalf of the Board, I wish to extend my sincere thanks to them for their contribution to the Group. Needless to say, I would also like to thank our valued customers, suppliers, business associates, bankers, various regulatory authorities and our faithful shareholders for their continued support and confidence in us.



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

Chairman



LEE CHENG WEN

Group CEO

Non-Independent Executive Director

GROUP CEO STATEMENT

Group Performance Review

The global economic recovery had been gradual until it was affected by global events such as the political upheaval in the Middle East and the earthquakes in Japan. The sovereign debt issues of European countries continue to cause concerns in parts of the European economy with cascading effects on the world economy. Although growth has remained strong with support from overall robust domestic economic activity, global inflation has crept in due to escalating prices of crude oil and commodities.

The financial year under review saw CHHB emerging stronger after a daunting and challenging year. The Group performed satisfactorily and has strengthened its financial and strategic position on the back of the competitive business environment in the markets in which it operates.

The Group's turnover experienced a decrease from RM228.6 million in 2010 to RM181.8 million in 2011 attributable to lower revenue recorded by the Property Development Division and the Hospitality & Health Division. The reduction in turnover for the Property Development Division was mainly due to the one off sale of 2.9 acres of Club and Commercial Land in Country Heights Damansara in the comparative year of 2010 for RM19.9 million. Major refurbishment of hotel rooms in Palace of the Golden Horses during the year has affected the number of room nights available for generating income and contributed to the lower revenue for the Hospitality & Health Division.

In view of the lower Group revenue, the profit before tax registered for the current year was RM22.9 million versus RM26.0 million in the preceding year. However, the Group has improved on its profit before tax margin to 12.6% (2010: 11.4%). The Group achieved a stronger profit attributable to shareholders of RM23.6 million for the financial year under review in comparison to RM19.6 million in the previous year which translated to a basic earnings per share of 8.58 sen (2010: 7.10 sen), an increase of 20.8%.

The financial results achieved reflected a host of deliberate and prudent financial management measures implemented over the past 12 months amidst a competitive and challenging operating environment.

Group CEO Statement

Upholding the motto of “*Ever Searching for Better Living*”, CHHB remains ever watchful for innovations and new systems in housing development that can improve the way we work and live. We strongly believe that sustainable lifestyle which focuses on developments that combines nature and wellbeing is the way forward. We are planning for some exciting ground-breaking developments in 2012 by delivering products that will enrich our customers’ overall experience. We truly believe that a sound mind begins from a peaceful home environment.

We have projects with total Gross Development Value exceeding RM500 million to be launched within the next 12 months in our continuous effort in unlocking the value of our existing land banks. We are also looking for potential joint ventures development opportunities and strategic partners to accelerate our progress of value adding to our over RM 1 billion assets.

Undeterred by the economic challenges, we have stayed focused on our key business strategies to sustain positive results. We are continuously sourcing for avenues to uplift the image of the company and its offering through strategic planning of projects, exceeding the industry’s standard on service qualities as well as enhancing the current state of our properties through refurbishment efforts to name a few.

Besides focusing on our assets, we are also aligning ourselves towards a new workforce by placing emphasis in human development. Our people are our pillar and in line with that, we launched our CHamps! Program which stands for Country Heights Amazing Peoples. The purpose of the program is to recognise and reward our team players on top of setting the mindset of all our business components to the same shared values, goal and direction.

Operation Review

Property Development

The Property Development Division registered revenue of RM58.3 million with profit before tax contribution of RM13.6 million or 57.6% of the total Group’s profit before tax for the financial year 2011. Although the division slide to the second place as revenue contributor of the group in 2011, it still remains as our top bottom line contributor.



We launched our LakeView Residency, the first negative ion housing development in Malaysia that focuses on combining green and health elements into properties. As pioneers in the industry, it has been our continuous effort of greening Cyberjaya and its surrounding for the benefit of its future residents. These negative ions energy boards are placed in the ceilings of all the newly developed units. The LakeView Residency has great potential capitalising on its location as the nucleus of the Multimedia Super Corridor. The better accessibility from Maju Expressway and the increasing resident and student population at Cyberjaya will surely generate higher housing demand in the area. The sales of LakeView Residency have received positive response and all units are expected to be fully sold in year 2012. Commencement of construction for this project has started in February 2012.

We are proud to also announce that all the bungalow lots in Country Heights Damansara are fully sold out. To reaffirm Country Heights Damansara’s brand value as the sought after address in Kuala Lumpur, 30 linked bungalows and boutique villas will be built towards 3rd quarter of 2012. In addition to the Country Heights Damansara boutique project, similar projects will also be built in Country Heights Cyberjaya.

CHHB first-ever garden terrace homes project, Belleza Garden Homes Phase 1, which was launched in 2011 in the northern region offered homeowners individualism in a garden home environment, and to-date it has achieved 90% sales. The current construction work has been completed up to the stage of 62.5% having contributed profits of RM12.0 million to the Group in the financial year under review. This phase of the project is targeted to be completed by the end of year 2012. With the continuous good response in Kolej Heights Utara, we will be planning the launch of Belleza phase 2a towards the end of 2012.

The Property Development Division registered revenue of RM58.3 million with profit before tax contribution of RM13.2 million or 57.6% of the total Group’s profit before tax for the financial year 2011.

Group CEO Statement



Bank Negara announced in February 2012, that domestic demand which is a main driver of growth for the past 2 to 3 years is on a solid and steady growth and is confident that the economy will notch a decent 5% growth in year 2012. As long as the macroeconomic conditions remain favourable, it is foreseen that the demand for quality residences and offices in choice locations will continue to grow unabated. This positive trend will also be leveraging on the successful implementation of the Government Transformation Programme, Economic Transformation Programme ("ETP") and the greater Kuala Lumpur transformation plans.

The country's export will somehow be affected by the slowing demand in Europe, United States and other parts of the world, and certain sectors of the property market is expected to moderate in year 2012. However, CHHB is confident that given the quality, product concept and location of its offerings, it will continue to receive positive market response for its launches and the Property Development Division has put in place a number of new projects in the pipeline for launching in the next 12 months.

Hospitality & Health

The Hospitality & Health Division has contributed RM98.1 million or 54% to the Group's revenue in 2011 making it the top grossing revenue division despite being the second bottom line contributor. The decrease of revenue by RM9.1 million as compared to RM107.2 million in 2010 was mainly due to the global economic downturn and Euro debt crisis. Nevertheless, we manage to achieve better segment result (exclude finance cost) in 2011 with PBT of RM10.1 million compared to year 2010 of RM5.9 million. This is mainly due to improvement in cost and quality management despite lower revenue.

The Hospitality & Health division continued to strengthen its offering at the Palace of the Golden Horses and Mines Wellness Hotel, both located in the Mines Resort City. Both hotels have grown from strength to strength and enjoyed strong visitors throughout the year. The Palace of the Golden Horses is in the midst of refurbishment progressively and is expected to complete by end of 2012 to provide a renewed experience for all our guests. Meanwhile, Mines Wellness Hotel has recently won the ASEAN Green Hotel Recognition Award 2012 at the ASEAN Tourism Forum held in Manado, Indonesia. The award recognises players in the hotel industry whose operations are based on environmentally-friendly principles and adopts energy conservation measures. The ASEAN Green Hotel Standard is valid throughout the years 2012 to 2014.

The Golden Horses Health Sanctuary (GHHS) is a one-stop centre providing Eastern and Western approaches to healthcare. GHHS was awarded "The Best TCM" Award at the Malaysia Spa & Wellness Awards 2011 Gala Dinner. GHHS business has improved and continues to grow with the expansion of the new centre from 10,000 sq. ft. to 33,000 sq. ft. The new centre was launched in March 2011 by the Minister of Health, Dato' Sri Liow Tiong Lai. The expansion is part of Mines Resort City's transformation as a Wellness City will seek to play a central role in tourism by becoming the foremost wellness destination in the country as a part of the Government's ETP, spearheaded by PEMANDU. The Health Screening Centre features 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.

Group CEO Statement

Eight specialist clinics were unveiled during the launch namely a metabolic syndrome and obesity clinic, eye care clinic, heart clinic, gastro and liver clinic, health and dietetic clinic, internal medicine and physician clinic, skin and cosmetology clinic, and longevity and management clinic, creating a one-stop destination for health and wellbeing in a resort environment.

To keep up with the growing needs of our consumers, GHHS launched its Diamond package in 3rd quarter 2011. The package rewards members on free holiday trips and advance health screening procedures for a balance of healthy lifestyle.

Property Investment

Property Investment division which is the third revenue contributor of the group accounted to RM21.9 million of the Group's revenue in 2011 and registered gross profits of RM13.2 million plus EBITA of RM5.8 million for the year ended 2011. It is expected that contribution from this division will be significantly enhanced in the subsequent years.

The improvement is largely due to the better rental incomes from Mines Waterfront Business Park ("MWBP") with its increase in rentable area as a result of the operation of the retail podium floor of MWBP Phase 2, which is now tenanted to Asia Pacific University College of Technology and Innovation (UCTI) and increased numbers of exhibitions and events at Malaysia International Exhibition & Convention Centre ("MIECC").

MWBP has managed to achieve an average occupancy of 95% in 2011 which is much higher than the industry average. Tenancy renewals have consistently achieved an average rental increase of over 10%.

MIECC with its location in a prime and commanding position to plan, organise and coordinate events, it is still the largest exhibition venue in the country hosting a numerous of important and exciting functions. MIECC is a sought after venue for bigger events or nationwide promotional and branding events.

The Management from MIECC via its event arm, Mines Events Sdn Bhd, has initiated READ Malaysia which was endorsed by the Ministry of Education with the main objective to promote the importance of reading and cultivate the habit of reading amongst Malaysian. READ Malaysia made its presence again with more than 375,000 visitors from the last show in May 2011. Amongst the other events which was initiated by Mines Events Sdn Bhd comprises of, In Health & Beaute Expo with more than 15,300 visitors, Buddhist Heritage Expo with more than 225,000 visitors, Malaysia Sports Trade & Golf Expo with more than 14,270 visitors, World of Chinese Book Fair with more than 475,300 visitors and TACG (Toys, Animation, Games and Comic) with approximately 4,200 visitors.

Some of the events that MIECC has attracted publicity in the year, namely, the Karnival Pengajian Tinggi Malaysia in April was officiated by our Deputy Prime Minister; and the Indian New Year Celebration in April, which was attended by our Prime Minister and his wife. The Asian Music Festival concert live in Malaysia in April was a show stopper that was a resounding success which attracted the young and old alike. A Kelab Rekreasi Kajang Deepavali Dinner meeting was held in December.

MIECC be undergoing uplifting works in the ground floor to increase the number of multipurpose hall to cater to more events in 2012. MIECC will be having eight events which will bring in about 1.5 million visitors to Mines Resort City namely READ Malaysia, Dream Wheels Auto Show, In Health & Beaute Expo, Metal & Alloy Technology Expo, Malaysia Sports Trade & Golf Expo, Book Warehouse Expo, Golden Years Expo and World of Chinese Book Fair.

Property investment is a preferred inflation hedge has proven to be a reliable asset class and with a stable base of income from its high-yield, the rental income generated from this division has contributed positively to the Group.

Human Development Commitment

Human capital development remains a core focus of the Group to recruit and retain high calibre employees. With a strong and competent workforce, this will propel the Group to even greater heights of excellence.

In 2010, we have launched the Emerging Leader Programme (ELP), an 18-month intensive programme which equipped the participants with the latest management theory, business strategy and leadership skills. We are also proud that we will be launching our Country Heights Leadership Acceleration Program (LeAP!) in the 2nd Quarter. LeAP! is carefully designed to improve the programme of the current ELP and will be more focus in identifying, grooming and appreciating talents within CHHB with customised talent/skill sets training for a better succession planning.

Country Heights Amazing Peoples (CHAMPS!) was launched in 2011, to align goals and spirit among the 1,200 employees under the Group.

We continuously upgrade our business and IT systems, as well as similar programmes being designed for the executives and non-executives to broaden their knowledge. These initiatives represent our strategy to remain at the forefront of the development business, and ultimately deliver higher returns to shareholders.

To promote transparency and performance-based management, the Management has initiated Quarterly Management Review (QMR) attended by all levels of employees, where Management will present their results for the quarter ended and action plan for the next quarter. QMR is a quarterly gathering forum that helps remove red tapes and promote exclusivity among all levels of employees.

Future Outlook

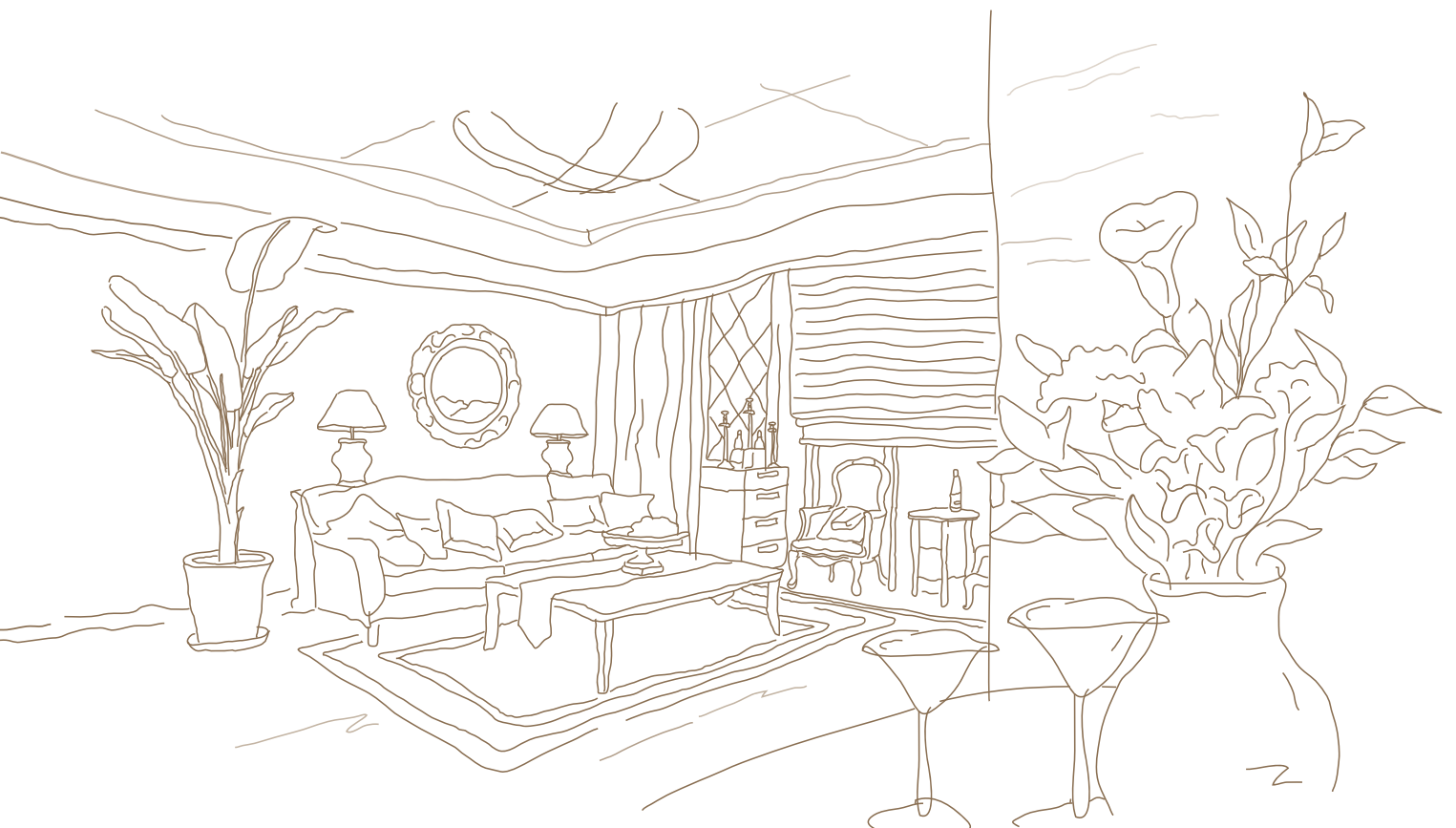
2011, despite its short falls was a good year for growth and the purchasing power. With inflation rate kept at bay, the purchasing power is constant over time which denotes stability.

Based on the recent news about the turmoil of the economic condition as well as variables which will affect the property development sector in 2012, we remain optimistic in our forecasts and progression.

Despite adversities, we strive to do what we do best, "Ever searching for better living" by coming up with unique solutions amidst challenges for the betterment of humanity and nature.

PROPERTY DEVELOPMENT

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.





Property Development



Artist impression of LakeView Residency

COUNTRY HEIGHTS CYBERJAYA

A Smarter Way of Living

Cyberjaya is the gateway to one of Asia's fastest growing information and communications technology (ICT) hubs. It is also the nucleus of the Multimedia Super Corridor (MSC) that gives ICT and technology-based companies the best accessibility and infrastructure. The ease and speed of information is complemented by world-class transportation infrastructure that connects the world to Cyberjaya. This is the home of Cyber Heights Villa – a sustainable resort themed development inspired by nature.

Located strategically within one of the world's most prestigious intelligent cities, Cyber Heights Villa boasts of having the vast magnificent Putrajaya Lake as its backdrop. To date, 510 units of low-rise villas have been completed spanning across 28 hectares (69.70 acres) of premium freehold land. This eco-centric development harmonizes with the adjacent serene lake and parks, as well as the vast open spaces through a generous low density layout.

Easily accessible, ground connections are via the MAJU Expressway, North-South Expressway Central Link, South Klang Valley Expressway and the Putrajaya Link. 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 Administrative Capital of Putrajaya and Cyberjaya.

Future developments in Cyber Heights Villa include three blocks of 23-storey condominiums and 24 units of Super-link Garden Homes in Phase 2, contributing approximately RM350 million in Gross Development Value (GDV). Phase 3 consists of 72 units super-link park homes, where the development designs surrounded by garden. This development will contribute with estimated Gross Development Value of RM 100 million. The Cyber Commercial Centre, a planned commercial hub of offices and serviced apartments with an estimated Gross Development Value of RM650 million.

These future developments will achieve guaranteed rental of 7% based on success factor of Cyber Heights Villa.

Property Development



LakeView Residency

Officially launched in September 2011, the 117-units LakeView Residency built in a three blocks of 10-storey resort apartment. With a total Gross Development Value of approximately RM50 million, each block is designed to ensure exclusivity, leveraging on the beautiful view of Putrajaya Lake. All units are corner lots with only four units per floor, creating a personal sanctuary of space amidst serene surroundings.

LakeView Residency is the first development in Malaysia to introduce 'negative ions' energy ceiling board to its purchasers. The negative ions energy board will be installed in all units which do not use electricity or other energy supply, and it will work as a natural ionizer or air purifier for health benefits.

Stressful and fast moving modern day living limits us from visiting natural surroundings to get our dose of negative ions which are normally found in places like the beach, mountains, countryside, waterfalls, and many other places. With the installation of the energy ceiling boards, one may enjoy fresh, clean and healthy environment anytime at home or working area without going out.

With wellness and well being as a priority, life at Country Heights Cyberjaya is truly an epitome of a smarter way of living.

**Property
Development**

Artist impression of proposed Country Heights Damansara project

Property Development

COUNTRY HEIGHTS DAMANSARA

A Little Forest in Kuala Lumpur

Country Heights Damansara, the ultimate address for exclusive lifestyles is offering residents a sanctuary of tranquility with over 200 acres of lush greenery, living up to its tagline of "A Little Forest in Kuala Lumpur". With a total of 332 Bungalow lots enclosed in a hilly foliage, this exclusive residential enclave of less than 2 units per acre is one of the most sought after locations in the suburbs of Kuala Lumpur.

The meaning of hillside living is amplified through preservation of the environment with each abode designed to take advantage of the beautiful naturally undulating terrain of the land. By bringing nature seamlessly into each and every home, coupled with the cool fresh air, residents are assured of exclusivity and a refreshing living environment with maximum enjoyment of what Mother Nature has to offer. Choice of building materials are carefully selected, and harmoniously infused with nature, the result is almost always an architectural masterpiece.

Within only a 5-10 minute drive from vibrant commercial hotspots like Mont Kiara, Sri Hartamas, Petaling Jaya and Damansara, Country Heights Damansara is an exemplary address for the discerning individual. Complemented by Kuala Lumpur's highest man-made waterfall, a 1.2-km jungle track and a 19-acre Garden Park, Country Heights Damansara takes luxury living to new heights.

The year 2011 saw the construction of 42 units of bungalow whilst 56 units were completed. The current valuations of the development remains resilient between a range of RM8 million and RM10 million, signifying steady appreciation and capital preservation even during volatile times.

Country Heights Damansara is greatly appreciated not only by the property owners but also by the international real estate fraternity as well. In 2008, Country Heights Damansara was awarded the Best Development Malaysia by CNBC Asia Pacific Property Awards. This was followed by the Asia Pacific Residential Property Awards in association with Bloomberg Television as Highly Commended Best Development Malaysia 2010.

In the pipeline, to further enhance Country Heights Damansara and increase its value, 30 linked bungalows and boutique villas with an approximate value of RM5 million each, will be built. Our recent registration exercise generated very positive response among existing property owners who came with their friends and relatives - evidence of the location's remarkable potential for capital appreciation and its undisputed address of choice.



Property Development



BORNEO HIGHLANDS RESORT

Back to Nature, Back to Basics

Borneo Highlands Resort sits on a mountain plateau 1,000 metres above sea level on the Penrissen Range - the second largest, and one of the oldest rainforests in the world. Situated amidst the fresh cool climate of the tropical highlands, patrons are invited to reconnect with nature, and back to basics whilst enjoying the healthy, invigorating lifestyle this resort has to offer. Borneo Highlands Resort is a little getaway haven with unique flora and fauna where one can escape the fast-paced city life and take pleasures in the surroundings and the serenity of Borneo Highlands Resort.

With 3,500 acres out of a total of 5,000 acres of rainforest land to be maintained in its pristine tranquil splendor, guests can enjoy cool mountain air all year long. This setting is perfect for homestead living with Bungalow lots between 6,000 sq ft and 68,500 sq ft to choose from; Borneo Forest (Phase 1), Golf Forest (Phase 2), Hornbill Forest (Phase 3) and Swan Lake Forest (Phase 4).



Property Development

Over the past several years 18 Bungalows have been completed, all unique to meet the individual owners' penchant for luxury and space. Within this invigorating and divine low density estate, each residence carries the distinctive and exclusive signature of its owners, and 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 with Bloomberg Television in 2010.

Facilities for the resort's dedicated employees complete the improvements to the resort's facilities. In a quest to provide better living amenities, the year 2011 saw the completion of staff quarters, enhancing the livability within the grounds of Borneo Highlands Resort.



KOLEJ HEIGHTS UTARA

Distinguished Country Living Up North

Charming country-style living is being redefined in the North of Malaysia, with 489 acres of prime freehold land in Kubang Pasu, Kedah. Kolej Heights Utara (KHU) is a distinguished enclave of Bungalows and Garden Homes, adorned with nature's charm.

KHU offers residents in Kedah one of the largest and most distinguished low-density residential estates amidst a beautifully maintained landscape with a well-designed Clubhouse for the enjoyment of its residents.

The desire to create a sustainable living environment has inspired the introduction of concepts not commonly found in homes built in the Northern states. Concealed underground cabling and drainage are among the many new features, with a Sports Living Clubhouse that comes complete with a swimming pool, children's playground, indoor badminton courts, a fully equipped gymnasium and restaurant as well as meeting rooms, complementing country-style living lifestyle.



