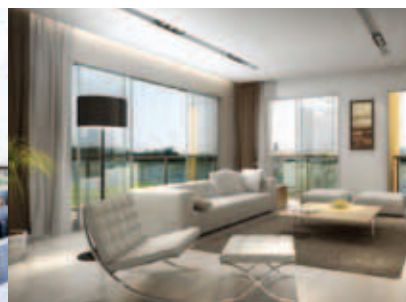


*Ever Searching for Better Living*



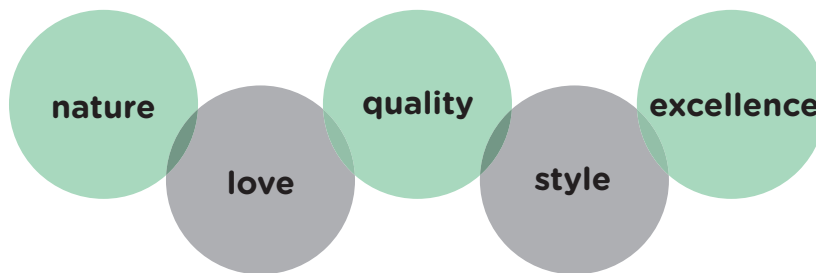
**Country Heights Holdings Berhad**  
(119416-K)

ANNUAL REPORT **2012**



## OUR VALUES

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



## OUR VISION

Ever Searching for Better Living!

## OUR MISSION

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

## 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 Wellness 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 Palace of the Golden Horses, Mines Waterfront Business Park and Mines Exhibition Centre (MIECC) were developed around this now majestic lake.

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





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## We are the CHampS!

### Country Heights AMazing PeopleS!

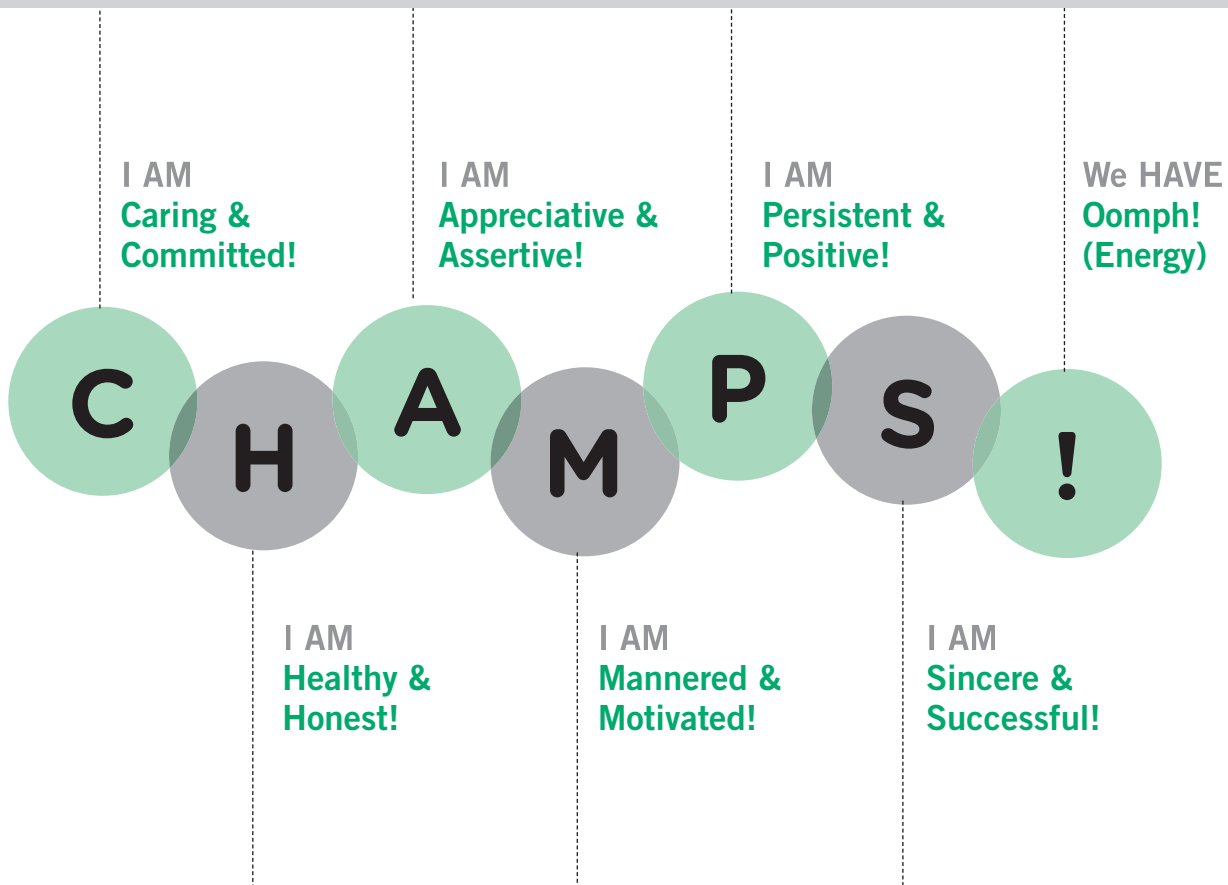
*(Plural of people, Def: a body of persons that are united by a common culture, tradition, or a sense of kinship)*

Moving to its 30<sup>th</sup> 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 programmes 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!



#### 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

Tan Kok Kee (MIA 4028)

#### REGISTERED OFFICE

10<sup>th</sup> Floor, Block C  
Mines Waterfront Business Park  
No. 3, Jalan Tasik  
Mines Wellness 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 Talalla & Harun  
Arif & Hakim  
Lee Partnership  
Ming, Yee & Co  
Arianti Dipendra Jeremiah  
Kevin & Co  
Lee Perara & Tan

#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

#### WEBSITE

[www.countryheights.com.my](http://www.countryheights.com.my)

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

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



General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd) 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 Harvard Business School. He was conferred the Honorary Doctorate by the University of Salford, United Kingdom in 1999 and the Honorary Doctorate by the Malaysian National Defence University in October 2012. He is a member of the Selangor Royal Court (Ahli Dewan DiRaja Selangor) since 1 January 2005.

Prior to his entry into the corporate world, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) was the Chief of Defence Forces in the Malaysian Armed Forces where he chalked up 40 years of dedicated service. During his tenure in the Malaysian Armed Forces, he had initiated the re-organisation and modernisation of the Army.

He is the Chairman of Perwira Niaga Malaysia (PERNAMA), Ajinomoto (Malaysia) Berhad, Delloyd Ventures Berhad, Datasonic Group Berhad, Chiyoda (M) Sdn Bhd, Yokogawa Kontrol (M) Sdn Bhd, Dibena Enterprise Sdn Bhd, National Aerospace & Defence Industries Sdn Bhd. 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 also sits on the Board of Institute of Strategic and International Studies (ISIS), Borneo Highlands Hornbill Golf & Jungle Club Berhad, Mines Resort Berhad, Mines Excellence Golf Resort Berhad as well as some other private companies.

He 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.



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

*Deputy Chairman  
Malaysian, 57 years of age*



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, Mines Exhibition Centre (MIECC), 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, Mines Resort 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.

## LEE CHENG WEN

*Group CEO  
Non-Independent Executive Director  
Malaysian, 27 years of age*



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

Ms. 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.

Ms. 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, Ms. 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.

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

Ms. 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.



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

*Independent Non-Executive Director  
Malaysian, 79 years of age*



Academician Tan Sri Emeritus Professor Datuk Dr. Ong joined the Board on 20 August 1993. He also serves as the Chairman of the Remuneration Committee and a member of the Nomination and Audit & 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. Recently, he was the recipient of the prestigious Merdeka Award in October 2012 for outstanding contribution to the research and development of the chemistry and technology of palm oil and for his significant role in advocating and promoting the Malaysian palm oil industry to the world.

**ENCIK NIK  
HASSAN BIN  
NIK MOHD AMIN**

*Independent Non-Executive Director  
Malaysian, 63 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. Encik 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.



## MR. CHEW CHONG EU

*Independent Non-Executive Director  
Malaysian, 51 years of age*

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 thirty years of experience in insolvency and financial rescue in Malaysia and Australia. He is 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.

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 entered 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.

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. In 2012, Mr Chew was appointed as the Regional Director of PKF International for the Asia Pacific Region.

Mr Chew has no directorship in other public listed 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 Statement of Corporate Governance.

## PROFILE OF SENIOR MANAGEMENT



**Mr. Tan Kok Kee**  
*Group Chief Financial Officer*



**Ms. Lee Sow Lin**  
*Chief Executive Officer,  
Property Investment Division*

**Pn. Fatimah Abd Wahab**  
*Chief Operating Officer,  
Property Development 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 30 years of corporate and financial management experience in a variety of industries, including audit, electronics, liquid crystal display, steel, footwear and rubber products, leisure, hospitality, healthcare, 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. He is currently also the Group's Company Secretary.

### Ms. Lee Sow Lin

*Chief Executive Officer,  
Property Investment Division*

Ms. Lee holds a Bachelor of Economics Degree from Monash University, Melbourne, Australia. She brought with her a wealth of experience in the financial and banking industry. Ms. Lee was previously attached to the Hong Leong group for 15 years holding various senior positions in commercial, corporate banking and branch operations. In Hong Leong Finance, Ms. Lee was spearheading the overall real estate lending in Malaysia where she led and manages project financing and lending to property companies.

In Hong Leong Bank, Ms. Lee was part of the core team that led the commercial banking functions after acquiring the MUI Bank. Ms. Lee was also involved in branch operations and corporate banking.

Ms. Lee later joined YBhg Tan Sri Lee Kim Yew's private arm in December 1999 where she was involved in managing his personal companies' gearing and funding requirements including overseeing his companies' corporate finance matters.

Subsequently in March 2004, Ms. Lee joined the board of CHHB and is also a member of its executive committee. Ms. Lee was responsible in steering the restructuring of certain debts of the group i.e the Cumulative Redeemable Preference Shares (CRPS) which involved the issuance of Redeemable Convertible Secured Loans Stock (RCSLS Series A & B). She was also instrumental in getting CapitaLand Singapore to purchase the Mines Shopping Mall for the settlement of the loanstock RCSLS Series A & B.

In her present position as Chief Executive Officer of Property Investment Division, Ms. Lee oversees 2 core investment properties of the group namely the office building Mines Waterfront Business Park (Phase 1 and Phase 2) and also the exhibition centre Mines Exhibition Centre (MIECC). Ms. Lee further helps to oversee other related retail and commercial properties within the Country Heights group of companies. Meanwhile, Ms. Lee also assists in Country Heights group corporate exercises including the business development aspects of the recent Mines Wellness City project.

### Pn. Fatimah Abd Wahab

*Chief Operating Officer,  
Property Development Division*

Pn. Fatimah Abd Wahab holds a Master of Business Administration degree from Ohio University, USA and a Bachelor Degree in Science & Business Administration from the University of Southern Mississippi, USA majoring in Accounting. She brings with her more than 20 years of experience in audit, risk management, finance, insurance and property development.

Prior to joining Country Heights Holdings Berhad, in March 2012, Fatimah served as Chief Operating Officer at both Maju Group and MK Land Holdings Berhad. She is well known throughout the property development community for her broad based networking, marketing strategies and for her ability to secure and close several key transactions for the Group.

She enjoys a well-rounded career in Finance, Audit and Risk Management that dates back to 1989 when she was an auditor with KPMG Peat Marwick and Ernst & Young. She moved from audit to the insurance industry in 1993; later to resign her insurance career as Vice President of Corporate and Financial Services with MNI Insurance Berhad.

In 2005, seeking a greater challenge, Pn. Fatimah ventured into property development with MK Land Holdings Berhad as their Group Internal Auditor. In 2008, she was recognised for her knowledge and abilities within the industry and was promoted to Chief Operating Officer for the Group. Pn. Fatimah was Chief Operating Officer for Maju Group from 2010 to 2012. When the opportunity arose, she resigned from Maju to extend her career in a public listed company.

As the Chief Operating Officer, she is responsible for day-to-day operations as well as the overall performance of Property Development Division of Country Heights Holdings Berhad.



## PROFILE OF SENIOR MANAGEMENT

### Mr. Ricky Yip Chun Mun

*Chief Executive Officer,  
Membership & Tourism Division*

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

He is currently the CEO of Palace Vacation Club and Mines Global Holidays Sdn Bhd (a joint venture with JaU Ltd, Korea dealing with tourism related business and event management) and Mines Express (MM2H) Sdn Bhd promoting Malaysia My Second Home Programme. He is also the Chief Sales and Marketing Officer for Golden Horses Health Sanctuary. He is currently the Vice Chairman of the Malaysian Holiday Timeshare Developers' Federation (MHTDF). He has over 25 years experience in the Malaysian timeshare industry.

He started 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. His other accomplishment includes 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. He had previously marketed and lead the sales team of Palace of the Golden Horses, Mines Wellness Hotel and Borneo Highlands Resort.

### Mr. Eusebius Samm

*Senior General Manager,  
Hospitality Division*

Mr. Samm joined Palace of the Golden Horses in 2008 as the Food & Beverage Director. He was then appointed as the Resident Manager of Mines Wellness Hotel and subsequently promoted to General Manager of Mines Wellness Hotel in 2011 due to his impressive track record. In 2013, he was designated as the Senior General Manager, Hospitality Division of Country Heights Holdings Berhad overseeing Palace of the Golden Horses, Mines Wellness Hotel, Borneo Highlands Resorts and Country Heights Resort and Leisure.

Graduated in Hotel Management by Stamford College and Strategic Hospitality Management by Cornell University, he has worked in the hotel industry for the past 27 years. He has over two decades of experience managing as well as advising on operations of the hospitality industry.

Over the years, he received various commendations for handling top dignitary events like the royal wedding and the OIC International Conference. He has also successfully turned a non-profit making hotel into a profitable one within six months of embarking on the role. He first started his career by being a part of a few hotels' pre-opening team and has grown in experience ever since in both local and international soil having spent a few years in Vietnam.

Given Mr. Samm's extensive experiences and connections in the hospitality industry, in his new role as Senior General Manager, he is responsible in overseeing all the operations of the group's hospitality division; and will spearhead special projects for the group that are in line with the developments of Mines Wellness City.

### Ms. Tan Siew Mei

*General Manager,  
Health Division  
(Golden Horses Health Sanctuary)*

Ms. Tan Siew Mei holds a degree in Bachelor of Science in Pharmacology from National University of Malaysia (UKM). She has more than 25 years of experience in hospital and healthcare services especially medical laboratory, blood bank, preventive healthcare and wellness.

Prior to joining Country Heights, she was the Chief Medical Laboratory Scientific Officer at Assunta Hospital taking charge of the medical laboratory and blood bank. She was fully involved in the laboratory management, laboratory refurbishment/upgrade, promotion of voluntary and autologous blood donation. She played a very important role in assisting the laboratory in certification of ISO9001, upgrading the equipment and computerizing the blood bank.

Ms. Tan joined Golden Horses Health Sanctuary ("GHHS") in 2000 as the Senior Medical Laboratory Scientist and with her proven business acumen, she was involved in actively participating in the setup of GHHS Health Screening Centre at Palace of the Golden Horses. She was promoted as Laboratory Manager in 2002 and Assistant Director in 2005 to oversee the operation and development of the centre. The centre obtained ISO9001:2000 QMS certification by Lloyd's UK (upgraded to ISO9001:2008 in year 2009) and Ambulatory Care License by Ministry of Health, Malaysia in 2006. With the growing numbers in health enthusiasts and members, the center had undergone a major expansion exercise in 2010 with facility upgrades of digital technology and state-of-the-art equipments. A new addition of Preventive Clinics managed by a group of qualified and experienced specialist doctors were further incorporated in 2011 under Ms. Tan's guidance.

In 2007, Ms. Tan assisted in the setup of Traditional Chinese Medical ("TCM") Centre located in Mines Wellness Hotel before it was launched in 2008 by the Minister of Health. GHHS TCM centre is the first TCM wellness centre in Malaysia obtaining the ISO9001 : 2008 QMS certification by Lloyd's Register of the United Kingdom in 2012.

Ms. Tan was made the Deputy General Manager in 2009 and General Manager in 2010 which enlarged her portfolio to take charge of the operations for both Western and Eastern healthcare centre under GHHS.



## PROFILE OF SENIOR MANAGEMENT



**Mr. Ricky Yip Chun Mun**

*Chief Executive Officer,  
Membership & Tourism Division*



**Mr. Eusebius Samm**

*Senior General Manager,  
Hospitality Division*

**Ms. Tan Siew Mei**

*General Manager,  
Health Division  
(Golden Horses Health Sanctuary)*



## PROFILE OF SENIOR MANAGEMENT



**Ms. Adeline Chong Ai Wen**

*General Manager,  
Group Human Resources*



**Ms. Diani Lee Cheng Ni**

*General Manager,  
Corporate Marketing  
and Communications*

## PROFILE OF SENIOR MANAGEMENT

### Ms. Adeline Chong Ai Wen

*General Manager,  
Group Human Resources*

Ms. Adeline holds the portfolio as General Manager, Group Human Resources and is responsible for the overall management of human capital, internal communications as well as driving talent management, leadership development and creating a pool of future leaders drawn from local talent.

Ms. Adeline joined Country Heights Holdings Berhad in January 2012, bringing over 15 years of experience with her in Malaysia and overseas. Prior to joining Country Heights, Ms. Adeline was attached with Maxis Communications Berhad. Before that, she spent five years in regional role as the Senior Manager, Group Human Resources at Wasco Energy Group of Companies, an oil & gas services company under Wah Seong Corporation Berhad, where she had impressive proven records of streamlining operations, designing and developing effective compensation and benefits model throughout Malaysia and other region inclusive Singapore, Indonesia, China, Thailand, Australia and UAE.

Ms. Adeline has also held senior positions in retail and consulting companies such as DeGem Berhad, Omni View Consultancy and AIG-Software International JV Sdn Bhd. She holds a Bachelor degree in Business Administration and was graduated from the Institute of Chartered Secretaries & Administrators, United Kingdom.

### Ms. Diani Lee Cheng Ni

*General Manager,  
Corporate Marketing and  
Communications*

Ms. Diani officially joined Country Heights Group of Companies on 1 August 2011 as Special Projects Manager under the Deputy Chairman's Office, where she was tasked to oversee business operations for Mines Resort Berhad and the investment portfolio of Country Heights Australia Ltd Pty.

On 18 January 2013, she was appointed to the position General Manager of Corporate Marketing and Communications for Country Heights Holdings Berhad.

Her forte in managing communication relations as well as keeping up with the market trends in marketing and communications will lead initiatives to aligning Country Height's brand image, maximize its exposure to the public and continue to raise awareness.

Ms. Diani obtained her Bachelor of Science with honors in International Relations and Global Business from the University of Southern California, United States. Ms. Diani is also an accomplished national athlete for Malaysia, competing in Equestrian Dressage, with medals from international competitions such as Asian Games and SEA Games.

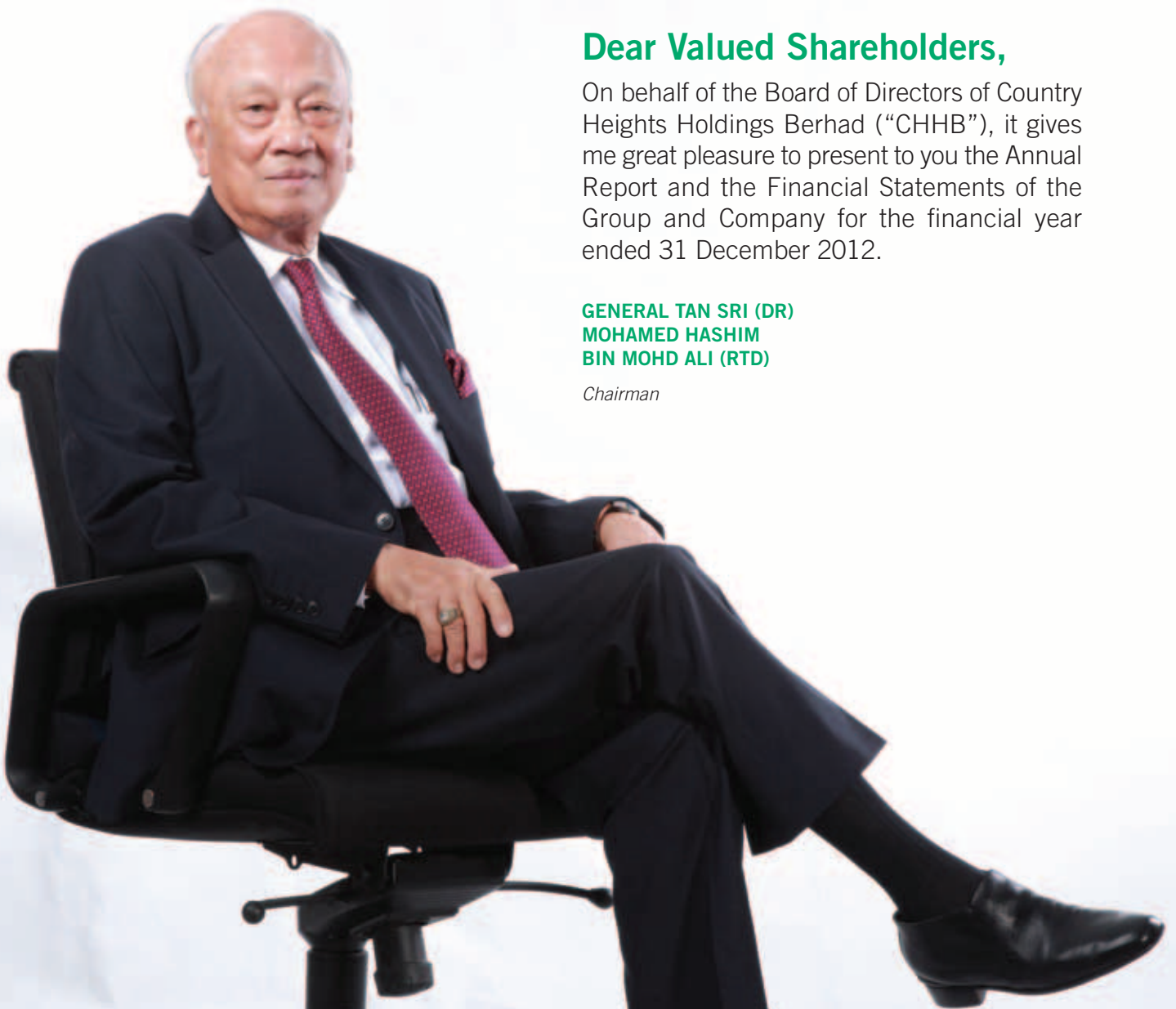
# CHAIRMAN'S STATEMENT

## Dear Valued Shareholders,

On behalf of the Board of Directors of Country Heights Holdings Berhad ("CHHB"), it gives me great pleasure to present to you the Annual Report and the Financial Statements of the Group and Company for the financial year ended 31 December 2012.

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

*Chairman*





Moving forward, our aim is to take the Group to the next level to consciously build our corporate and property brand, to cement a more global positioning as premier property and lifestyle developer, to continue to make a difference in people's lives through innovation, and to stand independently as a performance driven company. This will allow us to market our products with a premium across all our businesses, further strengthening and enhancing our shareholders' value.

### Operating Environment

Despite uncertainties in global growth and with the external sector gradually improving in 2013, the Malaysian economy is expected to expand between 5.3% to 5.5% in 2013, mainly supported by domestic demand. On the demand side, strong private consumption and investment activities will support growth, while economic expansion on the supply side will be driven by improvements in technology and labour productivity as well as the efficient use of capital.

The Eurozone sovereign debt crisis continues to be a key concern. The international financial markets has contributed to heightened market volatility throughout the year 2012. The on-going unresolved crisis remains a major global concern and risk affecting the financial markets with potential effects on economic development worldwide.

Amidst the more challenging environment globally and locally, the Government forecasts that Malaysia's economy is projected to experience a steady pace of growth. Thus, the outlook on Malaysian economy remains stable. This stability is further supported by the public and private sector spending, especially through amongst them, the implementation of the Economic Transformation Programme (ETP) and the 10th Malaysia Plan. The Property sector's outlook remains stable with good upside in selected locations and segments especially affordable housing, landed properties in prime areas. The prevailing low interest rate and attractive financing packages will also continue to sustain and drive the growth of the sector.



### Financial Review

For the financial year ended 31 December 2012, the Group recorded a profit attributable to shareholders of RM25.3 million against RM23.6 million in the preceding year. The Property Development Division remains as the main revenue and profit contributor of the Group for the current financial year followed by the Hospitality & Health Division and the Property Investment Division. The Property Development Division recorded RM131.3 million revenue and RM46.7 million segment profits for the financial year ended 31 December 2012, mainly due to higher completion revenue recognition of Belleza Garden Homes Phase 1 at Kolej Heights Utara, Kubang Pasu, Kedah and LakeView Residency at Cyber Heights, Cyberjaya which was launched in the 3rd quarter of 2011, with addition of higher sales from Country Heights Kajang bungalow lots and Country Heights Damansara bungalow lots. The Hospitality & Health Division and the Property Investment Division recorded RM98.3 million and RM21.7 million of revenue respectively and contributed segment profits of RM6.6 million and RM1.9 million respectively for the financial year.

There are certain borrowings which will be due for repayment within the next twelve months and the management is actively pursuing to monetize the existing inventories in order to meet these short-term obligations.

The Board of Directors does not recommend any dividend to be declared for the financial year ended 31 December 2012.

### Corporate Development

The Group commenced a number of capital management initiatives in 2012, some of which continued into 2013, to strengthen its balance sheet and position the Group's asset base for future growth opportunities.

