

*Ever Searching for Better Living*



绿野集团

Country Heights Holdings Berhad  
(119416-K)



ANNUAL REPORT 2013

## OUR VISION

Ever Searching for Better Living!

## OUR MISSION

It's all about meaningful innovative creations!

## OUR VALUES

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

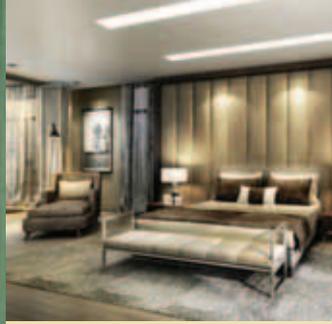
nature | style | love  
excellence | quality

## 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 30th anniversary soon, Country Heights understands that to be able to gain competitive edge and to maintain sustainability, Human Development is a crucial foundation. Hence, for 2012, Country Heights has dedicated to transform its Human Resource initiatives in formulating systematic 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 heightened 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!

**AUDIT & RISK MANAGEMENT COMMITTEE**

**Nik Hassan Bin Nik Mohd Amin**  
Chairman

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

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

**Chew Chong Eu**

**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 Chief Executive Officer  
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

**NOMINATION COMMITTEE**

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

Chairman

**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**

Chairman

**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**

Wong Sook Ping (MAICSA 0761491)

**REGISTERED OFFICE**

8<sup>th</sup> Floor, Block A  
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. 2-1, Jalan Sri Hartamas 8  
Sri Hartamas  
50480 Kuala Lumpur  
Tel : 603-6201 1120  
Fax : 603-6201 3121

**AUDITORS**

Deloitte  
Chartered Accountants  
Level 16, Menara LGB  
1, Jalan Wan Kadir  
Taman Tun Dr. Ismail  
60000 Kuala Lumpur

**PRINCIPAL BANKERS**

CIMB Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad

**SOLICITORS**

Yip & Co  
Richard Talalla & Harun  
Arif & Hakim  
Lee Partnership  
Ming, Yee & Co  
Arianti Dipendra Jeremiah  
Kevin & Co  
Lee Perara & Tan  
Raja, Darryl & Loh  
Soo Thien Ming & Nasrah  
Abdullah & Teoh  
Syeliza & Partners  
Chua Halim & Co  
Mutalib Wan & Co  
Adam Bacheck & Associates  
Sio & Ting

**STOCK EXCHANGE LISTING**

Main Market of Bursa Malaysia  
Securities Berhad

**WEBSITE**

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



## PROPERTY DEVELOPMENT

- 70% Borneo Heights Sdn Bhd
- 100% College Heights Utara Sdn Bhd
- 100% Country Heights Commercial Development Sdn Bhd
- 100% Country Heights Development Sdn Bhd
- 100% Country Heights eMarketing Services Sdn Bhd
- 100% Country Heights Industries Sdn Bhd
- 100% Country Heights Properties Sdn Bhd
  
- 100% Country Heights Property Development Berhad
  
- 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% Nasmaya Juara Sdn Bhd
- 100% Tindak Murni Sdn Bhd
- 100% Versatile Champion Sdn Bhd
- 100% Walum Enterprise Sdn Bhd

## PROPERTY INVESTMENT

- 100% East Vision Leisure Group Sdn Bhd

## HOSPITALITY & HEALTH

- 100% Country Heights Sea Resort Sdn Bhd
- 81% Golden Horse Palace Berhad

## EDUCATION

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

## OTHERS

- 100% Country Heights Global Ltd
- 100% Country Heights Resources Management (M) Sdn Bhd
- 100% Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd
- 60% Mines Global Holidays & Travel Sdn Bhd
- 100% Mines Holdings Sdn Bhd
- 48% Simplex Design Sdn Bhd (ASSOCIATE)

# GROUP STRUCTURE

● 100% Borneo Highlands Hornbill Golf & Jungle Club Berhad

● 100% Country Heights Development Melaka Sdn Bhd    ● 100% Country Heights Facility Management Sdn Bhd (formerly known as Country Heights Golden Lifestyle Sdn Bhd)

● 100% Country Heights Pangsa Rakyat Sdn Bhd

● 100% Mega Palm Sdn Bhd

● 100% Endless Gain Sdn Bhd

● 100% Profound Concept Sdn Bhd

● 100% Mines Premium Sdn Bhd

● 100% Country Heights Pecanwood Boat Club (Pty) Ltd

● 100% Country Heights Pecanwood Golf & Country Club (Pty) Ltd

● 100% Mines International Exhibition Centre Sdn Bhd    ● 100% Mines Events Sdn Bhd

● 100% Mines Shopping Fair Sdn Bhd

● 100% Mines Waterfront Business Park Sdn Bhd

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

● 70% Country Heights Health Tourism Sdn Bhd    ● 100% GHHS Wellness Sdn Bhd

● 100% KHU Property Management Sdn Bhd

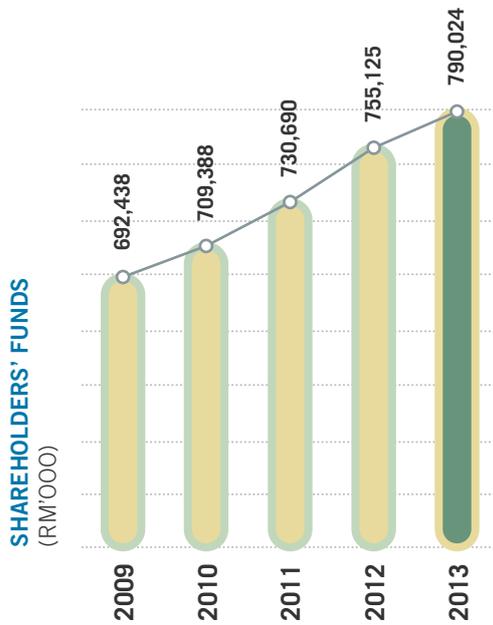
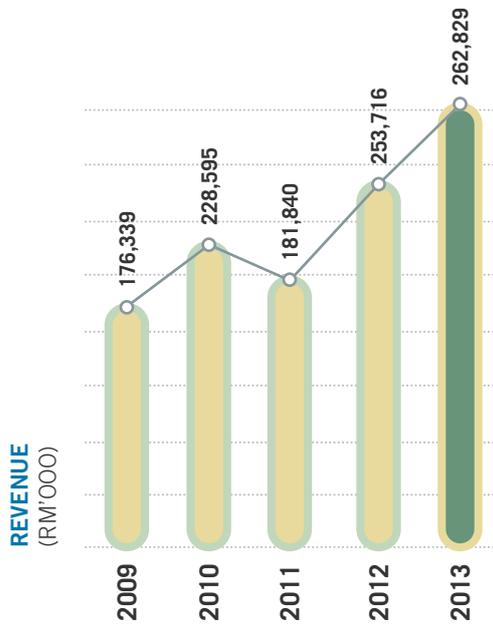
● 100% Kin No Uma Sdn Bhd