KHU is well connected with excellent arterial access to Alor Setar, Kangar, Kuala Perlis and Hadyai in Thailand. North-South Expressway links KHU with other major towns and cities with ease of travel by flight via the Sultan Halim International Airport in Alor Setar a mere 15-min drive.

Created for a garden living experience, Belleza Garden Homes, the latest phase in Kolej Heights Utara, is pioneering the first linear garden concept in the Northern region. Residents' can enjoy the 30 feet greenery right at the at their backyard garden. The spacious built-up of the open concept development feasts the eyes with its luscious surrounding and calms the soul with its peacefulness.

Belleza Garden Homes, which was officially unveiled to priority registrants in January 2011, has since garnered 100% sales take-up, an astonishing result by any standard. The Group is optimistic that 2012 will see the continuity of this success in the forthcoming launch of Belleza Garden Homes Phase 2, a sequel to the remarkable achievement of Phase 1.

Property Development

COUNTRY HEIGHTS PECANWOOD GOLF AND COUNTRY CLUB

Teeing Off In A Magnificent Green

Pecanwood Golf & Country Club, with the picturesque Magaliesberg and Hartbeespoort Dam as the scenic backdrop, is only about 40 minutes away from Johannesburg or Pretoria. Winding fairways and clear waterways form a tranquil housing estate within an enclave surrounded by the scenic rolling hills of the Magaliesberg mountain range. Pecanwood Golf & Country Club is an ideal location for any business or holiday getaway.

Positioned among the top 5 golf courses in South Africa for five consecutive years, its track record of earning top awards from the golfing fraternity goes to show that Pecanwood's outstanding charm and continued attraction keeps it at the top of its game. Complemented with a golf teaching academy, health spa, cutting-edge gymnasium facilities with personal trainers, a children's crèche, yoga sessions and tennis lessons, Pecanwood continuously outperforms any other golf clubs.

With waterfront homes lining the banks of the Hartbeespoort Dam, Pecanwood has the perfect setting for watersports enthusiasts. The Pecanwood Boat Club facility attracts many active members, especially with the growing popularity of water sports among Pecanwood residents. A sophisticated jetty system, private boat lockers and a landscaped harbour front ensures hassle-free boating experience to its members, all to fuel a relaxed summer sail out in the water. The boat club also offers a restaurant, swimming pool, kids play area and volleyball court.

Wellness is an integral part of Pecanwood with a variety of health spa treatments for tired muscles and is guaranteed to leave guests and golfers alike, feeling energised. A workout at the gymnasium will surely make any golfer be physically fit for the next challenge.

Better communication philosophy and utilisation of technology ensures that our corporate and individual members receive the personal touch we are committed to deliver. Value-added incentives are continuously introduced to complement existing resort facilities such as conferencing, banqueting and private catering services. The installation of a 12m high water spout on the inland lake of the third hole in strategic partnership with Omni Struct Nkosi is another example of enhancement made to maintain the resort at the top of the golfing industry.



Property Development



The Golf Teaching Academy helmed by a PGA Teaching Professional, Philip Joubert continues to play a vital role in helping amateur golfers improve their game. He has years of similar experience in the U.K and the title of European long drive champion under his belt.

Development Updates

The pro-shop underwent significant upgrading and restocking, resulting in increased sales revenue. The Golf Operations team continues to increase the number of 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 Men's, Ladies and Seniors.

Property Development

COUNTRY HEIGHTS KAJANG

The Origins of Country Living

Country Heights Kajang, Malaysia's first country living concept with gated and guarded community, is a 300 acres freehold estate offering a sought-after lifestyle with choices of bungalow lots ranging from 8,000 sq ft to 20,000 sq ft. This exquisite residential estate caters to those who appreciate the finest living in a picturesque setting with abundance of space, along the natural curves of the land.

Surrounded by nature, residents wake up to the sound of chirping birds, view of the lakes and streams, as well as the lush cool morning breeze which truly redefines the meaning of country living. When it was first launched in 1985, the land was sold at RM 7 per sq ft, but now, it's RM 120 per sq, making the current land value appreciate almost 30 times higher.

Country Heights Kajang is a mere 20-minute drive from Kuala Lumpur city centre, which is conveniently connected via the KL-Seremban Highway. The North-South Expressway Central Link provides easy accessibility to places such as Subang Jaya, Petaling Jaya and Damansara whilst SILK Highway and South Klang Valley Expressway (SKVE) provide links to other major townships like Kajang, Cheras, Putrajaya/Cyberjaya and KLIA/Sepang.

Country Heights Kajang will launch an additional private enclave of boutique Semi-Detached Homes & Bungalows in 2012. This upcoming precinct of luxury homes presents an architectural marvel of modern contemporary homes within an exclusive and guarded community. Key features include eco-friendly building applications with emphasis on functionality and practicality, thus ensuring their relevance for generations to come.



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

Property Development

Country Villas @ Country Heights Kajang

Country Villas @ Country Heights Kajang, a Mediterranean-inspired low-rise lakefront residences, is the signature repose for the privileged few, ensconced within a gated and secure private enclave with only seven units per acre. Swaying palm trees flank the development, along with crystalline lakes. With the best nature could offer, these classic villas, with its spectacular view are rarely found anywhere else in Malaysia.

Residents are also able to use the amenities within the clubhouse which include a free-form swimming pool, a fully-equipped gymnasium with aerobic rooms, tennis courts, indoor badminton courts, basketball and volleyball courts, an auditorium and function rooms.





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.



**Property
Investment**

MINES WATERFRONT BUSINESS PARK (MWBP)

A promising resort styled corporate offices located within distance of a 150 acre lake with a unique and captivating landscape. It is strategically and ideally located within the heart of KL's growing southern corridor with easy accessibility via multiple dedicated highways i.e. Silk Highway, Besraya Expressway, KL-Seremban Expressway, KESAS Highway, MRR2, Sungai Besi Highway, Bukit Jalil Highway and Maju Expressway (MEX). Centrally located between Putrajaya/Cyberjaya/KLIA and Kuala Lumpur City Centre and Petaling Jaya, MWBP provides the convenience for tenants to shuttle between these places.

MWBP's ideal location adjacent to the lake, with a nearby golf course and greenery create the right working atmosphere so much so that some of our tenants such as CyberSecurity and Yellow Pages, have made MWBP as their corporate headquarters. MWBP's tenant mix includes well established foreign companies such as Hitachi Cable, ADB (Siemens) & Peri Formwork; and local corporations such as Measat Broadcasting Network (Astro).

New tenants for 2011 include M+W High Tech Projects Malaysia, Malayan Racing and Lake Shoppe. Renewing tenants of MWBP include The Sanderson Design Group, Konsortium Baja Nasional, Golden Touch, Ace High Tech, Hipra, Cybersecurity, MSR marketing, Hitachi Cable, Astro Show, Best Business Strategy, ADB, CWJ, and My Directory.

In 2011, despite the completion of two corporate buildings within the Mines Resort City, MWBP still managed to achieve a higher occupancy rate of 96.17%. We have continuously strived to give value added services to tenants by providing ample parking bays with 24-hour security and offering corporate rates at our world-class luxury hotels namely, Palace of the Golden Horses and Mines Wellness Hotel. Tenants can house their foreign guests and visitors at our hotels which are both nearby.

Furthermore, in late 2011, MWBP added another feather to its cap when it managed to attract Asia Pacific University College of Technology and Innovation (UCTI) to set up its campus here. UCTI's new campus house approximately 2,000 foreign and local students. As a result of the new campus, other amenities such as a convenience shop, vending machines and etc. have also been set up. Our existing tenants have also benefited from these new amenities. To provide to the increasing number of tenants, MWBP also has its own food court, Harvest Kopitiam.

We have also initiated upgrading works to provide better working conditions for all our tenants. These include upgrading the rest rooms at the lobby and improving the landscaping along the access road from Palace of Golden Horses to MWBP.

Mines Waterfront Business Park – Promising Resort Lifestyle

**Property
Investment**

MIECC – MALAYSIA INTERNATIONAL EXHIBITION & CONVENTION CENTRE

Malaysia International Exhibition & Convention Centre (MIECC) is the largest exhibition venue in the nation, hosting a myriad of important and exciting functions. Located just 20 minutes from Kuala Lumpur and the federal administrative capital of Malaysia, Putrajaya, MIECC is among one of the most sought after venues for premier events and exhibitions and nationwide promotional and branding functions.

Situated in the midst of a host of renowned establishments such as The Palace of the Golden Horses, Mines Wellness Hotel, The Mines Shopping Mall and the Mines International Golf and Country Resort, gives MIECC the upper hand to organise, plan and execute event details to perfection.

MIECC 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. Furthermore, our team of event organisers are dedicated to always deliver the very best for our visitors with our strong organisational skills and warm approach.

Karnival Penganjian Tinggi



Property Investment

**Honda
Appreciation Night**



**Public Bank Berhad
Annual Dinner**



**Malaysia Sport Trade &
Golf Expo**



Some of the events that MIECC has attracted publicity in the year 2011 are:

2ND - 3RD APRIL: ~ KARNIVAL PENGAJIAN TINGGI NEGARA 2011 'JOM MASUK U'

Organised by the Ministry of Higher Education Malaysia (MOHE), this education carnival attracted close to 100,000 students and parents who were keen in scouting for the best universities offering post graduates and degree programmes to further their education. A well organised effort by the MOHE in providing a complete platform for the conveniences of all within one location. It was a big feat and a successful event that tested the skills and ability of the MIECC to host such a large number of visitors and with many important VIPs including the guest of honour, the Honourable Deputy Prime Minister of Malaysia, who is also the Education Minister.

15TH APRIL: ~ "PUTHANDU KONDATTAM" – THE INDIAN NEW YEAR CELEBRATION

For the very 1st time a live telecast on ASTRO of an Indian musical concert was held here. With renowned artistes being flown in from India to usher in the spirit of the Indian New Year, this concert was a 'show stopper' and a resounding success. Organised by Malaysian Indian Congress (MIC), these musical event attracted the young and old alike with a turnout of more than 15,000 visitors. The venue was the correct choice for the organiser due to the seating capacity, the security aspects and the location.

28 SEPTEMBER: ~ SAMSUNG MOBILE CONVENTION

MIECC was the venue of choice for this important convention for SAMSUNG dealers in celebrating their success for being the number 1 in sales under the smart mobile phone category in Malaysia. The convention also saw the launch of their theme for 2011 "Revealing & Introduction of the Power of 1". The convention ended with a sumptuous dinner of Chinese Delicacies for their dealers. The event required the creation of the fitting ambience to cater for the convention as well as the dinner.

17 DECEMBER: KONSERT FENOMENA 30 TAHUN SEARCH

A watershed event that witnessed 20,000 diehard fans coming together to celebrate the legendary Amy & his band popularly known as "Search" perform a live concert in celebration of their 30 years in the music industry and being the longest group to sustain with many hits to their name. The hall was turned into a spectacular concert arena with a specially designed stage and the best sound, light and acoustic setting to add to the aura of the occasion. The evening was yet another resounding success and a feather in the MIECC cap.

**Recognition &
motivation Talk**



MPSJ Dinner



Public Bank Dinner





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.



Hospitality & Health



PALACE OF THE GOLDEN HORSES

Beyond Hospitality

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 the elites worldwide as well as noted celebrities and prominent dignitaries.

Built in 1997 with the best modern day facilities and world class accommodation, Palace of the Golden Horses was the first hotel in Malaysia to offer such deluxe experience. Located within the integrated grounds of Mines Resort City, it provides a one stop destination for all your needs, which includes among others a shopping mall, golf course and clubhouse, convention and exhibition facilities, water sports entertainment and cruise services. It was the keen foresight of Tan Sri Lee Kim Yew, the founder of Country Heights Holdings Berhad, and one of Malaysia's visionary developers, who created 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 four restaurants, a lounge and a cafe, a business centre, a swimming pool and a fully-equipped gym. If that is not enough and you require more personalised attention from the hotel, you can request to stay at 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. Furthermore, the hotel has an airport lounge in Kuala Lumpur International Airport (KLIA) which is an exclusive lounge for travellers 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 a conference space of 15 meeting rooms equipped with state-of-the-art facilities, individual lighting controls, 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 for shows or corporate presentations.

Hospitality & Health

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

This award winning luxury hotel has been the venue and a host for many high profile events, to name a few, the ASEAN Informal Summit, 1998 Commonwealth Games, Asia Pacific Economic Cooperation (APEC) Meeting, 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 and recently, First Ladies Summit 2010, CIMB Asia Pacific Classic PGA Tour 2010, Western Digital family day carnival, Mercedes-Benz 125th Anniversary 2011 and Johnnie Walker Black Circuit Lounge 2011.

The high standard of attentive service at Palace of the Golden Horses has been rewarded with international accolades for establishing the gold standard of hospitality service. Awards received include *Best MICE Facility and Service Hotel 2008* and *Best Innovative Chinese Restaurant 2008/2009* for Kim Ma Restaurant. We were recently awarded the *World Luxury Hotel 2011 for Country Winner – Luxury Golf Course*.



The Palace of the Golden Horses offers an outstanding variety of dining and entertainment options:

Carousel International Coffeehouse	-	an all-day dining restaurant serving Asian and International favourites
Kim Ma Cantonese Fusion Restaurant	-	serves contemporary Cantonese cuisine
Kin No Uma Japanese Restaurant	-	an authentic Japanese fare
Sagar Restaurant	-	specialising in Northern Indian delicacies
Grand Salon Lobby Lounge	-	serves evening cocktails and nightly live entertainment
Side Walk Café	-	offering delectable pastries and 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.

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, the GHHS which infuses Eastern and Western preventive methods is a boon to its members, health tourists and corporations alike who place wellness at the forefront of their lifestyles.

In order to serve our guests even better, the hotel is currently undergoing room refurbishments until end 2012. There will be a wellness floor that comes equipped with health-enhancing equipments, gadget and programmes for those who are in to holistic wellness.

As part of the wellness endeavour, Palace of the Golden Horses and Mines Wellness Hotel pledged their commitment to 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 then Country Heights Hospitality and Health Division Chief Executive Officer, Ms Dianna Lee on 24 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, one of the world's most widely known luxury hotel, with its rich history and tradition, will surely aid Malaysia to position itself as one of the finest destinations in the global hospitality and tourism industry.

For more information, visit www.palaceofthegoldenhorses.com.my

Hospitality & Health



Hospitality & Health

MINES WELLNESS HOTEL

The **Mines Wellness Hotel** has taken on the responsibility of preserving nature 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 environmental consciousness among its 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 recently awarded the **ASEAN Green Award 2012**, the second time since 2010. The award recognises players in the hotel industry whose operations are based on environmentally-friendly principles and adopts energy conservation measures. The ASEAN Green Award Hotel Standard is valid throughout the years 2012 to 2014.

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 tranquillity. 2009 marked a year of transformation for the hotel as it re-positioned itself as a one-stop holistic wellness resort offering eastern healthcare services, which incorporates 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 168-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 the 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 balconies, mostly with a fabulous view of the lake. The rooms are categorised into seven types; Standard, Superior, Deluxe, Helicornia, Chalet, One-bedroom suites and Royal suite.

Revitalise your senses and benefit from the wisdom derived from ancient Chinese practices dating back to 5000 years at the **Golden Horses Health Sanctuary – Wellness Centre** located on the third and fourth floor of the hotel. The GHHS - Wellness Centre was founded to provide sustainable holistic wellness programmes to the public 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 Revitalising Therapy, Fusion Therapy, Stress Reducing Therapy, and Body Detoxifying Treatment to name a few. Be spoilt for choice and let our professional masseuses pamper you.

The Ayurvedic centre located on Level 1 provides ancient Indian healing therapies. You can receive the signature Shirodara oil drip to ease tension in the mind and help relax the body. There are also facials, massages and slimming packages as well.

Our health recuperation centre manned by Dr. Bains, a renowned physiotherapist, offers joints screening as well as treatments for sports related injuries. You recuperate and recover from injuries in a relaxing ambience.

The hotel's services are designed to bring your body back to its natural state of wellness. To complement the services, we also have Qi Gong and Yoga for those who want to practice the art of knowing the body and healing it from within.

There are three different restaurants to fulfil one's gastronomic needs.

- Abdul & Charlie's restaurant - an all-day open concept dining coffee 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, you can also 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 neighbouring Asian countries such as China, Taiwan, Indonesia and Singapore as well as the 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.

For more information, log on to www.mineswellnesshotel.com.my



GOLDEN HORSES HEALTH SANCTUARY

Golden Horses Health Sanctuary (GHHS), a health division under Country Heights Holdings Berhad is a one stop destination for 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 well-being therapies equipped with cutting-edge technology.

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

Upholding the principle that "Prevention is always better than cure", the centre focuses on preventive and curative treatments. GHHS focuses on the concept of attaining 100% of life. Primary prevention aims to avoid the development of any disease; while secondary prevention aims to diagnose and treat an existing disease in its early stages. Tertiary preventions aim to reduce the negative impact of an established disease by restoring function and quaternary prevention aims to mitigate or avoid the consequences of unnecessary or excessive interventions in the health system.

The centre is located in Mines Resort City, Malaysia's first wellness city and the country's premier health and tourism landmark. The centre was created to be the first of its kind preventive health centre in a resort setting in the country. Its services focus on health promotion and addressing risk, as well as social and genetic factors related to preventive care.

GHHS had their first ever Member's Day carnival on 24th July 2011. The event saw a turnout of 700 members and their families and it was a memorable day for all. Some of the activities were blood donation drive, health talk, games, free joints screening, massages and water taxi ride to name a few.

GHHS - HEALTH SCREENING

GHHS' services have expanded to several centres of excellences. Focusing on modern medical practices, GHHS Health Screening Centre is located in Palace of the Golden Horses. For Traditional and Complementary health practices, GHHS Wellness is located in Mines Wellness Hotel. The locations of the centres are strategically chosen to be housed within a hotel/resort in line with the direction of Health Tourism.

GHHS Health Screening underwent massive expansion in 2010, transforming the previous 10,000 sq. ft. centre into 35,000 sq. ft. centre equipped with state-of-the-art facilities. The newly expanded Health Screening facility and the addition of Preventive Clinic, a RM 30 million investment by Country Heights Holdings Berhad, was launched by the Minister of Health, YB Dato' Sri Liow Tiong Lai on 29th March 2011. The medical centre is approved by the Ministry of Health Malaysia under the ambulatory care.

This expansion is the first project launched under the Master Plan of Mines Resort City, which seeks to transform the current RM 2.5 billion development spanning over 1,000 acres. While the centre conducts approximately 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 a part of the government's Economic Transformation Plan (ETP), spearheaded by PEMANDU.

Hospitality & Health

The new equipment complements the centre's excellence in service delivery, including the cutting-edge Architect ci8200 PLUS, the first 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 features 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 Health Screening component includes eight clinics under its preventive medicine centre, namely a metabolic syndrome and obesity clinic, eye care clinic, heart clinic, gastro and liver clinic, health and dietetic clinic, internal medicine and physician clinic, skin and cosmetology clinic, and longevity and management clinic, creating a one-stop destination for health and well-being.

One can receive treatments for diabetes mellitus, hypertension, cardio vascular disorders, gastrointestinal problems, eye examination, weight management, joint screening, premarital screening, hormone replacement therapy and solution for longevity in a resort environment, the first in Malaysia.



In tandem with the GHHS's aim to integrate nature into its widely popular healthcare practices, the design of the new space integrates environmentally-sound practices which maximise the use of natural light as part of the healing process. Its supporting F&B establishments use fresh produce from its own organic gardens to assure the guests to GHHS of its healthy food and beverage served during the time of their screening.

GHHS, since its establishment, has performed almost 100,000 health check-ups and detected almost 10% high risk profile cases from the total number of check-ups.

In line with the expansion, the Health Sanctuary signed memoranda of understandings (MOU) for collaborative work with renowned medical centres. Patients and members can seek curative treatments at a preferred rate.

Besides the obvious economic benefits from health tourism that the newly expanded GHHS will potentially bring to the country, the centre also plays an important role in advocating primary preventive healthcare domestically.

GHHS's investment into growing its capabilities is certainly timely and in line with the Government's consistent efforts in promoting health tourism in Malaysia towards the aim of engineering the country into a high-income nation by 2020.



Hospitality & Health



GHHS - WELLNESS

Complementing the state-of-the-art technology, the GHHS-Wellness centre offers a comprehensive range of complementary facilities such as aromatherapy spa, Traditional Chinese Medicine therapy, Ayurvedic treatments and Health Recuperation. The Eastern services are designed to bring one's body back to its natural state of wellness.

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 promote the restoration of harmony in the body. Manned by a dedicated team, GHHS - Wellness has successfully accomplished over 34,685 TCM procedures and therapies to 19,910 patrons to date since its inception in 2008.

New services were also introduced in 2011. The Wellness programmes include 5D4N Traditional Chinese Weight Management Programme and 3D2N Traditional Chinese Recharge Programme. Both programmes received wonderful feedback from members and walk-in guests.

The TCM centre organised a Stroke Prevention charity day, Qi Gong Health Camp as well as providing treatment for old folks during one of the charity events. A series of charity events will be held throughout 2012 to reinforce the belief that healthcare should be made available to all.

The Ayurvedic centre provides the time-tested age-old Indian system of alternative therapy. Some of the services include medicated head oil drip, full body massage, anti-stress massage, scalp massage, foot reflexology, slimming massage, Ayurvedic scrub, eye treatment, nasal treatment and lower back treatment.

Malaysia's first Health Recuperation Centre is also under GHHS - Wellness to complement the transformation of Mines Resort City. This centre provides a place for patients undergoing rehabilitation to recuperate from injuries or surgeries in a private environment.

The Centre added a feather to its cap by bagging an award; the *Best TCM Centre, Malaysia Spa & Wellness Awards 2011*.

GHHS - BIO HERBS

GHHS-Bio Herbs was launched in December 2010, offering the latest in premium quality supplements and health related equipment.

GHHS believes that the key to prevention lies in the secret of the circulatory system.

In the West, the circulatory system focuses on the flow of blood, which is crucial in sustaining life. It delivers oxygen, nutrients and other essential substances, including vitamins and medicines to the different cells and tissues of the body.

In the East, the circulatory system focuses on the flow of "Chi" (energy) which uses the nervous system as a pathway to reach out to internal organs.

By marrying the best of both theories, GHHS-Bio Herbs created health products for the purpose of improving circulation.

Products include skincare and body care, organic vegetables and fruits chips, supplements, heat pack, pressure monitor and other health gadgets.

The sub division had a signing ceremony with Korean Ginseng Corporation in December 2011 to provide high quality ginseng products to its members.

For more information, log on to www.ghhs.com.my



Hospitality & Health



BORNEO HIGHLANDS HORNBILL GOLF AND JUNGLE CLUB

Stimulating yet environmentally friendly, the Borneo Highlands Resort in Kuching, Sarawak boasts an impressive selection of high altitude accommodation designed to cocoon you in the midst of nature's unspoiled opulence. Situated 1000 meters above sea level on the Penrissen Range amongst the world's oldest and second largest rainforest are 30 rooms and suites designed to bring you Back to Nature, Back to Basics.

Located amid untouched natural beauty of the lush tropical rainforest, just an hour's ride from Kuching International Airport, this little haven is the perfect getaway for those seeking peace and serenity. The hotel offers a myriad of attractions, from the enchanting Jungle Spa to the spectacular Hornbill Golf Course. The resort focuses on three retreats; nature, spa and golf.