- De-registered and wind up some inactive subsidiaries during the year and continuing to streamline the structure and improve efficiency within the CHHB Group of Companies.
- On 30 May 2012, Mines Marketing Sdn Bhd (MMSB), a sub-subsidiary of CHHB has acquired a new company named Mahligai Haruman Sdn Bhd and subsequently changed its name to Mines Global Holidays Sdn Bhd on 14 June 2012 and on 16 October 2012, MMSB has entered into a Subscription and Shareholders Agreement with JaU Tour Co Ltd, a company incorporated in Korea for purpose of undertaking a Joint Venture business to set up a travel agency business and the ancillary activities and to market inbound travel into Malaysia.
- Subscription of additional shares in Tadika Sri Moral Sdn Bhd (Formerly Known as Eight Virtues Kindergarten Sdn Bhd and IMEC Education Services Sdn Bhd), an existing wholly owned subsidiary.





### Prospects of the Company

Prospects for global growth remain challenging, weighted down by the ongoing Eurozone Sovereign debt crisis as well as the slower than expected recovery in the United States and China. As an open and trade-reliant economy, Malaysia continues to be affected by the uncertainties and challenges in the global economy. 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.

The global economy may continue to exhibit significant volatility and uncertainty, however, a volatile business environment will create growth opportunities for some but threats for others. The Group's with its diverse portfolio of businesses and unrelenting focus on execution and delivery of strategy will not only enable the Group to withstand cyclical fluctuations in the global economy but also to benefit from opportunities that could arise.

The Malaysian property market outlook is expected to remain positive especially in the landed property segment. Overall, the Group remains optimistic on the long-term prospects of its property development business despite challenges such as tougher external environment, competition and more stringent lending regulations issued by Bank Negara. The Group's strategy on the company's portfolio of medium to high-end residential properties would be the key to achieving its sales target.

As part of the plans to increase revenue base of the Group as well as for business growth, the Group will strategically plan several new launches in the next financial year. Amongst the projects selected for launching are:

- a. Mansion Park at Cyber Heights, Cyberjaya;
- b. Duplex condominium at Cyber Heights, Cyberjaya;
- c. Belleza Garden Homes Phase 2A and 2B at Kolej Heights Utara, Kubang Pasu, Kedah.

While recognising the need to grow the Group's business base to a higher level to enhance investment values, the Group acknowledges that the volatility of the environment contributes to increased



business risks as well. The increase in number of projects undertaken augurs well for the Group though subjecting the Group to further business risks.

Moving forward, the Company is constantly seeking to strategically expand its landbank via acquisitions and strategic joint venture arrangements to enhance its future earnings growth. Barring unforeseen circumstances, we envisage the Group will achieve satisfactory results.

### Acknowledgement & Appreciation

This successful year would not have been possible without the dedication and commitment of our management and staff. On behalf of the Board, I wish to extend my sincere thanks to them for their contribution to the Group. It was their dedication and determination that allowed the Group to leave the difficulties of the past behind and forge ahead to the future. I would also like to thank all our customers, suppliers, business associates, bankers, various regulatory authorities and our faithful shareholders for their continued support and confidence in us.

Finally, on a personal note, I wish to extend my thanks to my fellow Board members for their unfailing support and advice.

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

# GROUP CEO STATEMENT



**LEE CHENG WEN**

*Group CEO*

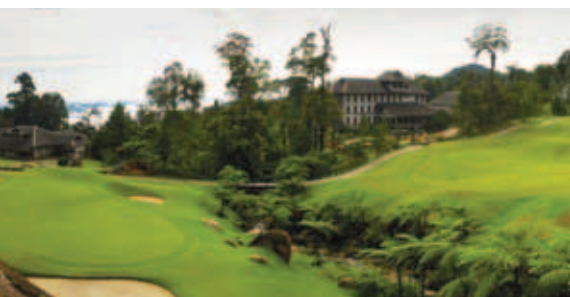
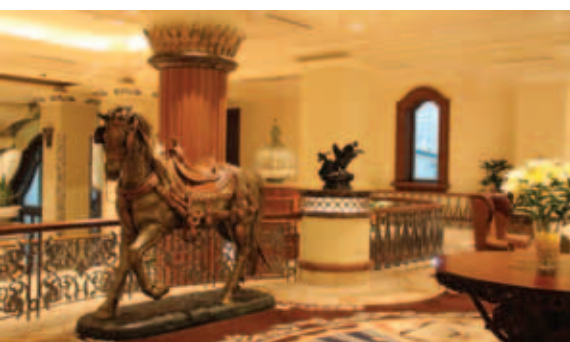
*Non-Independent Executive Director*

## Group Performance Review

In year 2012, the Malaysian economy was projected to grow at a steady pace of an average 5.5%, which is anchored by the resilient growth in domestic demand, despite the uncertainties on the global front. In response, measures such as one-off financial assistance to low and middle-income groups to support private consumptions and the on-going implementation of projects under the Economic Transformation Programme (ETP), has given support to private investment and have indirectly helped spur economic growth. While global economic conditions remained uncertain, the Malaysian economy continues to register moderate growth. The Group maintains a cautiously optimistic outlook that is supported by good take up rates for our new property launches and existing inventories in 2012.

The Group's turnover has increased from RM181.8 million in 2011, to RM253.7 million in 2012, attributable to a higher revenue recorded by our Property Development Division. This has also shown an increase of profit before tax to RM32.9 million (2011: RM 22.9 million) while the profit margin remains relatively close to the previous year at 13.0%. The Group has also achieved a profit attributable to shareholders of RM25.2 million for the financial year under review in comparison to RM23.6 million in the previous year, which translated to basic earnings per share of 9.16 sen (2011: 8.58 sen).

**The Group's turnover has increased from RM181.8 million in 2011, to RM253.7 million in 2012, attributable to a higher revenue recorded by our Property Development Division**



Our plans for year 2013 have been carefully crafted to support and further build on the strong and solid foundation while maintaining a close tab on the global financial situation. Nevertheless, we remain on track with our new developments within the pipeline in Cyberjaya, The MINES and Jitra, Kedah.

Today, we are well positioned as a luxury lifestyle driven group upholding our motto of "Ever Searching for Better Living", with our core business in property development, supported by a strong lifestyle portfolio. The complementary pillars of this portfolio range from our luxury hotels to hospitality, property investment, convention centre and healthcare facilities. A special mention on the group's GHHS Wellness Centre, which provides Traditional Chinese Medicine therapies, became the first ISO 9001:2008 certified TCM centre in Malaysia, by Lloyd's Register Quality Assurance (LRQA).

Surging dynamics have forced tremendous change on the market and business environment in which we operate. We have changed to respond to these occasions. Amidst the challenges, we see many new and exciting opportunities. Our overriding objective is to increase shareholder value in the long-term growth prospects. CHHB has positioned itself as a premium and niche player by leveraging on its strong brand name and continuously sourcing for avenues to uplift the image of the company.

The Group is well poised with our balance mix of affordable products to meet the ever-changing customers' demands, with regards to prices and concepts in our properties as well as our hospitality and healthcare products. We will continue to monitor the timing and quantum of our future launches to match the market's demand.

### Operation Review 2012

#### Property Development

Property Development continues to be the main driver of earnings for the Group recording RM131.3 million or 52% of the total Group's revenue of RM253.7 million for the financial year 2012, a tremendous increase of 125% over the last year. In terms of profitability, the division recorded a profit before tax of RM45.8 million, the top bottom-line contributor.

We are proud to announce that two of our projects launched in 2011 was fully sold during the year, realising a Gross Development Value (GDV) of RM118 million. Phase 1 of Belleza Garden Homes has been completed and vacant possession delivered in early 2013. With the continuous good response in Kolej Heights Utara, the group plans to launch Phase 2A and 2B of Belleza Garden Homes by 2nd half of 2013 with estimated GDV of RM74.8 million.

With its unique Negative Ion feature, LakeView Residency at Cyberjaya was completely sold within 12 months. The current construction work of LakeView Residency has been completed up to 33%. Filling the gap for the demand of landed properties in Cyberjaya, a signature villa development named "Mansion Park" was pre-launched in the fourth quarter of 2012 for sneak preview. Mansion Park is an exclusive development of signature villas situated in Cyber Heights, Cyberjaya. Surrounded by lush greenery and a picturesque landscape, the gated and guarded community is home to 72 exclusive units spread over 6.96 acres of freehold land and adorned by the Putrajaya Perdana Lake view. The sales response has been positive and the project is targeted to launch in 2nd half of 2013.





Property developers are cautiously optimistic on the property market outlook for 2013, as Malaysia targets a 5% growth in gross domestic product (GDP) despite weak exports. Bank Negara Malaysia Governor Tan Sri Zeti Akhtar Aziz has reiterated her optimism that the economy will continue to do well in 2013 despite challenges in the global economy. The GDP growth target of 5% will be made possible by the resilience displayed by the domestic economy, fuelled by local private investments. 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 Malaysian Institute of Estate Agents (MIEA) also expects the property market to remain stable in 2013 as buyers buck expectations of bust and boom. The market for the condominium market will hold, especially in the areas of KLCC, Mont Kiara and several other places in the city. However, CHHB is confident that given the uniqueness and quality of our offerings, we will continue to receive positive market response for our new launches. Property Development Division has a series of exciting projects in the pipeline for launching in the next 24 months, especially within the Mines Resort City, which is poised to transform into Malaysia's premier Wellness City.

### **Hospitality & Health**

The Hospitality & Health Division has contributed RM98.3 million or 39% to the Group's revenue in 2012, which is the second main revenue and bottom-line contributor. The revenue has increased slightly by 0.2% compared to RM98.1 million in 2011 despite the global economic downturn and Euro debt crisis. However, the division achieved lower profit before tax of RM5.8 million (2011: RM 9.9 million). This is mainly because in 2011, there was a one-time profit from disposal of asset, while other decrease was resulted from the increase of labour cost, higher depreciation with refurbishment completion of all deluxe rooms in Palace of the Golden Horses, etc.

Palace of the Golden Horses obtained The World Luxury Hotel Award – Luxury Golf Resort in year 2011 and 2012 and completed the refurbishment of deluxe rooms in September 2012. The Hotel is planning on the refurbishment of Suite Rooms, interior and exterior of the building progressively to provide a renewed experience for all our guests.

On the other hand, Mines Wellness Hotel (MWH) was launched and repositioned as a Wellness Resort after the completion of refurbishment of Wellness Floor since April 2012. Wellness Floor incorporates details such as organic pillows, posturepedic

coconut husk beds, vibration card for sound sleep, salt crystal lamps, BMI machines, pebble walk path for reflexology at the balconies, complimentary heat packs, hot water bags and healthy tea selections for its guests. All these are in addition to the existing amenities that the hotel provides. Furthermore, MWH won the ASEAN Green Hotel Recognition Award 2012 twice in a row at the ASEAN Tourism Forum held in Manado, Indonesia. The award recognises players in the hotel industry whose operations are based on environmental-friendly principles and adopts energy conservation measures. The ASEAN Green Hotel Standard is valid throughout the years 2012 to 2014.

One of the subsidiaries under Hospitality and Health Division, Mines Marketing Sdn. Bhd. ventured into the travel industry by signing a joint-venture agreement with leading South Korean out-bound travel agency, JaU Tour Co Ltd, to form Mines Global Holidays Sdn. Bhd. in October 2012. With this, the Group is working in close collaboration with Korean Partner to promote golf and medical tourism and leisure packages to South Korean and other foreign tourists which will boost their arrival to Malaysia.

The Golden Horses Health Sanctuary (GHHS) will continue to serve as a one-stop centre providing the best of Eastern and Western healing and preventive approaches. More new services and corporate wellness packages will be introduced targeting new memberships, corporate clients and health tourists.

### **Property Investment**

Property Investment Division which remained as the third revenue contributor of the group accounted to RM21.7 million or 9% of the Group's revenue. The main revenue contribution are rental income from the offices in Mines Waterfront Business Park (MWBP), events and hall rental in Mines Exhibition Center (MIECC).

Despite the volatile office market segment, MWBP has managed to achieve an average occupancy of 95% in 2012, with consistent tenancy renewal that achieves an average rental increase of over 10%. The property remains strong in attracting new tenants such as Engenius Networks (M) Sdn. Bhd. and Sisters Crispy Popiah (M) Sdn. Bhd. as well as the business expansion of the existing tenants such as MediaBanc Sdn. Bhd. and MYNIC Berhad.

## GROUP CEO STATEMENT

MIECC via its event arm, Mines Events Sdn Bhd, has initiated READ Malaysia and World of Chinese Book Fair 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 Malaysians. Both of these expos experienced large turnouts of 400,000 and 480,000 visitors respectively. Amongst the other exhibitions which were organised by Mines Events Sdn Bhd in 2012, the Da Vinci Machines Exhibition which attracted more than 10,000 visitors, In Health & Beaute Expo with more than 20,000 visitors and the Malaysia Sports Trade & Golf Expo with more than 25,000 visitors.

Some of the major events that have taken place in MIECC during 2012 were, namely, the Proton 'Preve' Car Launch in April which was officiated by our Prime Minister; Pack Asia, Bakery & Confectionery 2012, Astro Vaanavil Super Star 2012 and to close off the year 2012, we hosted the world's biggest book fair, The Big Bad Wolf Book Sale which brought almost 1 million visitors to MIECC.

### Human Capital Development

In view of Country Heights' diverse and relatively young workforce (where the average age is just below 34 years old), the Company believes in continuously building and developing its people with the right capabilities, competencies and leadership skills to ensure the continuous efficiency, reliability and safety of the Group's operations. Country Heights strives to provide its employees with a safe working environment, supported by competitive remuneration packages and equal opportunities for career development.

Employee engagement is pivotal to ensure that employees are properly motivated to contribute their best to the organisation. Employee engagement is important to ensure a high level of commitment and involvement from the employee towards the organisation and our core values.

We engage actively with our employees through the following channels:

- Quarterly Management Review
- Festive/Annual Dinners
- Birthday Celebrations/Outing
- Sports games and Activities
- Induction Programmes
- Management Dialogue with High Potential Talent
- Coaching sessions
- Customised Training Programmes for Talent Pool

These various interactive channels help to maintain a harmonious working environment, allow management to understand staff expectations, as well as to provide platforms for our senior management to share the Company's business directions and challenges.

Country Heights' rewards and consequence management system, which is in line with the Company's Intensified Performance Management System, continues to be the key driver in differentiating employees with strong performance and outstanding leadership from marginal performers who need specific development plans to improve.

In 2012, we have launched our new Performance Management System known as "MyCHamps Commitment" (MCC). This is a platform for goal setting and evaluation of job performance and behavioral competencies. It also provides a platform for engagement between the employee and line managers to discuss about performance management, challenges faced, learning/development actions and career planning. It was applied throughout the Group and the process ensured all employees received meaningful performance evaluations and all employees understood their contribution to the Group's overall goals.

### Future Outlook

With the Eurozone sovereign debt crisis continuing to cast uncertainties over economic activities across the world, Malaysia's Gross Domestic Product (GDP) is expected to grow between 5.3% and 5.5% in 2013, an improvement on the 5% estimated for 2012, which is based on improved global sentiments and a continuing strong domestic demand and consumption. While this will be a concern in the short term, we are hopeful that in the longer term, the measures will help to stabilise and enhance the sustainability of the market and prevent a property bubble from occurring.

Despite adversities, CHHB constantly takes steps to deliver products and services of unrivalled quality and value for its customers. Upholding our motto of "Ever Searching for Better Living", this has helped to solidify our status as a leading community master developer. CHHB remains guardedly optimistic about the financial year ahead and is confident that our continuous stream of sustainable projects and timely delivery of innovative will enable the Group to weather the challenges we face.





# PROPERTY DEVELOPMENT



As one of Malaysia's premier and pioneering property developers, CHHB's Property Development Division flies the Country Heights flag high with continuous delivery of quality, modern, sustainability and strategically located projects. As seen by Country Height's current emphasis in Cyberjaya, Malaysia's IT intellectual city that connects the world, providing homes for one of Asia's fastest growing information and technology hubs.



*Artist Impression of Mansion Park Signature Villas, Cyberjaya*



## MANSION PARK – CYBERJAYA



### Signature Villa

Country Heights' newest development, the exclusive Mansion Park, integrates natural beauty seamlessly into multigenerational living. Featuring 72 units of three-storey superlink signature villas, the low-density, freehold development is located in Cyberjaya.

A gated and guarded community surrounded by lush landscaping, the luxurious development is located on 6.96 acres of freehold land. Created for extended families who place importance on luxurious living, its Villas are innovative in design and spaciousness, featuring 5+1 bedrooms with two master bedrooms.

Discerning homebuyers who prize healthy and environmental friendly living for their families will be captivated with the innovative internal courtyard and the generous use of space in its garden concept. The 10 feet linear gardens which are spread at the Villa's backyard are designed to ensure that there is ample space for leisurely outdoor activities.

Mansion Park residents have access to the nearby Cyber Heights Villa resort apartment's Clubhouse which features a tennis court, swimming pool, children's wading pool,

children's playground, a common barbeque area and gymnasium. Also located within the area are local amenities.

The Villas range from 4,085 square feet to 5,362 square feet in built up areas. The development is guarded by 24-hour security patrols.

Mansion Park development is strategically located within the booming township of Cyberjaya, a mere 10 km from the Federal Territory of Putrajaya, and 28.6 km from KLIA. The development is easily accessible from MEX, SKVE, B15 Cyberjaya, LDP, SILK highway and KL-Seremban Highway. Surrounding the development are shopping malls such as the Cyberjaya Street Mall and the Alamanda Shopping Centre.

Educational institutions around the area include the Seri Puteri Boarding School, SK and SMK Cyberjaya, ELC International School, the Cyberjaya University College of Medical Science, Kolej Internexia, Limkokwing University of Creative Technology, University Malaysia and the Kirkby International College.

The completion of Mansion Park is expected to be in 2015.





*Actual site of Cyber Heights Villa*



## CYBER HEIGHTS VILLA – CYBERJAYA

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 and 14 units of 4-storey apartments. Two new upcoming developments consist of 72 units of superlink villas named as Mansion Park and also 117 units of LakeView Residency are currently under construction in this area. This eco-centric development harmonises with the adjacent serene lake and parks, and syncs well with the vast open spaces through a generous low-density layout.

## LAKEVIEW RESIDENCY – CYBERJAYA

LakeView Residency is the first development in Malaysia that will be introducing '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. The energy ceiling board function as a natural ionizer and air purifier for human health benefits. This purification process improves air quality by helping to purge air-borne particulates such as dust and germs.

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 other undeveloped natural habitats. With the installation of the energy ceiling boards, LakeView homeowners may enjoy fresh, clean and healthy environment anytime at home or working area without going out.

LakeView Residency is located on an elevated terrain in the resort inspired Cyber Heights Villas and offers uninterrupted panoramic view of the crystalline Putrajaya Lake. Located strategically at Cyber Heights Villa, Cyberjaya is easily accessible via Maju Expressway, North-South Expressway, South Klang Valley Expressway and also the Putrajaya Link. LakeView Residency is also located near to local amenities such as Hospitals, Shopping Malls, Universities and Multi National Companies.

With record of lucrative investment and rental returns in Cyber Heights Villas, LakeView Residency is destined to be highly sought after by homeowners and investors alike. Currently LakeView Residency is under construction and is expected to complete in 2014. This development is 100% sold.





## COUNTRY HEIGHTS DAMANSARA

Country Heights Damansara is set in a tropical low-density hilly environment, overlooking a panoramic view of its surroundings and parts of the Kuala Lumpur City Centre. It is a community where you can find an address of beautiful homes that gives you a taste of unique natural terrain living experience. It is also one of the last remaining freehold neighbourhoods in Kuala Lumpur. This little forest in KL has a total of 342 Bungalow lots enclosed in a hilly foliage and has a residential enclave of less than 2 units per acre, making it one of the most sought after locations in the suburbs of Kuala Lumpur. One of the main attractions of this sanctuary is a man-made waterfall, which is also Kuala Lumpur's highest.



Only within a 5 to 10 minutes 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. Country Heights Damansara is easily accessible via Lebuhraya Damansara-Puchong, Lebuhraya SPRINT, and Jalan Sungai Penchala. It is only a short driving distance to Mutiara Damansara, Damansara Perdana and Desa Park City, where plenty of amenities can be found.

Country Heights Damansara has 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.



*Actual unit of Lot 183 Equator Country Heights Damansara*



*Actual site of Country Villas*



## COUNTRY HEIGHTS KAJANG

Country Heights Kajang is part of the property giant CHHB group of companies and it is the first guarded living community project development in the country. It is located in Kajang which is only a 20 minutes drive from Kuala Lumpur. The location is easily reached by KL-Seremban Highway, the North-South Expressway Central Link, SILK Highway and also South Klang Valley Expressway.

This development consists of 700 acres of freehold estate offering bungalow lots ranging from 8,000 square feet to 20,000 square feet. This residential area offers a relaxing lifestyle that allows its community to enjoy a peaceful lifestyle in a quiet environment, away from the hustle and bustle of the city centre. This development has proven to be a sought after property land in the city due to its value appreciation of almost 30 times since it was first launch in 1985. It is also a preferred residential area of professional expats living in Malaysia.

Within Country Heights Kajang is also Malaysia's first Mediterranean-style waterfront homes called Country Villas. Country Villas bring homeowners the ultimate experience in country living. With distinct wall furnishings on graceful white facades, these low-rise villas have unique red bricked driveways and are surrounded by beautifully landscaped gardens with panoramic views of lakes and provides privacy with only nineteen units per acre. 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.



*Artist impression of Belleza Garden Homes*



## KOLEJ HEIGHTS UTARA – JITRA

### Belleza Garden Homes

Belleza Garden Homes is pin-dropped in the peaceful pastures of Kolej Heights Utara in Jitra, Kedah. An exclusive low density development in the private enclave of Kolej Heights Utara, Belleza Garden Homes are surrounded by lush surrounding that truly live up to their name.

The sprawling development itself spreads across 489 acres of prime freehold land and plays home to a distinguished Bungalows and Garden Homes. The development's modern architecture is surrounded in the well-manicured embrace of the Linear Park. As if to soften the hard, angular architecture of the residential units, the Linear Park is peppered with lush greenery and soothing contours that seamlessly flow along and around the vicinity. Where most terrace houses have a service alley at the back, the Linear Garden continues to flow through to provide an all-encompassing 30-ft radius of spacious greenery.

With that being said, one does not need to sacrifice the convenience of modern day infrastructure to enjoy pampering embrace of being tucked away in stress-free greenery; at least not with Belleza Garden Home's strategic location. Kolej Heights Utara is well connected with excellent arterial access to Alor Setar, Kangar, Kuala Perlis and Hatyai in Thailand. The North-South Expressway links Kolej Heights Utara with other major towns and cities with ease of travel by flight via the Sultan Halim International Airport in Alor Setar within a mere 15 minutes drive.

Belleza Garden Homes, which was officially unveiled to priority registrants in January 2011, is now completed. Thus, Belleza Garden Homes Phase 2A is now open for sale and the take up rates has been substantial and will definitely repeat the success story of the first phase.



## BORNEO HIGHLANDS RESORT – KUCHING



Borneo Highlands Resort is a hidden treasure in a heart of Borneo's rainforest sitting atop jungle clad highland plateau at 1,000 meters above sea level and carefully nestled on the Sarawak-Kalimantan border of the Borneo Island. Hidden away in the world's oldest and second largest tropical rainforest, the resort is a unique self-contained development, which provides residents a sanctuary away from the hustle and bustle of a busy city life.

Borneo Highlands Resort is one of the most exciting and unique eco friendly resort and accommodation developments in the region. Located within an hour's drive from Kuching City, the capitol of Sarawak, the resort is envisioned and created by Tan Sri Lee Kim Yew, founder of Country Heights Group of Companies based on the concept of the

Borneo Highlands Resort tagline of "Back to Nature, Back to Basics". Taking 5,000 acres of logged-out land and turning it into a "paradise on earth", 3,500 acres will be maintained as reserve jungle, untouched in its pristine, tranquil splendor in which guests can enjoy cool mountain air all year long.

At Borneo Highlands Resort, there are limited controlled eco friendly bungalow lots development called the 'rainforest haven' and this is complimented by the tourism offerings such as an 18-hole golf course, Spa, and Nature Retreats to bring you the experience of a lifetime. This setting is perfect for homestead living with Bungalow lots between 6,000 square feet and 68,500 square feet to choose from; Borneo Forest (Phase 1), Golf Forest (Phase 2), Hornbill Forest (Phase 3) and Swan Lake Forest (Phase 4).





## COUNTRY HEIGHTS PECANWOOD GOLF AND COUNTRY RESORT – SOUTH AFRICA

Just South of the Harbeespoort Dam, nestled between the rolling hills of the Magaliesberg Mountains, a hidden gem has evolved. It is hard to believe that more than a decade has gone by, and what used to be a humble stretch of farmland has become a sought after address for so many. It is here where you will find Pecanwood Golf & Country Club and home to the first Signature golf course in the Southern Hemisphere, carefully designed by the legendary Golden Bear – Jack Nicklaus – himself.

This is where *quality* meets *life*, mastering the art of the perfect balance. What was once a masterpiece in the minds eye of the developer slowly but surely became a reality. Father time has lived up to his reputation and with this raw piece of land being shaped and curves manipulated by man, the solid foundations were laid from which the reality of a dream emerged like a beautiful butterfly being hatched into a kaleidoscope of colour, precise detail and architectural flair – leaving nothing up to chance in order to complete this work of art.

Life at Pecanwood offers everything the discerning investor is looking for and being situated a leisurely 40 minutes drive from the bustle of Sandton and Pretoria it is convenient enough to be made your primary home.