● 100% Mines Wellness Hotel Berhad

● 100% Timbang Makmur Sdn Bhd

● 100% WIXPO Sdn Bhd

# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS



## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS



	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000	2009 RM'000
Revenue	262,829	253,716	181,840	228,595	176,339
Profit/(Loss) before taxation	49,314	32,900	22,928	26,014	2,758
Profit/(Loss) after taxation	35,112	25,757	23,542	17,976	614
Net Profit/(Loss) Attributable to Shareholders	36,016	25,253	23,650	19,570	3,413
Total Assets	1,362,235	1,397,881	1,384,547	1,452,718	1,491,080
Total Liabilities	545,304	614,945	626,550	715,915	769,601
Share Capital	275,707	275,707	275,707	275,707	275,707
Reserves	514,317	479,418	454,983	433,681	416,731
Shareholders' Funds	790,024	755,125	730,690	709,388	692,438
Basic Earnings/(Loss) Per Share (sen)	13.06	9.16	8.58	7.10	1.24
Net Assets Per Share (RM)	2.87	2.74	2.65	2.57	2.51
Return on Total Assets (%)	2.64	1.81	1.71	1.35	0.23
Return on Equity (%)	4.56	3.34	3.24	2.76	0.49
Gearing (Net Debt/Equity)	0.24	0.32	0.36	0.39	0.46

## PROFILE OF BOARD OF DIRECTORS



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

Independent  
Non-Executive Chairman,  
Malaysian, 79 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 Ajinomoto (Malaysia) Berhad, Delloyd Ventures Berhad and Datasonic Group Berhad. 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 a revenue or trading nature which are necessary for the day to day operations of the Group.

## PROFILE OF BOARD OF DIRECTORS



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

Deputy Chairman  
Malaysian, 58 years of age

Tan Sri Lee, the founder of Country Heights Holdings Berhad (CHHB), 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 "Best Brands 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 "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.

In early 2014, Tan Sri Lee was appointed as advisor to CHHB and its Group of Companies to provide advisory service on the Group's strategic business development, specifically in overseas expansion.

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.

## PROFILE OF BOARD OF DIRECTORS



### LEE CHENG WEN

Group CEO

Non-Independent Executive Director

Malaysian, 28 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 a 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, 80 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. He was also 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.

## PROFILE OF BOARD OF DIRECTORS



### **NIK HASSAN BIN NIK MOHD AMIN**

Independent Non-Executive Director  
Malaysian, 64 years of age

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

He is an alumnus of University of Malaya where he graduated with a Bachelor in Economics. In 1971, he started his banking career with a local commercial bank and has spent more than 35 years in the banking and financial services sector.

Having worked in various senior capacities with the local commercial bank such as Chief Executive Officer and Executive Director of BBMB Securities Sdn Bhd, Chief Executive of BBMB Factoring Berhad, Executive Director and Chief Executive of Bumiputra Merchant Bankers Berhad as

well as Director of various financial subsidiaries of the Bumiputra-Commerce Bank Berhad. En Nik Hassan has gained invaluable hands on experience in commercial banking, stock broking, factoring and merchant banking. From 2003 until his retirement, he was the Senior Executive Vice President of Corporate Banking Treasury and International Banking Division of the Bumiputra-Commerce Bank Berhad. He is also a Director of Agensi Kaunseling dan Pengurusan Kredit (AKPK).

Encik Nik Hassan also sits on the board of Al Rajhi Banking & Investment Corporation (Malaysia) Berhad and Golden Horse Palace Berhad.

## PROFILE OF BOARD OF DIRECTORS



### CHEW CHONG EU

Independent Non-Executive Director  
Malaysian, 52 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 30 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 Schrodgers Advisory Services and Perdana Merchant Bankers Berhad. Whilst in service, he successfully assisted companies in various industries to restructure for the purpose of initial public 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 organization. For 2012/13, 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.

## PROFILE OF SENIOR MANAGEMENT



**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.



**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 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 managed 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.

Thereafter in March 2004, Ms. Lee joined the board of CHHB and is also a member of its executive committee. Ms. Lee was responsible in spearheading 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 and also the exhibition centre Mines International Exhibition and Convention Centre (MIECC). Ms. Lee further helps to oversee Country Heights group investments with external parties in addition to looking out for investments properties with good returns for the group. At the same time, Ms Lee also assists to look for investors and development partners for the Mines Wellness City project.



**FATIMAH ABD WAHAB**  
Chief Operating Officer,  
Property Development Division

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 over 28 years of experience in audit, risk management, finance, insurance and property development.

Prior to joining Country Heights Holding Berhad, in March 2012, Pn. 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 recognized 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 our 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



### RICKY YIP CHUN MUN

Chief Sales Officer,  
Membership & Tourism Division



### EUSEBIUS SAMM

Senior General Manager,  
Hospitality Division

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

He is currently the Chief Executive Officer of Palace Vacation Club and Mines Global Holidays Sdn Bhd (inbound travel agency). He is also the Chief Sales Officer for Country Heights – Membership and Tourism Division, responsible for recruitment of membership drive for timeshare, health screening and Traditional Chinese Medicine. 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 led the sales and marketing team of Palace of the Golden Horses, Mines Wellness Hotel and Borneo Highlands Resort. On the tourism business, he has develop and marketed tourism products such as medical & golf tourism, education programme, property and Malaysia My Second Home Programme, and tours with hotel packages specifically targeted to Middle East, China, Korea & Japan, and Indonesia markets.

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 development of Mines Wellness City.



**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.

## PROFILE OF SENIOR MANAGEMENT



**LEE CHENG NI, DIANI**  
General Manager,  
Corporate Group 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 of General Manager, Corporate Group 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 Heights' brand image, maximize its exposure to the public and continue to raise awareness.

Ms. Diani is responsible in overseeing the day to day branding exercise and marketing ATL & BTL operations as well as handling the Group's corporate and media relations.

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.