Guests can relish the cool mountain air, with temperatures ranging between 18 to 28 degrees Celsius all year round, while indulging in homegrown produce at the Annah Rais Café which serves vegetarian meal from the resort's very own organic farms.

This private highland boutique has 30 rooms and suites designed to provide you a healthy, stress free, and invigorating experience. All rooms and suites at the resort offer spectacular view of the Penrissen Range and the surrounding rainforest. There are five types of rooms to choose from; Birdie, Par, Eagle, Condor and Albatross.

Besides offering a paradise for travellers, the resort itself is a revolutionary development. The resort used to be an illegal logging site, and the Founder, Tan Sri Lee Kim Yew acquired the land from the Sarawak Land Custody and Development Authority (PELITA) and formed a joint venture to preserve its natural surroundings. Only 1500 acres of the logged out land from the 5000 acres are developed for projects namely golf course, clubhouse, and exclusive bungalow development.

The resort uses chemical free cleaning supplies, provides work opportunity for the local community and maintains a pollution free environment with clean air and clean water. Even the maintenance of the Hornbill Golf Course strictly adheres to the guidelines of conserving the place. Some of the practices

include use of organic based fertilizer for green and tee box, very low application of fertilizer for rough and fairway and hand! weeding to control weeds at landscaping areas.

In 2011, Borneo Highlands Resort organized three major events, namely BHR Padawan Nature Challenge 2011 which is jointly organized together with Padawan Municipal Council, Colours of Nature 2011, and Sarawak Bird Race 2011 which is jointly organized together with Malaysian Nature Society (MNS).

For 2012, Borneo Highlands Resort will carry on to organize BHR Padawan Nature Challenge 2012 and Sarawak Bird Race 2012 in order to continuously create awareness and reinforce the eco-nature concept of the resort to local and international guests.

Awards and achievements received by Borneo Highlands Resort :

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

Here at Borneo Highlands Resort, your exclusivity and privacy is our utmost priority.



Hospitality & Health



Hanwha Resort Seorak Sorano, South Korea

PALACE VACATION CLUB

A Lifetime of Memories Begins Here...

Palace Vacation Club was specially designed to cater for family holiday dreams and to provide wonderful memories for a lifetime. Membership ensures the affordability of family vacations and with Palace Vacation Club, members will enjoy vacation choices with the most flexibility in the industry.



Ana Mandara Dalat Vietnam



Mantra On Circle, Gold Coast, Australia

Through our strong affiliation with Resort Condominium International (RCI) - the world's largest resort exchange company with access to more than 4000 holiday resorts around the world - members have direct access to an extensive list of quality resorts. Palace Vacation Club is currently in the process of acquiring more properties at Equatorial Hill Resort, Cameron Highlands, in addition to offering a new local destination, Kuching, Sarawak; and the latest international holiday destination, Korea, through internal affiliation. As always, new holiday resorts in more exciting destinations are continuously being added for the benefit of members. There are endless holiday opportunities as well as exclusive privileges of facilities at its two established hotels, Palace of the Golden Horses and Mines Wellness Hotel. The recreational facilities provided include special discounts at F&B outlets, spa packages, water sports and cruises within the Mines Resort City.

Palace Vacation Club members enjoy unique privileges, such as exchange of holiday entitlements for other products such as health services, entertainment tickets for shows and Wellness services under Traditional Chinese Medicine.

Palace Vacation Club successfully processed 14,703 members reservation in 2011, an increase of 18% from 2010. Successful booking ratio remained at 95% through our dynamic team at Members Services with 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 continuously commit its effort in product innovation, redevelopment and enhancement of the membership. As a prestigious timesharing programme, Palace Vacation Club will always offer thrilling vacation experiences with immense benefits and privileges.

INTERNATIONAL MALAYSIA EDUCATION CENTRE (IMEC)

International Malaysia Education Centre (IMEC) is an educational division of Country Heights Holdings Berhad and has branches in Country Heights, Kajang and at The Heritage in Seri Kembangan. IMEC offers English language classes to both international and local clientele, looking to further their aspirations through language and communication. The IMEC methodology of teaching focuses on a communicative approach where students learn the language through practice rather than being bogged down by unnecessary rules and rhetoric. IMEC aims to be an innovative learning centre that is constantly evolving to meet the demand of the market while keeping in line with our founder's mission statement.

IMEC's line of core products is catered to the language needs of people today. The products offered include:

- Intensive English Programme (IEP) – 11 proficiency levels
- IELTS Preparation Class
- Soft-skills/Professional Development courses
- Seasonal Adolescent Holiday English Programme

The programmes offered are designed to cater for almost any proficiency level and are comparable to university English Language classes. The classes have an academic focus and a goal to achieve better levels of skills and proficiency for the learners. IMEC English classes are structured on the four primary skills of language learning: writing, reading, speaking, and listening. Lessons for all classes are revised by practise.



Classrooms and facilities at IMEC have been built-up to match the demands of a modern educational institute. All IMEC classes have a large LCD television with HDMI ports, a stereo sound system, wifi and individual seating. Instructors all utilise laptop computers to create interactive lessons and update student files and results digitally. Each centre also has a library, meeting rooms, and study areas. Teachers and staff are carefully selected, qualified, industry leaders who have a hunger for sharing knowledge.

IMEC has tried to cement itself as an innovator in the market by having internal and external student activities. Activities are meant to foster a better level of rapport between students and staff and give an opportunity for students to mingle in a structured environment. IMEC students and staff have showcased themselves in talent shows, international food fairs, sports tournaments, cross-cultural celebrations and excursions in and around peninsular Malaysia.

The education industry is recession-proof as it is regarded as a necessity; however, the current market trend of language centres located in Selangor and Kuala Lumpur is very competitive, but through careful market analysis and continual revision and upgrading of its products and services IMEC will continue to be a profitable leader in the education field. At IMEC life is all about learning! To learn more about IMEC or join our community visit www.imec.edu.my or like IMEC on facebook!

CORPORATE SOCIAL RESPONSIBILITY



The Group views its place in society very seriously. It takes its role as a corporate citizen with deep commitments to the community. The Group wants to be seen to look after not only the interests of its key stakeholders - from shareholders, investors, consumers, customers and employees - but also that of the larger community. The Group seeks to be socially responsible and hope to make a difference in the society that it operates in.

THE WORKPLACE

We expect all our employees 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 we show this by encouraging personal development, by recognising achievements and by looking after their well-being. We are committed to ensuring equal opportunity. The Group provides a healthy and safe working environment for our employees including the provision of insurance coverage in terms of hospitalisation and surgical plan, 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 organised various sports activities for our employee.

In addition, the Group produces and designs an informative e-health newsletter called Wellness Talk for dissemination to our employees and its members in an effort to continuously educate them about health issues.

In 2011, the Company started having QMR (Quarterly Management Review) meetings in which the employees are updated on the Company's current financial status and its business unit's growth. It was started to bridge the gap between top management and employees, to provide a platform for all to meet and share their thoughts, ideas, and concerns with the top management.

Corporate Social Responsibility



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-like hole to an idyllic natural surrounding making it an escape from the concrete jungle of Kuala Lumpur.

Our name MINES - Making Impossible Natural Environment Sustainable stands for what we truly believe in, which is restoring nature back to its original 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 to reflect our consistent support for the environment, all the hotels under the group have its own organic farm. At Borneo Highlands, we have taken this one step further, where only vegetarian food is served.

Mines Wellness Hotel (MWH) was recently awarded the **ASEAN Green Award 2012**, the second time since 2010. The award recognises players in the hotel industry whose operations are based on environmentally-friendly principles and adopts energy conservation measures. The ASEAN Green Award Hotel Standard is valid throughout the years 2012 to 2014. We continue to advocate green practices by recycling materials and reusing them in the hotel. Items include coconut husk newspaper holder, centre piece display using broken glassware, standee frames using excess plank and tiles instead of paper as food tag to name a few.

The Palace of the Golden Horses (PGH) started its Energy Saving Programme to conserve energy usage in the hotel. Messages on conservation were placed in offices to reduce usage of electricity when not needed. The first phase of the awareness is for the employees which will then be extended to the guests.



Corporate Social Responsibility



THE MARKET PLACE

The group is committed to continuously provide enhanced 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 ensure that its goods and services are 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 organisations. We have participated in many charitable activities to enhance the quality of life in our communities.

Corporate Social Responsibility



The Property Development Division participated in a fund raising initiative by the Society Of The Blind in Malaysia (SBM) to raise funds for the Blind Entrepreneur Development Fund through a Charity Dinner in March 2011. CHHB was one of the biggest corporate contributor for the fund. They have also contributed reading materials to Perpustakaan Raja Tun Uda, Shah Alam which has been officiated by Duli Yang Maha Mulia Sultan Sharafuddin Idris Shah Alhajlbni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj.

The Hospitality & Health Division was actively involved in CSR activities throughout the year. The PGH placed recycling bins in the hotel to encourage the employees to recycle. They also donated 100 beds to The Scouts Association of Malaysia for their new camp in Terengganu. Besides caring for humans, the Hotel also paid a visit to PAWS in Subang Jaya to lend a helping hand to our four legged friends there.

The MWH kicked off their Earth Day celebration by inviting Dragonfly Kindergarten for a fun-filled Green day. Some of the activities included airing educational videos on environmental conservation, planting vegetable seeds in the Hotel's organic garden, creating artwork using recycled items that can be found at home and a tour on the Wawa Splash, the first amphibious ride in Malaysia.

MWH also celebrated 'Buka Puasa' during Ramadan with 95 underprivileged children from Rumah Amal Limpahan Kasih. The children were treated to a sumptuous buffet dinner and were given Raya goodies as well as 'Duit Raya'. In November 2011, MWH executed a taxi campaign where they approached and deployed a total of 300 taxis for three days which reached popular areas such as Central Market, KL Sentral, Petaling Street, KLIA, and even Putrajaya. The taxi drivers were given food packs, information brochures on Mines Wellness Hotel, car stickers and redemption cards.

GHHS did their part by organising a charity 'Stroke and Rehabilitation' day by providing free health talks and services such as tuina, cupping, acupuncture and pulse reading to walk in guests. They also visited Ti-Ratana and provided meals for the residents. In conjunction with Breast Cancer awareness month, they sponsored the Dragon Boat race held in support of breast cancer survivors in which they also emerged as winner.

To create awareness of filial piety and importance of family ties, GHHS ran a Public Service Announcement video on media Prima channels for two months.

Overall, the Group recognises the importance of meeting the environmental and social needs of the community and will endeavour to take appropriate and timely action in relation to CSR. The commitment to the community, and to future generations, is a role we take seriously as a corporate citizen.

GROUP STRUCTURE

Ever Searching for Better Living



绿野集团

Country Heights Holdings Berhad
(119416-K)

PROPERTY DEVELOPMENT

PROPERTY INVESTMENT

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%	Mega Palm Sdn Bhd
100%	Nasmaya Juara Sdn Bhd
100%	Profound Concept 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
100%	Country Heights China Ltd
48%	Simplex Design Sdn Bhd

100%	East Vision Leisure Group Sdn Bhd
100%	Endless Gain Sdn Bhd
100%	WIEXPO 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
100%	Mines Premium Sdn Bhd
100%	Mines Events Sdn Bhd

Group Structure

HOSPITALITY & HEALTH

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

OTHERS

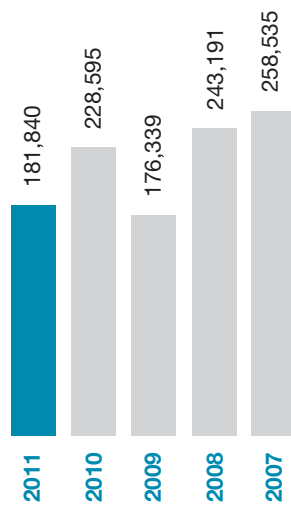
100%	Best Golden Inc
100%	Country Heights Global Ltd
100%	Mines Holdings Sdn Bhd
100%	Country Heights Golden Lifestyle Sdn Bhd
100%	Country Heights Resources Management (M) Sdn Bhd
60%	Mines Global Holidays & Travel Sdn Bhd
60%	Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

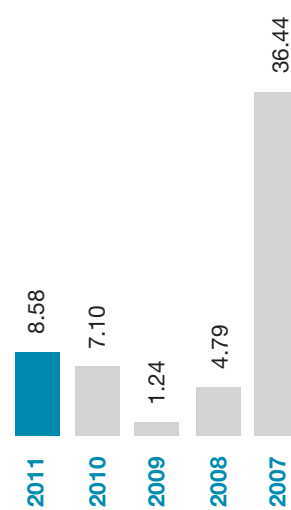
	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000
Revenue	181,840	228,595	176,339	243,191	258,535
Profit/(Loss) before taxation	22,928	26,014	2,758	18,710	78,615
Profit/(Loss) after taxation	23,542	17,976	614	8,604	99,808
Net Profit/(Loss) Attributable to Shareholders	23,650	19,570	3,413	13,206	100,481
Total Assets	1,386,991	1,452,718	1,491,080	1,528,274	1,553,061
Total Liabilities	628,994	715,915	769,601	811,025	839,890
Share Capital	275,707	275,707	275,707	275,707	275,707
Reserves	454,983	433,681	416,731	409,702	393,679
Shareholders' Funds	730,690	709,388	692,438	685,409	669,386
	Sen	Sen	Sen	Sen	Sen
Basic Earnings/(Loss) Per Share (sen)	8.58	7.10	1.24	4.79	36.44
Net Assets Per Share (RM)	2.65	2.57	2.51	2.49	2.43
Return on Total Assets (%)	1.71	1.35	0.23	0.86	6.47
Return on Equity (%)	3.24	2.76	0.49	1.93	15.01
Gearing (Net Debt/Equity)	0.38	0.39	0.46	0.49	0.53

Five-year Group Financial Highlights

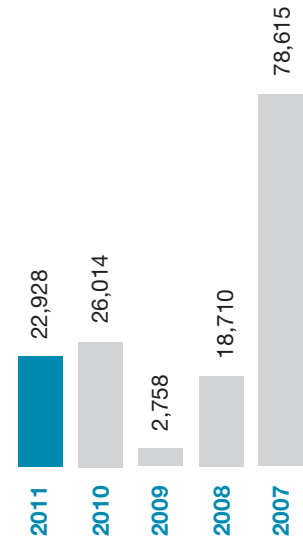
Revenue
(RM'000)



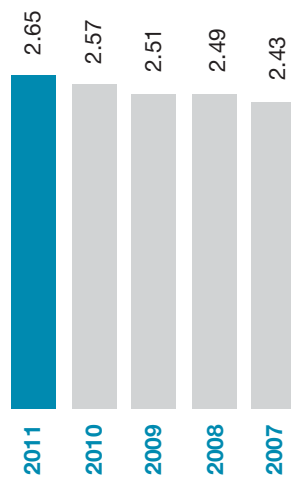
Basic earnings/(Loss)
Per Share
(Sen)



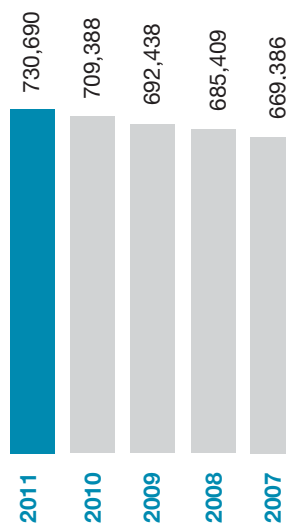
Profit/(Loss) before taxation
(RM'000)



Net Assets Per Share
(RM)



Shareholders' Funds
(RM'000)



STATEMENT ON CORPORATE GOVERNANCE

Country Heights Holdings Berhad (“CHHB”) and its Group of companies remain committed to the highest level of governance and strive to foster a culture that values and rewards exemplary ethical standards and integrity, which contributes towards the successful achievement of corporate goals and enhances stakeholders’ value.

CHHB continues to implement the recommendations of the Malaysian Code on Corporate Governance (“Code”) which sets out the principles and best practices of good governance on structures and internal processes as well as the Corporate Governance Guide issued by Bursa Malaysia Berhad.

CHHB is also mindful of the recommendation highlighted in the Securities Commission’s five-year Corporate Governance Blueprint which was launched on 8 July 2011 to raise the standards of corporate governance in Malaysia. Governance is not just a matter for the Board but must be fostered throughout the organisation.

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

BOARD OF DIRECTORS

The Board

CHHB is led and controlled by an active and experienced Board with a mix of suitably qualified and experienced professionals in the fields of accountancy, banking and finance, scientific research & development, corporate finance and mergers & acquisitions.

Board Balance

The Board currently has six (6) members, comprising five (5) Non-Executive Directors and one (1) Executive Director. 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 to 9 of this Annual Report, which demonstrate a wealth of experience and skills vital for the management of the Group’s business.

The Board constitutes an optimal size and appropriate composition. The Board’s mix of skills and experience adds value to governing the strategic direction and performance of CHHB. The Board continues to provide the Group with a wealth of knowledge and experience which is important for the continued success of the Group.

Board Meetings

During the financial year, the Board of Directors held five (5) meetings and details of Directors’ attendances are set out below. Besides the Board Meetings, urgent decisions were approved via Directors’ Circular Resolutions during the year.

Name of Director	No. of Meetings Attended
General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	4/5
Tan Sri Lee Kim Tiong @ Lee Kim Yew	4/5
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	3/5
Nik Hassan Bin Nik Mohd Amin	5/5
Chew Chong Eu	5/5
Lee Cheng Wen	4/5
Mark Victor Rozario (retired w.e.f 21/06/2011)	3/3

Roles of the Chairman, Group CEO, Non-Executive Directors

The roles of the Non-Executive Chairman, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd), and Group CEO, Ms Lee Cheng Wen are separated with clear division of responsibilities, in line with the best practices and to ensure appropriate supervision of the Management to ensure a balance of power and authority. Moreover, General Tan Sri (Dr) Mohamed Hashim is not previously a CEO or a Management member of the Company.

The Board’s principal focus is the overall strategic direction, development and control of the Group. As such, the Board approves the Group’s strategic plans and annual budget throughout the year.

The Group CEO is responsible for the implementation of broad policies approved by the Board and reports at Board Meetings all material matters that potentially affecting the Group and its performance, including strategic projects and regulatory developments.

Statement on Corporate Governance

The Chairman is responsible for the effectiveness of the relationship between the Non-Executive and Executive Director and ensures an independent and balanced assessment of proposals from management.

The Non-Executive Directors provide considerable depth of knowledge collectively gained from experience in a variety of public and private companies. They have the necessary calibre to ensure that the strategies proposed by the Management are fully deliberated and examined, taking into account the long term interest of CHHB's shareholders and other stakeholders.

The Independent Non-Executive Directors, by virtue of their roles and responsibilities, in effect represent minority shareholders' interests. They are independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. They play a significant role in bringing impartiality and scrutiny to Board deliberations and decision making.

Board Appointment Process

All nominees to the Board are first considered by the Nomination Committee, taking into account the mix of skills, competencies, experience and other qualities required to manage a highly regulated communications business, before they are recommended to the Board.

While the Board is responsible for the appointment of new Directors, the Nomination Committee is delegated the role of screening and conducting an initial selection before making a recommendation to the Board.

Board Effectiveness Evaluation

Performance indicators on which the Board's effectiveness is evaluated include the Board's composition, administration and process, conduct, accountability, interaction and communication with Management and stakeholders, responsibility and its evaluation on Group CEO. Performance indicators for individual Directors include their interactive contributions, understanding of their roles and quality of input.

The evaluation involves the completion of questionnaires on the effectiveness of the Board of Directors as a whole, as well as that of the Board Committees. The Committees structure and processes; and accountability and responsibilities are evaluated in assessing the effectiveness of the respective Committees.

Questionnaires are also completed by the Directors on Peer Assessments. These questionnaires were reviewed in 2012 to ensure close scrutiny of the contribution, personality and quality aspects of individual Directors.

A summarised report will be presented to the Board with a trend analysis of previous year's evaluation results to enable the Board to identify areas for improvement. Based on the last evaluation exercise, the Board identified some areas for improvement as follows:-

- Human Capital Development
- Investor Relations
- Risk Management
- Intranet
- Succession Planning

The Board has analysed the gaps and put in place appropriate measures to ensure overall effectiveness of the Board and CHHB Group which will be overseen by Group CEO.

Re-election of Directors

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 least once in every three years and a re-election of Directors take place at each Annual General Meeting (AGM). Directors over the age of seventy are required to retire annually. All the retiring directors shall be eligible for re-election.

The re-appointment and re-election of Directors at the AGM is subject to prior assessment by the Nomination Committee and the recommendations thereafter are submitted to the Board and then for shareholders' approval.

Particulars of Directors standing for re-election have been provided in the Statement Accompanying the Notice of CHHB's 28th AGM scheduled to be held on 28 June 2012.

The re-election of Directors ensured that shareholders have a regular opportunity to reassess the composition of the Board.

Directors Remuneration

The policy and framework for the overall remuneration of the Executive and Non-Executive Directors are reviewed regularly against market practices by the Remuneration Committee, following which recommendations are submitted to the Board for approval.

The Board as a whole determines the remuneration of Non-Executive Directors and each individual Director abstains from the Board decision on his own remuneration. The remuneration of Non-Executive Directors are based on a standard fixed fee. In addition, allowances are also paid in accordance with the number of meetings attended during the year.

The Group CEO is paid salary, allowances and other customary benefits as appropriate to Top Management. CHHB carries out salary benchmarking of equivalent jobs in the market of similar-sized companies to arrive at appropriate base pay levels. The Group CEO and his direct reports are rewarded according to a combination of how well they have achieved their Key Performance Indicators (KPIs).

Statement on Corporate Governance

The aggregate remuneration of the Directors for the financial year ended 31 December 2011 categorised into the appropriate components are as follows:-

Description	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Salaries & Other emoluments	691	38	729
Benefit-in-kinds	61	21	82
EPF Contribution	82	-	82
Fees	12	96	108
Total	846	155	1,001

The numbers 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	-	5
RM300,000 to RM350,000	-	-
RM351,000 to RM400,000	1	-
RM401,000 to RM450,000	-	-
RM451,000 to RM500,000	1	-
Total	2	5

BOARD COMMITTEES

The Board has delegated specific responsibilities to four (4) board committees which include the Audit & Risk Management Committee, Nomination Committee, Remuneration Committee and Management Executive Committee. The delegation of certain responsibilities of the Board to its Committees is made in accordance with Article 88 of the Company's Articles of Association. This is necessary as there is now greater reliance on the Board Committees in response to the complex challenges of the business.

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.

All Board Committees have written terms of reference, operating procedures and authority delegated and approved by the Board, which are reviewed from time to time to ensure they are relevant and up-to-date.

The Chairmen of the various Board Committees report the outcomes of their meetings to the Board and relevant decisions are incorporated into the minutes of the Board of Directors' meetings.

Statement on Corporate Governance

Audit & Risk Management Committee ("ARMC")

The report of the ARMC is set out on pages 66 to 69 of this Annual Report.

Nomination Committee ("NC")

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

Membership:-

- General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman of NC, 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)

Meeting Attendance:-

The NC met once during the financial year.

The functions, principal duties and responsibilities:-

To review the structure, size and composition of the Board

- To review formal succession plan in identifying and mentoring potential Executive and Non-Executive Directors.
- To propose and recommend new appointments of potential candidate to the Board of Directors as well as new appointments of the senior management positions.
- To propose and recommend to the Board, the retirement and re-appointment of existing Executive and Non-Executive Directors
- To review the mix of skills, experience and other qualities of the existing Director and the effectiveness of the Board as a whole; including the assessment of the effectiveness of the Board, its Committees and contribution of each individual Director.