This pristine golf course and housing estate with its lush fairways and perfectly manicured greens have secured Pecanwood

as one of the top ten ranked courses on the wish list of any respectable golfer. Looking back, it has earned several accolades and within the first five years we were ranked within the top 5 golf courses in South Africa for 5 consecutive years. With its track record of earning top awards from the golfing fraternity goes to show that Pecanwood's outstanding charm and continued attraction keeps setting the pace in this highly competitive industry.

Complementing the double sided driving range is a state-of-the-art golf teaching academy, health spa, cutting-edge gymnasium facilities with personal trainers, a children's crèche, recreational area and flood lit tennis courts. It is also the easy access from the estate to the adjacent Pecanwood College which makes this a perfect primary home setting for a convenient family lifestyle.

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 12 metres 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.

Pecanwood has recently joined forces with Golf Guys, now running the Teaching Academy under the guidance of Philip Joubert, PGA qualified Teaching Professional. His wealth of experience, together with the latest in golf teaching technology for both a modern and holistic teaching approach adds a new dimension to the game of golf. Operated from our state of the art indoor teaching studio and a world class, double sided grass driving range with two short game practice areas makes this the perfect training ground for budding new golfers, those that simply need to brush up on various aspects of their game, or specially designed clinics to suit the needs of any corporate group.

The pro-shop underwent significant upgrading and restocking, resulting in increased sales revenue. The Golf Operations team under the guidance of Golf Director – Gavin Wasservall 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.

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

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

The corporate market soon caught onto this gem of a setting and found it perfect for creating a more relaxed feel for any occasion

on the business calendar. With the boating scene making one feel far removed from the hustle and bustle of the city life – only a mere 40 minutes from JHB or Pretoria – this soon became a perfect location for year end functions, photo shoots and not to mention kids birthday parties.

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

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







## MINES BUNGALOW LOTS – MINES RESORT CITY

Mines Resort City is an integrated resort city located in Seri Kembangan, Selangor. From the largest opencast tin-mining lake, it has been transformed into a unique city that comprised the so-called seven wonders of Malaysia. Mines Resort City estates are located at the North Lake which consists of 200 plots of bungalow land which are designed surrounding the breathtakingly beautiful Mines Golf Course which are also Asia's most finest and most exclusive golf course. The bungalow lots are now selling at RM250 per square foot. The appreciation of this development shoots up due to its spectacular panoramic views of the 150 acres lake and the outstanding features that are offered to the residents such as beautifully landscaped surroundings and golf course scenic view.



## CYBER RESIDENCY – CYBER HEIGHTS VILLA

Cyber Residency is cleverly built using cluster type structure where each unit becomes a corner unit with spacious garden for family activities and recreational indulgences. Each unit also comes with two dedicated parking bays and clubhouse facilities which include a swimming pool, wading pool, sauna, gymnasium, multipurpose hall and few more. Bearing Country Heights stamp of exclusivity in its properties through low-density developments, Cyber Residency has only 14 residential units that are tastefully designed with good air ventilation. To add charm and appeal, air conditioning units have been concealed for aesthetics. The ceiling is raised to create more space and a rustic sense of abode elegance. The development adopts the resort façade to make it unique and other than being a freehold development.





## COLLEGE HEIGHTS GARDEN RESORT BUNGALOW LOT – PAJAM

College Heights Garden Resort is Malaysia's first academic township. This exclusive residential development offers a resort lifestyle, luxurious bungalow lots set among spacious gardens, and a community dedicated to learning, at all levels from kindergarten to tertiary. College Heights Garden Resort is carefully designed to create all the right elements, of beauty and tranquillity that befits an academic township. A home at College Heights Garden Resort is easily within access especially with the newly completed LEKAS Highway. Purchasers can acquire a land and build their dream home at an affordable price. Throughout Malaysia, there is no other township like College Heights Garden Resort. Homeowners will have room to grow and prosper in this self-contained township, developed by Country Heights to be the premier location for living and learning in Malaysia.



## APARTMENT COLLEGE HEIGHTS – PAJAM

Apartment College Heights is a low cost development by CHHB. This development consists of 1,282 units of homes developed within 20 acres of land area. These 1,282 units are spread over 17 blocks of 4 storey building. It is freehold development that does not have any restriction from authorities anymore. Country Heights also introduces the Non Mortgage Scheme for buyers of this development where no bank loan is required. A freehold development strategically located in one of the fastest growing area which is also adjacent to Kolej Tuanku Jaafar and also Staffield Golf Course and Club. Apartment College Heights can be accessed via KL-Seremban Highway, Kajang-Seremban Road and also the newly completed LEKAS Highway.

## KOLEJ HEIGHTS UTARA BUNGALOW LOTS – JITRA

Kolej Heights Utara is another premium development by Country Heights undertaken by its wholly owned subsidiary, College Heights Utara Sdn Bhd. Its luxurious living amongst Nature's warm embrace is just snap shots at Kolej Heights Utara. Spread across 489 acres of prime freehold land of Kubang Pasu, Kolej Heights Utara residences is well connected through a network of highways linking to Hatyai (Thailand), Kangar, Sultan Abdul Halim International Airport and Alor Setar and is renowned for its scenic pristine landscape tapestry that pays tribute to the beauty of Mother Nature. Kolej Heights Utara, which consists mainly of bungalows with manicured landscape open space, is a truly exclusive estate, making it one of the biggest high-end enclaves with the lowest density in Kedah State. Kolej Heights Utara neighbourhood is gated and guarded round the clock with Closed-Circuit Security Cameras at strategic locations, residence to residence personal service and also comes with clubhouse facilities.





# 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 **Mines Exhibition 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.







## “Work-life” balance in Mines Waterfront Business Park (MWBP)

Many companies in Malaysia are beginning to recognise the importance of a healthy and work life balance and encourages all employees to adopt healthier practices at work. In fact some large multi-national corporations (MNC) in Malaysia have begun implementing work life balance programmes in order to promote a happier and more productive workforce.

Work life balance at workplace can be described in various forms and achieved in many ways. One of these is to experience through the right working atmosphere and good environment.

By simply taking a short stroll at the lake-side to enjoy the views of the scenic lake and the beautiful landscape of the golf course or to have a tea break at one of the conveniently located café's, employees at MWBP are able to enjoy calmness and serenity in the work environment to de-stress.

In line with our parent company CHHB's motto of “Ever Searching for Better Living”, MWBP continuously strives to give value added services to all its tenants.

Free shuttle bus service is available for tenants to commute to or from the Serdang KTM Station and Sungei Besi LRT station as to ease traffic congestion and for the convenience of the tenants.

Safety is a priority issue regardless of where you are, thus MWBP's Management has taken seriously to provide a safe working environment by having vigilant security guards and CCTV system, patrolling security services within the office premise and car park area, also a touch card access system for scrutinising vehicles entering or exiting the office building and parking area.

Tenants of MWBP will also be able to enjoy the privileges that accorded by the myriad of

business, facilities and services components located within the Integrated Mines Wellness City.

Special rates and discount are offered exclusively only to tenants of MWBP such as hotel accommodation, dining and seminar package offers by Palace of Golden Horses and Mines Wellness Hotel, Vacation or Holiday Stays by Country Heights Resorts & Leisure, water taxi and cruise by Mines Cruise, Wellness screening programme by the Golden Horses Health Sanctuary, MIECC's wide range of facilities available for seminar, events, exhibition and convention, foods and beverages' outlets and more.

Recently, the entire Mines area has been gazetted by the Government as a “Wellness Zone” and has awarded this entire area as the Mines Wellness City (MWC) Status.

With this MWC Status, various tax incentives are available to the operators, tenants or companies in the wellness or health services related industry.

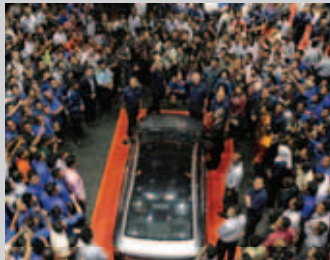
Large Organisations and Higher Education Centre such as Yellow Pages, Cyber Security Malaysia, Mynic Bhd, Measat Broadcast Network Systems (ASTRO), Hitachi Cable Asia Pacific Pte Ltd, and Asia Pacific University (APU) are some of the branded anchors tenants mix at the almost fully tenanted MWBP currently.

MWBP is located within the heart of Kuala Lumpur's growing southern corridor and is easily accessible via the Besraya Expressway which is link to other major network of highways such as KL-Seremban Highway, Silk Highway, Sungai Besi - Bukit Jalil link road, KESAS, MRR2 and etc and is just about 20 minutes drive to the Kuala Lumpur City Centre and other large townships.





Malaysian Indian Economy  
Conference



Majlis Pelancaran  
Proton Preve



Malaysia Sports  
Trade & Golf Expo

## MIECC – MINES EXHIBITION CENTRE

**Mines Exhibition Centre (MIECC)** is the largest exhibition venue in tonnage capacity per square meter in the nation and is one of the most sought after venues for hosting a great variety of important and exciting functions, premier events and exhibitions. Sitting in the midst of a host of renowned establishments such as Palace of the Golden Horses, Mines Wellness Hotel, The Mines Shopping Mall and the exclusive Mines Resort and Golf Club, gives MIECC the upper hand to organise, help, plan and execute event details to perfection.

A mere 20 minutes drive from the Kuala Lumpur City Centre or from the federal administrative capital of Malaysia, Putrajaya. The Centre boasts the largest column-free exhibition space in the country with a width of 160 feet, a length of 660 feet, a height of 50 feet, and a floor load of 3 tonnes per square metre. Visitors and organisers to this venue have met their match in their pursuit to host sophisticated and complex events and speak highly on the organisational skills of the team and their warm approach.



READ Malaysia



The Big Bad Wolf Sale



World of Chinese Book Fair

*Some of the events that MIECC has attracted publicity in the year 2012 are:*

**16<sup>TH</sup> APRIL 2012 :~ MAJLIS PELANCARAN PROTON PREVE**

Organised by Proton Holdings Berhad, this event was for the launch of the latest Proton series, the PROTON PREVE. The event was graced by our honorable Prime Minister YAB Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak, Proton adviser YAB Tun Dr Mahathir Mohamad, Proton Managing Director Datuk Seri Syed Zainal Abidin Syed Mohamed Tahir, and Proton Executive Chairman Datuk Seri Mohd Khamil Jamil.

In addition to the launch of PREVE, this event was also a platform for Proton Holdings to appreciate their workforce by hosting them to a sit-down dinner. The event was attended by about more than 3,000 people from the top management to operations staff. The Proton Preve Launch was a big feat and a successful event, which proved the skills and ability of the MIECC to host dinner for a large number of visitors and with the presence of many important VIP's.

**9<sup>TH</sup> JUNE 2012 :~ MALAYSIAN INDIAN ECONOMY CONFERENCE**

This is the first of its kind programme undertaken by Malaysian Associated Indian Chambers of Commerce & Industry (MAICCI) partnering with the Indian ETP Unit of the Prime Ministers department, organised in order to reach out to the public who aspires to be in the business world. This was a conference followed by dinner with the Prime Minister YAB Dato' Sri Haji Mohammad Najib bin Tun Haji Abdul Razak as the guest of honour. The venue was able to accommodate a round table seating capacity of 5,000 persons as requested, in which everyone had a pleasant evening to remember.

**29<sup>TH</sup> SEPTEMBER 2012 :~ WU BAI & CHINA BLUE 20<sup>TH</sup> ANNIVERSARY WORLD TOUR MALAYSIA**

One of the predominant rock acts in Asia, Wu Bai and his band China Blue had the venue rocking on the 29th September 2012 to commemorate their last 20 years of rock-and-roll and to celebrate their next 20 years of making music together. Wu Bai and his rock band have staged Wu Bai & China Blue 20th Anniversary World Tour as a thank you for their supporters who have stood by them over the years and more. The hall was turned in to a spectacular concert arena with a specially designed stage and the world-class sound, lighting and acoustic settings to add to the aura of the occasion.

**6<sup>TH</sup> – 23<sup>RD</sup> DECEMBER 2012 :~ THE BIG BAD WOLF SALE**

Deemed the "world's biggest book sale", the 'The Big Bad Wolf Sale' offered 3 million books on sale. The book sale has attracted close to 1 million visitors by the end of its 18 days of book sales event. Setting the record for the 1st time ever in Malaysia for book sales to run non-stop for 63 hours on all three weekends, the organizers BookXcess Sdn Bhd objective behind the book sale which began in 2009 with just 120,000 books, was to inspire Malaysians to cultivate the reading habit. The venue had a great task in coping with an extremely high volume of traffic as well as ensuring the safety and security aspects of the visitors to the venue. The conducive environment with good air-conditioning made the venue an ideal place for the book lovers to spend more time around the event's venue. This event was yet another impressive success and a feather in the MIECC cap.



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



## PALACE OF THE GOLDEN HORSES

### Beyond Hospitality

The high standard of attentive service at Palace of the Golden Horses has been recognized with the international accolades for establishing the gold standard of hospitality service. The hotel was awarded the *World Luxury Hotel 2012 for Country Winner – Luxury Golf Course* two times in a row, the first in 2011 and the second in 2012.

2012 was also a year of change for Palace of the Golden Horses as the hotel underwent major refurbishment efforts in which all the rooms were transformed to be more updated, chic and contemporary while retaining the classy outlook of the historic hotel.

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 personalized attention from the hotel, you can request to stay on the Dignitaries Club Floor, where you can have the services of a butler, concierge and secretarial assistant. This floor also comes complete with a business centre and lounge. Not forgetting the airport lounge in Kuala Lumpur International Airport (KLIA) which is an exclusive lounge for the travelers to escape the hustle and bustle of an international airport.



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

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



Awards received by Palace of the Golden Horses include: *Best MICE Facility and Service Hotel 2008*, *Best Innovative Chinese Restaurant 2008/2009* for Kim Ma Cantonese Fusion Restaurant, *Best Luxury Golf Resort* for 2011 and 2012, etc. 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, fruits and juices

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.

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

For more information, visit [www.palaceofthegoldenhorses.com.my](http://www.palaceofthegoldenhorses.com.my)

# MINES WELLNESS HOTEL

### We'll Take Care of You

Nestled amidst the concrete jungle of Kuala Lumpur, **Mines Wellness Hotel** is an unexpected haven offering a full experience of sophisticated style, comfort, privacy and tranquility. 2009 marked a year of transformation for the hotel as it relaunched itself as the one-stop holistic wellness resort offering eastern healthcare services, incorporating Traditional Chinese Medicine (TCM), Ayurvedic and complementary health therapies based on eastern medical philosophy. Dubbed the only “beach in the city” it is also the perfect choice not only for health retreats or weekend getaways, 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.

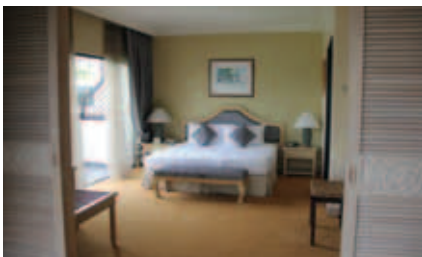
The hotel unveiled its new logo and dedicated theme as a Wellness Hotel on 22<sup>nd</sup> April 2012. The logo which has a representation of two leaves is formed from a part of the Chinese word, 'Tao'. In Mandarin, the word 'Tao' means a path; to us, a way of living. It strengthens the hotel's concept of a unique way of living; focusing on giving our guests the best in hospitality and health standards.

The leaf of Mines Wellness Hotel sprouts from ground and spans its leaves while growing towards the sunlight, withering its leaves as season changes and provides fertiliser to the ground – giving back to where it came from. The growth cycle of the leaves is similar to Mines Wellness Hotel. The hotel has been built since 15 years ago; thus the hotel has been through changes and despite it all, it still stands tall and mighty.

This smoke-free hotel has a dedicated Wellness Floor that includes its special amenities and services, designed for guests to recharge in a complete and holistic manner.

The guestrooms on the Wellness Floor incorporates details like organic pillows, posturepedic coconut husk beds, vibration card for sound sleep, salt crystal lamps, BMI machines, pebble walk path for reflexology at the balconies, complimentary heat packs, hot water bags and healthy tea selections for its guests. All these are in addition to the standard amenities that the hotel provides.





Patrons to the Mines Wellness Hotel can now indulge in comprehensive and holistic wellness services through the Hotel's partnership with Golden Horses Health Sanctuary. The Wellness Gallery contains information about the packages being offered. Wellness packages can be customised for the guests combining the use of facilities such as the 18 tuina and therapy rooms, herbs bar and pharmacy, well-known TCM services, and Ayurvedic therapies such as medicated oil drips and other alternative health treatments. For patients who are undergoing rehabilitation and recuperation from injuries or surgeries, packages incorporating physiotherapy is available in the health recuperation centre.

The hotel also offers brand new wellness packages, which include Hypnotherapy, Stress Management, Therapeutic Yoga, Sport Therapy and Body Detox, all complete with healthy spa cuisine. Therapies offered by the hotel focuses on holistic and natural healing, hence all the programs are designed on the philosophy of naturopathy to help the body heal itself.

There are three different dining outlets to fulfill one's gastronomical 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.

For the MICE market, Mines Wellness Hotel offers unique health-conscious selections such as Health Qigong and Yoga classes in the mornings, healthy snacks and dining menus.

Mines Wellness Hotel also offers unique settings for weddings; couples may choose between a tranquil garden wedding, beach wedding or any themed weddings to be hosted at the hotel's versatile settings. The banquet kitchen is also able to cater to special dietary menus, or specialised health menus as well as vegetarian menus.

With an array of water sports activities such as parasailing, water-skiing, and wake-boarding, guests are able to indulge in a wide variety of exciting outdoor fun. For guests who are not seeking adrenaline-pumping activities, the option of having a quiet time at our man-made beach is ideal and serene.

Mines Wellness Hotel was recently awarded the Asean Green Hotel Recognition Award 2012, two times in a row since the first win in 2010 that reflects the hotel's stand in preserving Mother Nature.

The ambience, culture and service at Mines Wellness Hotel encapsulate the total well being experience for the rejuvenation of mind, body and soul. Stay with us and we'll take care of you.

For more information, log on to [www.mineswellnesshotel.com.my](http://www.mineswellnesshotel.com.my)



## BORNEO HIGHLANDS HORNBILL GOLF AND JUNGLE CLUB

Borneo Highlands Resort is one of the most unique and exclusive eco-friendly resort developments in the region. Located just an hour's drive from Kuching International Airport, Borneo Highlands Resort is nestled majestically at 1,000 metres above sea level and amongst 5,000 acres of the oldest and second largest tropical rainforest in the world. The Hornbill Golf Club is a golfers' heaven with a beautiful 18-hole golf course, which provides players with utmost serenity and calmness.

Borneo Highlands Resort is surrounded by the lush rainforest with a refreshing year round spring temperature of 18 to 28 degree Celsius. It is an absolute botanical paradise blessed with astonishing varieties of flora and fauna, with fresh air, cool mountain breezes and spectacular highland scenery.

The resort emphasises on 3 main retreats which is the Golf, Nature, and Spa retreats.

In May 2012, Borneo Highlands Resort opened up its serene place to the public with RM8 million investment in road upgrades leading up to the eco-sanctuary. The opening of the road marks the utopian getaway's enjoyment for all for a minimum fee of RM8.



Nature lovers are able to enjoy the wonders of the plateau and there are activities for everyone. Visitors get to participate in a myriad of eco-tourism activities and revel in the wonder of nature through night trail adventure, music therapy nature cleansing walk, waterfall bath, long house visit, orang-utan tours, stone painting, tree planting, star gazing and horse riding.

The resort uses chemical free cleaning supplies, provides employment to 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 environmental conservation guidelines.

Borneo Highlands Resort organised three events, namely:

- 1) BHR Padawan Natures Challenge 2012 which is jointly organised together with Padawan Municipal Council.
- 2) Colours of Nature 2012
- 3) Sarawak Bird Race 2012 which is jointly organised together with Malaysian Nature Society (MNS).

The awards and achievements received by Borneo Highlands Resort are:

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

Here at Borneo Highlands Resort, we want guests to experience "Back to Basics" and to reconnect with Mother Nature while having a memorable time with the company of loved ones.



## COUNTRY HEIGHTS RESORT & LEISURE

Country Heights Resort is part of the property giant CHHB group of companies and it is located in Kajang interchange of North-South Highway which is only a 20 minutes drive from Kuala Lumpur City Centre and 5 minutes drive from Kajang Town and Bangi. It provides accommodations, restaurant, sports and recreation facilities including teambuilding and management training, seminar and conference.

### Team Building and Management Training

Country Heights Kajang offers a conducive environment for team building, company outings and also company family days as well as large pen fields, sports and recreation facilities. Team building and character building courses can be conducted upon request.

### Sports and Recreation Facilities

Country Heights Resort also provides amenities within the clubhouse, as follows:-

- Indoor badminton courts
- Covered tennis courts
- Management training facilities
- Table tennis
- Basketball court
- Netball court
- Mini soccer field
- Children playground
- Swimming pool
- Lakeside fishing
- Cycling
- Telematch
- Gymnasium

For more information, visit [www.countryheightsresort.com.my](http://www.countryheightsresort.com.my)

### Accommodations

Resort style with cluster of Mediterranean Villa surrounded by lush landscaped gardens and lakes. All villas are tastefully furnished which consist of 3 bedrooms and 2 bathrooms. Each villa is fully air-conditioned comes with a living area, dining area and kitchen.

### Restaurant

Flinders' Park Restaurant is an all day dining restaurant with a view of the swimming pool which serves popular Malaysian and Western cuisine.

### Seminar and Conference

Attractive meeting, seminar and conference facilities to suit any small or large functions, gatherings, meetings, seminar or team building training or any occasions. Be it banquets for corporate functions, company outings or family day, weddings, anniversaries or birthday events.







# HEALTH

Golden Horses Health Sanctuary (GHHS) strongly advocates that **“Prevention is Always Better Than Cure”**, and integrates **Western Medical Technologies** with **Traditional Eastern Therapies** to implement this philosophy. Situated in Mines Wellness City, GHHS Health Screening and Wellness Centre is the first in Malaysia to offer professional and comprehensive preventive healthcare approaches amidst an idyllic resort setting.

## GOLDEN HORSES HEALTH SANCTUARY

Golden Horses Health Sanctuary (GHHS) is the health division under CHHB. GHHS is a one-stop destination for one's wellness needs that infuses Eastern and Western preventive methods. A complete health sanctuary inspired by wisdom dating back to 5,000 years, it is a haven for wellbeing equipped with cutting-edge technology.

The centre is located in Mines Wellness 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 – a one of its kind in the country. Its services focuses on health promotion and addressing risks, as well as social and genetic factors related to preventive care.

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

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

GHHS services have expanded to several centres of excellences. GHHS Health Screening Centre, which focuses on modern medicine practices, is located in Palace of the Golden Horses. Whereas focusing on 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 setting because it is a popular concept in attracting health tourists.



### MODERN MEDICINE

The facilities featured at the Health Screening Centre are upgraded regularly. State-of-the-art imaging system which include technology for full field digital mammography, digital radiography, web-based reporting and robotics archival-retrieval solution, and DEXA bone mineral density measurement, are all available at the centre. The centre also offers molecular screening and is the first centre in a private setting to own the cutting-edge Architect ci8200 PLUS. 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 the same day, making it convenient for individuals, health tourists as well as corporations who work in collaboration with GHHS.

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





## HEALTH



clinic, internal medicine and physician clinic, skin and cosmetology clinic, and longevity and management clinic, creating a one-stop destination for health and wellbeing.

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 – which is the first in Malaysia.

GHHS since its establishment has performed almost 100,000 health check-ups and has successfully detected almost 10% of high risk profile cases from the total number of check-ups carried out. The centre conducts more than 11,000 check-ups annually and advises all patrons on how to improve their health status by giving them personalised methods to better their health.

### TRADITIONAL THERAPY

Complementing to the state-of-the-art technology, the GHHS Wellness centre offers a comprehensive range of complementary facilities such as Traditional Chinese Medicine therapy, Ayurvedic treatments, Physiotherapy and Health Recuperation. The Eastern services are designed to bring ones 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, Blood and Qi screening, TCM chiropractic care, traditional Chinese acupuncture, acupressure, moxibustion, cupping (ba-guan), scraping (gua-sha), traditional tui-na therapy, qiaodanijing, Meridian point reading, TCM herbal footbath as well as practice Health Qigong. A TCM pharmacy is also made available with consultants who dispense herbal prescriptions which promotes the restoration of harmony in the body. Provisioned by a dedicated team, GHHS

Wellness has successfully accomplished over 26,735 TCM procedures and therapies to 19,710 patrons to date since its inception in 2008.

The Ayurvedic centre provides 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 Mines Wellness City Project. This centre provides a place for patients undergoing rehabilitation to recuperate from injuries or surgeries in a private environment.

GHHS Wellness is also the first TCM centre in Malaysia to receive ISO 9001:2008 certification by Lloyd's Register Quality Assurance, in recognition of the centre's excellence.

### HEALTH PRODUCTS

GHHS Bio Herbs was officiated in December 2010, offering the latest in premium quality supplements and health related equipment's. Product categories include traditional, natural, organic, gadget, exclusive, and personal care. The Traditional products are formulated by GHHS resident Chinese Physician who has more than 30 years medical experience; the Organic products include seaweed and passion juice, and lemon enzyme pickles and some of the best sellers are from the Natural product range – Vegetable and Fruit Chips.

All products under the retail category are created to suit the demands of our members and on the importance of having a healthy body and sound mind. To provide better convenience to the public, GHHS Bioherbs products are available for purchase online.

For more information and online shopping, log on to [www.ghhs.com.my](http://www.ghhs.com.my).