**LIM TIONG JIN**  
Senior General Manager

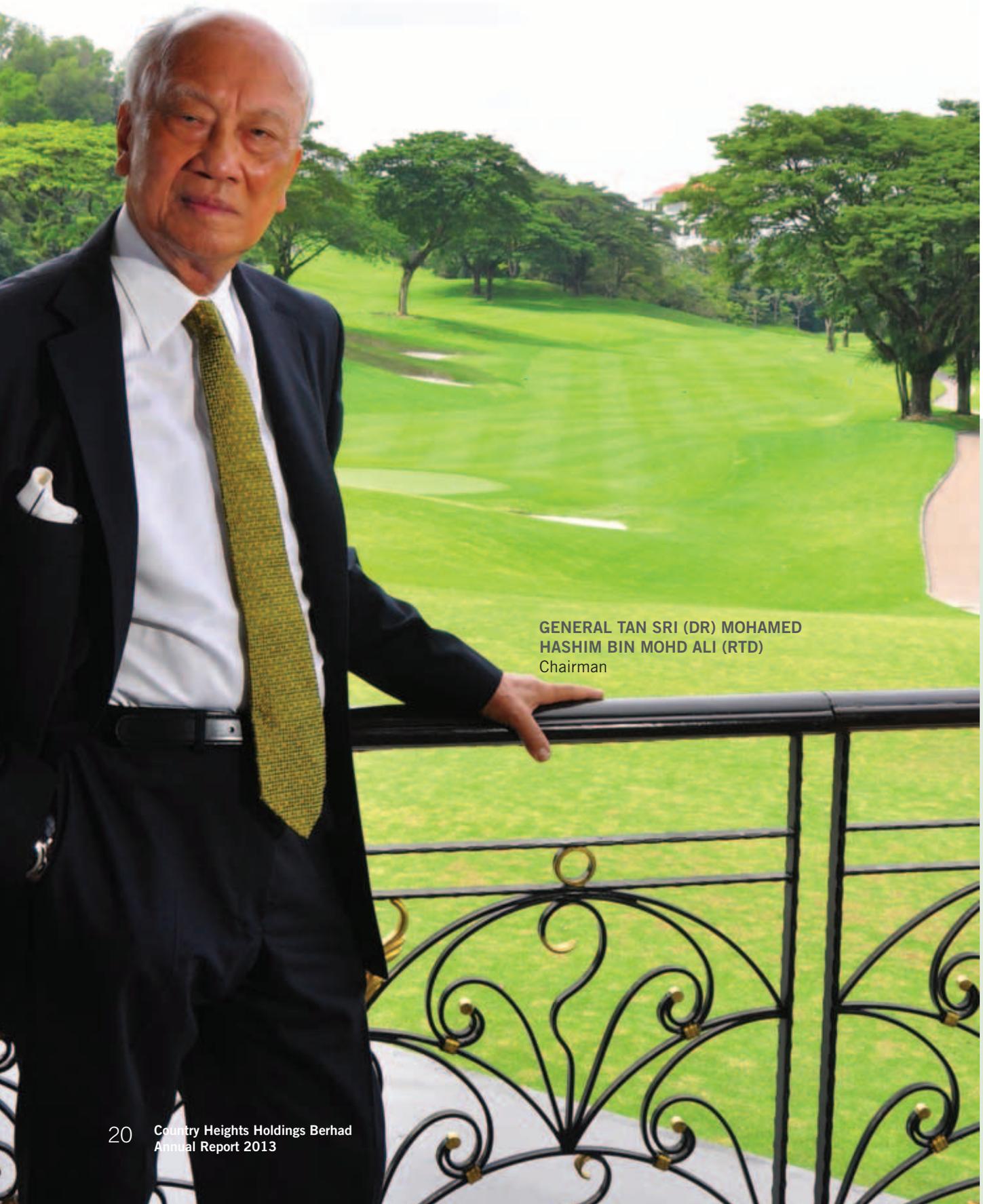
Mr. Lim Tiong Jin joined Country Heights Holdings Berhad in October 2013 as the Senior General Manager (Group CEO Office).

Mr. Lim has over 20 years' of extensive experience in financial and strategic management within investment banking, public listed corporations across finance, property, resort and leisure industries.

He started out his career with Price Waterhouse Coopers, a leading international accounting firm. He later moved on to Perdana Merchant Bank where he handled investment banking and corporate finance transactions particularly involving Mergers & Acquisitions, IPO, Capital Raising and Corporate Restructuring. He subsequently progressed to senior management positions in PLC's listed on the Main Board of Bursa Malaysia. In year 2000, he was the Head of Corporate Planning in Tanco Holdings Berhad, a leading timeshare and property company where he was in charge of all corporate finance and strategic planning functions. In year 2002, he joined Karambunai Corp Berhad, a well renowned resort and property group as its Executive Director / CFO and company secretary.

Mr. Lim is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA), Associate Member of the Institute of Chartered Secretaries and Administrators (ACIS) and Fellow Member of the Association of Certified Chartered Accountants (FCCA).

CHAIRMAN'S  
STATEMENT



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



Dear Valued Shareholders,

On behalf of the Board of Directors of Country Heights Holdings Berhad (“CHHB”), I am pleased to present to you the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2013.



#### Market Environment

Although global economic growth remains volatile, economic activity in advanced economies is getting stronger, especially in the United States and Japan, and the Euro area remains on track for a recovery, albeit at a slower pace. On the domestic front, the Malaysian economy recorded a growth rate of 4.7% in 2013 (5.6% in 2012) amid rising consumer inflation, tighter credit conditions and moderation in financing, and a challenging global economic environment. Demand from private sectors and improvement in exports were the main contributors of growth. With the forthcoming full scale implementation of minimum wage in early January 2014 and the planned GST implementation on 1 April 2015, inflationary pressures are largely on the rise. However, growth outlook for 2014 is still projected to be between 4.5% to 5.5%, on account of expected fiscal belt-tightening measures. The Malaysian government is set on actively implementing its transformation process and structural reform programmes as spelled out in the New Economic Model (NEM), Economic Transformation Programme (ETP) and the 10th Malaysia Plan (10MP).

#### Financial Review

For the current year under review, the Group posted a profit net of tax of RM35.1 million on the back of revenue of RM262.8 million. Both the revenue and the profit net of tax represented improvements in comparison to the previous year's revenue and profit net of tax of RM253.7 million and RM32.9 million respectively. The Property Development Division and Hospitality & Health Division continued to be the main contributors to the Group's revenue and earnings, representing approximately 56% and 35% respectively to the Group's total revenue in 2013.