Authority:-

- The NC may use the services of professional recruitment firms to source for the right candidate for directorship or seek independent professional advice whenever necessary.
- In carrying out its duties and responsibilities, the NC has full, free and unrestricted access to CHHB's records and personnel. The NC shall report its recommendations back to the full Board for its consideration and approval.

Main Activities 2011:-

During the year, the NC has fulfilled a number of key activities, as listed below:-

- Considered and made recommendations to the Board on the performance evaluation of the Executive Directors. 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.
- Considered and made recommendations to the Board on the nominating an independent director with legal background to join as board members to represent the required mix of skills and experience in the Board.

Remuneration Committee ("RC")

The RC comprises wholly of Non-Executive Directors:

Membership:-

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

Meeting Attendance:-

The RC met once during the financial year.

Functions, principal duties and responsibilities:-

The RC 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 RC also reviews the framework for retaining and rewarding senior management in consideration of the Company's performance and market conditions.

Authority:-

- The RC has the authority to obtain the advice of external consultants on the appropriateness of remuneration packages and other employment conditions if required.
- In carrying out its duties and responsibilities, the RC has full, free and unrestricted access to CHHB's records and personnel. The RC shall report its recommendations back to the full Board for its consideration and approval.

Statement on Corporate Governance

Main Activities 2011:-

During the year, the RC has fulfilled a number of key activities, as listed below:-

- make recommendations to the Board on the remuneration and entitlements of Non-Executive Directors, including the Non-Executive Chairman, for the decision of the Board as a whole.
- Advise the Board on the performance of the Group CEO and assess her remuneration package.

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 (6) senior management and is chaired by the Group CEO.

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' Training

All the Directors have attended the Mandatory Accreditation Program prescribed by Bursa Securities. Induction briefings are organised for newly appointed Directors.

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:-

- Singapore Human Capital Summit 2011
- Board Effectiveness and Management Relationship
- Launch of Corporate Integrity Pledge

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.

EFFECTIVE BOARD OPERATIONS AND INTERACTION

Board Meetings Schedule and Predetermined Agendas

The Board and Board Committee meetings calendar and draft agendas for the ensuing financial year are established before the end of the current financial year and synchronised with Management's business planning cycle and quarterly financial results, to allow the Directors to plan ahead and allocate time in their respective schedules for the next year's Board meetings.

The Board meeting agenda is structured to address priority strategic issues aligned with the Company's vision and mission, consistent with the Board's key roles and the mandate that the Board provides to the Group CEO.

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. On average, the Board and its Committees are given an agenda accompanied by relevant up-to-date information seven (7) days prior to each meeting.

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.

Statement on Corporate Governance

Prompt Communication of Board Decisions

All Board decisions are clearly recorded in the minutes, including the rationale for each decision, along with clear actions to be taken and the individuals responsible for their implementation. Relevant urgent Board decisions are communicated to the Management within one working day of the Board meeting and the minutes of Board Meetings are completed for comments by the Board members within seven (7) working days of the meeting dates. Relevant extracts of the minutes are distributed to the Management for action once the board minutes are completed, depending on the urgency of the items.

Board and Management Interaction

The Board has direct access to the Senior Management and has full and immediate access to information relating to the Group's business and affairs in the discharge of their duties. Towards building and maintaining trust in order to deliver significant and positive performance and shareholder value, both the Board and Management acknowledge the importance of positive interaction, dynamics and open communication between them.

Senior Management members are invited to attend Board meetings to report to the Board on matters relating to their areas of responsibility, and also to brief and provide details to the Directors on recommendations submitted for the Board's consideration.

BOARD PROFESSIONALISM

Code of Ethics for Company Directors

Code of Ethics for Company Directors was adopted by the Directors in early 2012, supports the Company's vision and core values by instilling, internalising and upholding the value of uncompromising integrity in the behaviour and conduct of the Directors.

The Code of Ethics for Company Directors covers the following areas:-

- Responsibilities of the Directors
- Dealings with shareholders, employees, creditors, business partners and stakeholder communities at large
- Dealings with respective governments
- Dealings with competitors
- Dealings in respect of Company assets
- Trading on insider information
- Conflict of interest
- Social responsibilities and the environment

Whistleblower Policy

The Board recognises the importance of whistleblowing in light of the requirements stipulated in the Capital Markets and Services Act 2007 (CMSA 2007), the CG Guide and the Companies Act, 1965.

An Internal whistle blowing programme has been introduced for employees to channel concerns about illegal, unethical or improper business conduct affecting the Company and about business improvement opportunities.

If an employee has concerns about illegal or unethical conduct in the workplace, the concern may be reported to the designated email: groupeceo@countryheights.com or to the Audit & Risk Management Committee Chairman.

The Board and the Management give their assurance that employees will not be at risk to any form of victimization, retribution or retaliation from their superiors or any member of the Management provided they act in good faith in their reporting.

Conflict of Interest and Related Party Transactions (RPT)

The Directors are responsible at all times for determining whether they have a potential or actual conflict of interest in relation to any matter which comes before the Board.

The Directors recognise that they must declare any interest they have in transactions with the Company and Group and abstain from deliberation and voting on the relevant resolutions at the Board or general meetings convened to consider the matter.

Trading on Insider Information

CHHB's Directors and employees are not allowed to trade in securities or any other kind of property based on price sensitive information and knowledge which has not been publicly announced.

Notices on the closed period for trading in the Company's shares are sent to Directors and principal officers on a quarterly basis specifying the timeframe during which Directors and the principal officers are prohibited from dealing in the Company's shares. Directors are also prompted not to deal in the Company's shares at any point when price sensitive information is shared with them.

Directors' and Officers' Insurance

The Company has in place a liabilities insurance policy for Directors and officers in respect of liabilities arising from holding office in the Company. The insurance does not, however, provide coverage in the event that a Director or a member of Management is proven to have acted negligently, fraudulently or dishonestly.

RELATIONSHIP AND COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

Dialogue between the Company and Investors

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

Care is taken to ensure reporting to shareholders is balanced and sufficiently comprehensive and objective to allow performance to be measured.

In complying with paragraph 9.21(3) of the Main LR to improve investor relations between the Company and its stakeholders, CHHB ensures that its website contains the email address(es) of the designated person(s) and contact numbers to enable the public to forward queries to the Company. CHHB also post announcements made to Bursa Securities on its website immediately after such announcements are released on Bursa Securities' website.

Statement on Corporate Governance

Annual Report and AGM

In addition to quarterly financial reports, the Company communicates with shareholders and investors through its annual report.

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

In an effort to save costs and encourage shareholders to benefit from Information and Communication Technology, CHHB continues to dispatch annual reports to shareholders in electronic format (CD-ROM). Shareholders are given the option to request for hard copies of the annual report.

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

At the AGM, the Group CEO presents a comprehensive review of the Group's financial performance and value created for shareholders as well as current developments of the Group. The review is supported by a visual and graphical presentation of the key points and financial figures. The AGM is the principal forum for dialogue with shareholders. It provides shareholders and investors with an opportunity to seek clarification on the Group's business strategy, performance and major developments.

ACCOUNTABILITY AND AUDIT

Financial Reporting and Disclosure

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 ARMC in overseeing the Group's financial reporting processes and the quality of its financial reporting.

Internal Controls

The Board recognises and affirms its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate control environment and control framework as well as for reviewing its effectiveness, adequacy and integrity. The Board acknowledges that this system is designed to manage, rather than eliminate the risk of non-achievement of the Group's objectives.

The Statement on Internal Control as set out on pages 70 to 71 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 ARMC maintains a formal and transparent relationship with the Group's auditors. The external auditors were invited to participate and brief the ARMC on specific issues at ARMC meeting. The role of both the external and internal auditors are further described in the Audit & Risk Management Committee Report.

The Group has engaged an external independent professional services firm to carry out its internal audit function. During the year, the Group has established an in-house Internal Audit Department in addition to utilising the services of the above external professional services firm which reports significant findings directly to the ARMC with recommended corrective actions. Management is responsible to ensure that corrective actions on reported weakness are undertaken within an appropriate timeframe.

The ARMC and the Board maintain great emphasis on the objectivity and independence of the Auditors, namely Messrs Deloitte KassimChan, in providing the relevant and transparent reports to the shareholders. As a measure of ensuring full disclosure of matters, the Auditors are invited to attend the ARMC Meeting for discussion with the ARMC without the presence of the senior management as well as the AGM.

Statement on Corporate Governance

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, 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 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 2011, the Group has adopted the appropriate accounting policies and applied them consistently, and that all applicable approved accounting standards have been followed.

Internal Controls

The Board has overall responsibility for maintaining sound internal control systems that cover financial controls, operational and compliance controls and risk management to ensure shareholders' investments, customer' interest and the Group's assets are safeguarded.

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 CEO, 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 37 to the Financial Statements.

Contracts Relating To Loan

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

Recurrent Related Party Transactions

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

Significant related party transactions of the Group are disclosed in Note 37 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 RM432,000 imposed by the Inland Revenue Board in respect of outstanding taxes relating to the financial year ended 31 December 2011.

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 2011 amounted to RM126,600.00.

Variation between Audited and Unaudited Results for the Financial Year Ended 31 December 2011

There was no variance of 10% or more between the audited results for the financial year ended 2011 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.

The Company did not make any proposal for share buy-backs during the financial year.

Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 December 2011.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors duly passed on 23 April 2012.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Board on 27 February 2012 approved on the re-named of Audit Committee to Audit & Risk Management Committee for the purpose of expediency since the same members are entrusted with the functions of both the Audit Committee and Risk Management Committee. Members of the Audit & Risk Management are mindful of their dual roles which are clearly reflected and demarcated in the agendas of each meeting.

The Audit & Risk Management Committee ("ARMC") 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 ARMC comprises the following members, all of whom are independent Directors:

- Nik Hassan Bin Nik Mohd Amin (Chairman of ARMC, 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 2011 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)	4/5
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	4/5
Chew Chong Eu	5/5

The Group CEO, Group CFO, other Senior Management members and the external auditors attended these meetings upon invitation to brief the ARMC on specific issues.

Prior to some ARMC meetings, private sessions were held between the Chairman, the Internal Auditors and external auditors without the Management's presence.

Minutes of meetings of the ARMC were circulated to all members and significant matters reserved for CHHB Board's approval were tabled at CHHB Board meetings. The Chairman of the ARMC provides a report on the decisions and recommendations of the ARMC to CHHB Board.

TERMS OF REFERENCE

The ARMC has reviewed and endorsed its Terms of Reference to be in line with the Main LR of Bursa Securities and best practices propagated by Bursa Securities Corporate Governance Guide; towards Boardroom Excellence.

Composition

The ARMC 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 of the ARMC shall be non-executive directors.

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

- i) must be a member of the Malaysian Institute of Accountants; or
- ii) if he 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 I of the 1st Schedule of the Accountants Act 1967;
 - 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 or approved by the Bursa Malaysia Securities Berhad.

Audit & Risk Management Committee Report

No alternate Director shall be appointed as a member of the ARMC. The members of the ARMC shall elect a Chairman from among their members who shall be an independent non-executive director. In the absence of the Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

Appointments to the ARMC shall be for a period of up to three (3) years, which may be extended further periods of up to three (3) years, provided the director still meets the criteria for membership of the ARMC.

Quorum

The quorum shall not be less than 2, the majority of whom shall be independent directors.

Attendance & Frequency of Meetings

The ARMC shall meet as the Chairman deems necessary but not less than 4 times a year. The Chairman shall be entitled where deemed appropriate to invite any person(s) to meetings of the ARMC.

The ARMC shall meet with the external auditors, internal auditors or both, without executive board members and employees present at least twice a year.

Authority

The ARMC is authorised by the Board:-

- i) to seek any information relevant to its activities from employees of the Company.
- ii) the necessary resources required to carry out its duties and to obtain independent professional advice it considers necessary.
- iii) full and unlimited access to any information and documents pertaining to the Company.

Functions

A. Financial Statements, External Audit and Other Information

The duties of the ARMC shall be:-

- a) to make appropriate recommendations to the Board on matters pertaining the nomination, appointment and dismissal of external auditors and the fee thereof;
- b) to review and discuss with the external auditors and internal auditors before the commencement of audit, the nature and scope of the audit;
- c) to review the quarterly and year-end financial statements of the Group and Company prior to submission to the Board of Directors, focusing particularly on:-
 - i) public announcement of results and dividend payments;
 - ii) any significant changes in accounting policies and practices;
 - iii) significant adjustments and unusual events resulting from the audit;
 - iv) the going concern assumption;
 - v) compliance with stock exchange, accounting standards and legal requirements.
- d) to discuss problems and reservations arising from the interim and final audits, and any other matters the external auditors may wish to discuss (in the absence of Management where necessary);
- e) to review any external auditors' letter to management (if any) and management's response;
- f) to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- g) 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) review any appraisal or assessment of the performance of Head of the internal audit function;
- i) approve any appointment or dismissal of the Head of internal auditors;
- j) inform itself of resignation of the Head of internal auditors and provide him/her 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;
- l) to consider the findings of internal audit investigations and management's response;

Audit & Risk Management Committee Report

B. Risk Management, Internal Control and Information Systems

The ARMC will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:-

- a) to advise the board on the Group's overall risk appetite, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment drawing on financial stability assessments and other authoritative sources that may be relevant for the Group's risk policies;
- b) to champion and promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded throughout the Group;
- c) to provide routine monthly and quarterly reporting and update the Board on key risk management issues and Potential Loss Event;
- d) to review Risk Management Framework and Policy & Guide annually;
- e) to oversee and advise the board on the current risk exposures of the Group and future risk strategy to ensure development and growth of the Group on a sustainable basis;
- f) in relation to risk assessment:-
 - i) to keep under review the Group's overall risk assessment processes that inform the board's decision making, ensuring both qualitative and quantitative metrics are used;
 - ii) to review regularly and approve the parameters used in these measures and the methodology adopted; and
 - iii) to set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance.
 - iv) to consider whether the Group has effective management systems in place to identify, assess, monitor and manage its key risk areas.
- g) to review the Group's capability to identify and manage new risk types;
- h) to review reports on any material breaches of risk limits and the adequacy of proposed action;
- i) to follow up on management action plans based on the status of implementation compiled by the management;
- j) to review the Business Risk Analysis & Evaluation and Mitigation Plans to be escalated to the Board on an annual basis and to report any major breach of Risk policies and tolerance limits and ensure Risk Mitigants are in place;
- k) to give a view on proposal/feasibility studies prepared by project sponsor or project consultants which meet the requisite threshold before recommending to the Board for final decision;
- l) to keep under review the effectiveness of the Group's internal financial controls and internal controls and risk management systems and review and approve the statements to be included in the annual report concerning internal controls and risk management;
- m) to review the Group's procedures for preventing fraud; and
- n) to consider and approve the remit of the risk management function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate independence and is free from management or other restrictions.

Audit & Risk Management Committee Report

Summary of Activities of the ARMC

During the financial year, the ARMC carried out its duties as set out in its Terms of Reference, including but not limited to:-

- review of audit plans prepared by both internal and external auditors;
- review of unaudited quarterly financial statements during the financial year prior to submission to the Board for consideration and approval;
- review and evaluate the policies for risk management and systems of internal control;
- review of internal audit reports presented by internal auditors and consider the major findings by the internal auditors and management's responses thereto;
- review of the audited financial statements for the financial year ended 31 December 2011 and to discuss significant audit issues and findings with the external auditors;
- review the procedures for identification of related party transactions for compliance with the Listing Requirements of Bursa Securities and the appropriateness of such transaction, if any, before recommending to the Board for approval; and
- met with the external auditors without the presence of the Executive Director and management.

Summary of Activities of the Internal Audit Function

The ARMC is aware of the fact that an independent and adequately resourced internal audit function is essential to assist in obtaining the assurance it requires regarding the effectiveness of the system of internal controls.

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 ARMC 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 ARMC.

During the financial year, the Group established an in-house Internal Audit Department. The internal audit activities carried out for the financial year include, inter alia, the following:

- 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 ARMC meetings to table and discuss the audit reports and followed up on matters 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 controls of the Group in accordance with paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Responsibility and Accountability

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 controls can only provide reasonable and not absolute assurance against material misstatement, operational failures and fraudulent activities.

The Board is assisted by the Management to implement approved policies and procedures on risk and control. Management identifies and evaluates the risks faced by the Group and designs, implements and monitors an appropriate system of internal controls in line with policies approved by the Board.

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

• Organisation Structure & Authorisation 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.

Key functions such as finance, tax, treasury, corporate, legal matters and contract awarding are controlled centrally.

• Monitoring and Reporting Procedures

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

Standard Operating Procedures which include policies and procedures within the Group are continuously updated.

The Divisional Heads and Business Unit Heads are responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls.

• 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. Corporate values, which emphasise ethical behaviour, are set out in the Group's HR Portal.

• 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.

Statement on Internal Control

2. Risk Management

The Board with the assistance of the Audit & Risk Management 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.

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 & Risk Management Committee.

During the year, the Group established an in-house Internal Audit Department in addition to utilising the services of the above external professional services firm. Arising from these assessments and reviews, both parties have presented their reports to the Audit & Risk Management 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 2011 amounted to RM137,496.00.

4. 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.

5. 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 controls 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 23 April 2012.

FINANCIAL STATEMENTS

74	Directors' Report
77	Independent Auditors' Report
79	Statements of Comprehensive Income
80	Statements of Financial Position
82	Statements of Changes In Equity
83	Statements of Cash Flows
86	Notes to the Financial Statements
160	Supplementary Information
161	Statement by Directors
161	Declaration by the Officer Primarily Responsible for the Financial Management of the Company

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, 2011.

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	22,928	15,198
Income tax credit / (expense)	614	(1,315)
Profit for the year	23,542	13,883
Profit attributable to:		
Equity holders of the Company	23,650	
Non-controlling interests	(108)	
	23,542	

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 other than waiver of debt by a related party as mentioned in Notes 7 and 34(d)(ii) to the Financial Statements.

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
 Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock
 Nik Hassan bin Nik Mohd Amin
 Chew Chong Eu
 Lee Cheng Wen
 Mark Victor Rozario (retired w.e.f. 21.06.2011)

Directors' Report

DIRECTORS' INTERESTS

The shareholdings 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 1.1.2011	Bought	Sold	As of 31.12.2011
Shares in 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
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	16,000	-	-	16,000
Lee Cheng Wen	5,378,831	9,600,000	-	14,978,831
	-	-	-	-
Indirect Interest:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	48,368,231	9,600,000	-	57,968,231
Lee Cheng Wen	132,589,400	-	-	132,589,400

Shares in a subsidiary company, Golden Horse Palace Berhad

Direct Interest:				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	50,000,000	-	-	50,000,000

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

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 10 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 37 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)

LEE CHENG WEN

Kuala Lumpur
23 April, 2012

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, 2011 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 79 to 159.

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. 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, 2011 and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

Independent Auditors' Report

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

Other Reporting Responsibilities

The supplementary information set out on page 160 of 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE KASSIMCHAN
AF 0080
Chartered Accountants

YEE YOON CHONG
Partner - 1829/07/13 (J)
Chartered Accountant

Petaling Jaya
23 April, 2012

STATEMENTS OF COMPREHENSIVE INCOME

For The Year Ended 31 December, 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	4	181,840	228,595	19,540	26,894
Cost of sales	5	(61,341)	(73,339)	-	-
Gross profit		120,499	155,256	19,540	26,894
Other operating income		32,636	21,207	16,103	16,367
Selling and marketing expenses		(11,226)	(9,559)	(467)	(166)
Administrative expenses		(29,670)	(28,370)	(4,728)	(4,731)
Other operating expenses		(72,087)	(87,100)	(5,574)	(6,154)
Finance costs	6	(17,667)	(25,945)	(9,676)	(14,924)
Share of profit of associates		443	525	-	-
Profit before tax	7	22,928	26,014	15,198	17,286
Income tax credit/(expense)	8	614	(8,038)	(1,315)	(1,069)
Profit for the year		23,542	17,976	13,883	16,217
Other comprehensive income					
Exchange differences on translating foreign operations		(2,348)	(100)	-	-
Gain arising on revaluation of available for sale financial assets	26(d)	-	57	-	-
Transfer from revaluation reserve to retained earnings upon depreciation on revalued assets	26(a)	(1,862)	(1,864)	-	-
Realisation of revaluation reserve to retained earnings upon depreciation on revalued assets		1,862	1,864	-	-
Other comprehensive loss for the year, net of tax		(2,348)	(43)	-	-
Total comprehensive income for the year		21,194	17,933	13,883	16,217
Profit/(Loss) attributable to:					
Equity holders of the Company		23,650	19,570	13,883	16,217
Non-controlling interests		(108)	(1,594)	-	-
Profit for the year		23,542	17,976	13,883	16,217
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		21,302	19,527	13,883	16,217
Non-controlling interests		(108)	(1,594)	-	-
Total comprehensive income for the year		21,194	17,933	13,883	16,217
Earnings per share attributable to equity holders of the Company (sen):					
Basic	11(a)	8.58	7.10		
Diluted	11(b)	NA	NA		
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, 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
ASSETS					
Non-Current Assets					
Hotel properties and exhibition centre & showroom	12	332,881	337,014	-	-
Other property, plant and equipment	13	88,136	89,356	441	669
Property, plant and equipment		421,017	426,370	441	669
Investment properties	14	110,887	108,394	-	-
Prepaid land lease payments	15	339,719	344,025	-	-
Land held for property development	16(a)	183,243	182,446	-	-
Investment in subsidiaries	17	-	-	627,408	631,708
Investment in associates	18	153	3,834	41	41
Available-for-sale financial assets	19	2,258	1,005	718	718
Long-term trade receivables	20	16,506	25,101	-	-
Deferred tax assets	33	6,639	7,093	-	-
Goodwill on consolidation	21	-	-	-	-
Total Non-Current Assets		1,080,422	1,098,268	628,608	633,136
Current Assets					
Property development costs	16(b)	63,725	74,048	-	-
Inventories	22	128,359	129,616	-	-
Trade and other receivables	20	52,094	69,162	18,530	18,502
Tax recoverable		6,538	5,643	5,716	3,398
Cash and bank balances	23	53,409	75,981	32	2,072
		304,125	354,450	24,278	23,972
Non-current asset classified as held for sale	24	-	-	-	-
Total Current Assets		304,125	354,450	24,278	23,972
TOTAL ASSETS		1,384,547	1,452,718	652,886	657,108

STATEMENTS OF FINANCIAL POSITION

As Of 31 December, 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	25	275,707	275,707	275,707	275,707
Share premium		57,251	57,251	57,251	57,251
Other reserves	26	154,737	158,947	19,048	19,048
Retained earnings	27	242,995	217,483	57,032	43,149
Equity attributable to equity holders of the Company		730,690	709,388	409,038	395,155
Non-controlling interests		27,307	27,415	-	-
Total Equity		757,997	736,803	409,038	395,155
Non-Current Liabilities					
Borrowings	28	224,708	147,894	47,700	75,148
Long-term liabilities	32(a)	4,069	4,800	-	-
Deferred income	32(b)	35,320	35,337	-	-
Deferred tax liabilities	33	84,306	85,337	97	-
Total Non-Current Liabilities		348,403	273,368	47,797	75,148
Current Liabilities					
Borrowings	28	102,547	205,066	79,485	84,603
Trade and other payables	34	118,881	172,878	116,566	102,202
Tax payables		55,559	63,622	-	-
Deferred income	32(b)	1,160	981	-	-
Total Current Liabilities		278,147	442,547	196,051	186,805
Total Liabilities		626,550	715,915	243,848	261,953
TOTAL EQUITY AND LIABILITIES		1,384,547	1,452,718	652,886	657,108