# TOURISM & MEMBERSHIP

Our continuous effort to build brand loyalty through membership concept for both **Vacation** and **Health Divisions**. Tourism Division will strive to provide value added services to the leisure product for our hospitality customers.







## PALACE VACATION CLUB

### A Lifetime of Memories Begins Here...

Palace Vacation Club was designed to provide individuals the opportunity to enjoy vacations to places they may never dream of visiting without being part of a timeshare network.

Marking its 13th year in the industry, Palace Vacation Club membership ensures the affordability and flexibility of family vacations where members are pampered with choices of over 90 internal and direct affiliation resorts - both at local and international destinations - every year throughout their lifetime.

The year 2012 also saw 7 new exciting affiliation resorts added into the list - Beijing, Bali, Ninh Binh (Vietnam), Phuket (2 resorts), Pattaya and Penang - not to mention our ongoing strong affiliation with the Resort Condominium International (RCI), the world's largest resort exchange company whereby Palace Vacation Club has achieved a high Trading Power level in exchanges exercise, allowing members to access up to 95% of RCI's 4,000 holiday resorts around the world.

As at December 2012, Palace Vacation Club had successfully processed 14,730 reservations for members with successful booking rate remained high at 97%, thanks to a commendable effort from the highly dedicated Member Services team.

Members are also exposed to other exclusive privileges within the Mines Wellness City - from special dining discounts at Foods and Beverages outlets and spa packages at the prominent Palace of the Golden Horses and Mines Wellness Hotel - to health and wellness services and cruises.

Palace Vacation Club will continue to uphold its commitment in enhancing members' travelling experiences with the prospects of more uncharted holiday destinations.



## MINES GLOBAL HOLIDAYS

Mines Global Holidays Sdn. Bhd. (MGH) is a travel agency specialising in Golf and Medical Tourism. Established through a joint venture between Mines Marketing Sdn. Bhd. and JaU Tour Co. Ltd. (South Korea), MGH promotes and sells attractive yet affordable inbound tour packages to foreign markets, mainly to Middle East, East Asia (China, South Korea, Japan) and South East Asia. These tour packages include:-

### 1. Medical Tourism

MGH offers medical tourism packages by combining luxurious accommodations at Palace of the Golden Horses Hotel (PGH) or Mines Wellness Hotel (MWH), together with comprehensive Western medical screening at Golden Horses Health Sanctuary (GHHS) Screening Centre or Eastern traditional therapy/wellness programs at GHHS Wellness Centre. Furthermore, MGH also provides transport arrangements for customers to any preferred medical facilities within Malaysia to meet specialists should there be a need for further medical consultation or treatment.

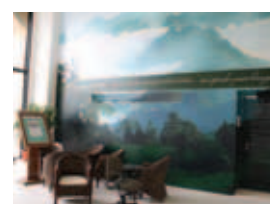
### 2. Golf Tourism

Tapping into the niche market of golfers, MGH offers attractive golf-related packages to foreign golfers by combining golf at Mines Resort & Golf Club and accommodation at PGH or MWH, together with golfing at other top-rated golf courses in Malaysia, and tours of Malaysian landmarks such as Kuala Lumpur city and Resorts World Genting.

### 3. English Course Excursions

With the support from International Malaysia Education Centre (IMEC) and Impact Elite Golf Academy (IEGA), MGH offers English course excursions packaged as Summer/Winter Camp Educational Holiday Excursions to South Korea (June-August, December-January) and Middle East (July-August) markets. Parents enroll their children into these programs to take advantage of the school holidays to learn English language as well as picking up golfing skills or just for an overseas holiday trip.

MGH is able to combine the services of CHHB group components as well as other external service providers to provide top-level services at reasonable prices to cater to each market's travel and holiday requirements.





# COUNTRY HEIGHTS EDUCATION



The Country Heights Education Division consists of two education centres – the **International Malaysia Education Centre (IMEC)** and the **Eight Virtues Montessori Preschool**, both located at The Heritage towers in Seri Kembangan. Both schools offer classes to local and international students and working individuals to provide education with strong ethical, professional and personal values. Country Heights Education is led and taught by professional teams of professors and teachers.





## INTERNATIONAL MALAYSIA EDUCATION CENTRE (IMEC)

IMEC offers English language classes to both international and local students, 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 the 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) – 10 proficiency levels
- IELTS Preparation Class
- IELTS Testing Venue
- 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 connection and individual seating. Instructors at IMEC utilise laptop computers to create interactive lessons and update student files and results digitally. Besides leadership skills, staff and teachers at IMEC must undergo a strict tests including whether or not they love sharing their knowledge with others.

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 in the growth of our country. 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](http://www.imec.edu.my) or like IMEC on Facebook!



## EIGHT VIRTUES MONTESSORI PRESCHOOL

Country Heights Education's newest establishment is the Eight Virtues Montessori Preschool, which combines trusted Montessori methodology with traditional Confucian ideology. The overall goal of the preschool is to prepare students socially, academically and morally for further studies and to be well-groomed to excel in their later education and to grow-up as socially responsible people.

The Montessori classroom creates a "living room" for children to choose their work from. The materials are self-correcting and organised into specific areas to guide learning. Over time the children develop into a "normalised community" whereby they become self-disciplined, ordered, and focused through their work in different areas. The five distinct areas of the "prepared environment" of a Montessori classroom are:

- Practical Life
- The Sensorial Area
- Mathematics
- Language Arts
- Cultural Activities

In addition to the Montessori teaching method, Eight Virtues Preschool will be introducing Confucius' Eight Virtues. The Eight Virtues are the criteria that Confucius left for people to follow. The virtues will be a guide to help the children develop into better persons. The virtues are introduced to the children and practised on a daily basis through a series of creative and exciting lessons. The Eight Virtues are:

- Filial Piety
- Brotherhood
- Loyalty
- Trust
- Etiquette
- Righteousness
- Integrity
- Humility

With these skill sets students at Eight Virtues will have the freedom to develop intellectually and morally and become confident, enthusiastic and self-directed learners. Children are encouraged to have the tools to think critically, work collaboratively, and act boldly – a skill set for the 21st century.

For more information, feel free to visit the Eight Virtues Preschool website at [www.eightvirtues.com](http://www.eightvirtues.com).



## CORPORATE SOCIAL RESPONSIBILITY

Country Heights Group of Companies is mindful of the impact its operations have on our society, and seeks to ensure that the interests of its key stakeholders; from shareholders, investors, consumers, customers and employees to the larger community are looked after. The Group pledges to be socially responsible and hopes to make a difference in the society that it operates in.



allowances, as well as group term life and personal accident coverage for employees for medical or accidental contingencies.

To further enhance good working relationships and to build a strong sense of team spirit among employees, our Sports Living Club, Kajang, organises various sports activities for our staff. The Human Resources department also organises birthday outings, birthday celebrations and games which foster unity among the staff.

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

The Group also offers various house training as well as LEAP programme, Country Heights Leadership Acceleration Programme which grooms and appreciates talent for better succession planning.

### THE WORKPLACE

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

We appreciate the value of our intellectual capital and show this by encouraging personal development, by recognising achievements and by looking after their well-being. We are committed to ensuring equality of opportunity. The Group provides a healthy and safe working environment for our employees including the provision of insurance coverage in terms of hospitalisation and surgical

In 2012, the Group started having its “Yay! Day” which is to inform all CHampS! (Country Heights Amazing Peoples!, formed in 2011 to align goals and spirit among the 1,200 employees under the Group) on the ongoing developments of the Company as well as to introduce new offerings which will benefit employees welfare.

The QMR (Quarterly Management Review) meeting which was introduced in 2011 is continuously being carried through in which all personnel get to hear what each business unit is contributing, as well as to voice out their opinion to the Group's senior management. The QMR also acts as a platform for all employees to have a forum with the top management on the development of the Group.



### 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 Wellness City which used to be an abandoned tin mine has been transformed from a crater to an idyllic natural surrounding making it an escape from the concrete jungle of Kuala Lumpur.

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

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



In 2012, our resort hotel, Mines Wellness Hotel, has been awarded the Asean Green Hotel Recognition Award the second time since its first win in 2010. Mines Wellness Hotel is one of the ten hotels in Malaysia which was chosen to receive the Green Award in 2012, for being supportive in the use of green products, provision of training programmes for operation on environmental management, and introduction of waste management techniques such as recycling.

The Hospitality component initiated the Mines Green Circle, a green body that governs green practices for both Palace of the Golden Horses and Mines Wellness Hotel. The hotels advocate green message to the staff as well as guests, and all the collaterals are printed on recycled paper.

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

During the 2012 Earth Hour, both hotels turned off their non-essential lights and dimmed lights at the lobby area. The websites were also 'shut down' for an hour to help support the pledge of Earth Hour.



## 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 and has participated in many charitable activities to enhance the quality of life in our communities.

As this year is Country Heights' Human Development year, the Property Development Division of CHHB organised the first Corporate Social Responsibility under its division. Like most common practice of Corporate Social Responsibility (CSR) where we treat orphanage with meals and activities, this year the Property Development Division decided to channel the budget to rebuild homes for the unfortunate. We have chosen two families in Jitra, Kedah with the collaboration of Jabatan Kebajikan Masyarakat, Negeri Kedah.

The first house that we built is for 89 years old Puan Rafiah who stay with her disable younger sister, she does not use a wheelchair, but slides around with the support of her hands. They do not have any other family members to care for them and have been living in Kampung Lubok Tunjang, Kedah. She does not have a toilet in her

house and every time she needs to use the bathroom, she has to slide outside of the house to use the neighbour's toilet.

The second house that we built is for Encik Shahimin, a 44 years old sugar cane juice hawker worker. He raises 6 kids between the age of 6 to 13 years old. One of his daughters, Siti Aishah (age 11 years old) who has corneal abrasion, had lost her right eyesight while playing kite. She is a good student and an obedient daughter. She is currently under medical treatment and waiting for her turn for an eye surgery. In November 2010, Shahimin's house was damaged due to flash flood. The toilet was damaged, floor was muddy, electrical items were damaged, part of the roof was leaking and some flown away.

With helps from Country Heights CHampSI, we managed to hand over the two houses on 10 June 2012. It was a tiring process but the look on their face when receiving the house from Country Heights was priceless. With this CSR, we are hoping to give more to the society in the future.

The Group frequently organises parties and special occasions for the orphans and underprivileged children. During the month of Ramadan, Mines Wellness Hotel paid a

visit to Rumah Nur Hikmah in Kajang which houses about 60 orphan/single parent children. The staff cleaned the house, prepared a hearty buffet spread and spent some time playing games with the kids. They also provided provisions and gifts to the kids in the spirit of Ramadan.

On 27<sup>th</sup> December 2012, Mines Wellness Hotel organised a Christmas celebration with the students from Mines E-Able, a training institute for the disabled founded by Y. Bhg. Tan Sri Lee Kim Yew. This education centre primarily educates teenagers and young adults who are physically challenged by providing them training in the field of graphic designing, web programming and classical studies. The students enjoyed an evening of fun and games, pure vegetarian buffet, performance by the Hotel's Head of Departments, special appearance by Santa Clause and gift exchange.

Palace of the Golden Horses invited the boys from Pusat Jagaan Rumah Anak-Anak Yatim/Miskin Taman Baiduri to 'buka puasa' with them and some proceeds from the Ramadan sales were donated during Hari Raya. The Hotel also donated 100 beds to the Scouts Association of Malaysia and curtains to SMK Kepong. For Christmas 2012, the Hotel invited children from Rumah





Keluarga Kami for a fun filled day at hotel. They were treated to cookies making, art of napkin folding, sumptuous buffet spread, tour around the hotel, received Christmas presents and decorated the Christmas tree at lobby.

Golden Horses Health Sanctuary (GHHS) conducted a public health talk on 'Prevention of Stomach & Colon Cancer' by Consultant Physician and Gastroenterologist, Dr Loong Yik Yee in their on-going health awareness campaign. This health awareness campaign aimed to educate and share insights on leading a healthy lifestyle. Also contributing to this talk is well-known celebrity TV host, producer and health enthusiast, Jojo Struys, with her talk on "De-stress through Yoga", including tips on how to live a healthier and balanced lifestyle.

In conjunction with World Diabetes Day, GHHS paid a visit to students of SJK (C) Khing Ming Primary School in Kuala Kubu Baru to educate the students on diabetes. The day started with a fun dancing and warm up session with the students. Four stations were set up to showcase different types of sugar levels available in their normal food intake such as 'Coke vs Vitagen', 'Homemade Milo vs Original Milo', 'Kellogs Cereal vs Koko Krunch vs Honey Stars' and 'Fruits Salad with Mayonnaise or Plain Yoghurt'. The charts also educated the students on simple measures of sugar levels, and promoted moderate intake of their daily sugar consumption.

Country Heights Group Human Resources department organised a meal packing programme with Rotary Club of Melawati and Stop Hunger Now organisation during World Food Day. They packed food containing high protein and highly nutritious meals that are used in crisis situations and in school feeding programmes for schools and orphanages in developing countries around the world.

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

#### THE MARKET PLACE

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

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

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





## PROPERTY DEVELOPMENT

100%	Country Heights Property Development Berhad
70%	Borneo Heights Sdn Bhd
100%	College Heights Utara Sdn Bhd
100%	Country Heights Development Sdn Bhd
100%	Country Heights eMarketing Services Sdn Bhd
100%	Country Heights Development Melaka 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%	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
100%	KHU Property Management Sdn Bhd
48%	Simplex Design Sdn Bhd

## PROPERTY INVESTMENT

100%	East Vision Leisure Group Sdn Bhd
100%	Endless Gain Sdn Bhd
100%	WIXPO Sdn Bhd
100%	Mines International Exhibition Centre Sdn Bhd
100%	Mines Shopping Fair Sdn Bhd
100%	Mines Waterfront Business Park Sdn Bhd
100%	Mines Premium Sdn Bhd
100%	Mines Events Sdn Bhd

## HOSPITALITY

81%	Golden Horse Palace Berhad
100%	Borneo Highlands Hornbill Golf & Jungle Club Berhad
100%	Kin No Uma Sdn Bhd
100%	Mines Wellness Hotel Berhad
100%	Country Heights Sea Resort Sdn Bhd

## HEALTH

70%	Country Heights Health Tourism Sdn Bhd
100%	Mines Wellness Hotel Berhad

## TOURISM & MEMBERSHIP

50%	Mines Global Holidays Sdn Bhd
100%	Mines Marketing Sdn Bhd

## EDUCATION

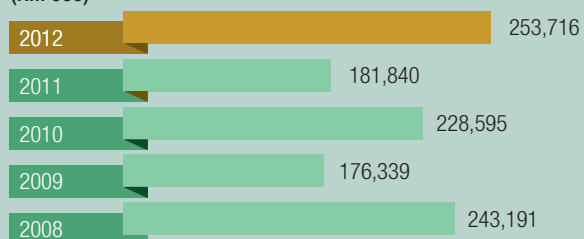
70%	Country Heights Education Sdn Bhd
100%	Tadika Sri Moral Sdn Bhd

## OTHERS

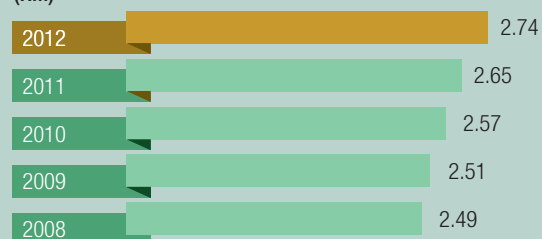
60%	Mines Global Holidays & Travel Sdn Bhd
100%	Country Heights Global Ltd
100%	Mines Holdings Sdn Bhd
100%	Country Heights Golden Lifestyle Sdn Bhd
100%	Country Heights Resources Management (M) Sdn Bhd
100%	Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd

## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

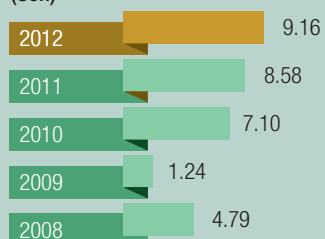
### Revenue (RM'000)



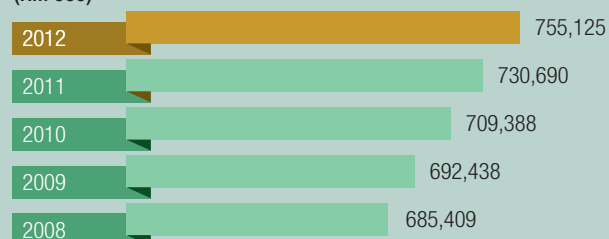
### Net Assets Per Share (RM)



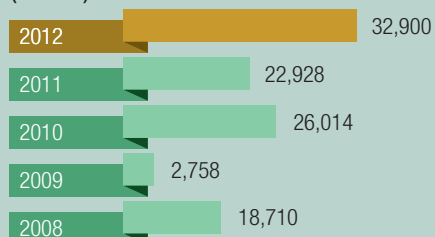
### Basic Earning/(Loss) Per Share (Sen)



### Shareholders' Funds (RM'000)



### Profit/(Loss) Before Taxation (RM'000)





## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000	2008 RM'000
Revenue	253,716	181,840	228,595	176,339	243,191
Profit/(Loss) before taxation	32,900	22,928	26,014	2,758	18,710
Profit/(Loss) after taxation	25,757	23,542	17,976	614	8,604
Net Profit/(Loss) Attributable to Shareholders	25,253	23,650	19,570	3,413	13,206
Total Assets	1,397,881	1,386,991	1,452,718	1,491,080	1,528,274
Total Liabilities	614,945	628,994	715,915	769,601	811,025
Share Capital	275,707	275,707	275,707	275,707	275,707
Reserves	479,418	454,983	433,681	416,731	409,702
Shareholders' Funds	755,125	730,690	709,388	692,438	685,409
	Sen	Sen	Sen	Sen	Sen
Basic Earnings/(Loss) Per Share (sen)	9.16	8.58	7.10	1.24	4.79
Net Assets Per Share (RM)	2.74	2.65	2.57	2.51	2.49
Return on Total Assets (%)	1.81	1.71	1.35	0.23	0.86
Return on Equity (%)	3.34	3.24	2.76	0.49	1.93
Gearing (Net Debt/Equity)	0.32	0.38	0.39	0.46	0.49

## STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Country Heights Holdings Berhad (“Board”) is committed to ensuring that high standards of corporate governance are practiced throughout Country Heights Holdings Berhad (“CHHB” or “the Company”) and its subsidiaries (“the Group”). The Board is of the view that this is fundamental for the protection and enhancement of shareholders’ value. The Board fully supports the recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”).

This Statement explains how the Company has applied the key principles and the extent of its compliance with the best practices set out in the Code for the financial year ended 31 December 2012.

### 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 is of the opinion that the composition of the current Board fairly reflects a balance of executive and non-executive to ensure that the interest of not only the Company, but also that of the stakeholders and of the public in general are represented as each independent director brings invaluable judgment to bear on issues of strategy, performance, resource allocation, risk management and standard of conduct. In the opinion of the Board, the minority shareholders are fairly represented by the presence of these highly competent and credible Independent Non-Executive Directors.

The composition and size of the Board are reviewed from time to time to ensure their appropriateness and effectiveness. 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.

The Board is led by a team of experienced members from different professional backgrounds, all of whom provide the Group with a wealth of professional expertise and experience which are conducive for efficient deliberations at Board meetings, giving rise to effective decision making and providing multi-faceted perspectives to the business operations of the Group.

All Board members participate fully in decisions on key issues involving the Company. The Executive Director is responsible for implementing the policies and decisions of the Board and managing the Company’s day-to-day operations. Together with the Independent Non-Executive Directors, they ensure that strategies are fully discussed and examined after taking into account the long term interests of the various stakeholders including shareholders, employees, customers, suppliers and the various communities in which the company conducts its business.

The Independent Non-Executive Directors provide independent judgment, experience and objectivity without being subordinated to

operational considerations to the exclusion of other relevant factors. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board. They also ensure that the Board practices good governance in discharging its duties and responsibilities. The Board, as a whole, retains overall control of the Group. The Independent Directors fulfill the criteria of “Independence” as prescribed under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements (“MMLR”).

The Board has not appointed a senior independent non-executive director to whom concerns may be conveyed as there is no combination or overlapping of roles between the current Chairman who is an Independent Non-Executive Director and the Group CEO of the Company since these two (2) positions are held by separate individuals. The Board takes note that the Code recommends that the Chair of the Nomination Committee should be the senior independent non-executive director identified by the Board, which will from time to time review the recommendation and make the necessary appointment as and when it deems fit.

The Board is made aware that they should notify the Chairman before accepting any new directorship. The notification should include an indication of time that will be spent on the new appointment.

#### 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)	5/5
Tan Sri Lee Kim Tiong @ Lee Kim Yew	5/5
Lee Cheng Wen	5/5
Academician Tan Sri Emeritus Professor	
Datuk Dr. Ong Soon Hock	5/5
Nik Hassan Bin Nik Mohd Amin	5/5
Chew Chong Eu	5/5

At Board meetings, the Chairman encourages constructive, healthy debate, and Directors are free to express their views. Any Director who has a direct and/or deemed interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the meeting.

#### Division of roles and responsibilities between Chairman and Group CEO

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.

## STATEMENT ON CORPORATE GOVERNANCE

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.

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.

### 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 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.

For the financial year 2012, the Board undertakes a process to assess the effectiveness of the Board as a whole and its Board Committees and the contribution of each Director. 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 2013 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.

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 (AGM). All directors are bound to retire at least once in every three years and re-election of Directors take place at each 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 29th AGM scheduled to be held on 28 June 2013.

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

### Tenure of Independent Non-Executive Directors

General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd) and Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock were both appointed to the Board as Independent Non-Executive Directors of the Company on 20 August 1993 and have, therefore served for more than 9 years. As at the date of the notice of the AGM, they have served the Company for approximately 20 years.

Notwithstanding their long tenure in office, the Board based on the review and recommendations made by the Nomination Committee, is unanimous in its opinion that General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)'s and Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock's independence have not been compromised or impaired based on the following justifications:-

- They continue to fulfill the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the MMLR.
- They have been with the Company for more than nine (9) years and therefore, understand the Company's business operations which enable them to participate actively and contribute during deliberations or discussions at Nomination Committee, Remuneration Committee, Audit & Risk Management Committee, and Board meetings; and
- They have contributed sufficient time and efforts at the Nomination Committee, Remuneration Committee, Audit & Risk Management Committee, and Board meetings for informed and balanced decision making.

The Board therefore believes that General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) and Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock should be retained as Independent Non-Executive Directors. Accordingly, the Board recommends them be retained as Independent Non-Executive Directors. Ordinary Resolutions for the aforesaid purpose will be tabled at the forthcoming AGM for shareholders' approval.



## STATEMENT ON CORPORATE GOVERNANCE

In addition, General Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd) and Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock who have attained the age of 70, will retire and have offered themselves for re-appointment in accordance with Section 129(6) of the Companies Act, 1965.

### 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 her direct reports are rewarded according to a combination of how well they have achieved their Key Performance Indicators (KPIs).

The aggregate remuneration of the Directors for the financial year ended 31 December 2012 categorised into the appropriate components are as follows:-

Description	Executive Directors RM'000	Non-Executive Directors RM'000	Total RM'000
Salaries & Other emoluments	238	47	285
Benefit-in-kinds	28	16	44
EPF Contribution	29	-	29
Fees	-	98	98
<b>Total</b>	<b>295</b>	<b>161</b>	<b>456</b>

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

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	-	5
RM200,000 to RM350,000	1	-
RM351,000 to RM400,000	-	-
RM401,000 to RM450,000	-	-
RM451,000 to RM500,000	-	-
<b>Total</b>	<b>1</b>	<b>5</b>

### 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.

#### Audit & Risk Management Committee ("ARMC")

The report of the ARMC is set out on page 73 to 75 of this Annual Report.

#### Nomination Committee ("NC")

The NC comprises wholly of Non-Executive Directors and all are independent. The current members are General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Chairman); Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock and Nik Hassan Bin Nik Mohd Amin. All the members are Non-Independent Non-Executive Directors.

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.

## STATEMENT ON CORPORATE GOVERNANCE

### *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 2012:-*

During the year, the NC has assessed the overall effectiveness of the Board, its Committees and the contribution and performance of each individual Director in 2012 including its size, structure and composition.

In its assessment, the Board concluded that the Board's size is conducive to effective discussion and decision making, and that the Board has an appropriate number of Independent Non-Executive directors and is satisfied that it has an appropriate balance of expertise, skills and attributes among the Directors including the relevant core competencies.

### **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.

### *Main Activities 2012:-*

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 ("EXCO")**

The 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 nine (9) 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:-

- Business Sustainability – Making a Difference in Performance
- Corporate Strategic Analytics I : Essentials of Corporate Proposal Analysis
- Decoding Gen Y Programme
- Financial Institutions Directors' Education Programme
- Roles and Responsibilities in Building Solid Relationship
- Technical Analysis From Conceptual to Practical
- The Australian Case Studies by UKAS and the Australian Trade Commission Workshop

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.

# STATEMENT ON CORPORATE GOVERNANCE

## 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.

### 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 is reviewed and updated regularly by the Board.

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

### Whistle Blower Programme

The Board recognises the importance of whistle blowing 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: [groupceo@countryheights.com](mailto:groupceo@countryheights.com) or to the Audit & Risk Management Committee Chairman.

The Board and the Management gave 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.



## STATEMENT ON CORPORATE GOVERNANCE

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 SHAREHOLDERS

#### 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.

### 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 view points 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 76 to 77 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 roles 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 2012, 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 AGM and is subject to renewal by the shareholders at the said AGM.

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 RM84,441.00 imposed by the Inland Revenue Board in respect of outstanding taxes relating to the financial year ended 31 December 2012.