As at 31 December 2013, total assets of the Group stood at RM1,362 million while total equity attributable to shareholders stood at RM790 million, an increase of 4.6% compared to previous year of RM755 million. The Group's gearing (measured as a percentage of total net debts over total net debts and equity capitals) dropped from 32.4% to 23.8% due to repayment of some of the borrowings during the year.

The Board of Directors does not recommend any dividend to be declared for the financial year ended 31 December 2013.

# CHAIRMAN'S STATEMENT

## Corporate Governance

The Board endeavours to comply with best practices under the Malaysian Code on Corporate Governance 2012 and will continue to uphold the principles of good corporate governance to increase and protect shareholders' value for the long term. We believe it is the only platform to ensure sustainable enhancement of our shareholders' value. To this end, the Board implements a sound system of corporate governance within its day-to-day operations to establish a strong platform for sustainable growth. These measures are set out in our Statement on Corporate Governance on pages 64 to 71 of this Annual Report.

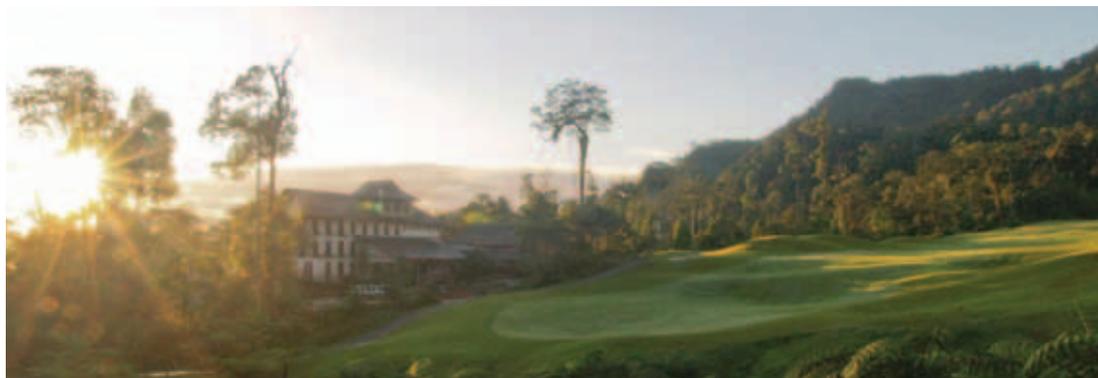
## Corporate Responsibility

The Group recognises the importance of creating a balance between creating a successful business that enhances shareholders' value and placing high priority on social and environmental responsibility. As such, the Group undertakes its corporate responsibility by maintaining a corporate culture of contributing back to society in various ways. It is our vision not only to complement the efforts of the government in attaining the status of a developed country but also to contribute positively towards society by always delivering high standards in all our undertakings. Our philosophy is to contribute, as an organisation, in delivering sustainable value to the lives of the people we impact, especially in the workplace, the community, the environment and the market place. Our initiatives during 2013 are set out on pages 32 to 33 of this Annual Report. We remain committed to broadening our scope so as to continue our growth as a socially and environmentally responsible company.

## Prospects of the Company

Global growth is projected higher at 3.6% in 2014 (2.9% in 2013), which is 0.6 percentage point above the global long-term potential output growth of approximately 3.0% per annum, indicating a stronger world economy in 2014 with the Malaysian economy projecting to grow by 4.5% to 5.5%.

The Malaysian property market is going through a consolidation phase as the government has put in place various cooling measures. In the 2014 budget, the Malaysian Government has announced the increase in Real Property Gain Tax (RPGT), the increase in the threshold for foreigner property purchases and the ban on Developer Interest Bearing Scheme (DIBS). Due to the many uncertainties in both the global and domestic market which may affect the property market in the first half of 2014 with prices of property not being as bullish as in the past few years, we believe that prices will increase moderately in the near term and the outlook will still be good as properties fetched good yields and are the best hedge against inflation.



Despite the aforesaid cooling measures to curb property speculation, we are confident about the Group's capability and capacity to grow and will continue to monitor the property market's reaction. One positive factor is that fundamental demand for properties in Malaysia remains high and for CHHB, we will be adapting our products and prices to suit this demand as we continue to remain positive by the prospects of our property development division in view of the prime location of our land banks.

As part of the plan to increase the revenue base of the Group, as well as for business growth, CHHB will be launching the transformation of the Mines Resort City into an integrated healthcare and wellness hub in Malaysia known as Mines Wellness City. Under the nationwide ETP, Mines Wellness City has been demarcated as one of the projects under the National Key Economic Areas (NKEA). Amongst other projects scheduled for launching in 2014 are:-

- Mines Waterfront Business Suites at Mines Wellness City
- Sawtelle Suites, duplex condominium at Putrajaya
- Belleza Garden Homes Phase 3 at Jitra, Kedah
- Trousdale, a retirement resort home at Mines Wellness City
- Branded Wellness Villas at Borneo Highlands Resort, Kuching

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

Moving forward, CHHB 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

Our success in 2013 is made possible through the management and staff of the Group who have worked relentlessly towards the goals and dreams of the Group. On behalf of the Board, I wish to express our utmost gratitude and sincere thanks for their dedication, unwavering commitment and teamwork towards the Group's success. It is without doubt that the strength of the Group lies with its people.

I would also like to thank all our faithful shareholders, customers, various government agencies, consultants, financiers, contractors, suppliers, business partners and the media for their continuous support and confidence in the Group.

Last but not least, I would like to express my sincere appreciation to my fellow colleagues on the Board for their unceasing support and contribution and I look forward to their continued participation on the Board.

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

Chairman



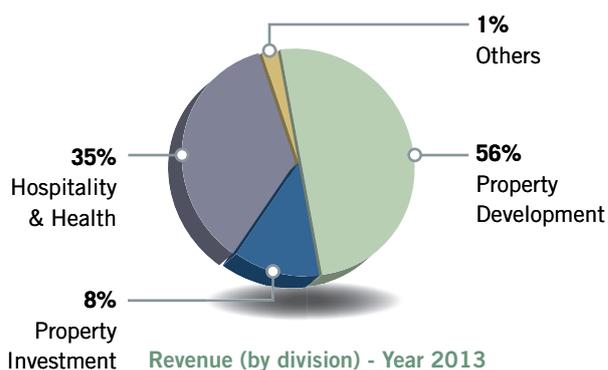
**LEE CHENG WEN**  
Group CEO  
Non-Independent Executive Director

The Group has steadily delivered growth from the previous year with a 4% increase in our turnover to **RM262.8 million in 2013** (2012: RM253.7 million).