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

STATEMENTS OF CHANGES IN EQUITY

For The Year Ended 31 December, 2011

Group	Share Capital RM'000	Non-distributable Reserves Share Premium RM'000	Reserves Other Reserves RM'000	Distributable Reserves - Retained Earnings RM'000	Attributable to Equity Holders of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
As of 1 January, 2010	275,707	57,251	160,854	198,626	692,438	29,041	721,479
Effect of changes in accounting policy – adoption of FRS 139	-	-	-	(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
As of 1 January, 2011	275,707	57,251	158,947	217,483	709,388	27,415	736,803
Profit for the year	-	-	-	23,650	23,650	(108)	23,542
Other comprehensive income/(loss)	-	-	(4,210)	1,862	(2,348)	-	(2,348)
Total comprehensive income/(loss)	-	-	(4,210)	25,512	21,302	(108)	21,194
As of 31 December, 2011	275,707	57,251	154,737	242,995	730,690	27,307	757,997

Company	Share Capital RM'000	Non-distributable Reserves Share Premium RM'000	Reserves Other Reserves RM'000	Distributable Reserves - Retained Earnings RM'000	Total Equity RM'000
As of 1 January, 2010	275,707	57,251	19,048	26,932	378,938
Total comprehensive income for the year - profit for the year	-	-	-	16,217	16,217
As of 31 December, 2010	275,707	57,251	19,048	43,149	395,155
As of 1 January, 2011	275,707	57,251	19,048	43,149	395,155
Total comprehensive income for the year - profit for the year	-	-	-	13,883	13,883
As of 31 December, 2011	275,707	57,251	19,048	57,032	409,038

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

STATEMENTS OF CASH FLOWS

For The Year Ended 31 December, 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM / (USED IN)				
OPERATING ACTIVITIES				
Profit before tax	22,928	26,014	15,198	17,286
Adjustments for:				
Interest expense	17,667	25,945	9,676	14,924
Allowance for doubtful debts:				
Subsidiaries	-	-	-	406
Others	6,612	15,755	-	16
Depreciation of other property, plant and equipment	4,813	7,522	243	243
Depreciation of hotel properties and exhibition centre & showroom	4,164	4,160	-	-
Bad debts written off	8,922	5,559	-	-
Amortisation of prepaid land lease payments	4,306	4,306	-	-
Fair value adjustment to long-term trade receivables	(909)	800	-	-
Loss/(Gain) on disposal of:				
Investment properties	16	39	-	-
Investment in an associate	1,359	(5,260)	-	-
Other property, plant and equipment	(1,581)	(471)	-	-
Non-current asset classified as held for sale	-	(333)	-	-
Impairment losses in value of:				
Goodwill on consolidation	-	8	-	-
Investment in subsidiaries	-	-	4,300	3,760
Available-for-sale financial assets	(3)	-	-	-
Other property, plant and equipment written off	17	5	-	-
Allowance for doubtful debts written back:				
Subsidiaries	-	-	(200)	(15,711)
Others	(966)	(1,429)	-	-
Amortisation of deferred income	(1,117)	(983)	-	-
Interest income	(1,372)	(751)	(400)	(17)
Share of results of associates	(443)	(525)	-	-
Net unrealised loss/(gain) on foreign exchange	20	(219)	-	-
Reversal of deferred income	(468)	(106)	-	-
Allowance for impairment losses in available-for-sale financial assets no longer required	(1,250)	-	-	-
Waiver of debts owing by subsidiaries	-	-	-	16
Waiver of debts owing to:				
Subsidiaries	-	-	-	(628)
Related party	(15,343)	-	(15,343)	-
Other payables	(490)	-	(160)	-
Dividend income	-	-	(14,145)	(21,553)
Operating Profit/(Loss) Before Working Capital Changes	46,882	80,036	(831)	(1,258)
(Increase)/Decrease in:				
Inventories	1,931	9,470	-	-
Property development costs	8,322	16,348	-	-
Receivables	11,292	15,550	(1,303)	17,722
Increase/(Decrease) in:				
Deferred income	1,747	3,938	-	-
Payables	(17,957)	(39,896)	(13,500)	(90)
Subsidiaries	-	-	30,139	(6,848)
Cash Generated From Operations	52,217	85,446	14,505	9,526
Interest paid	(38,427)	(10,162)	(6,388)	(1,143)
Income tax paid	(8,965)	(4,392)	-	-
Net Cash From Operating Activities	4,825	70,892	8,117	8,383

Statements Of Cash Flows

For The Year Ended 31 December, 2011

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Proceeds from disposal of:				
Other property, plant and equipment	5,343	7,557	-	-
Investment in associates	2,764	7,394	-	-
Non-current asset classified as held for sale	-	1,110	-	-
Investment properties	449	257	-	-
Interest received	1,372	751	400	17
Net cash inflow from:				
Acquisition of a subsidiary	-	513	-	-
Disposal of a subsidiary (Note 17)	-	7	-	-
Purchase of :				
Other property, plant and equipment (Note a)	(8,651)	(9,121)	(15)	(89)
Investment properties	(2,947)	(2,353)	-	-
Hotel properties and exhibition centre & showroom	(3)	(308)	-	-
Non-controlling interests	-	(37)	-	-
Investment in subsidiaries	-	-	-	(287)
Dividend received	-	-	10,609	17,923
Net Cash (Used In)/From Investing Activities	(1,673)	5,770	10,994	17,564

Statements Of Cash Flows

For The Year Ended 31 December, 2011

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Repayment of :					
Bonds		-	(75,000)	-	(75,000)
Bank Guaranteed Commercial Paper/Medium Term Notes		(37,002)	(4,964)	-	-
Revolving credits		(8,103)	(1,819)	-	-
Hire purchase and lease creditors		(489)	(619)	(151)	(151)
Term loans		(36,086)	(163)	(21,000)	-
Repayment of RSLs Series B		(68,822)	-	-	-
Bond interest expense paid		-	(24,732)	-	(24,732)
Drawdown of :					
Term loans		122,178	75,000	-	75,000
Long-term liabilities		-	17	-	-
Net Cash Used In Financing Activities		(28,324)	(32,280)	(21,151)	(24,883)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(25,172)	44,382	(2,040)	1,064
Effects of foreign exchange rate changes		67	(75)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		75,523	31,216	2,072	1,008
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23	50,418	75,523	32	2,072

Note:

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total costs of property, plant and equipment	9,676	13,768	15	92
Less: Purchase consideration satisfied by:				
Hire-purchase payables	(86)	-	-	-
Payables	(939)	(4,647)	-	(3)
	8,651	9,121	15	89

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

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31 December, 2011

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 23 April, 2012.

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 Companies Act, 1965 and Financial Reporting Standards ("FRS") in Malaysia.

Adoption of new and revised Financial Reporting Standards

In the current financial year, the Group and 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") which became effective for annual periods beginning on or after 1 January, 2011 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)
FRS 2	Share-based Payment (Amendments relating to group-cash settled share-based payment transactions)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (Revised)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (Revised)
FRS 132	Financial Instruments : Disclosure (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
Improvements to FRSs 2010	
IC Interpretation 4	Determining whether an Arrangement contains a lease
IC Interpretation 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

The adoption of these new and revised FRSs and IC Interpretations have not affected amounts reported on the financial statements of the Group and of the Company except for those standards and IC Interpretations as set out below.

Standards and IC Interpretations affecting presentation and disclosure only

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

The amendments to FRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Group has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.

Amendments to FRS 101 Presentation of Financial Statements

The amendments to FRS 101 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. In the current year, for each component of equity, the Group and the Company have chosen to present such analysis in the Group's and the Company's statement of changes in equity. These amendments have been applied retrospectively.

Standards and IC Interpretations affecting financial performance and/or financial position

FRS 3 (revised in 2010) Business Combinations

FRS 3 (revised in 2010) has been applied in the current year prospectively to business combinations for which the acquisition date is on or after 1 January, 2011 in accordance with the relevant transitional provisions. Its adoption has affected the accounting for business combinations in the current year.

The impact of the application of FRS 3 (revised in 2010) is as follows:

- FRS 3 (revised in 2010) allows a choice on a transaction-by-transaction basis for the measurement of non-controlling interests at the date of acquisition (previously referred to as minority interests) either at fair value or at the non-controlling interests' share of recognised identifiable net assets of the acquiree.
- FRS 3 (revised in 2010) changes the recognition and subsequent accounting requirements for contingent consideration. Previously, contingent consideration was recognised at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were always made against the cost of the acquisition. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.
- FRS 3 (revised in 2010) requires the recognition of a settlement gain or loss when the business combination in effect settles a pre-existing relationship between the Group and the acquiree.
- FRS 3 (revised in 2010) requires acquisition-related costs to be accounted for separately from the business combination, generally leading to those costs being recognised as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

As part of Improvements to FRSs issued in 2011, FRS 3 (revised in 2010) was amended to clarify that the measurement choice regarding non-controlling interests at the date of acquisition is only available in respect of non-controlling interests that are present ownership interests and that entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other types of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by other Standards.

In addition, as part of Improvements to FRSs issued in 2011, FRS 3 (revised in 2010) was amended to give more guidance regarding the accounting for share-based payment awards held by the acquiree's employees. Specifically, the amendments specify that share-based payment transactions of the acquiree that are not replaced should be measured in accordance with FRS 2 Share-based Payment at the acquisition date ("market-based measure").

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

FRS 127 (revised in 2010) Consolidated and Separate Financial Statements

The application of FRS 127 (revised in 2010) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under FRS 127 (revised in 2010), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognises all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

FRS 128 (revised in 2010) Investments In Associates

The principle adopted under FRS 127 (revised in 2010) that a loss of control is recognised as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendments to FRS 128. Therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognised in profit or loss.

As part of Improvements to FRSs issued in 2010, FRS 128 (revised in 2010) has been amended to clarify that the amendments to FRS 128 regarding transactions where the investor loses significant influence over an associate should be applied prospectively. The Group has applied the amendments to FRS 128 (revised in 2010) in the current year.

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

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

Accordingly, the Group and the Company, being Transitioning Entities, have availed themselves of this transitional arrangement and will continue to apply FRSs in their next set of financial statements. Therefore, the Group and the Company will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standard ("MFRS 1") in its financial statements for the financial year ending 31 December, 2013, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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 new and revised FRSs, IC Interpretation and amendments to FRSs and IC Interpretation which were issued but not yet effective until future periods are as listed below:

FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Transfers of Financial Assets) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ⁴
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ⁴
FRS 10	Consolidated Financial Statements ⁴
FRS 11	Joint Arrangements ⁴
FRS 12	Disclosures of Interests in Other Entities ⁴
FRS 13	Fair Value Measurement ⁴
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income) ³
FRS 112	Income Taxes (Amendments relating to Deferred Tax - Recovery of Underlying Assets) ²
FRS 119	Employee Benefits (2011) ⁴
FRS 124	Related Party Disclosures (Revised) ²
FRS 127	Separate Financial Statements (2011) ⁴
FRS 128	Investments in Associates and Joint Ventures (2011) ⁴
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) ¹
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments ¹
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ⁴

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

² Effective for annual periods beginning on or after 1 January, 2012

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

⁴ Effective for annual periods beginning on or after 1 January, 2013

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

The directors anticipate that the abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the amounts reported in the financial statements of the Group and of the Company in the period of initial application.

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. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Where the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments : Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant FRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 (revised) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 Income Taxes and FRS 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 of completion is measured by reference to the cost incurred to date compared to the estimated total cost of the development.

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

(ii) Revenue from Hotel Operations

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

(iii) Management Fees

Management fees are recognised when services are rendered.

(iv) Golf and Health Membership Fees

Membership fees are recognised upon signing of the membership agreement.

(v) Subscription Fees

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

(vi) Timeshare Fees

Revenue from timeshare membership fees is recognised based on the nature of the services provided in relation to the timeshare fees. As the services are performed by an indeterminate number of acts over a specific period of time, the fee is recognised as revenue by using percentage of completion method as determined by the proportion that membership costs incurred to date bear to the estimated total membership costs over the period of membership.

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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

(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 on 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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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 other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

(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 Company and are recorded in RM at the rates prevailing at the date of acquisition.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 future 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 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 the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that future taxable profit will be available to allow all or part of the asset to be recovered.

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 at the end of the reporting period. Deferred tax (if any) is recognised in profit or loss except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

Hotel properties and exhibition centre & showroom are stated at their revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses.

Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the 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.

Depreciation of hotel properties and exhibition centre & showroom is provided over the leasehold period.

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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 buildings, other than hotel properties and exhibition centre & showroom	2% - 10%
Freehold clubhouse included in golf clubs & courses and boat clubs	2% - 20%
Leasehold clubhouse included in golf clubs & courses and boat clubs	2% - 10%
Irrigation system and equipment included in golf courses and boat clubs	10%
Office furniture and fittings, office equipment and renovation	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. The prepaid land lease payments are amortised on a straight-line basis over the remaining lease terms, ranging from 77 to 181 years (2010: 78 to 182 years).

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.

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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Non-Current Assets Held For Sale and Discontinued Operation

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

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

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

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

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

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

The excess of revenue recognised in 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.

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. Completed property units for sale are valued at the lower of cost and net realisable value. Cost is determined using the "specific identification" method.

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

Provisions

Provisions are recognised when the Group and the Company have 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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 instrument.

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 strategies, 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.

(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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

(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. 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.

(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 receivables 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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(a) Financial Assets (cont'd)

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.

(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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

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

(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 significant 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.

(vi) 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.

(v) Derecognition of Financial Liabilities

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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

Statements of Cash Flows

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

Cash and cash equivalents, which comprise deposits with licensed banks and other financial institutions, cash on hand and at bank, and bank overdrafts, are short-term, highly liquid investments and are readily convertible to cash with insignificant risks of changes in value.

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 installment plans) upon execution of membership agreements whereas rejoining fees are due and payable on a yearly basis (except for the first year free rejoining fees) pursuant to the membership agreements.

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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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 assumption concerning the future, and other key sources of estimation uncertainty at the end of 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 Fees

The Group recognises the revenue on timeshare fees by using the percentage of completion method. The percentage 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 percentage 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 percentage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the percentage 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 33.

(v) Income Tax

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

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

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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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)

(vii) Impairment of Property, Plant and Equipment

The directors have reviewed the carrying amounts of property, plant and equipment 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, the directors have made reference to the latest annual valuation carried out by Chockalingam P. Mohan, a register valuer of TD Aziz Sdn Bhd, an independent firm of professional valuers on 5 January, 2012, 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 the latest annual valuation carried out by Yap Kian Ann, a register valuer of Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers on 21 November, 2011, using the comparison method and the depreciated replacement cost method. The directors have also made reference to values in-use of those properties in determining the recoverable amount.

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

4. REVENUE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Property development	58,261	95,875	-	-
Property investment	21,925	21,657	-	-
Hospitality and health	98,106	111,063	-	-
Others	3,548	-	-	-
Gross dividend income from unquoted shares	-	-	14,145	21,553
Management fees from subsidiaries	-	-	5,395	5,341
	181,840	228,595	19,540	26,894

5. COST OF SALES

	Group	
	2011 RM'000	2010 RM'000
Property development	17,498	24,532
Cost of inventories sold	4,641	4,019
Cost of services rendered	39,202	44,788
	61,341	73,339

Notes To The Financial Statements

For The Year Ended 31 December, 2011

6. FINANCE COSTS

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Interest expense on:					
RM150 million 3% to 8% Redeemable Secured Bonds 1996/2011		-	12,107	-	12,107
Bank Guaranteed Commercial Paper and Medium Term Notes		3,142	4,475	3,142	1,640
68,821,674 Redeemable Secured Loan Stocks 2004/2011 ("RSL Series B")		3,309	3,441	-	-
Term loans, revolving credits, and bank overdrafts		9,546	2,712	6,516	34
Hire-purchase and lease		64	82	18	18
Others		1,741	3,376	-	1,125
		17,802	26,193	9,676	14,924
Less: Interest expense capitalised in qualifying assets - property development costs	16(b)	(135)	(248)	-	-
		17,667	25,945	9,676	14,924

7. PROFIT BEFORE TAX

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

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Employee benefits expense	9	50,194	53,150	3,618	3,636
Allowance for doubtful debts:					
- subsidiaries		-	-	-	406
- others		6,612	15,755	-	16
Depreciation of:					
- other property, plant and equipment	13	4,813	7,522	243	243
- hotel properties and exhibition centre & showroom	12	4,164	4,160	-	-
Bad debts written off		8,922	5,559	-	-
Amortisation of prepaid land lease payments	15	4,306	4,306	-	-
Rental of premises		1,542	1,598	704	697
Lease rental expense		912	967	46	24
Fair value adjustment to long-term trade receivables		(909)	800	-	-
Auditors' remuneration:					
Statutory audit:					
- auditors of the Group		433	413	60	57
- other auditors		160	160	-	-
Non audit services:					
- auditors of the Group		123	49	5	5
- other auditors		58	77	-	-
Rental of equipment		238	187	-	-
Non-executive directors' remuneration	10	133	136	133	136
Executive directors' remuneration excluding benefits-in-kind	10	1,696	1,918	785	905
Loss/(Gain) on disposal of :					
- investment properties		16	39	-	-
- investment in associates		1,359	(5,260)	-	-
- other property, plant and equipment		(1,581)	(471)	-	-
- non-current asset classified as held for sale		-	(333)	-	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

7. PROFIT BEFORE TAX (cont'd)

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

Note	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Impairment losses in value of:				
- goodwill on consolidation	-	8	-	-
- investment in subsidiaries	-	-	4,300	3,760
- available-for-sale financial assets	(3)	-	-	-
Other property, plant and equipment written off	17	5	-	-
Rental income	(3,188)	(3,603)	-	-
Allowance for doubtful debts written back:				
- subsidiaries	-	-	(200)	(15,711)
- others	(966)	(1,429)	-	-
Amortisation of deferred income	(1,117)	(983)	-	-
Interest income:				
- short-term deposits	(1,332)	(683)	(2)	(8)
- others	(40)	(68)	(398)	(9)
Bad debts recovered	(269)	(506)	-	-
Net unrealised loss/(gain) on foreign exchange	20	(219)	-	-
Reversal of deferred income	(468)	(106)	-	-
Allowance for impairment losses in available-for-sale financial assets no longer required	(1,250)	-	-	-
Waiver of debt owing by subsidiaries	-	-	-	16
Waiver of debt owing to:				
- subsidiaries	-	-	-	(628)
- related party	34(d) (15,343)	-	(15,343)	-
- other payables	(490)	-	(160)	-

8. INCOME TAX (CREDIT)/EXPENSE

Note	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Estimated tax payable:				
Malaysian	2,005	8,491	1,097	1,049
Foreign	(25)	-	-	-
(Over)/Underprovision in prior years	(1,328)	(228)	121	20
Tax saving from group relief	(663)	(924)	-	-
	(11)	7,339	1,218	1,069
Deferred tax expense:				
Relating to origination and reversal of temporary differences	(90)	1,625	-	-
Reversal of temporary differences in respect of depreciation on revaluation surplus	(569)	(466)	-	-
(Over)/Underprovision in prior years tax:				
Malaysian	57	(608)	97	-
Foreign	(1)	148	-	-
33	(603)	699	97	-
Tax (credit)/expense for the year	(614)	8,038	1,315	1,069

Notes To The Financial Statements

For The Year Ended 31 December, 2011

8. INCOME TAX (CREDIT)/EXPENSE (cont'd)

Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 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% (2010: 28%).

The group tax charge for the year has been reduced by RM663,000 (2010: RM924,000) 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 (credit)/expense applicable to profit before tax at the applicable statutory income tax rates to income tax (credit)/expense at the effective income tax rates of the Group and of the Company is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	22,928	26,014	15,198	17,286
Tax at the applicable tax rate of 25% (2010: 25%)	5,732	6,504	3,799	4,321
Tax effects of:				
Non-deductible expenses	5,558	16,751	1,274	5,147
Non-taxable income	(6,675)	(12,871)	(3,976)	(8,419)
Utilisation of deferred tax assets previously not recognised	(2,725)	(268)	-	-
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties and exhibition centre & showroom	(569)	(466)	-	-
Group relief	(663)	(924)	-	-
(Over)/Underprovision in prior years in respect of:				
Current tax	(1,328)	(228)	121	20
Deferred tax	56	(460)	97	-
Tax (credit)/expense for the year	(614)	8,038	1,315	1,069

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Wages and salaries	38,002	40,996	2,963	3,150
Social security costs	442	433	16	16
Contribution to defined contribution plans	3,862	3,579	426	326
Other staff related expenses	7,888	8,142	213	144
	50,194	53,150	3,618	3,636

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 RM1,696,000 (2010: RM1,918,000) and RM785,000 (2010: RM905,000) respectively as further disclosed in Note 10.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

10. 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) Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock
- (iv) Nik Hassan Bin Nik Mohd Amin
- (v) Chew Chong Eu

Executive Director:

- (i) Lee Cheng Wen
- (ii) Mark Victor Rozario (retired w.e.f. 21.06.2011)

		Group		Company	
	Note(s)	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors of the Company					
Non-Executive Directors					
Fees and other emoluments		133	136	133	136
Benefits-in-kind		21	28	21	28
		154	164	154	164
Executive Directors					
Salaries, fee and other emoluments		703	811	703	811
Contribution to defined contribution plans		82	94	82	94
Benefits-in-kind		61	100	61	100
		846	1,005	846	1,005
		1,000	1,169	1,000	1,169
Directors of Subsidiaries					
Executive Directors					
Salaries and other emoluments		680	843	-	-
Bonus		119	77	-	-
Contribution to defined contribution plans		112	93	-	-
Benefits-in-kind		62	62	-	-
		973	1,075	-	-
Analysis excluding benefits-in-kind:					
Total non-executive directors' remuneration	7	133	136	133	136
Total executive directors' remuneration excluding benefits-in-kind	7 & 9	1,696	1,918	785	905
Total directors' remuneration excluding benefits-in-kind	37(b)	1,829	2,054	918	1,041

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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 2011	2010
Profit attributable to ordinary equity holders of the Company (RM'000)	23,650	19,570
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	275,707	275,707
Basic earnings per share (sen)	8.58	7.10

(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, 2010		308,419	134,840	443,259
Additions		308	-	308
As of 31 December, 2010/1 January, 2011		308,727	134,840	443,567
Additions		3	-	3
Transfer from other property, plant and equipment	13	28	-	28
As of 31 December, 2011		308,758	134,840	443,598
Accumulated Depreciation				
As of 1 January, 2010		13,277	3,409	16,686
Charge for the year		3,308	852	4,160
As of 31 December, 2010/1 January, 2011		16,585	4,261	20,846
Charge for the year		3,312	852	4,164
As of 31 December, 2011		19,897	5,113	25,010
Accumulated Impairment Losses				
As of 31 December, 2010/2011		24,162	61,545	85,707
Net Carrying Amount				
As of 31 December, 2011		264,699	68,182	332,881
As of 31 December, 2010		267,980	69,034	337,014

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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 and Mines Beach Resort Berhad 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 the latest annual valuation carried out by Chockalingam P.Mohan, a registered valuer of TD Aziz Sdn. Bhd., an independent firm of professional valuers on 5 January, 2012, using the comparison method and by reference to the values in-use of Palace of the Golden Horses, regard the carrying value to approximate the market value.