### 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 2012 amounted to RM56,753.00.

### Variation between Audited and Unaudited Results for the Financial Year Ended 31 December 2012

There was no variance of 10% or more between the audited results for the financial year ended 2012 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 AGM and is subject to renewal by the shareholders at the said AGM.

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 2012.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors duly passed on 22 April 2013.

## 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 Committee ("ARMC") are mindful of their dual roles which are clearly reflected and demarcated in the agendas of each meeting.

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

### Membership and Meetings

The 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 2012 and the records of their attendance are as follows:-

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

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:

- must be a member of the Malaysian Institute of Accountants; or
- 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.

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 Audit & Risk Management Committee.

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



## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

### 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;

#### 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;

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

- 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.

### 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 2012 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 Group CEO 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 in-house internal audit function. The 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.

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 resulted 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 CHHB 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 the 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 reviewed and 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.

### 2. Risk Management

The Board with the assistance of the ARMC 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.

A risk assessment is performed bi-annually to assess the risks faced by the Group's business units. The results of these risk assessments are presented to the ARMC. Risk factors that can affect the Group include strategic, operational, compliance, reputational, financial and fraud risks.

For the Group, some of the other main risk factors that can impact the Group are as follows:

- late delivery of completed properties to buyers,
- poor quality of products,
- loss of key customer data,
- inaccurate health test results,
- IT security breach,
- safety of tenants at MWBP,

The board determine the company's level of risk tolerance and actively identify, assess, and monitor key business risks to safeguard shareholders' investments and company's assets.



## STATEMENT ON INTERNAL CONTROL

The Company Officer responsible for managing internal controls and legal and regulatory compliance at the Company is the Group's Chief Financial Officer, Mr. Tan Kok Kee. Mr. Tan is 54, graduated from University of Malaya in 1983 with a Bachelor of Accounting and is a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow of the Certified Public Accountants Australia.

He has more than 30 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, hospitality & health, telecommunication services provider, and turnkey contractor and renewable fuels.

### 3. Internal Control Function

The Group has an in-house Internal Audit Department in addition to engaging an external independent professional services firm to carry out its internal audit function. The 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 ARMC.

The Group Internal Audit Department reports directly to the ARMC. Periodic testing of the effectiveness and efficiency of the internal control procedures and processes are conducted to ensure that the system is viable and robust. For 2012, the majority of the internal audits were performed by the 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 ARMC 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 2012 amounted to RM20,864.60.

### 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.

In the year, a Whistleblowing policy was established together with the detailed processes of the policy. The policy is made known to all employees on the Group's website, with a dedicated channel being formed where whistleblowers may direct their grouses and complaints directly to the Group CEO, and/or the ARMC's Chairman.

### 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 22 April 2013.



# FINANCIAL STATEMENTS

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## REPORT OF THE DIRECTORS

The directors of **COUNTRY HEIGHTS HOLDINGS BERHAD** have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December, 2012.

### PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries, associate and jointly controlled entity are shown in Notes 18, 19 and 20 to the financial statements respectively.

There have been no significant changes in the nature of the principal activities of the Company, its subsidiaries, associate and jointly controlled entity 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	32,900	1,972
Income tax expense	(7,143)	(1,086)
Profit for the year	25,757	886
Profit attributable to:		
Equity holders of the Company	25,253	
Non-controlling interests	504	
	25,757	

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

### DIVIDENDS

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

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

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

### SHARE OPTIONS

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

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

### OTHER STATUTORY INFORMATION

Before the 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  
Lee Cheng Wen  
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock  
Nik Hassan bin Nik Mohd Amin  
Chew Chong Eu

## REPORT OF THE DIRECTORS

### 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 1.1.2012	Bought	Sold	As of 31.12.2012
<b>Shares in the Company</b>				
<b>Direct Interest:</b>				
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	14,978,831	-	-	14,978,831
<b>Indirect Interest:</b>				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	57,968,231	-	-	57,968,231
Lee Cheng Wen	132,589,400	-	-	132,589,400

### Shares in a subsidiary company, Golden Horse Palace Berhad

<b>Direct Interest:</b>				
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 11 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  
22 April, 2013

## 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, 2012 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 85 to 156.

#### *Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 give a true and fair view of the financial position of the Group and of the Company as of 31 December, 2012 and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

#### *Emphasis of Matter*

Without qualifying our opinion, we wish to draw attention to the financial position of the Group as of 31 December, 2012 for which the current liabilities exceeded the current assets by RM100,582,000 as of 31 December, 2012 as disclosed in Note 38 to the Financial Statements. The current liabilities of the Group arose mainly from the borrowings totalling RM244,934,000, which mainly comprise term loans, and bank guaranteed commercial paper and medium term notes of RM124,125,000 and RM49,757,000 respectively as of 31 December, 2012, and a short-term interest-free loan amounting to RM53,908,000 granted by a director of the Company to the Company which is due for repayment before 21 December, 2013 as disclosed in Note 29 to the Financial Statements. The ability of the Group to settle the abovementioned short-term obligations is dependent upon the Group generating sufficient cash flows from operations and the ability of management to successfully obtain refinancing arrangements which are being actively pursued.

### 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 accounts and auditors' reports of the subsidiaries of which we have not acted as auditors, as mentioned in Note 18 to the financial statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements, and we have received satisfactory information and explanations as required by us for those 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 157 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 in Malaysia 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  
22 April, 2013

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2012

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	5	253,716	181,840	19,693	19,540
Cost of sales	6	(101,559)	(61,341)	-	-
<b>Gross profit</b>		<b>152,157</b>	120,499	<b>19,693</b>	19,540
Other operating income		11,142	32,636	3,606	16,103
Selling and marketing expenses		(10,384)	(11,226)	(135)	(467)
Administrative expenses		(29,806)	(29,670)	(5,719)	(4,728)
Other operating expenses		(69,662)	(72,087)	(6,717)	(5,574)
Finance costs	7	(20,358)	(17,667)	(8,756)	(9,676)
Share of results of:					
Associate		(153)	443	-	-
Jointly controlled entity		(36)	-	-	-
<b>Profit before tax</b>	8	<b>32,900</b>	22,928	<b>1,972</b>	15,198
Income tax (expense)/credit	9	(7,143)	614	(1,086)	(1,315)
<b>Profit for the year</b>		<b>25,757</b>	23,542	<b>886</b>	13,883
<b>Other comprehensive income</b>					
Exchange differences on translating foreign operations	27(b)	(818)	(2,348)	-	-
Transfer from revaluation reserve to retained earnings upon depreciation on revalued assets	27(a)	(1,864)	(1,862)	-	-
Realisation of revaluation reserve to retained earnings upon depreciation on revalued assets		1,864	1,862	-	-
<b>Other comprehensive loss for the year, net of tax</b>		<b>(818)</b>	(2,348)	-	-
<b>Total comprehensive income for the year</b>		<b>24,939</b>	21,194	<b>886</b>	13,883
Profit/(Loss) attributable to:					
Equity holders of the Company		25,253	23,650	886	13,883
Non-controlling interests		504	(108)	-	-
<b>Profit for the year</b>		<b>25,757</b>	23,542	<b>886</b>	13,883
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Company		24,435	21,302	886	13,883
Non-controlling interests		504	(108)	-	-
<b>Total comprehensive income for the year</b>		<b>24,939</b>	21,194	<b>886</b>	13,883
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic	12(a)	9.16	8.58		
Diluted	12(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, 2012

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Hotel properties and exhibition centre & showroom	13	<b>328,737</b>	332,881	-	-
Other property, plant and equipment	14	<b>95,968</b>	88,136	<b>297</b>	441
Property, plant and equipment		<b>424,705</b>	421,017	<b>297</b>	441
Investment properties	15	<b>119,690</b>	110,887	-	-
Prepaid land lease payments	16	<b>335,498</b>	339,719	-	-
Land held for property development	17(a)	<b>171,142</b>	177,164	-	-
Investment in subsidiaries	18	-	-	<b>625,455</b>	627,408
Investment in associate	19	-	153	<b>41</b>	41
Investment in jointly controlled entity	20	<b>264</b>	-	-	-
Available-for-sale financial assets	21	<b>2,186</b>	2,258	<b>718</b>	718
Long-term trade receivables	22	<b>18,459</b>	16,506	-	-
Deferred tax assets	33	<b>6,020</b>	6,639	-	-
Goodwill on consolidation	23	-	-	-	-
<b>Total Non-Current Assets</b>		<b>1,077,964</b>	1,074,343	<b>626,511</b>	628,608
<b>Current Assets</b>					
Property development costs	17(b)	<b>48,740</b>	69,804	-	-
Inventories	24	<b>128,242</b>	128,359	-	-
Trade and other receivables	22	<b>73,333</b>	52,094	<b>8,750</b>	18,530
Tax recoverable		<b>6,268</b>	6,538	<b>4,775</b>	5,716
Cash and bank balances	25	<b>63,334</b>	53,409	<b>343</b>	32
<b>Total Current Assets</b>		<b>319,917</b>	310,204	<b>13,868</b>	24,278
<b>TOTAL ASSETS</b>		<b>1,397,881</b>	1,384,547	<b>640,379</b>	652,886

# STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER, 2012

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	26	<b>275,707</b>	275,707	<b>275,707</b>	275,707
Share premium		<b>57,251</b>	57,251	<b>57,251</b>	57,251
Other reserves	27	<b>152,055</b>	154,737	<b>19,048</b>	19,048
Retained earnings	28	<b>270,112</b>	242,995	<b>57,918</b>	57,032
Equity attributable to equity holders of the Company		<b>755,125</b>	730,690	<b>409,924</b>	409,038
Non-controlling interests		<b>27,811</b>	27,307	-	-
<b>Total Equity</b>		<b>782,936</b>	757,997	<b>409,924</b>	409,038
<b>Non-Current Liabilities</b>					
Borrowings	29	<b>72,049</b>	224,708	<b>22,500</b>	47,700
Long-term liabilities	32(a)	<b>3,757</b>	4,069	-	-
Deferred income	32(b)	<b>36,520</b>	35,320	-	-
Deferred tax liabilities	33	<b>82,120</b>	84,306	<b>26</b>	97
<b>Total Non-Current Liabilities</b>		<b>194,446</b>	348,403	<b>22,526</b>	47,797
<b>Current Liabilities</b>					
Borrowings	29	<b>244,934</b>	102,547	<b>79,147</b>	79,485
Trade and other payables	34	<b>121,506</b>	118,881	<b>128,782</b>	116,566
Tax payables		<b>52,945</b>	55,559	-	-
Deferred income	32(b)	<b>1,114</b>	1,160	-	-
<b>Total Current Liabilities</b>		<b>420,499</b>	278,147	<b>207,929</b>	196,051
<b>Total Liabilities</b>		<b>614,945</b>	626,550	<b>230,455</b>	243,848
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,397,881</b>	1,384,547	<b>640,379</b>	652,886

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2012

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
<b>As of 1 January, 2011</b>	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
<b>As of 31 December, 2011</b>	275,707	57,251	154,737	242,995	730,690	27,307	757,997
<b>As of 1 January, 2012</b>	275,707	57,251	154,737	242,995	730,690	27,307	757,997
Profit for the year	-	-	-	25,253	25,253	504	25,757
Other comprehensive income/(loss)	-	-	(2,682)	1,864	(818)	-	(818)
Total comprehensive income/(loss)	-	-	(2,682)	27,117	24,435	504	24,939
<b>As of 31 December, 2012</b>	275,707	57,251	152,055	270,112	755,125	27,811	782,936

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
<b>As of 1 January, 2011</b>	275,707	57,251	19,048	43,149	395,155
Total comprehensive income for the year - profit for the year	-	-	-	13,883	13,883
<b>As of 31 December, 2011</b>	275,707	57,251	19,048	57,032	409,038
<b>As of 1 January, 2012</b>	275,707	57,251	19,048	57,032	409,038
Total comprehensive income for the year - profit for the year	-	-	-	886	886
<b>As of 31 December, 2012</b>	275,707	57,251	19,048	57,918	409,924

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2012

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before tax	32,900	22,928	1,972	15,198
Adjustments for:				
Interest expense	20,358	17,667	8,756	9,676
Allowance for doubtful debts on trade and other receivables	5,411	6,612	-	-
Depreciation of other property, plant and equipment	7,346	4,813	247	243
Depreciation of hotel properties and exhibition centre & showroom	4,162	4,164	-	-
Bad debts written off	5,748	8,922	-	-
Amortisation of prepaid land lease payments	4,306	4,306	-	-
Fair value adjustment to long-term trade receivables	(918)	(909)	-	-
(Gain)/Loss on disposal of:				
Investment properties	-	16	-	-
Investment in associate	-	1,359	-	-
Other property, plant and equipment	(104)	(1,581)	-	-
Allowance for impairment losses on:				
Investment in subsidiaries	-	-	5,313	4,300
Available-for-sale financial assets	72	-	-	-
Other property, plant and equipment written off	114	17	-	-
Allowance for doubtful debts no longer required:				
Subsidiaries	-	-	(10)	(200)
Trade and other receivables	(694)	(966)	-	-
Amortisation of deferred income	(1,135)	(1,117)	-	-
Interest income	(1,269)	(1,372)	(208)	(400)
Share of results of associate	153	(443)	-	-
Share of results of jointly controlled entity	36	-	-	-
Net unrealised (gain)/loss on foreign exchange	(1)	20	-	-
Reversal of deferred income	(345)	(468)	-	-
Allowance for impairment losses no longer required:				
Investment in subsidiaries	-	-	(3,353)	-
Available-for-sale financial assets	-	(1,253)	-	-
Waiver of debts owing to:				
Subsidiaries	-	-	(34)	-
Related party	-	(15,343)	-	(15,343)
Other payables	-	(490)	-	(160)
Dividend income	-	-	(13,964)	(14,145)
Operating Profit/(Loss) Before Working Capital Changes	76,140	46,882	(1,281)	(831)
(Increase)/Decrease in:				
Inventories	117	1,931	-	-
Property development costs	14,127	8,322	-	-
Receivables	(32,739)	11,292	552	(1,303)
Increase/(Decrease) in:				
Long-term liabilities and deferred income	2,322	1,747	-	-
Payables	4,861	(17,957)	(641)	(13,500)
Subsidiaries	-	-	21,701	30,139
Cash Generated From Operations	64,828	52,217	20,331	14,505
Interest paid	(18,688)	(38,427)	(5,282)	(6,388)
Income tax paid	(11,043)	(8,965)	-	-
Net Cash From Operating Activities	35,097	4,825	15,049	8,117

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2012

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>					
Proceeds from disposal of:					
Other property, plant and equipment		108	5,343	-	-
Investment in associate		-	2,764	-	-
Investment properties		-	449	-	-
Interest received		1,269	1,372	208	400
Purchase of:					
Other property, plant and equipment (Note)		(15,165)	(8,651)	(103)	(15)
Investment properties		(498)	(2,947)	-	-
Hotel properties and exhibition centre & showroom		(18)	(3)	-	-
Investment in jointly controlled entity		(300)	-	-	-
Investment in subsidiaries		-	-	(7)	-
Prepayment of land lease		(85)	-	-	-
Dividend received		-	-	10,473	10,609
Net Cash (Used In)/From Investing Activities		(14,689)	(1,673)	10,571	10,994
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>					
Repayment of:					
Bank Guaranteed Commercial Paper/Medium Term Notes		(3)	(37,002)	-	-
Revolving credits		(7,200)	(8,103)	-	-
Hire purchase and lease creditors		(420)	(489)	(109)	(151)
Term loans		(23,924)	(36,086)	(25,200)	(21,000)
RSLs Series B		-	(68,822)	-	-
Drawdown of term loans		22,067	122,178	-	-
Net Cash Used In Financing Activities		(9,480)	(28,324)	(25,309)	(21,151)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>10,928</b>	<b>(25,172)</b>	<b>311</b>	<b>(2,040)</b>
Effects of foreign exchange rate changes		109	67	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>50,418</b>	<b>75,523</b>	<b>32</b>	<b>2,072</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	25	<b>61,455</b>	<b>50,418</b>	<b>343</b>	<b>32</b>

Note:

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total costs of property, plant and equipment	16,234	9,676	103	15
Less: Purchase consideration satisfied by:				
Hire-purchase payables	(320)	(86)	-	-
Payables	(749)	(939)	-	-
	15,165	8,651	103	15

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 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, associate and jointly controlled entity are disclosed in Notes 18, 19 and 20 respectively.

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

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

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of the directors on 22 April, 2013.

## 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 Malaysian Accounting Standards Board ("MASB") which became effective for annual periods beginning on or after 1 January, 2012 as follows:

FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Transfers of Financial Assets)
FRS 112	Income Taxes (Amendments relating to Deferred Tax - Recovery of Underlying Assets)
FRS 124	Related Party Disclosures (Revised)
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)
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of these new and revised FRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

### Malaysian Financial Reporting Standards Framework ("MFRS Framework")

On 19 November, 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the 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 the 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. However, on 30 June, 2012, the MASB decided to extend the aforementioned transitional period for another one year. Thus, Transitioning Entities are given an additional option to continue to apply the FRS Framework for annual periods beginning on or after 1 January, 2013. Consequently, the MFRS Framework will be mandatory for application for annual periods beginning on or after 1 January, 2014.

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 their financial statements for the financial year ending 31 December, 2014, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

### Malaysian Financial Reporting Standards Framework ("MFRS Framework") (cont'd)

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemption as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and the Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

### Standards and IC Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

FRS 7	Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB on October 2010) and Transition Disclosures] <sup>1</sup>
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures – Offsetting Financial Assets and Liabilities) <sup>2</sup>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2009) <sup>3</sup>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2010) <sup>3</sup>
FRS 10	Consolidated Financial Statements <sup>2</sup>
FRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance) <sup>2</sup>
FRS 11	Joint Arrangements <sup>2</sup>
FRS 11	Joint Arrangements (Amendments relating to Transition Guidance) <sup>2</sup>
FRS 12	Disclosure of Interests in Other Entities <sup>2</sup>
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Transition Guidance) <sup>2</sup>
FRS 13	Fair Value Measurement <sup>2</sup>
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income) <sup>4</sup>
FRS 116	Property, Plant and Equipment (Classification of servicing equipment) <sup>2</sup>
FRS 119	Employee Benefits (2011) <sup>2</sup>
FRS 127	Separate Financial Statements (2011) <sup>2</sup>
FRS 128	Investment in Associates and Joint Ventures <sup>2</sup>
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) <sup>5</sup>
FRS 134	Interim Financial Reporting <sup>2</sup>
IC Interpretation 2	Members' Shares in Cooperative Entities and Similar Instruments (Tax effect of distribution to holders of equity instruments) <sup>2</sup>
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine <sup>2</sup>
Amendments to FRSs contained in the document entitled Annual Improvements 2009 - 2011 cycle <sup>2</sup>	

<sup>1</sup> Effective immediately on issuance date of 1 March, 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 January, 2013

<sup>3</sup> Effective for annual periods beginning on or after 1 January, 2015 instead of 1 January, 2013 immediately upon the issuance of Amendments to FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and FRS 7 on 1 March, 2012

<sup>4</sup> Effective for annual periods beginning on or after 1 July, 2012

<sup>5</sup> Effective for annual periods beginning on or after 1 January, 2014

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 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Basis of Consolidation (cont'd)

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.

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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Business Combinations (cont'd)

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.

#### Investment 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 these financial statements using the equity method of accounting. Under the equity method, the investment in associates is carried in the statements 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 statements 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.

#### Jointly Controlled Entity

A jointly controlled entity is an entity in which the Group has joint control over its economic activity established under a contractual arrangement.

Investment in jointly controlled entity is accounted for in these financial statements by the equity method of accounting based on the management-prepared financial statements of the jointly controlled entity.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### **Jointly Controlled Entity (cont'd)**

Under the equity method of accounting, the Group's share of profits or losses of jointly controlled entity during the financial year is included in profit or loss.

Unrealised gains on transactions between the Group and its jointly controlled entity are eliminated to the extent of the Group's interest in the jointly controlled entity. Unrealised losses are eliminated unless cost cannot be recovered.

#### **Goodwill on Consolidation**

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

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

#### **Revenue Recognition**

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

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

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

#### **(i) Sale of properties**

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

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

#### **(ii) Revenue from Hotel Operations**

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

#### **(iii) Management Fees**

Management fees are recognised when services are rendered.

#### **(iv) Golf and Health Membership Fees**

Membership fees are recognised upon signing of the membership agreement.

#### **(v) Subscription Fees**

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



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Revenue Recognition (cont'd)

##### (vi) Timeshare Fees

Revenue from timeshare membership fees is recognised based on the nature of the services provided in relation to the timeshare fees. 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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Leases (cont'd)

##### (ii) Finance Leases - the Group as Lessee (cont'd)

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.

#### 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Foreign Currencies (cont'd)

##### (iii) Foreign Operations

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

- Assets and liabilities for each 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.

#### 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 profits 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 profits will be available to allow all or part of the asset to be recovered.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Taxation (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is 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.

#### 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

Freehold buildings	2%
Leasehold 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 76 to 180 years (2011: 77 to 181 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### 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.

#### 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.

#### Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments (cont'd)

##### (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.

##### (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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments (cont'd)

##### (a) Financial Assets (cont'd)

###### (iii) AFS Financial Assets (cont'd)

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.

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.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Financial Instruments (cont'd)

##### (a) Financial Assets (cont'd)

###### (v) Impairment of Financial Assets (cont'd)

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 as 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.

###### (iii) Financial Liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 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 (cont'd)

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.

###### (iv) Other Financial Liabilities

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

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

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

###### (v) Derecognition of Financial Liabilities

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

#### 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.

### 4. 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

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

##### (i) Classification between investment properties and property, plant and equipment (cont'd)

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 Golden Horses Health Sanctuary Programme ("GHHS") since 2006 and Traditional Chinese Medicine Programme ("TCM"). GHHS 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 25 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 their judgement, the directors considered the detailed criteria for the recognition of participation fees as revenue in FRS 118 Revenue and, in particular, whether it is probable the economic benefits associated with the transactions will flow to the Group. Following the assessment of the terms and conditions pursuant to the membership agreements, the limitation on the members' abilities for refund of the participation fees and the requirements for the payment of the rejoining fees for continuation of the membership, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the participation fees as revenue in the current financial year is appropriate upon execution of the membership agreements.

#### (b) Key sources of estimation uncertainty

The key assumption concerning the future, and other key sources of estimation uncertainty at the 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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

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

##### (iii) Property Development (cont'd)

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 17.

##### (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) Review of Estimated Useful Lives of Property, Plant and Equipment

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

##### (vii) Impairment of Property, Plant and Equipment

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, 2013, 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 Chockalingam P. Mohan, a register valuer of TD Aziz Sdn Bhd, an independent firm of professional valuers on 29 January, 2013, 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

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

#### (viii) Allowance for Doubtful Debts

The Group and the Company make allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowance is applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debts expense in the year in which such estimate has been changed. As of 31 December, 2012, allowance for doubtful debts on receivables provided by the Group and by the Company are as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amount owing by subsidiaries	-	-	196	206
Trade receivables	27,426	28,306	-	-
Sundry receivables	2,306	2,309	380	380
	<b>29,732</b>	30,615	<b>576</b>	586

#### (ix) Investment in Subsidiaries

Management exercises its judgment in estimating the recoverable amounts of such investment. As of 31 December, 2012, the Company recognised impairment losses on investment in subsidiaries of RM14,024,000 (2011: RM20,123,000).

## 5. REVENUE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Property development	131,347	58,261	-	-
Property investment	21,661	21,925	-	-
Hospitality and health	98,289	98,106	-	-
Others	2,419	3,548	-	-
Gross dividend income from unquoted shares	-	-	13,964	14,145
Management fees from subsidiaries	-	-	5,729	5,395
	<b>253,716</b>	181,840	<b>19,693</b>	19,540

## 6. COST OF SALES

	Group	
	2012 RM'000	2011 RM'000
Property development	53,741	17,498
Cost of inventories sold	6,668	4,641
Cost of services rendered	41,150	39,202
	<b>101,559</b>	61,341

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 7. FINANCE COSTS

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interest expense on:					
Bank Guaranteed Commercial Paper and Medium Term Notes		2,399	3,142	2,399	3,142
68,821,674 Redeemable Secured Loan Stocks 2004/2012 ("RSL Series B")		-	3,309	-	-
Term loans, revolving credits, and bank overdrafts		15,882	9,546	6,342	6,516
Hire purchase and lease		61	64	14	18
Others		2,016	1,741	1	-
		20,358	17,802	8,756	9,676
Less: Interest expense capitalised in qualifying assets					
- property development costs	17(b)	-	(135)	-	-
		20,358	17,667	8,756	9,676

### 8. PROFIT BEFORE TAX

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Employee benefits expense	10	55,617	50,194	4,268	3,618
Allowance for doubtful debts on trade and other receivables	22	5,411	6,612	-	-
Depreciation of:					
- other property, plant and equipment	14	7,346	4,813	247	243
- hotel properties and exhibition centre & showroom	13	4,162	4,164	-	-
Bad debts written off		5,748	8,922	-	-
Amortisation of prepaid land lease payments	16	4,306	4,306	-	-
Rental of premises		1,512	1,542	671	704
Lease rental expense		889	912	124	46
Fair value adjustment to long-term trade receivables		(918)	(909)	-	-
Auditors' remuneration:					
Statutory audit:					
- auditors of the Group		426	416	70	60
- other auditors		69	160	-	-
Non audit services:					
- auditors of the Group		55	123	5	5
- other auditors		33	58	-	-
Rental of equipment		225	238	-	-
Non-executive directors' remuneration	11	145	133	145	133
Executive directors' remuneration excluding benefits-in-kind	11	1,071	1,696	267	785
(Gain)/Loss on disposal of:					
- investment properties		-	16	-	-
- investment in associate		-	1,359	-	-
- other property, plant and equipment		(104)	(1,581)	-	-
Allowance for impairment losses in:					
- investment in subsidiaries		-	-	5,313	4,300
- available-for-sale financial assets		72	-	-	-
Other property, plant and equipment written off		114	17	-	-
Rental income		(2,825)	(3,188)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 8. PROFIT BEFORE TAX (cont'd)

Note	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Allowance for doubtful debts no longer required:				
- subsidiaries	-	-	(10)	(200)
- trade and other receivables	22 (694)	(966)	-	-
Amortisation of deferred income	(1,135)	(1,117)	-	-
Interest income on:				
- short-term deposits	(1,216)	(1,332)	-	(2)
- others	(53)	(40)	(208)	(398)
Bad debts recovered	(174)	(269)	-	-
Net unrealised (gain)/loss on foreign exchange	(1)	20	-	-
Reversal of deferred income	(345)	(468)	-	-
Allowance for impairment losses no longer required:				
Available-for-sale financial assets	-	(1,253)	-	-
Investment in subsidiaries	-	-	(3,353)	-
Waiver of debt owing to:				
- subsidiaries	-	-	(34)	-
- related party	-	(15,343)	-	(15,343)
- other payables	-	(490)	-	(160)

## 9. INCOME TAX EXPENSE/(CREDIT)

Note	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Estimated tax payable:				
Malaysian	6,586	2,005	1,134	1,097
Foreign	-	(25)	-	-
Under/(Over)provision in prior years	2,260	(1,328)	23	121
Tax saving from group relief	(147)	(663)	-	-
	8,699	(11)	1,157	1,218
Deferred tax expense:				
Relating to origination and reversal of temporary differences	(330)	(90)	-	-
Reversal of temporary differences in respect of depreciation on revaluation surplus	(318)	(569)	-	-
(Over)/Underprovision in prior years tax:				
Malaysian	(908)	57	(71)	97
Foreign	-	(1)	-	-
33	(1,556)	(603)	(71)	97
Tax expense/(credit) for the year	7,143	(614)	1,086	1,315

Malaysian income tax is calculated at the statutory income tax rate of 25% (2011: 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% (2011: 28%).