#### Promising Results

The review of financial year 2013 saw CHHB emerging stronger and more sustainable. The Group performed as targeted and has continuously strengthened its financial and strategic position on the back of the competitive business environment in the markets in which it operates.

The Group has steadily delivered growth from the previous year with a 4% increase in our turnover to RM262.8 million in 2013 (2012: RM253.7 million). This has also helped the Group achieve a 50% increase in our profit before tax of RM49.3 million (2012: RM32.9 million). Our profit margin for the Group increased to 18.8% (2012: 13.0%) The Group has also achieved a profit attributable to shareholders of RM36 million for the financial year under review, which translates to a basic earnings per share of 13.06 sen (2012: RM25.3 million; 9.16 sen).



During the financial year, the Group has been aggressively pairing down its borrowings through a series of exercises to monetise our inventories. Therefore, this effort has successfully brought down our gearing ratio to a healthy and comfortable level of 23.8%.

CHHB has effectively positioned ourselves as a premium and niche player by leveraging on our unique product proposition, reliable brand name and strong local support. This solid foundation built will continue to drive the Group to further enhance and improve the delivery of value to all stakeholders.

During the year, the Group has proudly bagged the following accolades and awards that confirm the management team is driving the Group forward towards the arena of being the preferred employer, preferred brand, preferred service provider and preferred choice.

- Country Heights Holdings Berhad was awarded as Top 5 Companies in Asia Pacific for “Best Employee Healthcare and Wellness Programmes” category
- Country Heights Holdings Berhad was listed as one of the Top 100 Companies in MPSJ council, the Subang Jaya district, awarded by Majlis Perbandaran Subang Jaya (local municipal council)
- Golden Horses Health Sanctuary (GHHS-Wellness) was awarded Malaysia’s first TCM ISO 9001:2008 Certification of Excellence by Lloyd’s Register Of Excellence, United Kingdom
- Palace of the Golden Horses won the World Luxury Hotel Award for Luxury Golf Resort for the third time in a row
- Mines Wellness Hotel won Asia’s Best Wellness Hotel Award “Top 10 of Malaysia” magazine

Moving into the year 2014, the general economic climate will likely remain competitive, especially with the mix sentiment from the 2014 Malaysia Budget towards the property sector, coupled with the rise in costs. The key challenge will be maintaining profitability while not compromising quality and delivery. In responding to that, the Group has proactively scrutinised and crafted its 2014 target and performance to ensure continuity of growth is maintained.

**Palace of the Golden Horses won the World Luxury Hotel Award for Luxury Golf Resort for the third time in a row.**



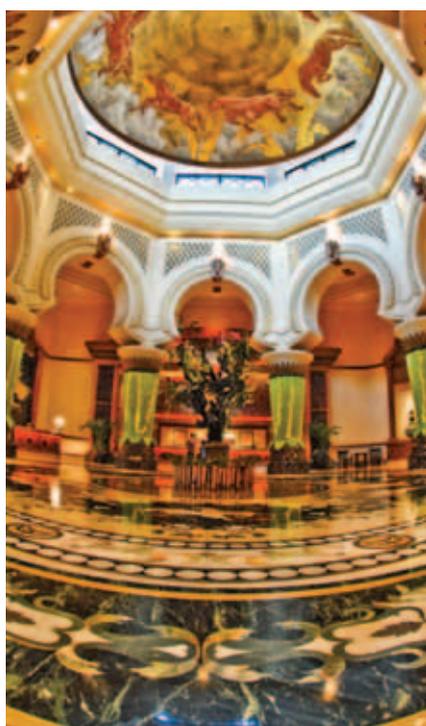
#### Operation Review 2013

##### *Property Development*

The Property Development Division continues to be the main driver of earnings for the Group during 2013 contributing RM146.8 million or 56% of the total Group revenue of RM262.8 million.

The Division’s main focus for year 2013 was primarily on the exclusive development of Mansion Park Signature Villas located within the vicinity of Cyber Heights Villa, Cyberjaya. Surrounded by lush greenery and a picturesque landscape, the gated and guarded community is home to 72 exclusive villas spreading over 6.96 acres of freehold land. Created specially for extended families who place importance on luxurious living, Mansion Park villas are innovative in design and spacious, featuring 5+1 bedrooms with two master bedrooms ranging from 4,085 sqft to 5,363 sqft in built up areas and with 13 feet of ceiling height. The completion of Mansion Park is expected to be in 2016.

The Group is proud to announce that LakeView Residency has achieved 100% sales with completion date expected to be in 2014, a year ahead of schedule. LakeView Residency is the first development in Malaysia to introduce ‘negative ions’ energy ceiling boards. The energy ceiling board work as a natural ioniser and air purifier for health benefits. This purification process improves air quality by helping to purge air-borne particulates such as dust and germs.



## GROUP CEO STATEMENT

Up north in Malaysia, the success and remarkable story of Belleza Garden Homes Phase 1 in Jitra, Kedah will continue with the launch of Belleza Garden Homes Phase 2. An exclusive freehold guarded development in the private enclave of Kolej Heights Utara, Belleza Garden Homes are surrounded by lush linear gardens that truly live up to its name. Residents will enjoy the amenities in the Clubhouse, including swimming pool, children's playground, indoor badminton courts, gymnasium, restaurant and meeting rooms. The green landscapes and private manicured lawns are the first of its kind in this area of the country. Belleza Garden Homes Phase 2 is expected to be completed in 2015.

2013 has witnessed the beginning process of transforming the Mines Resort City into Mines Wellness City (MWC), Malaysia's first health and wellness hub. The Mines Wellness City is an embodiment of the CHHB's corporate philosophy of "Ever Searching for Better Living", and has a unique position of combining both the best of Eastern and Western therapy which is set to be the forefront in preventive healthcare and alternative therapies. MWC will become our platform to propagate the importance of preventive healthcare and a balanced lifestyle towards creating a healthy community and nation. Spreading over approximately 800 acres of land and nestled around the 150 acres of lake, MWC is a green sanctuary for local and foreign health tourists who seek to enhance their physical and mental health in a holistic environment. MWC serves as a one-stop destination showcasing facilities which integrates and upholds the propagation of Lifestyles of Health and Sustainability. Being part of Malaysia's Economic Transformation Programme (ETP), MWC is expected to welcome local and international investors especially from the health and wellness industry. With the ETP, many who are in the health and wellness related fields are expected to benefit from tax incentives especially developers, building managers, operators, investors and promoters. An ETP project such as MWC will create many job opportunities for the locals, stimulate growth of health tourism in Malaysia and contribute to our nation's Gross National Income.