Mines Wellness Hotel is stated at directors' annual assessment of valuation which is determined by reference to a professional valuation carried out on 5 January, 2012 by Chockalingam P.Mohan, a registered valuer of the independent professional valuer company, TD Aziz Sdn. Bhd., 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' annual assessment of valuation which is determined by reference to a professional valuation carried out on 21 November, 2011 by Yap Kian Ann, a registered valuer of the independent professional valuer company, Jordan Lee & Jaafar Sdn. Bhd., using the comparison method and depreciated replacement cost method.

As of 31 December, 2011, had the revalued hotel properties and exhibition centre & showroom of the Group been carried under the cost model, the carrying amount would have been RM238,810,000 (2010: RM241,764,000) and RM68,182,000 (2010: RM69,034,000) respectively.

Palace of the Golden Horses, Malaysia International Exhibition & Convention Centre & Showroom and Mines Wellness Hotel are pledged as securities for borrowings as disclosed in Notes 28 b (ii), 28 b (vi) respectively.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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, 2011		9,139	7,071	95,005	70,229	63,559	7,945	8,493	261,441
Additions		2,306	-	3,890	1,457	129	96	1,798	9,676
Transfer to investment properties	14	-	-	(11)	-	-	-	-	(11)
Transfer to hotel properties and exhibition centre & showroom	12	-	-	(2,294)	3,769	(23)	(5)	(1,475)	(28)
Disposals		(4,176)	-	(108)	(50)	-	(181)	-	(4,515)
Write-offs		-	-	(2,769)	(926)	-	-	-	(3,695)
Exchange differences		-	-	(94)	-	(2,446)	(25)	-	(2,565)
As of 31 December, 2011		7,269	7,071	93,619	74,479	61,219	7,830	8,816	260,303
Representing:									
At cost		-	7,071	93,619	74,479	61,219	7,830	8,816	253,034
At transitional cost*		7,269	-	-	-	-	-	-	7,269
Accumulated Depreciation									
As of 1 January, 2011		896	2,403	85,602	67,294	9,484	6,406	-	172,085
Depreciation charge for the year		138	295	(1,411)	4,628	685	478	-	4,813
Disposals		(418)	-	(106)	(51)	-	(178)	-	(753)
Write-offs		-	-	(2,752)	(926)	-	-	-	(3,678)
Exchange differences		-	-	(65)	-	(210)	(25)	-	(300)
As of 31 December, 2011		616	2,698	81,268	70,945	9,959	6,681	-	172,167
Net Carrying Amount									
At cost		-	4,373	12,351	3,534	51,260	1,149	8,816	81,483
At transitional cost*		6,653	-	-	-	-	-	-	6,653
		6,653	4,373	12,351	3,534	51,260	1,149	8,816	88,136
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-offs		-	-	(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)
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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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
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		181	311	3,336	2,247	698	749	-	7,522
Disposals		(853)	-	(641)	(132)	-	(203)	-	(1,829)
Write-offs		-	-	(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

* 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

For The Year Ended 31 December, 2011

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

Company	Office Furniture and Fittings RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Renovation RM'000	Total RM'000
Cost					
As of 1 January, 2010	61	111	932	100	1,204
Additions	2	85	-	5	92
As of 31 December, 2010/1 January, 2011	63	196	932	105	1,296
Additions	1	14	-	-	15
As of 31 December, 2011	64	210	932	105	1,311
Accumulated Depreciation					
As of 1 January, 2010	20	72	274	18	384
Charge for the year	5	42	185	11	243
As of 31 December, 2010/1 January, 2011	25	114	459	29	627
Charge for the year	6	42	185	10	243
As of 31 December, 2011	31	156	644	39	870
Net Carrying Amount					
As of 31 December, 2011	33	54	288	66	441
As of 31 December, 2010	38	82	473	76	669

- (a) The 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 RM916,000 (2010: RM1,300,000).
- (b) Other property, plant and equipment with net carrying amount of RM24,505,000 (2010: RM28,575,000) are charged as security for borrowings as disclosed in Note 28.
- (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. The net book value of those apartment units amounted to RM787,000 (2010: RM805,000).
- (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	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cost:				
Office, furniture and fittings	35,810	25,925	88	59
Plant, machinery and equipment	107,773	100,824	-	-
Motor vehicles	3,901	2,972	7	7
	147,484	129,721	95	66

Notes To The Financial Statements

For The Year Ended 31 December, 2011

14. INVESTMENT PROPERTIES

		Group	
	Note	2011 RM'000	2010 RM'000
At beginning of year		108,394	89,794
Additions from subsequent expenditure		2,947	2,353
Disposals		(465)	(296)
Transfer from/(to) :		-	-
Other property, plant and equipment	13	11	25,073
Property development costs	16(b)	-	(8,530)
At end of year		110,887	108,394

The following investment properties are held under lease terms:

		Group	
		2011 RM'000	2010 RM'000
Leasehold land		54,976	54,976
Buildings		52,302	49,344
		107,278	104,320

The investment properties with carrying amount of RM106,405,000 (2010: RM103,446,000) are charged as security for borrowings as disclosed in Note 28 b (vi).

The rental income earned by the Group from its investment properties during the year amounted to RM9,351,000 (2010: RM8,097,000). Direct operating expenses arising from the investment properties during the year amounted to RM1,921,000 (2010: RM1,843,000).

Investment properties are stated at directors' assessment of valuation which is determined annually by reference to a professional valuation. The latest professional valuation was carried out on 5 January, 2012 and 13 February, 2012 by Chockalingam P.Moham, a registered valuer of the independent valuer company, TD Aziz Sdn. Bhd., using comparison method of valuation, which is regarded to approximate the market value.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

15. PREPAID LAND LEASE PAYMENTS

		Group	
	Note	2011 RM'000	2010 RM'000
At beginning of year		344,025	348,331
Amortisation for the year	7	(4,306)	(4,306)
At end of year		339,719	344,025

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 RM13,426,000 (2010: RM13,594,000), 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 RM323,707,000 (2010: RM327,818,000) are charged as security for borrowings as disclosed in Note 28 b.

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, 2010		108,402	65,964	174,366
Additions		811	149	960
Transfer to property development costs	16(b)	-	7,120	7,120
As of 31 December, 2010/1 January, 2011		109,213	73,233	182,446
Additions		945	237	1,182
Transfer to property development costs	16(b)	(385)	-	(385)
As of 31 December, 2011		109,773	73,470	183,243

Included in land held for property development are certain parcels of land, with an aggregate carrying value of RM25,205,000 (2010: RM25,099,000), 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 RM61,394,000 (2010: RM65,835,000) are charged as security for borrowings as disclosed in Notes 28 and 30.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

(b) Property Development Costs

		Group	
	Note	2011 RM'000	2010 RM'000
At beginning of year			
Freehold land - at cost		136,192	118,117
Leasehold land - at cost		163	1,770
Development expenditure		286,078	278,482
		422,433	398,369
Costs incurred during the year:			
Freehold land - at cost		52	18
Development expenditure		10,623	7,169
		10,675	7,187
Cost recognised as expense in profit or loss:			
Previous years		(348,385)	(321,206)
Current year		(19,760)	(24,495)
		(368,145)	(345,701)
Transfers from/(to) :			
Other property, plant and equipment	13	-	3,771
Investment properties	14	-	8,530
Land held for property development	16(a)	385	(7,120)
Non-current asset classified as held for sale	24	-	9,012
Inventories	22	(1,623)	-
		(1,238)	14,193
At end of year		63,725	74,048

Included in property development costs incurred during the financial year is interest capitalised of RM135,000 (2010: RM248,000).

The property development costs with a carrying amount of RM6,431,000 (2010: RM11,735,000) are charged as security for borrowings as disclosed in Note 31.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2011 RM'000	2010 RM'000
Unquoted shares, at cost		233,478	233,478
Investment in Cumulative Redeemable Preference Shares		414,053	414,053
		647,531	647,531
Less: Accumulated impairment losses		(20,123)	(15,823)
Net		627,408	631,708

During the financial year, the following subsidiaries were struck-off:

- (a) Country Heights Promotion Limited, a wholly owned dormant indirect subsidiary company incorporated in British Virgin Islands was automatically struck off from the British Virgin Islands Registry with effect from 1 May, 2011.
- (b) The Company received four Notices of Strike-Off dated 4 May, 2011, 15 August, 2011 and 23 August, 2011 from the Companies Commission of Malaysia that the following wholly-owned dormant subsidiaries had been struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act 1965:
 - (i) Speedbuild Sdn Bhd
 - (ii) World Racquet Centre Sdn Bhd
 - (iii) Mines Engineering & Technical Services Sdn Bhd
 - (iv) Lokasi Istimewa Sdn Bhd

The above subsidiary companies were dormant and have no material effect on the earnings or net tangible assets of the Group for the financial year ended 31 December, 2011.

During previous financial year, certain subsidiaries issued 197,053,000 Cumulative Redeemable Preference Shares of RM0.01 par value at RM1 per share to the Company as part settlement of amount owing by the said subsidiaries.

In the previous financial year, 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, AmFinance Berhad, AmBank Berhad, RHB Bank Berhad and CIMB Bank Berhad in relation to the issuance of RCSLS Series A and RSLs Series B as disclosed in Note 30.

RCSLS Series A had been fully redeemed in the previous financial year ended 31 December, 2007 and RSLs Series B had been fully redeemed in the current financial year as disclosed in Note 30.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES (cont'd)

The details of the subsidiaries are as follows:

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2011 %	Interest 2010 %
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
Steady Prospect Sdn Bhd	Malaysia	Investment holding	100	100
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	Dormant	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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2011 %	Interest 2010 %
@Country Heights Commercial Development 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
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	Investment holding	100	100
Country Heights Sea Resort Sdn Bhd	Malaysia	Dormant	100	100
Kristal Peramah (M) Sdn Bhd	Malaysia	Provision of project development services	100	100
Country Heights Education Sdn Bhd	Malaysia	Provision of educational related services	70	70
@Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd	Malaysia	Dormant	60	60
Mines Global Holidays & Travel Sdn Bhd (formerly known as 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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2011 %	Interest 2010 %
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
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	Malaysia	Ownership & operator of a hotel	100	100
#Mines Engineering & Technical Services Sdn Bhd	Malaysia	Dormant	-	100
Kin No Uma Sdn Bhd	Malaysia	Dormant	100	100
# Country Heights Promotions Limited	British Virgin Islands	Dormant	-	100
@KAT Events Sdn Bhd Bhd	Malaysia	Dormant	100	100
WIXPO Sdn Bhd	Malaysia	Dormant	100	100

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2011 %	Interest 2010 %
Subsidiaries of East Vision Leisure Group Sdn Bhd				
Mines Shopping Fair Sdn Bhd	Malaysia	Letting of promotion space*	100	100
Mines Waterfront Business Park Sdn Bhd	Malaysia	Letting of office space	100	100
Mines International Exhibition Centre Sdn Bhd	Malaysia	Investment holding, manager of exhibition centre and conventions and provision of catering services	100	100
Subsidiary of Mines International Exhibition Centre Sdn Bhd				
@Mines Events Sdn Bhd (formerly known as Mines Event Management Sdn Bhd)	Malaysia	Dormant	100	100
Subsidiaries of Country Heights Resorts & Leisure Sdn Bhd				
#World Racquet Centre Sdn Bhd	Malaysia	Provision of marketing services	-	100
@Mines Premium Sdn Bhd	Malaysia	Solutions provider and promotion activities	100	100
Subsidiaries of Golden Horse Palace Bhd				
Country Heights Lifestyle Berhad	Malaysia	Provision of leisure related services	100	100
@Mines Marketing Sdn Bhd	Malaysia	Provision of marketing services	100	100
Subsidiary of Country Heights Health Tourism Sdn Bhd				
@GHHS Wellness Sdn Bhd	Malaysia	Provision of health screening services and health programs	100	100
Subsidiaries of Country Heights Property Development Berhad				
@Profound Concept Sdn Bhd	Malaysia	Property investment	100	100
Endless Gain Sdn Bhd	Malaysia	Letting of shops	100	100

Notes To The Financial Statements

For The Year Ended 31 December, 2011

17. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2011 %	Interest 2010 %
Subsidiaries of Magnitude Knight (M) Sdn Bhd				
+ @Country Heights Pecanwood Golf & Country Club (Pty) Ltd	South Africa	Ownership and operators of golf estate club	100	100
+ @Country Heights Pecanwood Boat Club (Pty) Ltd	South Africa	Ownership and operator of boat club	100	100
+ Audited by other firm of auditors				
* Ceased principal activities of letting of shopping mall lots in financial year 2007				
^ No auditors are required to be appointed for these dormant companies				
# Company struck off during the financial year				
@ The auditors' reports on the financial statements of these subsidiary companies include an emphasis of matter regarding the ability of these subsidiary companies to continue as a going-concern in view of their capital deficiency positions as at the end of the financial year. The financial statements of these subsidiary companies have been prepared on a going-concern basis as the Company has undertaken to continue providing financial support to these subsidiary companies.				

Notes To The Financial Statements

For The Year Ended 31 December, 2011

18. INVESTMENT IN ASSOCIATES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
In Malaysia:				
Unquoted shares, at cost	247	3,444	247	247
Group share of post-acquisition reserves	112	596	-	-
	359	4,040	247	247
Accumulated impairment losses	(206)	(206)	(206)	(206)
Net	153	3,834	41	41

The summarised financial information of the associates are as follows:

	Group	
	2011	2010
	RM'000	RM'000
Assets and liabilities		
Current assets	1,157	5,010
Non-current assets	246	36,334
Total assets	1,403	41,344
Current liabilities	1,102	7,379
Non-current liabilities	-	14,917
Total liabilities	1,102	22,296
Results		
Revenue	1,615	15,695
Profit for the year	89	1,825

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

	Group	
	2011	2010
	RM'000	RM'000
Share of net assets	153	3,617
Goodwill on acquisition	-	217
	153	3,834

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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 2011 %	Interest 2010 %
+ # 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

+ Audited by other firms of auditors

Simplex Design Sdn Bhd 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, 2011 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2011 and 31 December, 2011.

On 30 September, 2011, Dragon Spring Investment (Labuan) Limited ("DSI") had ceased to be an indirect associate of the Company because DSI had purchased its own shares from Country Heights China Ltd, a subsidiary of the Company, for consideration of USD921,292, equivalent to RM2,764,000.

On 21 December, 2010, Country 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 disposal resulted in a gain of RM5,260,000 to the Group as disclosed in Note 7.

19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At cost				
Quoted shares in Malaysia	240	240	-	-
Unquoted shares in Malaysia	2,000	2,000	-	-
Memberships	814	814	718	718
	3,054	3,054	718	718
Less: Accumulated impairment losses:				
Quoted shares in Malaysia	(46)	(49)	-	-
Unquoted shares in Malaysia	(750)	(2,000)	-	-
	(796)	(2,049)	-	-
Net	2,258	1,005	718	718
Market value of quoted shares in Malaysia	192	189	-	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

20. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current					
Trade receivables					
Amount owing by subsidiaries	(b)	-	-	12,450	11,041
Owing by companies in which certain directors have interest		508	4,144	-	-
Third parties	(c)	65,351	80,014	-	-
		65,859	84,158	12,450	11,041
Less: Allowance for doubtful debts for third parties		(28,306)	(32,120)	-	-
Trade receivables, net		37,553	52,038	12,450	11,041
Other receivables, deposits and prepayments					
Amount owing by subsidiaries	(b)	-	-	5,563	6,893
Owing by companies in which certain directors have interest		2,268	4,725	464	721
Sundry receivables		10,450	12,515	623	618
Deposits		3,116	2,904	16	15
Prepayments		1,016	1,165	-	-
		16,850	21,309	6,666	8,247
Less: Allowance for doubtful debts:					
Amount owing by subsidiaries		-	-	(206)	(406)
Sundry receivables		(2,309)	(4,185)	(380)	(380)
		(2,309)	(4,185)	(586)	(786)
Other receivables, net		14,541	17,124	6,080	7,461
Total current receivables		52,094	69,162	18,530	18,502
Non-current trade receivables					
Third parties	(d)	16,506	25,101	-	-

Movement in the allowance for doubtful debts of trade receivables is as follows:

	Group	
	2011 RM'000	2010 RM'000
At beginning of year	32,120	23,364
Impairment loss recognised on receivables	6,517	13,363
Amount written off	(9,397)	(3,178)
Amount recovered	(934)	(1,429)
At end of year	28,306	32,120

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

The table below is an analysis of trade receivables as of the end of the reporting period:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	7,973	30,942	-	-
Past due but not impaired:				
30 days and below	5,008	2,105	670	895
31 to 60 days	3,431	1,936	621	785
61 to 90 days	5,662	2,369	387	1,352
91 to 120 days	1,438	2,521	397	2,438
121 days and above	14,041	12,165	10,375	5,571
	29,580	21,096	12,450	11,041
Past due and impaired	37,553	52,038	12,450	11,041
	28,306	32,120	-	-
Total trade receivables	65,859	84,158	12,450	11,041

Movement in the allowance for doubtful debts of sundry receivables is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year	4,185	1,800	380	364
Impairment loss recognised on receivable	95	2,392	-	16
Amount written off	(1,939)	(7)	-	-
Amount recovered	(32)	-	-	-
At end of year	2,309	4,185	380	380

The table below is an analysis of other receivables as of the end of the reporting period:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Neither past due nor impaired	266	1,969	-	-
Past due but not impaired:				
30 days and below	415	220	26	75
31 to 60 days	339	947	19	5
61 to 90 days	255	149	1	138
91 to 120 days	291	371	67	180
121 days and above	8,843	9,399	594	561
	10,143	11,086	707	959
Past due and impaired	10,409	13,055	707	959
	2,309	4,185	380	380
Total other receivables	12,718	17,240	1,087	1,339

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

Movement in the allowance for doubtful debts of amount owing by subsidiaries as of the end of the reporting period is as follows:

	Company	
	2011 RM'000	2010 RM'000
At beginning of year	406	15,711
Impairment loss recognised on receivable	-	406
Amount recovered	(200)	(15,711)
At end of year	206	406

(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 38.

(b) Amount owing by subsidiaries

These amounts owing by subsidiaries 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 20(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.

21. GOODWILL ON CONSOLIDATION

	Group	
	2011 RM'000	2010 RM'000
Cost		
At beginning of year	35,105	35,097
Addition during the year	-	8
At end of year	35,105	35,105
Accumulated impairment losses		
At beginning of year	(35,105)	(35,097)
Impairment loss recognised during the year	-	(8)
At end of year	(35,105)	(35,105)
Net	-	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

22. INVENTORIES

		Group	
	Note	2011 RM'000	2010 RM'000
At cost			
Properties held for sale		86,268	90,332
Consumable materials		1,177	1,355
Transfer from property development cost	16(b)	1,623	-
		89,068	91,687
At net realisable value			
Properties held for sale		39,291	37,929
Total inventories		128,359	129,616

Included in inventories are certain parcels of land, with aggregate carrying value of RM4,789,000 (2010: RM38,168,000), for which the Group is in the process of obtaining registration of land titles from the relevant authorities.

Inventories with a carrying value of RM9,931,000 (2010: RM12,187,000) are charged as security for borrowings as disclosed in Notes 28 (b) (iv) and 28 (c) (i) respectively.

23. CASH AND BANK BALANCES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deposits with licensed banks and other financial institutions	(a)	15,490	20,692	-	-
Cash on hand and at banks	(b)	37,919	55,289	32	2,072
Total cash and bank balances		53,409	75,981	32	2,072

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

- (i) A sum of RM1,817,000 (2010: RM2,657,000) pledged for bank guarantee facilities granted to certain subsidiaries;
- (ii) An amount of RM92,000 (2010: RMNil) pledged for term loan facility granted to a subsidiary, Tindak Murni Sdn Bhd as disclosed in Note 28 (b) (iv).
- (iii) An amount held under a trust account pursuant to a trust deed in relation to a timeshare membership scheme of a subsidiary of RM1,788,000 (2010: RM2,040,000); and
- (iv) An amount held on behalf of members in relation to a "Silver Hair Programme" of a subsidiary, Mines Global Holidays Travel Sdn Bhd (formerly known as Country Heights Quality Life Services Sdn Bhd) of RMNil (2010: RM136,000).

Notes To The Financial Statements

For The Year Ended 31 December, 2011

23. CASH AND BANK BALANCES (cont'd)

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

- (i) Amounts totalling RM3,704,000 (2010: RM2,116,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and are therefore restricted from use in other operations;
- (ii) Amounts totalling RM1,210,000 (2010: RM643,000) held under trust accounts pursuant to trust deeds in relation to a timeshare membership scheme of subsidiaries, Golden Horse Palace Berhad and Country Heights Lifestyle Berhad; and
- (iii) An amount of RM15,664,000 (2010: RM38,222,000) is pledged as security for the purpose of the Bank Guaranteed Commercial Paper and Bank Guaranteed Medium Term Notes issued as disclosed in Note 31. Included in the pledged amount is an amount of RM10,248,000 (2010: RM27,764,000) 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 31 and payment of finance cost of Bank Guaranteed Medium Term Notes.

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

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances		53,409	75,981	32	2,072
Bank overdrafts	28(a)	(2,991)	(458)	-	-
Cash and cash equivalents		50,418	75,523	32	2,072

The weighted average effective interest rates at the end of the reporting period for deposits are as follows:

	Group	
	2011 %	2010 %
Licensed banks and other financial institutions	2.95	2.80

The average maturities of deposits as at the end of the reporting period are as follows:

	Group	
	2011 Days	2010 Days
Licensed banks	30 to 365	30 to 365

24. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	Note	Group	
		2011 RM'000	2010 RM'000
At beginning of year		-	9,789
Disposed off during the year		-	(777)
Transfer to property development costs	16(b)	-	(9,012)
At end of year		-	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

25. SHARE CAPITAL

	Group and Company	
	2011 RM'000	2010 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

26. OTHER RESERVES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Non-distributable:					
Revaluation reserve	(a)	145,203	147,065	-	-
Translation reserve	(b)	(9,571)	(7,223)	-	-
Capital redemption reserve	(c)	19,048	19,048	19,048	19,048
Fair value reserve	(d)	57	57	-	-
		154,737	158,947	19,048	19,048

The movements, nature and purpose of each category of reserves as of the end of the reporting period are as follows:

(a) Revaluation reserve

	Group	
	2011 RM'000	2010 RM'000
Revaluation reserve - hotel properties		
At beginning of year	147,065	148,929
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	(1,862)	(1,864)
At end of year	145,203	147,065

(b) Translation reserve

	Group	
	2011 RM'000	2010 RM'000
At beginning of year	(7,223)	(7,123)
Arising during the year	(2,348)	(100)
At end of year	(9,571)	(7,223)

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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

26. OTHER RESERVES (cont'd)

(c) Capital redemption reserve

	Group and Company	
	2011	2010
	RM'000	RM'000
At beginning/end of year	19,048	19,048

The capital redemption reserve arose from the redemption of 190,478,000 Cumulative Redeemable Preference Shares ("CRPS I") of RM0.10 each issued by the Company 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

	Group	
	2011	2010
	RM'000	RM'000
At beginning of year	57	-
Arising during the year	-	57
At end of year	57	57

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

27. 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, 2011 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

As of 31 December, 2011, the Company has tax exempt profits of approximately RM136,437,000 (2010: RM136,437,000) available for distribution, subject to the agreement of the Inland Revenue Board.