The group tax charge for the year has been reduced by RM147,000 (2011: RM663,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 9. INCOME TAX EXPENSE/(CREDIT) (cont'd)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	32,900	22,928	1,972	15,198
Tax at the applicable tax rate of 25% (2011: 25%)	8,225	5,732	493	3,799
Tax effects of:				
Non-deductible expenses	3,390	5,558	1,302	1,274
Non-taxable income	(1,329)	(6,675)	(661)	(3,976)
Utilisation of deferred tax assets previously not recognised	(4,030)	(2,725)	-	-
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties and exhibition centre & showroom	(318)	(569)	-	-
Group relief	(147)	(663)	-	-
(Over)/Underprovision in prior years in respect of:				
Current tax	2,260	(1,328)	23	121
Deferred tax	(908)	56	(71)	97
Tax expense/(credit) for the year	7,143	(614)	1,086	1,315

## 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Wages and salaries	42,576	38,002	3,569	2,963
Social security costs	444	442	21	16
Contribution to defined contribution plans	4,186	3,862	443	426
Other staff related expenses	8,411	7,888	235	213
	55,617	50,194	4,268	3,618

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 RM1,071,000 (2011: RM1,696,000) and RM267,000 (2011: RM785,000) respectively as further disclosed in Note 11.

## 11. 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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 11. DIRECTORS' REMUNERATION (cont'd)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Directors of the Company</b>					
<b>Non-Executive Directors</b>					
Fees and other emoluments		145	133	145	133
Benefits-in-kind		16	21	16	21
		161	154	161	154
<b>Executive Directors</b>					
Salaries, fee and other emoluments		238	703	238	703
Contribution to defined contribution plans		29	82	29	82
Benefits-in-kind		28	61	28	61
		295	846	295	846
		456	1,000	456	1,000
<b>Directors of Subsidiaries</b>					
<b>Executive Directors</b>					
Salaries and other emoluments		627	680	-	-
Bonus		78	119	-	-
Contribution to defined contribution plans		99	112	-	-
Benefits-in-kind		56	62	-	-
		860	973	-	-
<b>Analysis excluding benefits-in kind:</b>					
Total non-executive directors' remuneration	8	145	133	145	133
Total executive directors' remuneration excluding benefits-in-kind	8 & 10	1,071	1,696	267	785
Total directors' remuneration excluding benefits-in-kind	37(b)	1,216	1,829	412	918

## 12. 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	
	2012	2011
Profit attributable to ordinary equity holders of the Company (RM'000)	25,253	23,650
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	275,707	275,707
Basic earnings per share (sen)	9.16	8.58

### (b) Diluted

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 13. HOTEL PROPERTIES AND EXHIBITION CENTRE & SHOWROOM

Group	Note	Hotel Properties RM'000	Exhibition Centre & Showroom RM'000	Total RM'000
<b>At Valuation</b>				
As of 1 January, 2011		308,727	134,840	443,567
Additions		3	-	3
Transfer from other property, plant and equipment	14	28	-	28
As of 31 December, 2011/1 January, 2012		<b>308,758</b>	<b>134,840</b>	<b>443,598</b>
Additions		<b>18</b>	<b>-</b>	<b>18</b>
As of 31 December, 2012		<b>308,776</b>	<b>134,840</b>	<b>443,616</b>
<b>Accumulated Depreciation</b>				
As of 1 January, 2011		16,585	4,261	20,846
Charge for the year		3,312	852	4,164
As of 31 December, 2011/1 January, 2012		<b>19,897</b>	<b>5,113</b>	<b>25,010</b>
Charge for the year		<b>3,310</b>	<b>852</b>	<b>4,162</b>
As of 31 December, 2012		<b>23,207</b>	<b>5,965</b>	<b>29,172</b>
<b>Accumulated Impairment Losses</b>				
As of 31 December, 2011/2012		<b>24,162</b>	<b>61,545</b>	<b>85,707</b>
<b>Net Carrying Amount</b>				
As of 31 December, 2012		<b>261,407</b>	<b>67,330</b>	<b>328,737</b>
As of 31 December, 2011		264,699	68,182	332,881

Hotel properties comprise Palace of the Golden Horses and Mines Wellness Hotel held by Golden Horse Palace Berhad and Mines Wellness Hotel 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, 2013, 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 27 December, 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 29 January, 2013 by Chockalingam P.Mohan, a registered valuer of the independent professional valuer company, TD Aziz Sdn. Bhd., using the comparison method and depreciated replacement cost method.

As of 31 December, 2012, had the revalued hotel properties and exhibition centre & showroom of the Group been carried under the cost model, the carrying amount would have been RM235,844,000 (2011: RM238,810,000) and RM67,330,000 (2011: RM68,182,000) 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 29b(i), 29b(iii), 29b(v) and 29b(vii).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 14. 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
<b>Cost/Transitional Cost*</b>									
As of 1 January, 2012		7,269	7,071	93,620	74,478	61,219	7,830	8,816	260,303
Additions		1,224	-	13,461	1,135	38	376	-	16,234
Disposals		-	-	(202)	(3)	-	(389)	-	(594)
Write-offs		-	-	(198)	(323)	(107)	-	-	(628)
Reclassification		(6,306)	6,306	834	787	-	-	(1,621)	-
Exchange differences		-	-	(39)	-	(1,049)	(11)	-	(1,099)
As of 31 December, 2012		2,187	13,377	107,476	76,074	60,101	7,806	7,195	274,216
Representing:									
At cost		-	13,377	107,476	76,074	60,101	7,806	7,195	272,029
At transitional cost*		2,187	-	-	-	-	-	-	2,187
<b>Accumulated Depreciation</b>									
As of 1 January, 2012		616	2,698	81,268	70,945	9,959	6,681	-	172,167
Charge for the year		12	437	4,233	1,522	622	520	-	7,346
Disposals		-	-	(200)	(1)	-	(389)	-	(590)
Write-offs		-	-	(195)	(319)	-	-	-	(514)
Reclassification		(206)	206	(201)	201	-	-	-	-
Exchange differences		-	-	(36)	-	(114)	(11)	-	(161)
As of 31 December, 2012		422	3,341	84,869	72,348	10,467	6,801	-	178,248
<b>Net Carrying Amount</b>									
At cost		-	10,036	22,607	3,726	49,634	1,005	7,195	94,203
At transitional cost*		1,765	-	-	-	-	-	-	1,765
		1,765	10,036	22,607	3,726	49,634	1,005	7,195	95,968
<b>Cost/Transitional Cost*</b>									
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	15	-	-	(11)	-	-	-	-	(11)
Transfer to hotel properties and exhibition centre & showroom	13	-	-	(2,294)	3,769	(23)	(5)	(1,475)	(28)
Disposals		(4,176)	-	(107)	(51)	-	(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	93,620	74,478	61,219	7,830	8,816	260,303
Representing:									
At cost		-	7,071	93,620	74,478	61,219	7,830	8,816	253,034
At transitional cost*		7,269	-	-	-	-	-	-	7,269

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

Group	Freehold Land and Buildings RM'000	Leasehold Buildings RM'000	Office Furniture and Fittings RM'000	Plant, Machinery and Equipment RM'000	Golf Clubs & Courses and Boat Clubs RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
<b>Accumulated Depreciation</b>								
As of 1 January, 2011	896	2,403	85,602	67,294	9,484	6,406	-	172,085
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
<b>Net Carrying Amount</b>								
At cost	-	4,373	12,352	3,533	51,260	1,149	8,816	81,483
At transitional cost*	6,653	-	-	-	-	-	-	6,653
	6,653	4,373	12,352	3,533	51,260	1,149	8,816	88,136

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

Company	Office Furniture and Fittings RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Renovation RM'000	Total RM'000
<b>Cost</b>					
As of 1 January, 2011	63	196	932	105	1,296
Additions	1	14	-	-	15
As of 31 December, 2011/1 January, 2012	<b>64</b>	<b>210</b>	<b>932</b>	<b>105</b>	<b>1,311</b>
Additions	-	<b>100</b>	-	<b>3</b>	<b>103</b>
As of 31 December, 2012	<b>64</b>	<b>310</b>	<b>932</b>	<b>108</b>	<b>1,414</b>
<b>Accumulated Depreciation</b>					
As of 1 January, 2011	25	114	459	29	627
Charge for the year	6	42	185	10	243
As of 31 December, 2011/1 January, 2012	<b>31</b>	<b>156</b>	<b>644</b>	<b>39</b>	<b>870</b>
Charge for the year	<b>6</b>	<b>45</b>	<b>185</b>	<b>11</b>	<b>247</b>
As of 31 December, 2012	<b>37</b>	<b>201</b>	<b>829</b>	<b>50</b>	<b>1,117</b>
<b>Net Carrying Amount</b>					
As of 31 December, 2012	<b>27</b>	<b>109</b>	<b>103</b>	<b>58</b>	<b>297</b>
As of 31 December, 2011	33	54	288	66	441

(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 RM814,000 (2011: RM916,000).



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

- (b) Other property, plant and equipment with net carrying amount of RM26,406,000 (2011: RM24,152,000) are charged as security for borrowings as disclosed in Notes 29(a), 29(b)(v), 29(b)(iv), 29(b)(vii) and 29(c)(ii).
- (c) A subsidiary, Golden Horse Palace Berhad, is in the process of obtaining the strata titles for certain apartment units included in freehold buildings from the respective developers. The net book value of those apartment units amounted to RM1,978,000 (2011: RM787,000).
- (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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cost:				
Office, furniture and fittings	91,275	35,810	91	88
Plant, machinery and equipment	53,889	107,773	-	-
Motor vehicles	4,473	3,901	7	7
	<b>149,637</b>	147,484	<b>98</b>	95

## 15. INVESTMENT PROPERTIES

	Note	Group 2012 RM'000	2011 RM'000
At beginning of year		110,887	108,394
Additions from subsequent expenditure		498	2,947
Disposals		-	(465)
Transfer from:			
Property development cost	17(b)	8,305	-
Other property, plant and equipment	14	-	11
At end of year		<b>119,690</b>	110,887

The following investment properties are held under lease terms:

	Group 2012 RM'000	2011 RM'000
Leasehold land	54,976	47,820
Buildings	52,837	46,273
	<b>107,813</b>	94,093

The investment properties with carrying amount of RM106,903,000 (2011: RM106,405,000) are charged as security for borrowings as disclosed in Note 29b(v).

The rental income earned by the Group from its investment properties during the year amounted to RM7,695,000 (2011: RM7,035,000). Direct operating expenses arising from the investment properties during the year amounted to RM1,712,000 (2011: RM1,921,000).

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, 2013 by Chockalingam P.Mohan, 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, 2012

### 16. PREPAID LAND LEASE PAYMENTS

		Group	
	Note	2012 RM'000	2011 RM'000
At beginning of year		339,719	344,025
Additions		85	-
Amortisation for the year	8	(4,306)	(4,306)
At end of year		335,498	339,719

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 RM13,344,000 (2011: RM13,426,000), 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 RM319,595,000 (2011: RM323,707,000) are charged as security for borrowings as disclosed in Notes 29(a)(i), 29(b)(i), 29(b)(v), 29(b)(vii) and 29(c)(ii).

### 17. 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
<b>Cost/Carrying amount</b>				
Cost/Carrying amount				
As of 1 January, 2011		103,134	73,233	176,367
Additions		945	237	1,182
Transfer to property development costs	17(b)	(385)	-	(385)
As of 31 December, 2011/ 1 January, 2012		<b>103,694</b>	<b>73,470</b>	<b>177,164</b>
Additions		<b>1,392</b>	<b>146</b>	<b>1,538</b>
Overprovision of development cost in prior years		-	(4,654)	(4,654)
Transfer to inventories	24	(2,906)	-	(2,906)
As of 31 December, 2012		<b>102,180</b>	<b>68,962</b>	<b>171,142</b>

Included in land held for property development are certain parcels of land, with an aggregate carrying value of RM15,312,000 (2011: RM25,205,000), 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 RM61,656,000 (2011: RM61,394,000) are charged as security for borrowings as disclosed in Notes 29 and 31.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

### (b) Property Development Costs

		Group	
	Note	2012 RM'000	2011 RM'000
At beginning of year			
Freehold land - at cost		125,862	125,833
Leasehold land - at cost		163	163
Development expenditure		274,299	264,891
		<b>400,324</b>	390,887
Costs incurred during the year:			
Freehold land - at cost		-	51
Development expenditure		41,114	10,624
		<b>41,114</b>	10,675
Cost recognised as expense in profit or loss:			
Previous years		(330,520)	(310,760)
Current year		(36,702)	(19,760)
		<b>(367,222)</b>	(330,520)
Transfers from/(to) :			
Investment properties	15	(8,305)	-
Land held for property development	17(a)	-	385
Inventories	24	(17,171)	(1,623)
		<b>(25,476)</b>	(1,238)
At end of year		<b>48,740</b>	69,804

Included in property development costs incurred during the financial year is interest capitalised of RMNil (2011: RM135,000).

The property development costs with a carrying amount of RM20,529,000 (2011: RM25,051,000) are charged as security for borrowings as disclosed in Notes 29(b)(vi) and 31.

## 18. INVESTMENT IN SUBSIDIARIES

		Company	
		2012 RM'000	2011 RM'000
Unquoted shares, at cost		225,426	233,478
Investment in Cumulative Redeemable Preference Shares		414,053	414,053
		<b>639,479</b>	647,531
Less: Accumulated impairment losses		(14,024)	(20,123)
Net		<b>625,455</b>	627,408

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 18. INVESTMENT IN SUBSIDIARIES (cont'd)

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

- (a) Best Golden Inc ("BGI"), 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 November, 2012.
- (b) The Company received Notices of Strike-Off dated 13 September, 2012, and 28 September, 2012 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) Etika Cergas (M) Sdn Bhd\*
- (ii) Master Strike Sdn Bhd

\* An allowance for impairment loss in cost of investment in Etika Cergas (M) Sdn Bhd amounting to RM8,059,000 was written off against the cost of investment.

During the financial year, the Company held an Extraordinary General Meeting at which it was resolved that the following subsidiaries be wound-up voluntarily pursuant to Section 254(1)(b) of the Companies Act, 1965:

- (i) Country Heights Lifestyle Berhad
- (ii) Steady Prospect Sdn Bhd
- (iii) Kristal Peramah (M) 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, 2012.

On 30 May, 2012, Mines Marketing Sdn Bhd ("MMSB"), a wholly-owned indirect subsidiary, acquired the 100% equity interest, comprising 2 ordinary shares of RM1.00 each in Mines Global Holidays Sdn Bhd (formerly known as Mahligai Haruman Sdn Bhd) ("MGHSB"). MGHSB is a private limited company incorporated in Malaysia under the Companies Act, 1965 on 19 January, 2011, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

On 24 September, 2012, the Company entered into five separate Share Purchase Agreements to acquire an additional 40% of ordinary shares and 100% of preference shares in Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd ("MTDC"), a 60% owned subsidiary of the Company, from shareholders of MTDC for a total purchase consideration of RM5.00. MTDC is now a wholly-owned subsidiary of the Company.

On 2 November, 2012, the Company and a third party have respectively subscribed for additional 6,998 ("Subscription of Shares") and 3,000 ordinary shares of RM1.00 each in Tadika Sri Moral Sdn Bhd (formerly known as IMEC Education Services Sdn Bhd ("TSMSB")), a wholly-owned subsidiary of the Company, for cash at par. TSMSB has increased its issued and paid up share capital from RM2.00 to RM10,000 by an allotment of 9,998 ordinary shares of RM1.00 each. Following the Subscription of Shares, the equity interest of the Company in TSMSB has been diluted from 100% to 70%.

The details of the subsidiaries are as follows:

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2012 %	Equity Interest 2011 %
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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2012 %	Equity Interest 2011 %
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
#Steady Prospect Sdn Bhd	Malaysia	Investment holding	-	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
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
Magnitude Knight (M) Sdn Bhd	Malaysia	Investment holding	100	100
@Tadika Sri Moral Sdn Bhd (formerly known as IMEC Education Services Sdn Bhd)	Malaysia	Dormant	70	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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity Interest 2012 %	Equity Interest 2011 %
#Kristal Peramah (M) Sdn Bhd	Malaysia	Provision of project development services	-	100
Country Heights Education Sdn Bhd	Malaysia	Provision of educational related services	70	70
@Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd	Malaysia	Dormant	100	60
Mines Global Holidays & Travel Sdn Bhd	Malaysia	Dormant	60	60
<b>Subsidiary of Borneo Heights Sdn Bhd</b>				
@Borneo Highlands Hornbill Golf & Jungle Club Berhad	Malaysia	Ownership & operation of a golf course and club hotel	100	100
<b>Subsidiary of Country Heights Industries Sdn Bhd</b>				
#Master Strike Sdn Bhd	Malaysia	Property investment	-	100
<b>Subsidiaries of Country Heights Properties Sdn Bhd</b>				
#Best Golden Inc	British Virgin Islands	Dormant	-	100
Country Heights Development Melaka Sdn Bhd (formerly known as 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
<b>Subsidiary of Country Heights Development Melaka Sdn Bhd (formerly known as Country Heights Enterprise Sdn Bhd)</b>				
Country Heights Golden Lifestyle Sdn Bhd	Malaysia	Dormant	100	100
<b>Subsidiaries of Mines Holdings Sdn Bhd</b>				
@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 Wellness Hotel Berhad (formerly known as Mines Beach Resort Berhad)	Malaysia	Ownership & operator of a hotel	100	100
Kin No Uma Sdn Bhd	Malaysia	Dormant	100	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			2012 %	2011 %
@KHU Property Management Sdn Bhd (formerly known as KAT Events Sdn Bhd)	Malaysia	Dormant	100	100
WEXPO Sdn Bhd	Malaysia	Dormant	100	100
<b>Subsidiaries of East Vision Leisure Group Sdn Bhd</b>				
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
<b>Subsidiary of Mines International Exhibition Centre Sdn Bhd</b>				
@Mines Events Sdn Bhd	Malaysia	Dormant	100	100
<b>Subsidiaries of Country Heights Resorts &amp; Leisure Sdn Bhd</b>				
@Mines Premium Sdn Bhd	Malaysia	Solutions provider and promotion activities	100	100
<b>Subsidiaries of Golden Horse Palace Bhd</b>				
#Country Heights Lifestyle Berhad	Malaysia	Provision of leisure related services	-	100
@Mines Marketing Sdn Bhd	Malaysia	Provision of marketing services	100	100
<b>Subsidiary of Country Heights Health Tourism Sdn Bhd</b>				
@GHHS Wellness Sdn Bhd	Malaysia	Provision of health screening services and health programs	100	100
<b>Subsidiaries of Country Heights Property Development Berhad</b>				
@Profound Concept Sdn Bhd	Malaysia	Property investment	100	100
Endless Gain Sdn Bhd	Malaysia	Letting of shops	100	100
<b>Subsidiaries of Magnitude Knight (M) Sdn Bhd</b>				
+ @Country Heights Pecanwood Golf & Country Club (Pty) Ltd	South Africa	Ownership and operators of golf estate club	100	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 18. INVESTMENT IN SUBSIDIARIES (cont'd)

Names of Subsidiaries	Country of Incorporation	Principal Activities	Proportion of Ownership Interest	
			Equity 2012 %	Interest 2011 %
+ @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/wound up 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.				

## 19. INVESTMENT IN ASSOCIATE

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
In Malaysia:				
Unquoted shares, at cost	247	247	247	247
Group share of post-acquisition reserves	(41)	112	-	-
	206	359	247	247
Accumulated impairment losses	(206)	(206)	(206)	(206)
Net	-	153	41	41

The summarised financial information of the associate is as follows:

	Group	
	2012 RM'000	2011 RM'000
<b>Assets and liabilities</b>		
Current assets	954	1,157
Non-current assets	210	246
Total assets	1,164	1,403
Current liabilities	1,240	1,102
Non-current liabilities	-	-
Total liabilities	1,240	1,102
<b>Results</b>		
Revenue	2,163	1,615
Loss for the year	(378)	(185)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 19. INVESTMENT IN ASSOCIATE (cont'd)

The Group's interest in associate is analysed as follows:

	Group 2012 RM'000	2011 RM'000
Share of net assets	-	153

Details of the associate are as follows:

Names of Associate	Country of Incorporation	Principal Activities	Proportion of Ownership Interest Equity Interest	
			2012 %	2011 %
+ # Simplex Design Sdn. Bhd.	Malaysia	Interior designing, renovation, construction and other related services	47.50	47.50

+ Audited by other firm 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, 2012 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2012 and 31 December, 2012.

## 20. INVESTMENT IN JOINTLY CONTROLLED ENTITY

	Group 2012 RM'000	2011 RM'000
Unquoted shares:		
At cost	300	-
Share in post-acquisition results	(36)	-
	264	-

On 16 October, 2012, the Company through its indirect subsidiaries, Mines Marketing Sdn Bhd and Mines Global Holidays Sdn Bhd (formerly known as Mahligai Haruman Sdn Bhd) ("MGH") entered into a Subscription and Shareholders' Agreement ("SSA") with JaU Tour Co Ltd, a company incorporated in Korea, for the purpose of undertaking the following Joint Venture business:

- (i) To set up a travel agency business and the ancillary activities thereto; and
- (ii) To market inbound travel into Malaysia.