### *Hospitality & Health*

The Hospitality & Health Division has contributed RM91.9 million or 35% to the Group's revenue in 2013, which is the second main revenue and bottom-line contributor. However, revenue has decreased slightly compared to RM98.3 million in 2012, resulting in a lower profit before tax of RM0.6 million (2012: RM5.9 million). This is mainly due to higher operating expenses for 2013 with higher allowance for doubtful debts and bad debts written off.

Palace of the Golden Horses obtained the World Luxury Hotel Award for Luxury Golf Resort in 2011, 2012 and 2013. The hotel has started the exterior repainting works in December 2013 which will be completed in April 2014.



On the other hand, Mines Wellness Hotel (MWH) has stood firmly as a Wellness Resort after the completion of refurbishment for the Wellness Floor since April 2012. The 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 selection for its guests. All these are in addition to the existing amenities that the hotel provides. MWH has 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 from 2012 to 2014. During 2013, MWH also won Asia's Best Wellness Hotel Award by Top 10 of Malaysia Magazine.

To keep up with the growing needs of customers, Golden Horses Health Sanctuary (GHHS) launched its Jade PLUS Membership Programme in the 4th quarter of 2013. The membership allows members to thoroughly experience Traditional Chinese Medicine services without a limitation in choice. GHHS will continue to serve as a one-stop centre providing the best of Eastern and Western healing and preventive care. More new specialist clinic partnerships, services, equipment and corporate wellness packages will be introduced targeting new memberships, corporate clients and health tourists.

**The Property Investment Division remains the third contributor of the group accounting for RM21.3 million or 8% of the Group's revenue.**



#### *Property Investment and Others*

The Property Investment Division remains the third contributor of the group accounting for RM21.3 million or 8% of the Group's revenue. The major source of income of the division is mainly from the rental of offices at the Mines Waterfront Business Park (MWBP) and also from the rental income from events and hall rental at the Mines Exhibition Centre (MIECC).

2013 has shown an improvement to the bottom line of the Property Investment Division as compared to 2012. As at the end of 2013, MWBP managed to achieve an occupancy rate of 85%. The occupancy for MWBP in 2014 is expected to remain stable with a marginal increase in the rental rates for the renewal of tenancy agreements.

To constantly promote the importance of reading and to cultivate the habit of reading amongst Malaysians, MIECC has continued to organise two annual events which are well known and popular to Malaysians, such as Read Malaysia 2013 in June 2013 which attracted more than 400,000 visitors and the World Chinese Book Fair in November 2013 which has attracted more than 450,000 visitors. The WCB Fair has been billed as the "Largest Chinese International Book Fair" in Malaysia and has obtained official recognition by the Malaysia Book of Records. Both these events are held in tandem with our mission to make MIECC the premier MICE venue in the region.

With its ideal location, surrounded by a world class golf course, resorts and shopping mall, MIECC has also been the choice for other event organisers during 2013, such as the National Achievers Congress 2013 in May, Malaysia International Bus, Truck and Components Expo 2013 in June, Prudential Mid-Year Conference 2013 in July, ASEAN Logistic & Transport Show 2013 in September, HALFEST 2013 in October and Big Bad Wolf 2013 in December.



## GROUP CEO STATEMENT

Under CHHB's other operation segment is in the Education industry. Operating under the brand name of IMEC as a premier English Language Center, we have achieved 4,028 students to date, majority international. Under the financial year, the center has obtained HRDF license as approved by the Ministry of Human Resources to provide professional training to corporates. Under this segment, the Group has successfully launched 8 Virtues Montessori Preschool, in complementing to our lifestyle development.

### *Human Capital Development*

At CHHB, we continue to lead with passion and excel in our endeavors. We aspire to sustain our leadership positions in the various industries we are in, while inspiring passion in our people. We also place emphasis on interpersonal skills and integrity to create an environment of mutual trust and respect. Above all, we try our best to promote innovative and strategic thinking among our people in delivering customer-focused and value-added products and services. Recognition of our employees as "CHamps!" (Country Heights AMazing PeopleS!) underscores our firm believe that all employees under different business units work towards one goal, one culture and one direction to deliver excellence in their work.

**CHHB believes that work-life balance is integral to all employees for achieving greater synergy between work and personal life demands.**

Succession planning remained a high priority to identify potential leaders for corporate and business critical positions. Various talent engagement programmes were also conducted during 2013, such as the Quarterly Management Review (QMR) and Management Dialogues which provided a platform for top talents to informally interact with the Group CEO and the Executive Committee (EXCO) on current issues. The experience shared seeks to instill a sense of belonging within the talents and inculcate greater understanding of the expectations and their role in the Company.

CHHB believes that work-life balance is integral to all employees for achieving greater synergy between work and personal life demands. The Group believes that sport and social activities foster ties amongst employees, thus enabling better rapport and work quality. The formation of the CHHB's sporting club, "CHamps! Club" is an effort to promote work-life balance. Activities made possible through CHamps! Club include recreational and CSR activities that allow employees to let their hair down by participating in various sports tournaments, informal gathering through Annual Dinner night and charity events.





**In 2014, CHHB celebrates our 30th year anniversary since incorporation and launches a new mission slogan of “It’s all about meaningful innovative creations” to mark our vision to be a quality lifestyle and community developer.**

In 2013, CHHB is proud for being awarded as Top 5 Companies across the Asia Pacific for the Best Employees Healthcare and Wellness Programmes category, by Benefits Asia Award 2013. This award is in recognition of CHHB’s outstanding achievement and significant best practices in Human Resource Management that is aligned to the Group’s philosophies and vision.

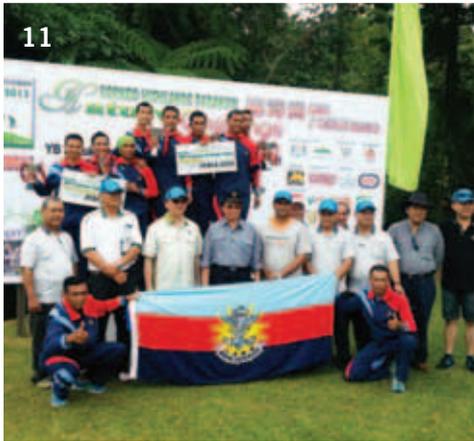
#### *Future Outlook*

Despite global uncertainties, the Malaysian economy demonstrated commendable resilience supported by strong domestic demand and increased investment activities in both the private and public sectors as a result of the progress of projects under the Economic Transformation Programme (ETP) and is expected to expand further by 4.5% to 5.5% in 2014. Since the introduction of several cooling measures in the Budget 2014 such as the increased Real Property Gains Tax, the increased threshold for foreign property purchasers to RM1 million and the prohibition of Developer Interest Bearing Scheme, the property market is expected to consolidate and moderate in the near term.