As of 31 December, 2011, 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.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Total borrowings - gross	330,673	352,960	127,185	159,751
Less : Debts issuance costs	(3,418)	-	-	-
Outstanding borrowings	327,255	352,960	127,185	159,751
Less : Portion due within one year, included under short-term borrowings	(102,547)	(205,066)	(79,485)	(84,603)
Total long-term borrowings	224,708	147,894	47,700	75,148

Detailed breakdown of borrowings are as follows:

		Group		Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Short-term Borrowings					
Secured:					
Bank Guaranteed Medium Term Notes	31	-	30,000	-	-
Bank overdrafts	(a),23	2,991	458	-	-
Term loans	(b)	27,583	166	25,200	-
Revolving credits	(c)	-	1,903	-	-
Redeemable Secured Loan Stocks 2004/2011 ("RSL Series B")	30	-	68,822	-	-
		30,574	101,349	25,200	-
Unsecured:					
Term loans	(b)	54,137	84,452	54,137	84,452
Revolving credits	(c)	17,400	18,800	-	-
Hire-purchase and finance lease payables	29	436	465	148	151
		71,973	103,717	54,285	84,603
Total Short-term Borrowings		102,547	205,066	79,485	84,603
Long-term Borrowings					
Secured:					
Term loans	(b)	166,468	77,478	47,700	75,000
Bank Guaranteed Commercial Paper	31	39,760	46,762	-	-
Bank Guaranteed Medium Term Notes	31	10,000	10,000	-	-
		216,228	134,240	47,700	75,000
Unsecured:					
Revolving credits	(c)	8,000	12,800	-	-
Hire-purchase and finance lease payables	29	480	854	-	148
		8,480	13,654	-	148
Total Long-term Borrowings		224,708	147,894	47,700	75,148

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd)

Detailed breakdown of borrowings are as follows: (con'd)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Total Borrowings					
Bank overdrafts	(a)	2,991	458	-	-
Term loans	(b)	248,188	162,096	127,037	159,452
Revolving credits	(c)	25,400	33,503	-	-
Hire purchase and finance lease payables	29	916	1,319	148	299
RSLs Series B	30	-	68,822	-	-
Bank Guaranteed Commercial Paper	31	39,760	46,762	-	-
Bank Guaranteed Medium Term Notes	31	10,000	40,000	-	-
		327,255	352,960	127,185	159,751

The maturity of borrowings, excluding hire-purchase and finance lease payables, is as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Within one year	102,111	204,601	79,337	84,452
More than 1 year and less than 2 years	175,185	37,120	25,200	-
More than 2 years and less than 5 years	47,945	109,920	22,500	75,000
More than 5 years	1,098	-	-	-
	326,339	351,641	127,037	159,452

The weighted average effective interest rates at the end of the reporting period for borrowings, excluding hire-purchase and finance lease payables are as follows:

	Note	Group		Company	
		2011 %	2010 %	2011 %	2010 %
Bank overdrafts	(a)	8.30	7.30	-	-
Term loans	(b)	6.80	8.30	8.50	8.30
Revolving credits	(c)	6.90	7.00	-	-
RSLs Series B	30	5.00	5.00	-	-
Bank Guaranteed Commercial Paper	31	4.10	4.00	-	-
Bank Guaranteed Medium Term Notes	31	7.10	6.10	-	-
Bonds		-	8.00	-	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd)

(a) Bank overdrafts

	Note	Group 2011 RM'000	2010 RM'000
Short-term			
Secured:			
RM3,000,000 facility	(i)	2,991	458
South African Rand 750,000 facility	(ii)	-	-
Total bank overdrafts	23	2,991	458

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

- (i) Overdraft facility of RM3,000,000 (2010: 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 RM6,345,000 (2010: RM6,427,000) held by Country Heights W.T.C. Sdn Bhd;
 - A lien-holder's caveat over prepaid land lease payments with a carrying value of RM3,833,000 (2010: RM3,883,000) 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% (2010: 1.75%) above the bank's base lending rate.

- (ii) South African 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, with a carrying value of RM11,791,000 (2010: RM14,096,000) held by PGCC included in other property, plant and equipment as disclosed in Note 13.

The said overdraft facility bears interest at 12.5% (2010: 14.5%) per annum.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd)

(b) Term loans

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short-term					
Secured:					
RM3,340,000 facility	(i)	-	166	-	-
RM75,000,000 facility	(ii)	25,200	-	25,200	-
RM50,000,000 facility	(iv)	2,295	-	-	-
RM1,733,000 facility	(v)	88	-	-	-
		27,583	166	25,200	-
Unsecured:					
RM84,452,000 facility	(iii)	54,137	84,452	54,137	84,452
		81,720	84,618	79,337	84,452
Long-term					
Secured:					
RM3,340,000 facility	(i)	-	2,478	-	-
RM75,000,000 facility	(ii)	47,700	75,000	47,700	75,000
RM50,000,000 facility	(iv)	26,731	-	-	-
RM1,733,000 facility	(v)	1,591	-	-	-
RM92,909,260 facility	(vi)	90,446	-	-	-
		166,468	77,478	47,700	75,000
Total term loans		248,188	162,096	127,037	159,452

Salient features of the term loans granted to the Company and its 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 with an aggregate net book value of RMNil (2010: RM3,759,000); and
- A corporate guarantee of RM3,340,000 provided by the Company.

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

The term loan facility bears interest at 5.5% (2010: 5.5%) per annum for the first five years and thereafter at 0.5% (2010: 0.5%) above the bank's base lending rate. The said term loan was fully settled on 5 August, 2011.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd)

(b) Term loans (cont'd)

- (ii) Term loan facility of RM75,000,000 granted to the Company for the purpose of partially redeeming RM150,000,000 3% to 8% Redeemable Secured Bonds, which were redeemed on 31 December, 2010. 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 as disclosed in Note 12.

Tenure of the term loan facility is four years from date of drawdown on 29 December, 2010. Interest is payable on 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:

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

The term loan facility bears interest at 2.0% 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 was used to partially redeem RM150,000,000 3% to 8% Redeemable Secured Bonds, which were redeemed on 31 December, 2010.

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. The loan has been further extended for an additional period of 24 months.

- (iv) Syndicated facilities totalling RM50,000,000 granted to a subsidiary, Tindak Murni Sdn Bhd ("TMSB") for a tenure of 5 years, which consist of:
 - a) term loan facility of RM25,000,000 from a financial institution ("TL1"); and
 - b) term loan facility of RM25,000,000 secured by a standby letter of credit ("SBLC") of a licensed bank ("TL2").

On 30 September 2011, TMSB obtained a drawdown of RM15,000,000 each from TL1 and TL2 respectively.

TL1 and TL2 are secured by the following:

- (a) first and/or third party charge over landed properties of:
 - (i) 10 lots of Country Heights Kajang Bungalow Lots held by a related company, Country Heights Sdn Bhd, with a carrying value of RM1,236,000 as disclosed in Note 22.
 - (ii) 32 units of Cyber Heights Villa (Phase 1) held by the Company, with a carrying value of RM8,695,000 as disclosed in Note 22; and
 - (iii) Mines Wellness Hotel belonging to a related company, Mines Beach Resort Berhad, with a carrying value of RM57,103,000 as disclosed in Note 12.
- (b) first party charge over the land(s) and/or properties to be purchased using proceeds derived from the facilities;
- (c) assignment over all rental proceeds from the 32 units of Cyber Heights Villa (Phase 1) held by TMSB;
- (d) assignment over the Proceeds Account;
- (e) third party assignment over the proceeds derived from the sales of identified properties located in the MINES and Kolej Heights Utara; and
- (f) irrevocable and unconditional guarantee provided by the Company.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd))

(b) Term loans (cont'd)

TL2 is also secured by fixed deposits, including principal and interest of RM92,000 (2010: RMNil) as disclosed in Note 23.

TL1 bears interest at 2.65% per annum above the effective cost of fund of the bank, while TL2 bears interest at 0.35% plus the bank's effective cost of fund per annum.

SBLC fee is 2.4% flat per annum calculated based on the amount of the SBLC issued and remaining outstanding. The SBLC fee shall be payable semi-annually in advance and shall not be refundable.

The interest rates for term loan as of 31 December, 2011 range from 4.00% to 6.30% per annum.

- (v) A term loan facility of RM1,733,000 granted to a subsidiary, Golden Horse Palace Berhad which is secured by a first party charge over a property in London, England known as (Plot 4.03) Flat 41, Bezier Apartment, 91 City Road, London EC1Y 1AF held under Title Number NGL886853 and such other documents or security documents as the Bank's Solicitors may advise.

Principal and interest are repayable by 180 equal monthly instalments of RM13,081 each from year one to year fifteen commencing from 31 May, 2011 until 30 April, 2026.

The term loan facility bears interest at Base Lending Rate less 2.0% on daily rest until full settlement of loan. The bank's Base Lending Rate in 2011 is 6.30% per annum.

- (vi) A term loan facility of RM92,909,260 granted to a subsidiary, East Vision Leisure Group Sdn Bhd which is secured by the following:

- Third party first legal charge over a leasehold land and building known as Malaysia International Exhibition & Convention Centre ("MIECC"), held under title HSD 59893, P.T. No 16721, Mukim of Petaling, District of Petaling, Selangor.
- Third party first charge over leasehold land and building known as Mines Waterfront Business Park ("MWBP"), held under title HSD 59887, P.T. No. 16715, Mukim of Petaling, District of Petaling, Selangor.

MIECC and MWBP are collectively referred to as the "Pledged Assets".

- Assignment by East Vision Leisure Group Sdn Bhd ("EVL") and/or its subsidiaries of all proceeds of the proposed disposal of the Pledged Assets. The proceeds from the disposal of the Pledged Assets shall be applied towards redemption of the facility;
- Assignment by Mines Waterfront Business Park Sdn Bhd, a wholly owned subsidiary of EVL, of all rental income from MWBP; and
- Fresh corporate guarantee by the Company for RM92,909,260.

The term loan shall be repayable within 18 months from the first drawdown on 16 December, 2011 and interest shall be repaid every quarter commencing from 16 December, 2011.

The term loan facility bears interest at cost of fund plus 2% on daily rest until full settlement of loan.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd)

(c) Revolving credits

	Note	Group 2011 RM'000	2010 RM'000
Short-term			
Secured:			
RM32,000,000 (restructured) facility	(i)	-	1,903
Unsecured:			
RM15,000,000 facility	(ii)	12,600	14,800
RM30,000,000 (restructured) facility	(iii)	4,800	4,000
		17,400	18,800
Long-term			
Unsecured:			
RM30,000,000 (restructured) facility	(iii)	8,000	12,800
Total revolving credits		25,400	33,503

- (i) The revolving credit (restructured) facility of RM32,000,000 granted to a subsidiary, Country Heights Industries Sdn Bhd ("CHISB") was fully settled during the financial year. The said revolving credit facility was secured by:
- A corporate guarantee of RM32,000,000 provided by the Company;
 - A third party first legal charge over 96 parcels of land and building held by CHISB with carrying values of RM4,911,000 and RM3,469,000 respectively as disclosed in Notes 16(a) and 22;
 - A first legal charge over 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 as disclosed in Note 22;
 - A debenture over certain bungalow lots belonging to a subsidiary, Walum Enterprise Sdn Bhd with a carrying value of RM1,615,000 as disclosed in Note 22;
 - 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 as disclosed in Note 22; and
 - A second fixed legal charge over certain bungalow lots held by a subsidiary company, Walum Enterprise Sdn Bhd with a carrying value of RM5,885,000 as disclosed in Note 22.

The revolving credits were 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. However, 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 said revolving credit facility bears interest at 2.5% (2010: 2.5%) above Cost of Fund.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

28. BORROWINGS (cont'd))**(c) Revolving credits (cont'd)**

- (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 2.5% (2010: 2.5%) above Cost of Fund.

The short-term revolving credit is repayable on demand.

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

- Lien-holder's caveat over the title of 80 units of bungalow lots located at Nilai, Pajam, Negeri Sembilan with carrying value of RM4,799,000; and
- Lien-holder's caveat over the clubhouse held under H.S.(D) 22918, lot 24731, PT No.14143, Mukim Kajang, District of Ulu Langat with carrying value of RM11,008,000.

The revolving credit facility bears interest at 2.5% (2010: 2.5%) above Cost of Fund.

As of 31 December, 2011, the Group has unutilised credit facilities are as follows:

- (a) Bridging loan of RM15,400,000 for a tenure of 36 months from the date of first disbursement. The bridging loan bears interest at 1.5% plus the bank's effective cost of fund per annum.
- (b) Term loan of RM15,000,000 for a tenure of 6 years from the date of first disbursement. The term loan bears interest at 4.6% per annum.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

29. HIRE-PURCHASE AND FINANCE LEASE PAYABLES

		Group		Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Minimum lease payments:					
Not later than 1 year		473	468	155	169
Later than 1 year but not later than 2 years		250	417	31	168
Later than 2 years but not later than 5 years		277	290	-	-
Later than 5 years		22	280	-	-
		1,022	1,455	186	337
Less: Future finance charges		(106)	(136)	(38)	(38)
Present value of finance lease liabilities		916	1,319	148	299
Present value of finance lease liabilities:					
Not later than 1 year		436	465	148	151
Later than 1 year but not later than 2 years		200	415	-	148
Later than 2 years but not later than 5 years		258	267	-	-
Later than 5 years		22	172	-	-
		916	1,319	148	299
Analysed as:					
Due within 12 months	28	436	465	148	151
Due after 12 months	28	480	854	-	148
		916	1,319	148	299

The hire-purchase and finance lease payables bear interest at rates ranging between 2.20% to 4.95% (2010: 2.20% to 4.95%) per annum.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

30. 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 ("MWBPSB") and Mines International Exhibition Centre Sdn Bhd ("MIECSB") ("Target Companies") based on the adjusted net tangible assets as at 31 October, 2003, after taking into consideration the fair values of those Target Companies' respective assets, namely, Mines Shopping Fair ("MSF"), Mines Waterfront Business Park ("MWBP") and Malaysia International Exhibition & Convention Centre ("MIEC") ("Identified Assets").

On 20 December, 2004, EVL issued the following to KNB and AmInvestment Bank Berhad (previously known as AmMerchant Bank Berhad) ("AmInvestment"), AmFinance Berhad, AmBank Berhad, RHB Bank Berhad ("RHB") and CIMB Bank Berhad ("CIMB") ("Lenders") as consideration for a cash injection by KNB in EVL amounting to RM125,000,000 and an investment by the Lenders of RM295,000,000 in EVL (collectively referred to as the "KNB and Lenders Investment") pursuant to a Settlement Agreement dated 14 May, 2004 and a Supplemental Settlement Agreement dated 17 May, 2004 (collectively referred to as the "Settlement Agreements"):

- (i) RM420,000,000 nominal value 7-year 6% Redeemable Convertible Secured Loan Stocks with a nominal value of RM1 each ("RCSLS Series A") to KNB. The RCSLS Series A were fully redeemed by the Company on 19 December, 2007.
- (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. The RSLs Series B were fully redeemed on 16 December, 2011.
- (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. The Golden Share was fully redeemed on 11 January, 2009.

31. 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 noteholders 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 RM61,394,000 (2010: RM65,835,000) and RM6,431,000 (2010: RM11,735,000) respectively as disclosed in Notes 16 (a) and 16 (b); and
- (h) Any other security to be advised by the Guarantor and/or its legal counsel and agreed by the Issuer.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

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	
	2011 %	2010 %
Bank Guaranteed Commercial Paper	4.00 - 4.15	4.00
Bank Guaranteed Medium Term Notes	6.35 - 7.10	5.20 - 7.10

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

	Group	
	2011 RM'000	2010 RM'000
Bank Guaranteed Medium Term Notes Nominal value	10,000	40,000
Bank Guaranteed Commercial Paper Nominal value	40,034	47,000
Less: Unamortised discount*	(274)	(238)
Net	39,760	46,762

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

32. LONG-TERM LIABILITIES AND DEFERRED INCOME

		Group	
	Note	2011 RM'000	2010 RM'000
Long Term Liabilities:			
Unsecured			
Golf membership loans	(a)	4,069	4,800
Deferred income	(b)	35,320	35,337
		39,389	40,137
Short Term Liabilities:			
Unsecured			
Deferred income	(b)	1,160	981
		40,549	41,118

(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

For The Year Ended 31 December, 2011

33. DEFERRED TAX LIABILITIES/(ASSETS)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
At beginning of year		78,244	77,521	-	-
(Charge)/Credit to profit or loss for the year:	8				
Investment properties		(38)	-	-	-
Revaluation surplus		(1,097)	(992)	-	-
Land held for property development		(121)	(608)	-	-
Property development costs		421	2,119	-	-
Others		5	24	-	-
Unused tax losses		2	156	-	-
Unabsorbed capital allowances		225	-	97	-
		(603)	699	97	-
(Charge)/Credit to equity for the year:					
Acquisition of subsidiary		-	15	-	-
Exchange differences		26	9	-	-
		26	24	-	-
At end of year		77,667	78,244	97	-

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets	(6,639)	(7,093)	-	-
Deferred tax liabilities	84,306	85,337	97	-
	77,667	78,244	97	-

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets				
Temporarily differences arising from:				
Property development costs	(6,461)	(6,882)	-	-
Others	(185)	(216)	-	-
Unused tax losses	(36)	(38)	-	-
Unabsorbed capital allowances	43	43	-	-
	(6,639)	(7,093)	-	-
Deferred tax liabilities				
Temporarily differences arising from:				
Investment properties	378	416	-	-
Revaluation surplus	81,072	82,169	-	-
Land held for property development	1,835	1,956	-	-
Unabsorbed capital allowances	1,021	796	97	-
	84,306	85,337	97	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

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, 2011, the estimated amount of temporary differences arising from trade receivables, unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances, the tax effects of which are not recognised in the financial statements due to uncertainty of their realisation, is as follows:

	Group	
	2011	2010
	RM'000	RM'000
Temporary differences arising from trade receivables	2,960	3,783
Unused tax losses	127,464	126,577
Unabsorbed capital allowances	115,682	126,645
Unabsorbed investment tax allowances	149,677	149,677
	395,783	406,682

The carried forward unused 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.

34. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

		Group		Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Trade payables					
Third parties	(a)	18,972	17,875	-	-
Due to companies in which certain directors have interest		3,564	6,633	-	-
Retentions		2,542	2,295	-	-
Trade accruals		7,170	14,868	-	-
		32,248	41,671	-	-
Other payables and accrued expenses					
Amount due to subsidiaries	(b)	-	-	103,141	71,191
Accruals		21,091	27,436	622	969
Sundry payables		25,098	23,650	809	1,613
Interest accrued on 68,821,674 Redeemable Secured Loan Stock 2004/2011 ("RSLs Series B")	(c)	-	20,759	-	-
Deposits received		12,599	9,503	-	-
Provision for tax penalty		12,597	13,284	-	-
Provision for liquidated ascertained damages		1,357	1,529	-	-
Amount due to directors		-	38	-	-
Due to companies in which certain directors have interest	(d)	13,891	35,008	11,994	28,429
		86,633	131,207	116,566	102,202
		118,881	172,878	116,566	102,202

Notes To The Financial Statements

For The Year Ended 31 December, 2011

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

- (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 Stock 2004/2011 ("RCSLS Series A") on 19 December, 2007 as disclosed in Note 30. 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 in 2010 was payable to the extent that there was 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. The RSLs Series B and interest thereon were repaid on 16 December, 2011.
- (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 (2010: RM11,214,000) constituting a tax retention sum payable by the Company directly to the Inland Revenue Board pursuant to the terms of acquisition of various property and leisure related interests and assets from companies in which Tan Sri Lee Kim Tiong @ Lee Kim Yew, a director of the Company, has controlling interest;
 - (ii) An amount of RM Nil (2010: 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. During the financial year, the said amount of RM15,443,000 was novated to a related party, a company in which Lee Kim Choon and Lee Kwang Huee, close family members of Tan Sri Lee Kim Tiong @ Lee Kim Yew, are directors. Subsequently, an amount of RM15,343,000 was waived by the said related party as disclosed in Note 7.
 - (iii) An amount of RM553,000 (2010: RM553,000) due to Tan Sri Lee Kim Tiong @ Lee Kim Yew and Puan Sri Tan Bee Hong, spouse of a director of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew.

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

35. COMMITMENTS

	Group	
	2011	2010
	RM'000	RM'000
Capital commitments:		
Approved and contracted for	20,437	16,302
Approved but not contracted for	51,218	53,824
	71,655	70,126

Notes To The Financial Statements

For The Year Ended 31 December, 2011

36. CONTINGENT LIABILITIES

	Group		Company	
	2011	2010	2011	2010
	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	-	-	172,224	91,767
	-	-	172,224	91,767
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	-	-	25,400	31,600
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	162	963	-	-
Bank guarantees given to suppliers for the purpose of hotel utilities	827	898	-	-
Bank guarantees given to related parties for the purpose of utilities	526	250	-	-
	14,730	15,326	25,400	31,600
	14,730	15,326	197,624	123,367

* 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 had on 23 February, 2010 served the Summons on the Company and the Company had on 23 February, 2010 filed the memorandum of appearance vide its Solicitors to dispute the said claim. The Solicitors had also filed a defence on 18 March, 2010. As disclosed in Note 34 (d)(i), the Company had tax retention sum of RM11,214,000 which is payable by the Company directly to the Inland Revenue Board, as such, the Company is contingently liable for RM11,403,000.

On 23 February, 2010, the Government of Malaysia ("Plaintiff") had 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 had on 26 March, 2010 served the Summons on TMSB and TMSB had 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. TMSB had filed in an application to strike out the plaintiff claim against TMSB. The court has fixed the suit for decision on 24 May, 2012.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

37. 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	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Insurance expenses	1,221	1,524	25	29
Security charges	-	214	-	-
Rental expenses	198	178	-	-
Rental income	(160)	(147)	-	-

- (ii) Transactions with directors of the Company:

	Group	
	2011	2010
	RM'000	RM'000
Bond interest paid and payable to Tan Sri Lee Kim Tiong @ Lee Kim Yew	-	12,107
Rental expense paid to Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	32	36
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	
	2011	2010
	RM'000	RM'000
Dividend received from subsidiaries, net of tax	(10,609)	(17,923)
Management fees receivable from subsidiaries	(5,395)	(5,341)
Rental of premises payable to a subsidiary	700	695

- (iv) Transactions with Dragon Spring Investment (Labuan) Limited ("DSI")

	Group	
	2011	2010
	RM'000	RM'000
Disposal of indirect associate's shares to DSI (Note 18)	2,764	-

Notes To The Financial Statements

For The Year Ended 31 December, 2011

37. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(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	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	1,876	2,550	1,196	1,484
Bonuses	337	102	218	-
Pension costs - defined contribution plans	276	281	165	26
Director fees	108	-	108	169
	2,597	2,933	1,687	1,679

Included in the total compensation of key management personnel are:

		Group		Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Directors' remuneration	10	1,829	2,054	918	1,041

38. 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 risk. 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 28 and 23 respectively) and equity of the Group (comprising issued share capital, other reserves, non-controlling interests and retained earnings as detailed in Notes 25 to 27).