Details of the jointly controlled entity, which is incorporated in Malaysia, are as follows:

Name of Jointly Controlled Entity	Financial Year End	Effective Percentage Ownership		Principal Activities
		2012 %	2011 %	
Mines Global Holidays Sdn. Bhd. (Formerly known as Mahligai Haruman Sdn Bhd)	31 December	50	-	Travel Agency

The jointly controlled entity is audited by other firm of auditors.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 20. INVESTMENT IN JOINTLY CONTROLLED ENTITY (cont'd)

The summarised financial information in respect of the Group's jointly controlled entity is set out below:

	Group 2012 RM'000	2011 RM'000
<b>Assets and liabilities</b>		
Current assets	607	-
Non-current assets	25	-
Total assets	632	-
Current liabilities	103	-
Non-current liabilities	-	-
Total liabilities	103	-
<b>Results</b>		
Revenue	57	-
Loss for the year	(68)	-

### 21. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>At cost</b>				
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	(118)	(46)	-	-
Unquoted shares in Malaysia	(750)	(750)	-	-
	(868)	(796)	-	-
Net	2,186	2,258	718	718
Market value of quoted shares in Malaysia	120	192	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 22. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Current</b>					
<b>Trade receivables</b>					
Amount owing by subsidiaries	(b)	-	-	8,285	12,450
Owing by companies in which certain directors have interest		692	508	-	-
Third parties	(c)	75,305	65,351	-	-
		75,997	65,859	8,285	12,450
Less: Allowance for doubtful debts for third parties		(27,426)	(28,306)	-	-
Trade receivables, net		48,571	37,553	8,285	12,450
<b>Other receivables, deposits and prepayments</b>					
Amount owing by subsidiaries	(b)	-	-	490	5,563
Owing by companies in which certain directors have interest		3,719	2,268	155	464
Sundry receivables		19,280	10,450	380	623
Deposits		3,168	3,116	16	16
Prepayments		901	1,016	-	-
		27,068	16,850	1,041	6,666
Less: Allowance for doubtful debts:					
Amount owing by subsidiaries		-	-	(196)	(206)
Sundry receivables		(2,306)	(2,309)	(380)	(380)
		(2,306)	(2,309)	(576)	(586)
Other receivables, net		24,762	14,541	465	6,080
Total current receivables		73,333	52,094	8,750	18,530
<b>Non-current trade receivables</b>					
Third parties	(d)	18,459	16,506	-	-

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

		Group	
	Note	2012 RM'000	2011 RM'000
At beginning of year		28,306	32,120
Impairment loss recognised on receivables	8	5,411	6,517
Amount written off		(1,495)	(9,397)
Amount recovered	8	(694)	(934)
Impairment loss reversed		(4,102)	-
At end of year		27,426	28,306

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 22. 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Neither past due nor impaired	265	7,973	-	-
Past due but not impaired:				
30 days and below	24,158	5,008	579	670
31 to 60 days	4,210	3,431	454	621
61 to 90 days	789	5,662	515	387
91 to 120 days	1,029	1,438	529	397
121 days and above	18,120	14,041	6,208	10,375
	48,306	29,580	8,285	12,450
	48,571	37,553	8,285	12,450
Past due and impaired	27,426	28,306	-	-
Total trade receivables	75,997	65,859	8,285	12,450

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

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of year		2,309	4,185	380	380
Impairment loss recognised on receivables	8	-	95	-	-
Amount written off		(3)	(1,939)	-	-
Amount recovered	8	-	(32)	-	-
At end of year		2,306	2,309	380	380

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Neither past due nor impaired	23	266	-	-
Past due but not impaired:				
30 days and below	9,927	415	1	26
31 to 60 days	655	339	1	19
61 to 90 days	339	255	1	1
91 to 120 days	343	291	6	67
121 days and above	9,406	8,843	146	594
	20,670	10,143	155	707
	20,693	10,409	155	707
Past due and impaired	2,306	2,309	380	380
Total other receivables	22,999	12,718	535	1,087

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 22. 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	
	2012 RM'000	2011 RM'000
At beginning of year	206	406
Amount recovered	(10)	(200)
At end of year	196	206

### (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 22(d) below.

### (d) Trade receivables, non-current

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

## 23. GOODWILL ON CONSOLIDATION

	Group	
	2012 RM'000	2011 RM'000
<b>Cost</b>		
At beginning/end of year	35,130	35,130
<b>Accumulated impairment losses</b>		
At beginning/end of year	(35,130)	(35,130)
Net	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 24. INVENTORIES

		Group	
	Note	2012 RM'000	2011 RM'000
<b>At cost</b>			
Properties held for sale		74,002	86,268
Consumable materials		1,405	1,177
Transfer from:			
Land held for property development	17(a)	2,906	-
Property development cost	17(b)	17,171	1,623
		<b>95,484</b>	89,068
<b>At net realisable value</b>			
Properties held for sale		32,758	39,291
Total inventories		<b>128,242</b>	128,359

Inventories with a carrying value of RM19,535,000 (2011: RM14,730,000) are charged as security for borrowings as disclosed in Notes 29(b)(iii) and 29(c)(ii).

## 25. CASH AND BANK BALANCES

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deposits with licensed banks and other financial institutions	(a)	15,881	15,490	-	-
Cash on hand and at banks	(b)	47,453	37,919	343	32
Total cash and bank balances		<b>63,334</b>	53,409	<b>343</b>	32

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

- (i) A sum of RM1,896,000 (2011: RM1,817,000) pledged for bank guarantee facilities granted to certain subsidiaries;
- (ii) An amount of RM95,000 (2011: RM92,000) pledged for term loan facility granted to a subsidiary, Tindak Murni Sdn Bhd as disclosed in Note 29(b)(iii);
- (iii) An amount held under a trust account pursuant to a trust deed in relation to a timeshare membership scheme of a subsidiary of RM119,000 (2011: RM1,788,000); and
- (iv) An amount held under a trust account pursuant to a trust deed in relation to a golf membership scheme of a subsidiary of RM35,000 (2011: RMNil).

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

- (i) Amounts totalling RM4,605,000 (2011: RM3,704,000) 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 RM1,123,000 (2011: RM1,210,000) held under trust accounts pursuant to trust deeds in relation to a timeshare membership scheme of subsidiaries, Golden Horse Palace Berhad; and
- (iii) An amount of RM22,052,000 (2011: RM15,664,000) 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 RM15,728,000 (2011: RM10,248,000) 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 25. CASH AND BANK BALANCES (cont'd)

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

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash and bank balances		<b>63,334</b>	53,409	<b>343</b>	32
Bank overdrafts	29(a)	<b>(1,879)</b>	(2,991)	-	-
Cash and cash equivalents		<b>61,455</b>	50,418	<b>343</b>	32

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

	Group	
	2012 %	2011 %
Licensed banks and other financial institutions	<b>2.89</b>	2.95

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

	Group	
	2012 Days	2011 Days
Licensed banks	<b>30 to 365</b>	30 to 365

## 26. SHARE CAPITAL

	Group and Company	
	2012 RM'000	2011 RM'000
<b>Authorised:</b>		
5,050,000,000 ordinary shares of RM1 each	<b>5,050,000</b>	5,050,000
<b>Issued and fully paid:</b>		
275,707,403 ordinary shares of RM1 each	<b>275,707</b>	275,707

## 27. OTHER RESERVES

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Non-distributable:</b>					
Revaluation reserve	(a)	<b>143,339</b>	145,203	-	-
Translation reserve	(b)	<b>(10,389)</b>	(9,571)	-	-
Capital redemption reserve	(c)	<b>19,048</b>	19,048	<b>19,048</b>	19,048
Fair value reserve	(d)	<b>57</b>	57	-	-
		<b>152,055</b>	154,737	<b>19,048</b>	19,048

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 27. OTHER RESERVES (cont'd)

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	
	2012 RM'000	2011 RM'000
<b>Revaluation reserve - hotel properties</b>		
At beginning of year	145,203	147,065
Depreciation transfer on revalued hotel properties and exhibition centre & showroom and prepaid land lease payments	(1,864)	(1,862)
At end of year	143,339	145,203

### (b) Translation reserve

	Group	
	2012 RM'000	2011 RM'000
At beginning of year	(9,571)	(7,223)
Arising during the year	(818)	(2,348)
At end of year	(10,389)	(9,571)

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

### (c) Capital redemption reserve

	Group and Company	
	2012 RM'000	2011 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	
	2012 RM'000	2011 RM'000
At beginning/end of year	57	57

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 28. 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, 2012 to distribute cash dividend payments to ordinary shareholders as defined under the Finance Act 2007.

As of 31 December, 2012, the Company has tax exempt profits of approximately RM136,437,000 (2011: RM136,437,000) available for distribution, subject to the agreement of the Inland Revenue Board.

As of 31 December, 2012, 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.

## 29. BORROWINGS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Total borrowings - gross	<b>318,845</b>	330,673	<b>101,647</b>	127,185
Less : Debts issuance costs	<b>(1,862)</b>	(3,418)	-	-
Outstanding borrowings	<b>316,983</b>	327,255	<b>101,647</b>	127,185
Less : Portion due within one year, included under short-term borrowings	<b>(244,934)</b>	(102,547)	<b>(79,147)</b>	(79,485)
Total long-term borrowings	<b>72,049</b>	224,708	<b>22,500</b>	47,700

Detailed breakdown of borrowings are as follows:

		Group		Company	
	Note	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
<b>Short-term Borrowings</b>					
<b>Secured:</b>					
Bank Guaranteed Medium Term Notes	31	<b>10,000</b>	-	-	-
Bank overdrafts	(a),25	<b>1,879</b>	2,991	-	-
Bank Guaranteed Commercial Paper	31	<b>39,757</b>	-	-	-
Term loans	(b)	<b>124,125</b>	27,583	<b>25,200</b>	25,200
		<b>175,761</b>	30,574	<b>25,200</b>	25,200
<b>Unsecured:</b>					
Term loans	(b)	<b>53,908</b>	54,137	<b>53,908</b>	54,137
Revolving credits	(c)	<b>15,000</b>	17,400	-	-
Hire-purchase and finance lease payables	30	<b>265</b>	436	<b>39</b>	148
		<b>69,173</b>	71,973	<b>53,947</b>	54,285
Total Short-term Borrowings		<b>244,934</b>	102,547	<b>79,147</b>	79,485

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 29. BORROWINGS (cont'd)

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Long-term Borrowings</b>					
<b>Secured:</b>					
Term loans	(b)	68,298	166,468	22,500	47,700
Bank Guaranteed Commercial Paper	31	-	39,760	-	-
Bank Guaranteed Medium Term Notes	31	-	10,000	-	-
		68,298	216,228	22,500	47,700
<b>Unsecured:</b>					
Revolving credits	(c)	3,200	8,000	-	-
Hire-purchase and finance lease payables	30	551	480	-	-
		3,751	8,480	-	-
Total Long-term Borrowings		72,049	224,708	22,500	47,700
<b>Total Borrowings</b>					
Bank overdrafts	(a)	1,879	2,991	-	-
Term loans	(b)	246,331	248,188	101,608	127,037
Revolving credits	(c)	18,200	25,400	-	-
Hire purchase and finance lease payables	30	816	916	39	148
Bank Guaranteed Commercial Paper	31	39,757	39,760	-	-
Bank Guaranteed Medium Term Notes	31	10,000	10,000	-	-
		316,983	327,255	101,647	127,185

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Within one year	244,669	102,111	79,108	79,337
More than 1 year and less than 2 years	34,111	175,185	22,500	25,200
More than 2 years and less than 5 years	35,553	47,945	-	22,500
More than 5 years	1,834	1,098	-	-
	316,167	326,339	101,608	127,037

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:

		Group		Company	
	Note	2012 %	2011 %	2012 %	2011 %
Bank overdrafts	(a)	8.30	8.30	-	-
Term loans	(b)	6.50	6.80	8.60	8.50
Revolving credits	(c)	6.90	6.90	-	-
Bank Guaranteed Commercial Paper	31	4.15	4.10	-	-
Bank Guaranteed Medium Term Notes	31	7.10	7.10	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 29. BORROWINGS (cont'd)

### (a) Bank overdrafts

		Group	
	Note	2012 RM'000	2011 RM'000
<b>Short-term</b>			
Secured:			
RM3,000,000 facility	(i)	1,879	2,991
South African Rand 750,000 facility	(ii)	-	-
Total bank overdrafts	25	1,879	2,991

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

(i) Overdraft facility of RM2,280,000 (2011: 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 RM6,262,000 (2011: RM6,345,000) held by Country Heights W.T.C. Sdn Bhd as disclosed in Note 14;
- A lien-holder's caveat over prepaid land lease payments with a carrying value of RM3,784,000 (2011: RM3,883,000) held by Country Heights W.T.C. Sdn Bhd as disclosed in Note 16;
- 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% (2011: 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 RM10,737,000 (2011: RM11,791,000) held by PGCC included in other property, plant and equipment as disclosed in Note 14.

The said overdraft facility bears interest at 12.5% (2011: 12.5%) per annum.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 29. BORROWINGS (cont'd)

### (b) Term loans

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Short-term</b>					
<b>Secured:</b>					
RM75,000,000 facility	(i)	25,200	25,200	25,200	25,200
RM50,000,000 facility	(iii)	6,795	2,295	-	-
RM1,733,000 facility	(iv)	90	88	-	-
RM92,909,260 facility	(v)	92,040	-	-	-
		124,125	27,583	25,200	25,200
<b>Unsecured:</b>					
RM84,452,000 facility	(ii)	53,908	54,137	53,908	54,137
		178,033	81,720	79,108	79,337
<b>Long-term</b>					
<b>Secured:</b>					
RM75,000,000 facility	(i)	22,500	47,700	22,500	47,700
RM50,000,000 facility	(iii)	38,936	26,731	-	-
RM1,733,000 facility	(iv)	1,500	1,591	-	-
RM92,909,260 facility	(v)	-	90,446	-	-
RM15,400,000 facility	(vi)	1,999	-	-	-
RM15,000,000 facility	(vii)	3,363	-	-	-
		68,298	166,468	22,500	47,700
Total term loans		246,331	248,188	101,608	127,037

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

- (i) 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 Notes 13 and 16.

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 commenced 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.

- (ii) 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 to 22 December, 2013.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 29. BORROWINGS (cont'd)

#### (b) Term loans (cont'd)

- (iii) 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. Subsequently on 29 September, 2012, TMSB obtained remaining drawdown of RM10,000,000 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) 8 lots of Country Heights Kajang Bungalow Lots held by a related company, Country Heights Sdn Bhd, with a carrying value of RM407,000 as disclosed in Note 24;
- (ii) 30 units of Cyber Heights Villa (Phase 1) and 7 units of Cyber Heights Villa (Phase 4) held by the Company, with a carrying value of RM10,031,000 as disclosed in Note 24;
- (iii) 15 lots of Mines Resort Bungalow Lots held by a related company, Walum Enterprise Sdn Bhd, with a carrying value of RM4,298,000 as disclosed in Note 24; and
- (iv) Mines Wellness Hotel belonging to a related company, Mines Wellness Hotel Berhad (formerly known as Mines Beach Resort Berhad), with a carrying value of RM55,746,000 as disclosed in Note 13.

- (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 30 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.

TL2 is also secured by fixed deposits, including principal and interest of RM95,000 (2011: RM92,000) as disclosed in Note 25.

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.

- (iv) 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 as disclosed in Note 14, 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 2012 is 6.60% (2011: 6.30%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 29. BORROWINGS (cont'd)

#### (b) Term loans (cont'd)

- (v) 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 as disclosed in Notes 13 and 16.
  - 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 as disclosed in Notes 14, 15 and 16.

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.

- (vi) A bridging loan facility of RM15,400,000 granted to a subsidiary, College Heights Utara Sdn Bhd ("CHUSB") which is secured by the following:
- Third party first legal charge over the project land held under PT Nos. 1097 to 1269, PT Nos. 1352 to 1355, PT Nos 1365, Title Nos. HS(D) 16989 to 17161, Title Nos HS(D) 17180 to 17183 and HS(D) 17190, Mukim of Bandar Darul Aman and Lot No. 503. Title No. GM 240, Mukim of Bukit Tinggi, Kubang Pasu, Kedah as disclosed in Note 17(b);
  - Specific debenture with Power of Attorney over the project land and future development to be carried out on the project land;
  - Power of Attorney to deal with the project land including future development with step in right and etc;
  - Corporate guarantee by the Company; and
  - Facility agreement between CHUSB and the bank.

The bridging loan shall be repayable within 36 months from the first disbursement on 18 April, 2012 and principal repayment by way of redemption settlement of sold units fixed at 30% of the units selling price.

The bridging loan bears interest at cost of fund plus 1.5% on monthly rest until the full settlement of loan.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 29. BORROWINGS (cont'd)

### (b) Term loans (cont'd)

(vii) A term loan facility of RM15,000,000 granted to a subsidiary, Golden Horse Palace Bhd ("GHPB") which is secured by the following:

- Facility agreement between GHPB and the bank.
- First party first legal charge over 20 units Country Villas located at Country Heights, Kajang held in the Mukim of Kajang in the District of Hulu Langat in the State of Selangor as disclosed in Note 14.
- First party second legal charge over land and building known as Palace of The Golden Horses ("PGH") held under PT 16713, HS(D) 59885 Mukim and District of Petaling, State of Selangor as disclosed in Notes 13 and 16.
- Debenture incorporating first fixed and floating charges over all the assets of GHPB, both movable and immovable.
- An assignment over GHPB's all rights, interest and benefits under:
  - (a) All agreements in relation to the refurbishment works of PGH ("project");
  - (b) Insurance policies in respect of the project;
  - (c) Debt service reserve account/project account (if any).
- Deed of subordination created by the Company in favour of the bank in respect of all advances made to GHPB in a form of substance satisfactory to the bank.
- Letter of undertaking from the Company to provide cash-injection to cover cost-overrun during construction/refurbishment period and/or cash flow deficit during operational period.
- Corporate guarantee by the Company.

The term loan shall repayable within 72 months including grace period of 12 months, from the first disbursement on 16 November, 2012. The term loan bears interest fixed at 4.60% per annum.

### (c) Revolving credits

		Group	
	Note	2012 RM'000	2011 RM'000
<b>Short-term</b>			
Unsecured:			
RM15,000,000 facility	(i)	10,200	12,600
RM30,000,000 (restructured) facility	(ii)	4,800	4,800
		<b>15,000</b>	17,400
<b>Long-term</b>			
Unsecured:			
RM30,000,000 (restructured) facility	(ii)	3,200	8,000
Total revolving credits		<b>18,200</b>	25,400

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 29. BORROWINGS (cont'd)

### (c) Revolving credits (cont'd)

- (i) 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% (2011: 2.5%) above Cost of Fund. The short-term revolving credit is repayable on demand.

- (ii) 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 (2011: RM4,799,000) as disclosed in Note 24; 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 RM10,046,000 (2011: RM10,178,000) as disclosed in Notes 14 and 16.

The revolving credit facility bears interest at 2.5% (2011: 2.5%) above Cost of Fund.

## 30. HIRE-PURCHASE AND FINANCE LEASE PAYABLES

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Minimum lease payments:</b>					
Not later than 1 year		307	473	44	155
Later than 1 year but not later than 2 years		190	250	-	31
Later than 2 years but not later than 5 years		293	277	-	-
Later than 5 years		146	22	-	-
		936	1,022	44	186
Less: Future finance charges		(120)	(106)	(5)	(38)
Present value of finance lease liabilities		816	916	39	148
<b>Present value of finance lease liabilities:</b>					
Not later than 1 year		265	436	39	148
Later than 1 year but not later than 2 years		164	200	-	-
Later than 2 years but not later than 5 years		253	258	-	-
Later than 5 years		134	22	-	-
		816	916	39	148
<b>Analysed as:</b>					
Due within 12 months	29	265	436	39	148
Due after 12 months	29	551	480	-	-
		816	916	39	148

The hire-purchase and finance lease payables bear interest at rates ranging between 2.20% to 4.95% (2011: 2.20% to 4.95%) per annum.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 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 RM61,656,000 (2011: RM61,394,000) and RM20,529,000 (2011: RM25,051,000) respectively as disclosed in Notes 17 (a) and 17 (b); and
- (h) Any other security to be advised by the Guarantor and/or its legal counsel and agreed by the Issuer.

The terms of CP and MTN arrangements contain various covenants, including the following:

- (i) the Issuer must maintain a Debt Equity Ratio of not more than 2.5 times at all times; and
- (ii) the Issuer must maintain a Debt Service Cover Ratio of not less than 1.2 times at all times.

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

	<b>Group</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank Guaranteed Medium Term Notes Nominal value	<b>10,000</b>	10,000
Bank Guaranteed Commercial Paper Nominal value	<b>40,000</b>	40,034
Less: Unamortised discount*	<b>(243)</b>	(274)
Net	<b>39,757</b>	39,760

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 32. LONG-TERM LIABILITIES AND DEFERRED INCOME

	Note	Group 2012 RM'000	2011 RM'000
<b>Long-Term Liabilities:</b>			
Unsecured			
Golf membership loans	(a)	3,757	4,069
Deferred income	(b)	36,520	35,320
		<b>40,277</b>	39,389
<b>Short-Term Liabilities:</b>			
Unsecured			
Deferred income	(b)	1,114	1,160
		<b>41,391</b>	40,549

(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.

## 33. DEFERRED TAX LIABILITIES/(ASSETS)

	Note	Group		Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
At beginning of year		77,667	78,244	97	-
(Credit)/Charge to profit or loss for the year:	9				
Investment properties		-	(38)	-	-
Revaluation surplus		(1,125)	(1,097)	-	-
Land held for property development		(177)	(121)	-	-
Property development costs		716	421	-	-
Others		(5)	5	-	-
Unused tax losses		(38)	2	-	-
Unabsorbed capital allowances		(927)	225	(71)	97
		<b>(1,556)</b>	(603)	<b>(71)</b>	97
(Credit)/Charge to equity for the year:					
Exchange differences		(11)	26	-	-
At end of year		<b>76,100</b>	77,667	<b>26</b>	97

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Deferred tax assets	(6,020)	(6,639)	-	-
Deferred tax liabilities	82,120	84,306	26	97
	<b>76,100</b>	<b>77,667</b>	<b>26</b>	<b>97</b>

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Deferred tax assets</b>				
Temporary differences arising from:				
Property development costs	(5,745)	(6,461)	-	-
Others	(201)	(185)	-	-
Unused tax losses	(74)	(36)	-	-
Unabsorbed capital allowances	-	43	-	-
	<b>(6,020)</b>	<b>(6,639)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax liabilities</b>				
Temporary differences arising from:				
Investment properties	378	378	-	-
Revaluation surplus	79,947	81,072	-	-
Land held for property development	1,658	1,835	-	-
Unabsorbed capital allowances	137	1,021	26	97
	<b>82,120</b>	<b>84,306</b>	<b>26</b>	<b>97</b>

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, 2012, the estimated 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	
	2012 RM'000	2011 RM'000
Unused tax losses	138,857	138,078
Unabsorbed capital allowances	164,748	181,645
Unabsorbed investment tax allowances	175,086	175,086
	<b>478,691</b>	<b>494,809</b>

The carried forward unused tax losses, unabsorbed capital allowances and unabsorbed investment tax allowances are subject to the agreement of the tax authorities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

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

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	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Trade payables</b>					
Third parties	(a)	<b>22,497</b>	18,972	-	-
Due to companies in which certain directors have interest		<b>793</b>	3,564	-	-
Retentions		<b>4,012</b>	2,542	-	-
Trade accruals		<b>5,829</b>	7,170	-	-
		<b>33,131</b>	32,248	-	-
<b>Other payables and accrued expenses</b>					
Amount due to subsidiaries	(b)	-	-	<b>115,553</b>	103,141
Accruals		<b>16,723</b>	21,091	<b>795</b>	622
Sundry payables		<b>32,438</b>	25,098	<b>747</b>	809
Deposits received		<b>9,813</b>	12,599	-	-
Provision for tax penalty		<b>11,979</b>	12,597	-	-
Provision for liquidated ascertained damages		<b>196</b>	1,357	-	-
Due to companies in which certain directors have interest	(c)	<b>17,226</b>	13,891	<b>11,687</b>	11,994
		<b>88,375</b>	86,633	<b>128,782</b>	116,566
		<b>121,506</b>	118,881	<b>128,782</b>	116,566

(a) The normal credit terms granted to the Group range from 30 to 45 days.

(b) The amounts due to subsidiaries are unsecured, non-interest bearing and are repayable on demand.

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

- (i) Cash payment portion of the purchase consideration amounting to RM11,214,000 (2011: 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 RM590,000 (2011: RM590,000) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 35. COMMITMENTS

	Group	
	2012 RM'000	2011 RM'000
<b>Capital commitments:</b>		
Approved and contracted for	19,087	20,437
Approved but not contracted for	51,218	51,218
	<b>70,305</b>	<b>71,655</b>

## 36. CONTINGENT LIABILITIES

	Company	
	2012 RM'000	2011 RM'000
<b>Secured:</b>		
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	194,769	172,224
	<b>194,769</b>	<b>172,224</b>
	Group	
	2012 RM'000	2011 RM'000
<b>Unsecured:</b>		
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	-	-
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
Bank guarantees given to suppliers for the purpose of hotel utilities	1,024	827
Bank guarantees given to related parties for the purpose of utilities	840	526
	<b>15,079</b>	<b>14,730</b>
	<b>15,079</b>	<b>14,730</b>

\* 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") 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(c)(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") 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 together with interest at 8% thereon. The Plaintiff had on 26 March, 2010 served the Summons on TMSB and TMSB has filed the memorandum of appearance vide its Solicitors on 1 April, 2010 and a Statement of Defence was filed on 14 April, 2010. Subsequently, the Defendant's solicitors have filed the application to strike out the summons on 25 May, 2010. The court had on 24 May, 2012 dismissed the Defendant's application with costs. The Plaintiff subsequently filed a Summary Judgment application in Court and the same is fixed for Case Management on 22 April, 2013.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Insurance expenses	1,309	1,221	46	25
Rental expenses	459	198	-	-
Consultation fees	137	329	-	-
Maintenance services	(77)	(67)	-	-
Rental income	(111)	(93)	-	-

(ii) Transactions with directors of the Company:

	Group	
	2012 RM'000	2011 RM'000
Rental expense paid to Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	10	32

(iii) Transactions with subsidiaries

	Company	
	2012 RM'000	2011 RM'000
Dividend received from subsidiaries, net of tax	(10,473)	(10,609)
Management fees receivable from subsidiaries	(5,729)	(5,395)
Rental of premises payable to a subsidiary	669	700

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

	Group	
	2012 RM'000	2011 RM'000
Disposal of indirect associate's shares to DSI	-	2,764

(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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Salaries and other emoluments	1,327	1,876	700	1,196
Bonuses	127	337	49	218
Pension costs - defined contribution plans	183	276	84	165
Director fees	98	108	98	108
	1,735	2,597	931	1,687

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 37. SIGNIFICANT RELATED PARTY TRANSACTIONS (cont'd)

(b) Compensation of key management personnel (cont'd)

Included in the total compensation of key management personnel are:

		Group		Company	
	Note	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Directors' remuneration	11	1,216	1,829	412	918

### 38. FINANCIAL INSTRUMENTS

#### Financial Risk Management Objectives and Policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its 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 29 and 25 respectively) and equity of the Group (comprising issued share capital, other reserves, non-controlling interests and retained earnings as detailed in Notes 26 to 28).