While anticipating a challenging environment, domestic demand is expected to maintain its steady growth supported by an accommodative monetary policy. We remain focused on our Group’s strategies as demand for properties is expected to remain strong especially in prime locations. Reflecting on the quality of our products, services, healthy financial position and commendable team spirit, CHHB has the capability and capacity to compete effectively and is confident that the Group is well poised to ride new challenges and obtain good organic growth, relying on the strong mechanisms and foundations that we have built over the years, to see satisfactory earnings for the coming year.

In 2014, CHHB celebrates our 30th year anniversary since incorporation and launches a new mission slogan of “It’s all about meaningful innovative creations” to mark our vision to be a quality lifestyle and community developer.

# CALENDAR OF NOTABLE EVENTS FOR 2013



## CALENDAR OF NOTABLE EVENTS FOR 2013



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### JANUARY

1. CHHB received official letter from MIDA on ETP status
2. Membership & Tourism Division introduced Member's Birthday Celebration
3. Mines Wellness Hotel as reigning award winner for Asian Green Hotel Award for year 2012- 2014
10. TCM Charity Day where the whole team of physicians from GHHS-Wellness organised and volunteered in providing free health therapies for the local community as a token of giving back
11. Borneo Highlands Padawan Nature Challenge 2013 kicked off with much enthusiasm from Kuching and Borneo communities



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### FEBRUARY

4. Education Division launched Eight Virtues Montessori Preschool

### MARCH

5. Health Division launched new GHHS Corporate Wellness packages (MediGolf & MediWell)

### APRIL

6. MWH Celebrated 'World Earth Day 2013' by Empowering Children from the Strawberry Kindergarten
7. Health Division's Golden Horses Health Sanctuary (GHHS-Wellness) was awarded Malaysia's first TCM ISO 9001:2008 Certification of Excellence by Lloyd's Register of Excellence, United Kingdom

### MAY

8. Mines Events under Property Investment Division successfully organised the 5th READ Malaysia

### JUNE

9. Health Division and Membership & Tourism Division co-hosted the bi-annual Member's Day Carnival with more than 3,000 members and their families joining in the fun

12. CHHB 29th AGM

### AUGUST

13. Borneo Highlands Resort held a Photo Contest which attracted more than 1,000 entries throughout Malaysia

### OCTOBER

14. Property Division completed Malaysia's first floating show gallery for the Mines Wellness City Project
15. Borneo Highlands Resort launched the Provisional Membership for Hornbill Golf & Jungle Spa

16. CHHB was awarded as Top 5 Companies in Asia Pacific for "Best Employee Healthcare and Wellness Programmes" category

### NOVEMBER

17. Property Investment Division organised 15th World Chinese Book Fair
18. Mines Wellness Hotel won Asia's Best Wellness Hotel Award by "Top 10 of Malaysia" magazine

### DECEMBER

19. Palace of the Golden Horses won World Luxury Hotel Award for Luxury Golf Resort for the third time
20. CHHB was listed as one of the "Top 100 companies in MPSJ", the Subang Jaya district, awarded by Majlis Perbandaran Subang Jaya (local municipal council)



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## CORPORATE 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.



### THE WORKPLACE

Awarded as one of Asia Pacific's Top 5 Companies "Best Employees Healthcare and Wellness Programmes" Benefit's Asia Conference, Singapore. 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 ensure equality of opportunity. The Group provides a healthy and safe working environment for our employees with the provision of insurance coverage in terms of hospitalisation and surgical allowances, as well as group term life and personal accident coverage for employees on medical or accidental contingencies.

To further enhance good working relationships and build a strong sense of team spirit among employees, our Sports Living Club, Kajang, organises various sports activities for our staff. The Group Human Resources department also organises 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 current health issues. The Group also offers various in-house training such as Country Heights LEadership Acceleration Programme (CH LEAP) which grooms and appreciates talent for better succession planning.

In 2013, the Group held its annual 'Yay! Day' to inform all CHamps! (Country Heights AMazing PeopleS !, formed in 2011 to align goals and spirit among the estimated 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 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** 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 recycling initiatives and reducing paper usage. 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, 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 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 include the maintenance of an educational blog, as well as social media platforms that propagate environmental awareness, health and personal development. During the 2013 Earth Hour, both hotels turned off their non-essential lights and dimmed lights at the lobby area. During World's Earth Day, Mines Wellness Hotel invited a total of 35 children aged between four to six years old from the Strawberry Wonderland Kindergarten to be part of this celebration, where they were taught the basics of planting and nurturing seedlings in the hotel's very own organic farm.

### THE COMMUNITY

As a caring corporate citizen, the Group continues 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. Country Heights Group has organised Corporate Social Responsibility (CSR) activities such as Stop Hunger Now food packing event, a visit to the home of the old & disabled, and a Philippines typhoon fund raising campaign.

Country Heights Hospitality Division presented a cheque contribution to approximately 60 orphans from Rumah Nur Hikmah, Kajang. The event, which is part of Country Heights' annual Corporate Social Responsibility initiative with the community, was attended by some 70 staff from Palace of the Golden Horses (PGH) and Mines Wellness Hotel (MWH). The company contributed RM1 to the orphanage for every paying adult at Carousel International Coffeeshouse in PGH and Abdul & Charlie's Restaurant in MWH during its Iftar Ramadan promotion. The spirit of Ramadan was also embraced by collaborating with Besraya Toll Mines Plaza to distribute 'Bubur Lambuk' and bottled mineral water that carries a message to take care of their health throughout the holy month of Ramadan, on 11 July as a part of their CSR effort.

Golden Horses Health Sanctuary which represents Country Height's Health Division, has conducted several charity events in 2013 including HalFest '13 and Malaysia Sport Trend and Game Expo at MIECC, Healthylife 2013 Exhibition at Mid Valley, offering free neck and shoulder massage. They also hosted a Traditional Chinese Medicine (TCM) Charity Day, offering the public with free TCM treatments including acupuncture, cupping and localised tuina – complete with complimentary Chinese medication.

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

### THE 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 practice guidelines set in the Code of Corporate Governance.