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 net gearing ratio at the end of the reporting period is as follows:

		Group		Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Borrowings	28	327,255	352,960	127,185	159,751
Cash and bank balances	23	(53,409)	(75,981)	(32)	(2,072)
Net debt		273,846	276,979	127,153	157,679
Equity		757,997	736,803	409,038	395,155
Net debt to equity ratio		36.1%	37.6%	31.1%	39.9%

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Available-for-sale financial assets	2,258	1,005	718	718
Loans and receivables:				
Long-term trade receivables	16,506	25,101	-	-
Trade and other receivables	51,078	67,997	18,514	18,487
Cash and bank balances	53,409	75,981	32	2,072
	123,251	170,084	19,264	21,277
Financial Liabilities				
Amortised cost:				
Borrowings	327,255	352,960	127,185	159,751
Long-term liabilities	4,069	4,800	-	-
Trade and other payables	71,237	121,126	115,944	101,233
	402,561	478,886	243,129	260,984

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

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, 2011. 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 their interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group and the Company review their debt portfolio, taking into account the investment holding period and nature of their assets. This strategy allows the Group and the Company to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Interest rate sensitivity analysis

The Group's and the Company's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis 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 50 basis point increase or decrease 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.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit for the year would increase or decrease by as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Floating rate liabilities				
Bank overdrafts	15	2	-	-
Term loans	1,241	810	635	797
Revolving credits	127	168	-	-
RSLs Series B	-	344	-	-
Bank Guaranteed Commercial Paper	199	234	-	-
Bank Guaranteed Medium Term Notes	50	200	-	-
	1,632	1,758	635	797

Foreign Exchange Risk Management

The Group has operations in South Africa and is exposed to foreign exchange of the South African Rand. Foreign currency denominated assets and liabilities together with expected cash flows from probable purchases and sales give rise to foreign exchange exposures.

There is minimal foreign exchange exposure as the transactional currencies are the functional currencies of the operating entities.

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Credit Risk Management

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 their 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		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Amount owing by companies in which certain directors have interest:				
Trade receivables	508	4,144	-	-
Other receivables	2,268	4,725	464	721
	2,776	8,869	464	721
Amount owing by subsidiaries	-	-	17,807	17,528
	2,776	8,869	18,271	18,249
Total receivables	64,468	90,194	18,514	18,487
% over total receivables	4.3%	9.8%	98.7%	98.7%

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 abovementioned companies at the end of the reporting period is as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Amount owing to companies in which certain directors have interest:				
Trade payables	3,564	6,633	-	-
Other payables	13,891	35,008	11,994	28,429
	17,455	41,641	11,994	28,429
Amount owing to subsidiaries	-	-	103,141	71,191
	17,455	41,641	115,135	99,620

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk Management

The Group and the Company manage their 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 their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities at a reasonable level to their overall debt position. As far as possible, the Group and the Company raise committed funding from both capital markets and financial institutions and balances their portfolio with some short-term funding so as to achieve overall cost effectiveness.

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.

		2011			
	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
Group					
Financial liabilities					
Non-interest bearing:					
Trade and other payables	-	71,237	-	-	71,237
Term loans	-	-	54,137	-	54,137
Long-term liabilities	-	-	-	4,069	4,069
		71,237	54,137	4,069	129,443
Interest bearing:					
Term loans	6.8%	4,209	23,374	166,468	194,051
Bank Guaranteed Commercial Paper	4.1%	-	-	39,760	39,760
Bank Guaranteed Medium Term Notes	7.1%	-	-	10,000	10,000
Revolving credits	6.9%	1,800	15,600	8,000	25,400
Hire-purchase and finance lease payables	2.20% - 4.95%	80	356	480	916
Bank overdrafts	8.3%	2,991	-	-	2,991
		9,080	39,330	224,708	273,118
Total financial liabilities		80,317	93,467	228,777	402,561
Company					
Financial liabilities					
Non-interest bearing:					
Trade and other payables	-	115,944	-	-	115,944
Term loans	-	-	54,137	-	54,137
Financial guarantee contracts*	-	-	-	-	-
		115,944	54,137	-	170,081
Interest bearing:					
Term loans	6.8%	4,200	21,000	47,700	72,900
Hire-purchase and finance lease payables	2.20% - 3.46%	25	123	-	148
		4,225	21,123	47,700	73,048
Total financial liabilities		120,169	75,260	47,700	243,129

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk Management

		2010			
	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
Group					
Financial liabilities					
Non-interest bearing:					
Trade and other payables	-	121,126	-	-	121,126
Term loans	-	-	84,452	-	84,452
Long-term liabilities	-	-	-	4,800	4,800
		121,126	84,452	4,800	210,378
Interest bearing:					
Term loans	8.30%	41	125	77,478	77,644
RSLs Series B	5.00%	-	68,822	-	68,822
Bank Guaranteed 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	2.20% - 4.95%	116	349	854	1,319
Bank overdrafts	7.30%	458	-	-	458
		2,015	118,599	147,894	268,508
Total financial liabilities		123,141	203,051	152,694	478,886
Company					
Financial liabilities					
Non-interest bearing					
Trade and other payables	-	101,233	-	-	101,233
Term loans	-	-	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	2.20% - 3.46%	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

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk Management (con'd)

- * At the end of the reporting period, it was not probable that the counterparties to the financial guarantee contracts will claim under the contracts as disclosed in Note 36. Consequently, the amount included above is nil.

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 RM1,515,000 (2010: RM2,111,000).

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					
2011					
Available-for-Sale:					
Quoted shares in Malaysia	19	194	192	-	-
Unquoted shares in Malaysia	19	1,250	1,250	-	-
Memberships	19	814	^	718	^
Loans and Receivables:					
Long-term trade receivables	20	16,506	16,506	-	-
Trade and other receivables	20	51,078	51,078	18,514	18,514
Cash and bank balances	23	53,409	53,409	32	32
2010					
Available-for-Sale:					
Quoted shares in Malaysia	19	191	189*	-	-
Memberships	19	814	^	718	^
Loan and Receivables:					
Long-term trade receivables	20	25,101	25,101	-	-
Trade and other receivables	20	67,997	67,997	18,487	18,487
Cash and bank balances	23	75,981	75,981	2,072	2,072
Financial Liabilities					
2011					
Amortised Cost:					
Bank overdrafts	28	2,991	2,991 [#]	-	-
Term loans	28	248,188	248,188 [#]	127,037	127,037 [#]
Revolving credits	28	25,400	25,400 [#]	-	-
Bank Guaranteed Commercial Paper	28	39,760	39,760 [#]	-	-
Bank Guaranteed Medium Term Notes	28	10,000	10,000 [#]	-	-
Hire-purchase and finance lease payables	28	916	916 [#]	148	148 [#]
Long-term liabilities	32	4,069	**	-	-
Trade and other payables	34	71,237	71,237	115,944	115,944

Notes To The Financial Statements

For The Year Ended 31 December, 2011

38. FINANCIAL INSTRUMENTS (cont'd)

Fair Values (con'd)

		Group		Company	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Note	RM'000	RM'000	RM'000	RM'000
2010					
Amortised Cost:					
Bank overdrafts	28	458	458 [#]	-	-
Term loans	28	162,096	162,096 [#]	159,452	159,452 [#]
Revolving credits	28	33,503	33,503 [#]	-	-
Bank Guaranteed Commercial Paper	28	46,762	46,762 [#]	-	-
Bank Guaranteed Medium Term Notes	28	40,000	40,000 [#]	-	-
Hire-purchase and finance lease payables	28	1,319	1,319 [#]	299	299 [#]
RSLs Series B	28	68,822	68,822 [#]	-	-
Long-term liabilities	32	4,800	**	-	-
Trade and other payables	34	121,126	121,126	101,233	101,233

* 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 long-term liabilities, 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.

39. SEGMENT INFORMATION

(a) Business Segments

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

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

Notes To The Financial Statements

For The Year Ended 31 December, 2011

39. 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
2011						
Revenue						
External sales	58,261	21,925	98,106	3,548	-	181,840
Inter-segment sales	5,828	2,210	31,995	19,540	(59,573)	-
Total revenue	64,089	24,135	130,101	23,088	(59,573)	181,840
Results						
Segment results	21,682	2,902	9,567	21,337	(15,336)	40,152
Profit from operations						40,152
Finance costs						(17,667)
Share of results of associates						443
Profit before tax						22,928
Income tax credit						614
Profit for the year						23,542
2011						
Assets						
Segment assets	460,263	341,558	565,644	3,752	-	1,371,217
Tax recoverable	487	33	301	5,717	-	6,538
Deferred tax assets	6,639	-	-	-	-	6,639
Investment in associates	-	-	-	153	-	153
Consolidated total assets						1,384,547
Liabilities						
Segment liabilities	179,176	101,043	64,603	141,863	-	486,685
Deferred tax liabilities	4,042	29,514	50,654	96	-	84,306
Tax payables	52,832	2,509	183	35	-	55,559
Consolidated total liabilities						626,550
Other Information						
Capital expenditure	323	3,651	8,636	16	-	12,626
Depreciation/Amortisation	896	3,675	8,347	365	-	13,283
Allowance for doubtful debts	148	(75)	6,538	1	-	6,612
Allowance for doubtful debts written back	(628)	-	(331)	(7)	-	(966)
Impairment losses in other investment	-	(3)	-	-	-	(3)
Bad debts written off	29	-	8,883	10	-	8,922

Notes To The Financial Statements

For The Year Ended 31 December, 2011

39. 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
2010						
Revenue						
External sales	95,875	21,657	111,063	-	-	228,595
Inter-segment sales	11,637	2,047	37,203	26,894	(77,781)	-
Total revenue	107,512	23,704	148,266	26,894	(77,781)	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
2010						
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 payables	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	11,011	244	-	15,998
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

For The Year Ended 31 December, 2011

39. 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
2011			
Malaysia	172,643	1,364,173	12,500
South Africa	9,197	20,375	126
Others	-	(1)	-
	181,840	1,384,547	12,626
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

SUPPLEMENTARY INFORMATION**- Disclosure On Realised And Unrealised Profits Or 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 the end of the reporting period into realised and unrealised profits or losses, pursuant to the directive are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
The share of retained earnings of the Company and its subsidiaries:				
Realised	456,005	440,820	57,129	43,149
Unrealised	(90,382)	(94,667)	(97)	-
	365,623	346,153	57,032	43,149
Total share of retained earnings from associates:				
Realised	1,126	683	-	-
	366,749	346,836	57,032	43,149
Less : Consolidation adjustments	(123,754)	(129,353)	-	-
Total retained earnings as per statements of financial position	242,995	217,483	57,032	43,149

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 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 provision 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, 2011 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 set out in page 160, which is not part of the financial statements, is prepared in all material respects, 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)**

LEE CHENG WEN

Kuala Lumpur
23 April, 2012

**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** in Federal
Territory, on this 23rd day of April,
2012.

Before me,

**W432
RAMALINGAM S. PILLAY, PPN.
COMMISSIONER FOR OATHS**
Kuala Lumpur

ANALYSIS OF SHAREHOLDINGS

As At 3 May 2012

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	85	1.44	1,564	0.00
100 - 1,000	1,958	33.18	1,818,225	0.66
1,001 - 10,000	3,426	58.06	11,848,858	4.30
10,001 - 100,000	387	6.56	9,895,070	3.59
100,001 to less than 5% of issued shares	39	0.67	55,194,286	20.02
5% and above of issued shares	6	0.10	196,949,400	71.43
Total	5,901	100	275,707,403	100

Substantial Shareholders

No.	Name of Shareholders	No. of Shares Direct	%	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	15,124,400	5.49	-	-
5	Lee Cheng Wen	14,978,831	5.43	132,589,400 ⁽²⁾	48.09

Statement of Directors' Shareholdings

No.	Name of Directors	No. of Shares Direct	%	Indirect	%
1	General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	1,480,842	0.54	-	-
2	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	57,968,231 ⁽¹⁾	21.02
3	Ms. Lee Cheng Wen	14,978,831	5.43	132,589,400 ⁽²⁾	48.09
4	Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	16,000	0.01	-	-
5	Encik Nik Hassan Bin Nik Mohd Amin	-	-	-	-
6	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 3 May 2012

Name of Shareholders	No. of Shares	Percentage
1. HSBC Nominees (Tempatan) Sdn Bhd <i>JPMCB for Lee Kim Tiong @ Lee Kim Yew</i>	89,021,169	32.2883
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 Golden Touch Venture Sdn Bhd</i>	23,675,000	8.5870
4. Golden Touch Venture Sdn Bhd	15,750,000	5.7126
5. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Wee Hang</i>	15,124,400	5.4857
6. HSBC Nominees (Tempatan) Sdn Bhd <i>JPMCB for Lee Cheng Wen</i>	14,978,831	5.4329
7. Kensington Group Management Limited	13,784,000	4.9995
8. Joint Win Investment Limited	11,929,000	4.3267
9. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Siva Kumar a/l Jeyapalan</i>	11,093,400	4.0236
10. Berjaya Sampo Insurance Berhad	4,601,200	1.6689
11. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Bee Garden Holdings Sdn Bhd</i>	3,561,400	1.2917
12. Mayban Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loke Kim Wan</i>	1,500,000	0.5441
13. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	811,200	0.2942
14. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	669,642	0.2429
15. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ng Faai @ Ng Yoke Pei</i>	581,100	0.2108
16. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management for Lee Kim Tiong @ Lee Kim Yew</i>	555,461	0.2015
17. Anchor Point Sdn Bhd	480,000	0.1741
18. Vun Shui Moi @ Vun Siew Moi	469,700	0.1704
19. Malpac Capital Sdn Bhd	468,500	0.1699
20. Tan Eng Hock	458,500	0.1663
21. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management for Loke Kim Wan</i>	419,200	0.1520
22. Lim Hong Liang	315,600	0.1145
23. EB Nominees (Tempatan) Sendirian Bhd <i>Pledged securities account for Chong Kim Chan</i>	300,000	0.1088
24. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Tee Chee Chiang</i>	230,400	0.0836
25. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Choon Fook</i>	227,500	0.0825
26. Lee Ah Leong	200,001	0.0725
27. Jeyapalan a/l Muthuthamby	167,100	0.0606
28. Chan Kuang	166,200	0.0603
29. CIMB Commerce Trustee Berhad <i>Exempt An for EPF Investment for Member Philip Capital Management</i>	161,000	0.0584
30. King Wan Construction Pte Ltd	160,000	0.0580
Total	250,259,504	90.7701
Total Issued Capital	275,707,403	

LIST OF LANDED PROPERTIES HELD BY THE GROUP

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	42	Freehold	Residential - bungalow land	19.16		5,545	13/7/1987
Lot 594 HSD 24692 P.T. No. 20149 Mukim of Kajang District of Ulu Langat Selangor	65 Jalan Cinta Alam Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Bungalow	0.43	17	509	13/6/1993 *
HSD 20047 P.T. No. 12956 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten))))))		23	521	15/6/1993
HSD 20055 P.T. No. 12964 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Institutional) Land)))))	1.55		1,600	27/2/2008
HSD 20283 P.T. No. 13194 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten) Land)))))			870	27/2/2008
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten) Land)))))			540	27/2/2008
Lot 37653 HM 122934 Bandar Country Heights District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Convenience Centre, Banking Hall & Clubhouse	6.41	23	12,300	15/6/1993
HSD 52968 P.T.No. 40835 Mukim of Kajang District of Ulu Langat Selangor	Limited Additions Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Residential - bungalow land	0.38		199	21/4/1989
Pajakan Negeri 7212 No. Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	5 villas 32 villas	Leasehold (expiring 12.11.2088)	Villas) - P1: completed)) - P2: completed) (unsold units) retained for) rental purposes)	45.52	18 15	908 5,812	24/8/1988
Pajakan Negeri 7211 No. Lot 24731 HSD 22918 P.T.No. 14193 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	1	Leasehold (expiring 12.11.2088)	Clubhouse & Tennis Courts	12.28	17	11,008	24/8/1988

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	33	Leasehold (expiring 1.12.2107)	Residential - bungalow land	8.24		9,024	15/6/1993
	College Valley Industrial Park	92	Freehold	Industrial land	14.07		6,636	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	15)))))		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	15)))))		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	15)))))		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	15)))))		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	15)))))	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	15)))))		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	15)))))		1/6/1994
Lot 973 HSD 105241 P.T. No. 13212 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	15)))))		1/6/1994

List Of Landed Properties Held By The Group

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 1038 HSD 105294 P.T. No. 13173 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	15)))))		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	4)))))		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	4)))))		
Lot 1325 HSD 105608 P.T. No. 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	4)))))		
Lot 1327 HSD 105610 P.T. No. 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	4)))))		
	College Heights Garden Resort	26	Freehold	Bungalow	5.19	15))))		
	College Heights Garden Resort	213	Freehold	Residential - bungalow land	45.79	) ) )		1/6/1994
	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	10	1,171	1/6/1994
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	10	9,116	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	8	12,392	1/6/1994
	College Heights Garden Resort	7	Freehold	Institutional land	80.17	) ) )		1/6/1994
	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56	) )	12,420	
	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	) )	4,407	1/6/1994

List Of Landed Properties Held By The Group

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	) ) ) ) ) )		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	) ) ) ) ) )	1,521	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		8,270	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	) ) ) ) ) )	46,538	20/9/1994
				Future Development	4,803.92	) ) )		20/9/1994
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	12	31,699	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	263	Freehold	Bungalow Lots	42.45		20,894	8/11/1995
		8	Freehold	Bungalow House	1.64		3,878	
		7	Freehold	Commercial Lots	6.32		3,113	8/11/1995
		458	Freehold	Super Linked House	41.41		3,164	
		1	Freehold	Petrol Station	0.70		58	
		1	Freehold	Future Development	185.10		14,515	
		48	Freehold	Shop Office	2.10		2,681	
		1	Freehold	Club House	6.48	7	8,186	

List Of Landed Properties Held By The Group

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 220868 P.T. No. 27694 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	124	Freehold	Villas	35.19	7	29,714	11/2/1999
			Freehold	Proposed Mixed Development	Approx. 21.96		10,398	
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor		1	Freehold	Club House	3.66	7	7,116	
				Future Development	3.59		1,780	
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	21 2	Freehold Freehold Freehold Freehold	Bungalow lots Bungalow House Cluster Bungalow Future Development	6.92 0.49 13.40 6.42	) 3)))	93,415	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
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 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	14	386,196	20/5/2004
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	15	57,103	29/2/2008
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	15	199,127	1/7/2003
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	15	116,991	29/2/2008
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	) ) ) ) ) ) )	13,426	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

List Of Landed Properties Held By The Group

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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		17	3,840	1/3/2010
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	15	787	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	13	845	21/5/2002
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	1	2,321	28/4/2011
Erf 258	Extension 5 482 JQ North West Province South Africa	1	Freehold	Etika house	0.13	12	80	31/12/1997
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	11	725	31/12/1999
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	13)	291	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	13)	11,791	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	)		1/6/2003
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	13)		1/6/2003
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	POS	0.29	)		1/6/2003
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52	)		1/6/2003

List Of Landed Properties Held By The Group

As At 31 December 2011

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2011 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74	) ) ) )	627	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		523	1/6/2003
Erf 1273	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.14		540	1/6/2003
Erf 1277	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.13		471	1/6/2003
Erf 1258	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.31		556	1/6/2003
Erf 1259	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.27		540	1/6/2003
Erf 1260	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.29		523	1/6/2003
Erf 1300	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		569	1/6/2003
Erf 1302	Extension 9 482 JQ North West Province South Africa	1	Freehold	None	0.13		553	1/6/2003
					6,222.56		1,260,006	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth 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 Thursday, 28 June 2012 at 11.00 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 and the Reports of the Directors and Auditors thereon. *(Resolution 1)*
2. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2011. *(Resolution 2)*
3. To re-elect Tan Sri Lee Kim Tiong @ Lee Kim Yew who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Resolution 3)*
4. To consider and if thought fit, to pass the following resolution to re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as a Director of the Company who is retiring pursuant to Section 129 of the Companies Act, 1965:-

"THAT pursuant to Section 129 of the Companies Act, 1965, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) who has attained the age of 70 years be and is hereby re-appointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting." *(Resolution 4)*
5. 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." *(Resolution 5)*
6. To re-appoint Messrs Deloitte KassimChan as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Resolution 6)*

As Special Business

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

7. **Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to allot and issue shares from the unissued share capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." *(Resolution 7)*

Notice Of Annual General Meeting

8. Proposed Renewal of General Mandate for 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 4 June 2012 (“Circular”) and 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.”

(Resolution 8)

9. Proposed Renewal of Authority for the Purchase of its Own Shares by the Company

“THAT subject always to the Companies Act, 1965 (“the Act”), the provisions of the Memorandum and Articles of Association of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

- (i) the aggregate number of shares purchased 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.
- (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;

Notice Of Annual 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.”

(Resolution 9)

10. Special Resolution

- Proposed Amendments to the Articles of Association of the Company

“THAT the Proposed Amendments to the Articles of Association of the Company as set out in the Circular to Shareholders dated 4 June 2012 (“Proposed Amendments”) be and are hereby approved and adopted.

AND THAT the Directors and Secretary of the Company be and are hereby authorised to do all such acts, deeds and things that are necessary and/or expedient in order to give full effect to the Proposed Amendments with full power to assent to any conditions, modifications and/or amendments as may be required by the relevant authorities.”

(Resolution 10)

11. 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
4 June 2012

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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Only members registered in the Record of Depositors as at 25 May 2012 shall be eligible to attend the Twenty-Eighth Annual General Meeting or appoint proxy to attend and vote on his or her behalf.
7. 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.

Notice Of Annual General Meeting**Explanatory notes to Special Business:**

1. The proposed Ordinary Resolution 7 is to renew the authority granted by the shareholders of the Company at the Twenty-Seventh Annual General Meeting ("AGM") held on 21 June 2011. 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-Seventh AGM held on 21 June 2011.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

2. The proposed Ordinary Resolution 8, if passed, will allow the Company and/or of its subsidiaries to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of its business as set out in the Circular to Shareholders dated 4 June 2012 with the Related Parties mentioned therein which are necessary for the Group's day to day operations. The Shareholders' Mandate is subject to renewal on an annual basis.
3. The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to purchase the Company's shares of up to ten (10) per centum of the issued and paid-up share capital of the Company for the time being quoted on Bursa Malaysia Securities Berhad by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. This authority unless revoked or varied at a general meeting, will expire at the next AGM of the Company.
4. The proposed Special Resolution, if passed, will bring the Company's Articles of Association in line with the recent amendments prescribed under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to ensure compliance.

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-Eighth 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
Tan Sri Lee Kim Tiong @ Lee Kim Yew

The details of the above Directors and their interest in the securities of the Company are set out on pages 4 to 9 and 162 of the Annual Report.

PROXY FORM

*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-Eighth 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 Thursday, 28 June 2012 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 2011 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 Tan Sri Lee Kim Tiong @ Lee Kim Yew as Director (Resolution 3)		
4.	To re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as Director (Resolution 4)		
5.	To re-appoint Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock as Director (Resolution 5)		
6.	To re-appoint Messrs Deloitte KassimChan as Auditors and to authorise the Directors to fix their remuneration (Resolution 6)		
7.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 7)		
8.	To approve the Proposed Renewal of General Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Resolution 8)		
9.	To approve the Proposed Renewal of Authority for the Purchase of its Own Shares by the Company (Resolution 9)		
Special Resolution			
10.	Proposed Amendments to the Articles of Association of the Company (Resolution 10)		

* Strike out whichever not applicable

Signed this _____ day of _____, 2012.

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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Only members registered in the Record of Depositors as at 25 May 2012 shall be eligible to attend the Twenty-Eighth Annual General Meeting or appoint proxy to attend and vote on his or her behalf.
- 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

fold here

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