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	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Borrowings	29	316,983	327,255	101,647	127,185
Cash and bank balances	25	(63,334)	(53,409)	(343)	(32)
Net debt		253,649	273,846	101,304	127,153
Equity		782,936	757,997	409,924	409,038
Net debt to equity ratio		32.4%	36.1%	24.7%	31.1%

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 38. FINANCIAL INSTRUMENTS (cont'd)

### Categories of financial instruments

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>Financial Assets</b>				
Available-for-sale financial assets	2,186	2,258	718	718
Loans and receivables:				
Long-term trade receivables	18,459	16,506	-	-
Trade and other receivables	72,432	51,078	8,750	18,530
Cash and bank balances	63,334	53,409	343	32
	<b>156,411</b>	<b>123,251</b>	<b>9,811</b>	<b>19,280</b>
<b>Financial Liabilities</b>				
Amortised cost:				
Borrowings	316,983	327,255	101,647	127,185
Long-term liabilities	3,757	4,069	-	-
Trade and other payables	82,795	71,237	127,987	115,944
	<b>403,535</b>	<b>402,561</b>	<b>229,634</b>	<b>243,129</b>

### 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 Management

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, 2012. 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.

### 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 has 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 38. FINANCIAL INSTRUMENTS (cont'd)

### Interest Rate Risk Management (cont'd)

#### Interest rate sensitivity analysis (cont'd)

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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
<b>Floating rate liabilities</b>				
Bank overdrafts	9	15	-	-
Term loans	962	970	239	365
Revolving credits	91	127	-	-
Bank Guaranteed Commercial Paper	199	199	-	-
Bank Guaranteed Medium Term Notes	50	50	-	-
	<b>1,311</b>	1,361	<b>239</b>	365

### 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.

### 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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Amount owing by companies in which certain directors have interest:				
Trade receivables	692	508	-	-
Other receivables	3,719	2,268	155	464
	<b>4,411</b>	2,776	<b>155</b>	464
Amount owing by subsidiaries	-	-	<b>8,579</b>	17,807
	<b>4,411</b>	2,776	<b>8,734</b>	18,271
Total receivables	<b>87,723</b>	64,468	<b>8,734</b>	18,514
% over total receivables	<b>5.0%</b>	4.3%	<b>100.0%</b>	98.7%

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 38. FINANCIAL INSTRUMENTS (cont'd)

#### Credit Risk Management (cont'd)

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

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Amount due to companies in which certain directors have interest:				
Trade payables	793	3,564	-	-
Other payables	17,226	13,891	11,687	11,994
	18,019	17,455	11,687	11,994
Amount due to subsidiaries	-	-	115,553	103,141
	18,019	17,455	127,240	115,135

#### 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.

As of 31 December, 2012, the current liabilities exceeded the current assets of the Group by RM100,582,000. The current liabilities of the Group arose mainly from the borrowings totalling RM244,934,000, which mainly comprise term loans and bank guaranteed commercial paper and medium term notes of RM124,125,000 and RM49,757,000 respectively as of 31 December, 2012, and a short-term interest-free loan amounting to RM53,908,000 granted by a director of the Company to the Company which is due for repayment before 21 December, 2013 as disclosed in Note 29. Management is actively pursuing refinancing arrangements in order to meet the short-term obligations.

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 38. FINANCIAL INSTRUMENTS (cont'd)

### Liquidity Risk Management (cont'd)

		2012			
	Contractual interest rate %	Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	Total RM'000
<b>Group</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables	-	82,795	-	-	82,795
Term loans	-	-	53,908	-	53,908
Long-term liabilities	-	-	-	3,757	3,757
		82,795	53,908	3,757	140,460
Interest bearing:					
Term loans	6.5%	4,215	119,910	68,298	192,423
Bank Guaranteed Commercial Paper	4.15%	-	39,757	-	39,757
Bank Guaranteed Medium Term Notes	7.1%	-	10,000	-	10,000
Revolving credits	6.9%	1,200	13,800	3,200	18,200
Hire-purchase and finance lease payables	2.2% - 4.95%	44	221	551	816
Bank overdrafts	8.3%	1,879	-	-	1,879
		7,338	183,688	72,049	263,075
<b>Total financial liabilities</b>		<b>90,133</b>	<b>237,596</b>	<b>75,806</b>	<b>403,535</b>
<b>Company</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables	-	127,987	-	-	127,987
Term loans	-	-	53,908	-	53,908
Financial guarantee contracts*	-	-	-	-	-
		127,987	53,908	-	181,895
Interest bearing:					
Term loans	8.6%	4,200	21,000	22,500	47,700
Hire-purchase and finance lease payables	2.2% - 3.46%	15	24	-	39
		4,215	21,024	22,500	47,739
<b>Total financial liabilities</b>		<b>132,202</b>	<b>74,932</b>	<b>22,500</b>	<b>229,634</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 38. FINANCIAL INSTRUMENTS (cont'd)

### Liquidity Risk Management (cont'd)

Group	Contractual interest rate %	2011			Total RM'000
		Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	
<b>Financial liabilities</b>					
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	2.2% - 4.95%	80	356	480	916
Bank overdrafts	8.3%	2,991	-	-	2,991
		9,080	39,330	224,708	273,118
<b>Total financial liabilities</b>		<b>80,317</b>	<b>93,467</b>	<b>228,777</b>	<b>402,561</b>

### 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	2.2% - 3.46%	25	123	-	148
		4,225	21,123	47,700	73,048
<b>Total financial liabilities</b>		<b>120,169</b>	<b>75,260</b>	<b>47,700</b>	<b>243,129</b>

\* 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 RM1,864,000 (2011: RM1,515,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 38. FINANCIAL INSTRUMENTS (cont'd)

### 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
<b>Financial Assets</b>					
<b>2012</b>					
<b>Available-for-Sale:</b>					
Quoted shares in Malaysia	21	122	120	-	-
Unquoted shares in Malaysia	21	1,250	1,250	-	-
Memberships	21	814	^	718	^
<b>Loans and Receivables:</b>					
Long-term trade receivables	22	18,459	18,459	-	-
Trade and other receivables	22	72,432	72,432	8,750	8,750
Cash and bank balances	25	63,334	63,334	343	343

### 2011

#### Available-for-Sale:

Quoted shares in Malaysia	21	194	192	-	-
Unquoted shares in Malaysia	21	1,250	1,250	-	-
Memberships	21	814	^	718	^

#### Loan and Receivables:

Long-term trade receivables	22	16,506	16,506	-	-
Trade and other receivables	22	51,078	51,078	18,530	18,530
Cash and bank balances	25	53,409	53,409	32	32

### Financial Liabilities

### 2012

#### Amortised Cost:

Bank overdrafts	29	1,879	1,879 #	-	-
Term loans	29	246,331	246,331 #	101,608	101,608 #
Revolving credits	29	18,200	18,200 #	-	-
Bank Guaranteed Commercial Paper	29	39,757	39,757 #	-	-
Bank Guaranteed Medium Term Notes	29	10,000	10,000 #	-	-
Hire-purchase and finance lease payables	30	816	816 #	39	39 #
Long-term liabilities	32	3,757	**	-	-
Trade and other payables	34	82,795	82,795	127,987	127,987

### 2011

#### Amortised Cost:

Bank overdrafts	29	2,991	2,991 #	-	-
Term loans	29	248,188	248,188 #	127,037	127,037 #
Revolving credits	29	25,400	25,400 #	-	-
Bank Guaranteed Commercial Paper	29	39,760	39,760 #	-	-
Bank Guaranteed Medium Term Notes	29	10,000	10,000 #	-	-
Hire-purchase and finance lease payables	30	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, 2012

### 38. FINANCIAL INSTRUMENTS (cont'd)

#### Fair Values (cont'd)

- \* 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

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
<b>2012</b>						
<b>Revenue</b>						
External sales	131,347	21,661	98,289	2,419	-	253,716
Inter-segment sales	4,066	1,900	28,417	19,694	(54,077)	-
<b>Total revenue</b>	<b>135,413</b>	<b>23,561</b>	<b>126,706</b>	<b>22,113</b>	<b>(54,077)</b>	<b>253,716</b>
<b>Results</b>						
Segment results	46,723	1,882	6,566	10,798	(12,522)	53,447
Profit from operations						53,447
Finance costs						(20,358)
Share of results of associate						(153)
Share of results of jointly controlled entity						(36)
Profit before tax						32,900
Income tax expense						(7,143)
<b>Profit for the year</b>						<b>25,757</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 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 Consolidated RM'000
<b>2012</b>						
<b>Assets</b>						
Segment assets	479,018	338,333	565,075	2,903	-	1,385,329
Tax recoverable	1,104	75	313	4,776	-	6,268
Deferred tax assets	6,020	-	-	-	-	6,020
Investment in jointly controlled entity	-	-	264	-	-	264
Consolidated total assets						1,397,881
<b>Liabilities</b>						
Segment liabilities	188,610	102,877	72,782	115,611	-	479,880
Deferred tax liabilities	3,756	28,318	50,020	26	-	82,120
Tax payables	53,383	988	378	(1,804)	-	52,945
Consolidated total liabilities						614,945
<b>Other Information</b>						
Capital expenditure	238	1,209	14,861	527	-	16,835
Depreciation/Amortisation	683	3,699	11,021	410	-	15,813
Allowance for doubtful debts	158	273	4,980	-	-	5,411
Bad debts written off	248	-	5,500	-	-	5,748
Allowance for impairment losses on available-for-sale financial assets	-	72	-	-	-	72
Other property, plant and equipment written off	107	-	7	-	-	114
Allowance for doubtful debts no longer required	(52)	-	(642)	-	-	(694)
	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
<b>2011</b>						
<b>Revenue</b>						
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
<b>Results</b>						
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 associate						443
Profit before tax						22,928
Income tax credit						614
Profit for the year						23,542



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

### 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 Consolidated RM'000
<b>2011</b>						
<b>Assets</b>						
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
<b>Liabilities</b>						
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
<b>Other Information</b>						
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 no longer required	(628)	-	(331)	(7)	-	(966)
Allowance for impairment losses on available-for-sale financial assets no longer required	(1,250)	(3)	-	-	-	(1,253)
Other property, plant and equipment written off	12	-	5	-	-	17
Bad debts written off	29	-	8,883	10	-	8,922

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2012

## 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
<b>2012</b>			
Malaysia	245,194	1,382,477	16,779
South Africa	8,522	15,404	56
	<b>253,716</b>	<b>1,397,881</b>	<b>16,835</b>
<b>2011</b>			
Malaysia	172,643	1,364,173	12,500
South Africa	9,197	20,375	126
Others	-	(1)	-
	<b>181,840</b>	<b>1,384,547</b>	<b>12,626</b>

## 40. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the statements of financial position of the Group have been reclassified to conform with the current year's presentation as follows:

	As previously reported RM'000	Reclassification RM'000	As reclassified RM'000
<b>Non-Current Assets</b>			
Land held for property development	183,243	(6,079)	177,164
<b>Current Assets</b>			
Property development costs	63,725	6,079	69,804

## 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 is as follows:

	Group		Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
<b>The share of retained earnings of the Company and its subsidiaries:</b>				
Realised	<b>468,752</b>	447,381	<b>57,944</b>	57,129
Unrealised	<b>(78,162)</b>	(80,744)	<b>(26)</b>	(97)
	<b>390,590</b>	366,637	<b>57,918</b>	57,032
<b>Total share of retained earnings from associate:</b>				
Realised	<b>(41)</b>	112	-	-
	<b>390,549</b>	366,749	<b>57,918</b>	57,032
<b>Total share of retained earnings from jointly controlled entity:</b>				
Realised	<b>(36)</b>	-	-	-
	<b>390,513</b>	366,749	<b>57,918</b>	57,032
Less : Consolidation adjustments	<b>(120,401)</b>	(123,754)	-	-
<b>Total retained earnings as per statements of financial position</b>	<b>270,112</b>	242,995	<b>57,918</b>	57,032

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 provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December, 2012 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 on page 157 of the financial statements, 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  
22 April, 2013

## 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 22nd day of April, 2013.

Before me,

**W 550 ARSHAD ABDULLAH  
COMMISSIONER FOR OATHS  
Kuala Lumpur**

## ANALYSIS OF SHAREHOLDINGS

AS AT 3 MAY 2013

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	104	1.90	1,678	0.01
100 - 1,000	1,857	33.99	1,711,734	0.62
1,001 - 10,000	3,125	57.19	10,598,117	3.84
10,001 - 100,000	336	6.15	8,873,570	3.22
100,001 to less than 5% of issued shares	36	0.66	56,502,104	20.49
5% and above of issued shares	6	0.11	198,020,200	71.82
Total	5,464	100	275,707,403	100

### Substantial Shareholders

No.	Name of Shareholders	Direct	%	No. of Shares Indirect	%
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	57,968,231 <sup>(1)</sup>	21.02
2	Golden Touch Venture Sdn Bhd	39,425,000	14.30	-	-
3	Chunghwa Picture Tubes (Malaysia) Sdn Bhd	38,400,000	13.93	-	-
4	Lim Wee Hang	16,195,200	5.87	-	-
5	Lee Cheng Wen	14,978,831	5.43	132,589,400 <sup>(2)</sup>	48.09

### Statement of Directors' Shareholdings

No.	Name of Directors	Direct	%	No. of Shares Indirect	%
1	General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	1,480,842	0.54	-	-
2	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	57,968,231 <sup>(1)</sup>	21.02
3	Lee Cheng Wen	14,978,831	5.43	132,589,400 <sup>(2)</sup>	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	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, Y.Bhg. Tan Sri Lee Kim Yew who is a major Shareholder of the Company



# LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

AS AT 3 MAY 2013

Name of Shareholders	No. of Shares	Percentage
1. HSBC Nominees (Tempatan) Sdn Bhd <i>JPMCB for Lee Kim Tong @ 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. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Wee Hang</i>	16,195,200	5.8741
5. Golden Touch Venture Sdn Bhd	15,750,000	5.7126
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. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Siva Kumar a/l Jeyapalan</i>	12,385,600	4.4923
9. Joint Win Investment Limited	11,945,100	4.3325
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. Maybank Securities Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Loke Kim Wan</i>	2,064,200	0.7487
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 Tong @ Lee Kim Yew</i>	555,461	0.2015
17. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Loke Kim Wan</i>	505,600	0.1834
18. Anchor Point Sdn Bhd	480,000	0.1741
19. Malpac Capital Sdn Bhd	468,500	0.1699
20. Tan Eng Hock	458,500	0.1663
21. Lim Hong Liang	315,600	0.1145
22. Loke Kim Wan	302,600	0.1098
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>	264,100	0.0958
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. King Wan Construction Pte Ltd	160,000	0.0580
28. Ting Huong Siang	160,000	0.0580
29. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tee Chee Chiang</i>	150,500	0.0546
30. AMSEC Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Evergreen City Holdings Sdn Bhd</i>	140,000	0.0508
<b>Total</b>	<b>253,112,004</b>	<b>91.8047</b>
<b>Total Issued Capital</b>	<b>275,707,403</b>	

## LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	32	Freehold	Residential - bungalow land	14.69		<b>1,359</b>	13/7/1987
HSD 20047 P.T. No. 12956 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten	1.55	24	<b>521</b>	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			<b>1,600</b>	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			<b>870</b>	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			<b>540</b>	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	24	<b>12,300</b>	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		<b>199</b>	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	Leasehold (expiring 12.11.2088)	Villas - P1: completed	0.99	19	<b>908</b>	24/8/1988
		25 villas		- P2: completed (unsold units retained for) rental purposes		16	<b>4,541</b>	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	18	<b>11,008</b>	24/8/1988

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 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		1,129	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	7.70		8,429	15/6/1993*
	College Valley Industrial Park	61	Freehold	Industrial land	4.60		2,312	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	16	29,224	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	16		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	16		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	16		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	16		1/6/1994
2 HSD 105335 P.T. No. 13213 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.16	16		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	16		1/6/1994

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 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	16	29,224	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	5		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	5		1/6/1994
Lot 1325 HSD 105608 P.T. No. 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	5		1/6/1994
Lot 1327 HSD 105610 P.T. No. 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	5		1/6/1994
	College Heights Garden Resort	7	Freehold	Bungalow	5.19	16	9,671	1/6/1994
	College Heights Garden Resort	212	Freehold	Residential - bungalow land	46.68			1/6/1994
	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	11		1/6/1994
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	11		1/6/1994
Lot 23560 HM 132798 Mukim of Setul District of Seremban	College Heights Garden Resort	342	Freehold	Low cost flat/ shop	22.08	9	12,568	1/6/1994
	College Heights Garden Resort	7	Freehold	Institutional land	80.17		12,324	1/6/1994
	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56			
	College Heights Garden Resort	154	Freehold	Commercial Development	12.87		2,630	1/6/1994
	College Heights Garden Resort	2	Freehold	Residential future	4.13		1,789	1/6/1994
	College Heights Garden Resort	4	Freehold	Hotel, Medical, Petrol Station & Gerai	5.58			1/6/1994

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 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	}	<b>1,521</b>	6/8/2001
Lot 9225 PM 333 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.91			6/8/2001
Lot 9226 PM 332 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.47			6/8/2001
CT 8095 - 8098 Lot 4129 - 4132 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	89	Freehold	Residential - bungalow land	13.29		<b>5,644</b>	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	7	<b>8,262</b>	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		<b>181</b>	23/8/1995
Lot No.15 Section 11 Gunung Penrissen Padawan Kuching Pangkalan Ampat Land District of Sarawak	Borneo Heights	58	Leasehold 198 years	Residential - bungalow land	28.83	}	<b>47,648</b>	20/9/1994
				Future Development	4,803.92			20/9/1994
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	12	<b>30,680</b>	27/6/2000
Lot 4 (Lot 4756) Geran No. 44342	Jenan Estate, Kubang Pasu, Kedah	259	Freehold	Bungalow Lots	42.25		<b>13,401</b>	8/11/1995
Lot 7 Geran No. 7062		7	Freehold	Bungalow House	1.64		<b>4,069</b>	
Lot 6534 Geran No. 25870		5	Freehold	Commercial Lots	6.32		<b>621</b>	8/11/1995
Lot 1818 HM 1820		264	Freehold	Super Linked House	10.82		<b>11,044</b>	
Lot 1962 HM 1819		1	Freehold	Petrol Station	0.70		<b>58</b>	
Lot 503 HM 614		1	Freehold	Future Development	185.10		<b>15,321</b>	
Lot 1710 HM 1833		48	Freehold	Shop Office	2.10		<b>2,775</b>	
Lot 11 HM 1672		1	Freehold	Club House	6.48	8	<b>8,305</b>	
Jenan, Kedah								



# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	101	Freehold	Cyber Heights Villas	3.67	8	23,607	11/2/1999
		10	Freehold	Cyber Residency	0.39		3,686	11/2/1999
		32	Freehold	Lakeview Residency	1.63		9,032	11/2/1999
		1	Freehold	Proposed Mixed Development (Duplex)	1.65		950	11/2/1999
HSD 34516 P.T. No. 48506 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Proposed Mixed Development (428 Condo + 24 Semi D)	9.27		4,697	11/2/1999
HSD 34517 P.T. No. 48507 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Proposed Mixed Development (Mansion Park)	8.63		4,498	11/2/1999
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Club House	3.66	8	7,116	11/2/1999
		1		Future Development	3.59		1,780	11/2/1999
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	13 2	Freehold Freehold Freehold Freehold	Bungalow lots Bungalow House Cluster Bungalow Future Development	4.53 0.49 13.40 6.42	4	82,458	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			
Lot 1578 HSD 9190 Pekan Baru Sungai Besi 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	15	381,386	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	56,704	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	196,638	1/7/2003*

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	<b>117,284</b>	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	}	<b>13,343</b>	25/9/1998
HSD 59890 P.T. No. 16718 Mukim of Petaling District of Petaling Selangor	Mines Resort City Lake	1	Leasehold (expiring 20.3.2091)	Recreational	153.40			25/9/1998
Pajakan Negeri 7212 No Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	20 villas	Leasehold (expiring 12.11.2088)	Palace Vacation Club	28.66	17	<b>3,760</b>	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	0.79	15	<b>771</b>	12/11/2001
HSD 2500 P.T. No 2129 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	Equatorial Hill Resort Cameron Highland	6	Freehold	Apartments	0.86	8 months	<b>1,208</b>	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	<b>827</b>	21/5/2002
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	1	<b>2,214</b>	28/4/2011
Erf 258	Extension 5 482 JQ North West Province South Africa	1	Freehold	Etika house	0.13	13	<b>74</b>	31/12/1997
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	12	<b>669</b>	31/12/1999

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

FOR THE YEAR ENDED 31 DECEMBER, 2012

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2012 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	14	103	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	14	10,737	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	14		1/6/2003
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	Public open space	0.29			1/6/2003
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52			1/6/2003
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74			1/6/2003
Remaining extent of portion 77	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	17.66		729	1/6/2003
Erf 1261	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.30		476	1/6/2003
Erf 1273	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.14		499	1/6/2003
Erf 1258	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.31		514	1/6/2003
Erf 1259	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.27		499	1/6/2003
Erf 1260	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.29		484	1/6/2003
					6,130.94		1,231,234	

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Ninth Annual General Meeting of Country Heights Holdings Berhad will be held at Dewan Cemerlang 2, Level 2, Mines Exhibition Centre, Jalan Dulang, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 28 June 2013 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 2012 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 2012. *(Resolution 2)*
3. To re-elect Ms Lee Cheng Wen who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered herself 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 issue and allot 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 2013 (“Circular”) provided that:-

- i. the transactions are necessary for the day to day operations of the Group;
- ii. the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and the transactions are undertaken at arm’s length basis and are not detrimental to the minority shareholders of the Company; and
- iii. disclosure is made in the Annual Report of the break down of the aggregate value of transactions conducted pursuant to the Shareholders’ Mandate during the financial year;

AND THAT such approval shall continue to be in force until:-

- a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time it will lapse, unless by a resolution passed at the said AGM whereby the authority is renewed; or
- b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“the Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier,

AND FURTHER THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary in the best interest of the Company to give effect to the transactions contemplated and/or authorised by this resolution.”

*(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.



## NOTICE OF ANNUAL GENERAL MEETING

AND THAT such authority shall commence immediately upon passing of this ordinary resolution until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the general meeting at which this resolution was passed at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

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

*(Resolution 9)*

**10. Retention of General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as Independent Non-Executive Director**

“THAT subject to the passing of Ordinary Resolution 4, authority be and is hereby given to General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012.”

*(Resolution 10)*

**11. Retention of Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock as Independent Non-Executive Director**

“THAT subject to the passing of Ordinary Resolution 5, authority be and is hereby given to Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock who has served as Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with Malaysian Code of Corporate Governance 2012.”

*(Resolution 11)*

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

By Order of the Board

**TAN KOK KEE (MIA 4028)**

Company Secretary

Seri Kembangan, Selangor Darul Ehsan  
4 June 2013

**Notes:**

- 1. A member entitled to attend and vote at the meeting is entitled to appoint two (2) 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. There shall be no restriction as to the qualification of the proxy.
- 2. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy, and the provisions of Section 149(1)(a) of the Companies Act, 1965 shall not apply. A proxy shall have the same rights as members to speak at the general meeting.
- 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.

## NOTICE OF ANNUAL GENERAL MEETING

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 21 June 2013 shall be eligible to attend the Twenty-Ninth 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, Mines Waterfront Business Park, No. 3, Jalan Tasik, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof. The lodging of the Proxy Form will not preclude the member from attending and voting in person at the meeting should the member subsequently wish to do so.

### **Explanatory notes to Special Business:**

1. The proposed Ordinary Resolution 7 is to renew the authority granted by the shareholders of the Company at the Twenty-Eighth Annual General Meeting ("AGM") held on 28 June 2012. The proposed mandate, if passed, will empower the Directors of the Company, from the date of the above AGM the authority to issue and allot 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-Eighth AGM held on 28 June 2012.

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 2013 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 Ordinary Resolution 10, if passed, will allow General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) to be retained and continue to act as Independent Non-Executive Director to fulfill the requirements of Paragraph 3.04 of the Bursa Malaysia's Main Market Listing Requirements. The full details of the Board's justification and recommendation for the retention of General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as an Independent Non-Executive Director are set out in the Board's Corporate Governance Statement in the 2012 Annual Report on Page 67.
5. The proposed Ordinary Resolution 11, if passed, will allow Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock to be retained and continue to act as Independent Non-Executive Director to fulfill the requirements of Paragraph 3.04 of Bursa Malaysia's Main Market Listing Requirements. The full details of the Board's justification and recommendations for the retention of Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock are set out in the Board's Corporate Governance Statement in the 2012 Annual Report on Page 67.

## 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-Ninth 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  
Lee Cheng Wen

The details of the above Directors and their interest in the securities of the Company are set out on pages 4, 6, 7 and 159 of the Annual Report.

## PROXY FORM

No. of ordinary shares held

\*I / We \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

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-Ninth Annual General Meeting of the Company to be held at Dewan Cemerlang 2, Level 2, Mines Exhibition Centre, Jalan Dulang, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 28 June 2013 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 2012 and the Reports of the Directors and Auditors thereon (Resolution 1)		
2.	To approve the payment of Directors' fees (Resolution 2)		
3.	To re-elect Ms Lee Cheng Wen as Director (Resolution 3)		
4.	To re-appoint General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) as Director (Resolution 4)		
5.	To re-appoint 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)		
10.	To authorise General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) to continue in office as Independent Non-Executive Director (Resolution 10)		
11.	To authorise Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock to continue in office as Independent Non-Executive Director (Resolution 11)		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

Signature/Common Seal of Shareholder \_\_\_\_\_

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 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.
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 21 June 2013 shall be eligible to attend the Twenty-Ninth Annual General Meeting or appoint proxy to attend and vote on his or her behalf.
7. The duly completed and signed Form of Proxy must be deposited at the Registered Office of the Company at 10th Floor, Block C, Mines Waterfront Business Park, No.3, Jalan Tasik, Mines Wellness 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 Wellness City  
43300 Seri Kembangan  
Selangor Darul Ehsan, Malaysia

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**Country Heights Holdings Berhad** (119416-K)

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