# PROPERTY DEVELOPMENT

The anchor of the Country Heights Group of Companies, its Property Development Division comprising of a dedicated management team delivers continuous projects of high quality, modern design, sustainable environment and geographically strategic locations. Through its property development projects, CHHB has been successful in providing its purchaser's with substantial asset appreciation value, as proven with its famous projects such as Country Heights Kajang, Country Heights Damansara, Mines Bungalows, where land price appreciation have seen up to an impressive 50 folds increase.

**CYBER HEIGHTS VILLA**  
IN AN INTELLIGENT CITY, CYBERJAYA



**Earlier Developments**

Country Heights Holdings Berhad is one of the first few developers to set foot in Cyberjaya area, launching its first project – Cyber Heights Villa. It is strategically located within one of the world's most prestigious intelligent city and Malaysia's Multimedia Super Corridor, with the breath-taking Putrajaya Lake as its backdrop. To date, the Phase 1 development of 510 units (Cyber Heights Villa) and 14 units (Cyber Residency) of low rise apartments are fully completed and occupied; while Phase 2, with two projects under construction within the vicinity, known as Lakeview Residency (fully sold) and Mansion Park (on going sale). CHHB will be launching 128 units of Duplex Condo, the Sawtelle Suites in quarter one 2014 within Cyber Heights Villa.



## PROPERTY DEVELOPMENT



### COUNTRY HEIGHTS DAMANSARA A LITTLE FOREST IN KUALA LUMPUR

Country Heights Damansara, one of the last remaining freehold land neighborhoods in Kuala Lumpur, is a low-density hilly development with a panoramic view that overlooks the beautiful Kuala Lumpur skyline. This development offers a total of 342 bungalow lots and a residential enclave of less than 2 units per acre. A sought after property hot spot in Kuala Lumpur and Malaysia's first property with an innovative scheme of CHIPI (Country Heights Innovation in Property Investment), landowners and purchasers become instant millionaires and have enjoyed tremendous appreciation value over the years in their investment with this development. Country Heights Damansara was awarded the Best Development Malaysia by CNBC Asia Pacific Property Award in 2008, and the Asia Pacific Residential Property Awards in association with Bloomberg Television as Highly Commended Development Malaysia in the year 2010.

### COUNTRY HEIGHTS KAJANG COUNTRY LIVING AT ITS BEST

Country Heights Holdings Berhad's first project, Country Heights Kajang was launched in 1985 and is the pioneer in Malaysia as the first guarded living community development. Tagged as the "Beverly Hills of Malaysia", this development consists of 700 acres of freehold land with bungalow home lots ranging from 8,000 sqft to 20,000 sqft. Land value in Country Heights Kajang has displayed tremendous appreciation since 1985 with more than 50 times increase of the price since it was launched. Other than being home for many Malaysian elites, Country Heights Kajang is also a preferred residential area for professional expats living in Malaysia. Inside the vicinity Country Heights Kajang, a sub-development of know as Country Villa, offers Malaysia's first Mediterranean-style waterfront living complete with facilities such as a Club House, Swimming Pool, Tennis Courts, Badminton Courts, F&B outlet, Meeting and Conference spaces, etc. Beautifully landscaped with many water features, Country Heights Kajang is the epitome of serene, quality and privacy living.



## THE MINES BUNGALOW LOTS

FINE LIVING AT THE MINES

Mines Bungalow is a prestigious private home estate located inside The MINES Resort in Seri Kembangan, Selangor. Nestled within a world-class golf course, luxury homes at The MINES have breathtaking fairway and lake views, and satisfy all serene living requirements with a scenic lake that separates the estate development from the highway and busy commercial buzz. Consists of 200 plots of bungalow land dotted along the exclusive 18-hole golf course, all lots are designed with lush landscapes and beautiful gardens. An address synonymous with quality and privacy, Mines Bungalow is a sought-after address for home owners who understand and appreciate the finer things in life.



## BORNEO HIGHLANDS RESORT

BACK TO BASICS, BACK TO NATURE

Borneo Highlands Resort is located approximately 50 minutes' drive from the Kuching International Airport and situated at a height of 1,500 meters above sea level in the world's oldest and second largest tropical rainforest after the Amazon. A resort with an 18-hole golf course and a boutique hotel, Borneo Highlands Resort also offers private and low-density bungalow lots for investors and holiday home owners a chance to own a living environment that has been referred to as "heaven on earth".

## PROPERTY DEVELOPMENT

### COLLEGE HEIGHTS GARDEN RESORT

College Heights Garden Resort is Malaysia's first Academic Township located in Pajam, offers resort lifestyle where bungalow lots are set among spacious gardens and a community dedicated to learning. Bungalow lots are currently 80% sold, with the development location easily accessible from KL-Seremban highway and the newly completed LEKAS highway, a fast growing area that is adjacent to Kolej Tuanku Jaafar and the Staffield Golf Course and Country Club.

#### PANGSA RAYKAT - PAJAM

A completed affordable apartment consist of 1,282 freehold units within 20 acres of land. Completed and ready to move in, this fastest growing development is just 2 minutes away from Pajam Lekas exit. .



## KOLEJ HEIGHTS UTARA KUBANG PASU

A PARADISE FOR COUNTRY-STYLE LIVING



Another premium development by Country Heights Holdings Berhad, Kolej Heights Utara (KHU), spreads across 489 acres of freehold land in Kubang Pasu, Jitra, Kedah. This property development includes land, bungalows units, and also super-link residential housing known as Belleza Garden Homes. The sales for the bungalow land units are still on going, and the sale of Belleza Garden Homes Phase 2A have reached 60% and are currently under construction (Phase 1 has been fully sold and handed over to purchasers). The launching of Phase 2B & 3 is targeted in the early 2014. Belleza Garden Homes is a development emphasizing on Lifestyle in a Gated & Guarded Community – the first concept being introduced in Jitra.

## COUNTRY HEIGHTS GOLF & COUNTRY CLUB PECANWOOD

Located outside Johannesburg, South Africa, Pecanwood is a project owned by Country Heights Holdings Berhad that features a world-class tournament 18-hole golf course designed by golfing legend Jack Nicklaus. A vibrant symbol for the local community, its club house further hosts an array of facilities such as a driving range, gym, health spa, tennis courts, conference rooms, and activity spaces that include private indoor functions, outdoor dinners and weddings, a private marina boat club, Pecanwood also offers prime real estate for beautiful home lots with stunning views of the golf course and a dam.



## PROPERTY DEVELOPMENT

### LAKEVIEW RESIDENCY

@ CYBER HEIGHTS VILLA

#### Current Developments

LakeView Residency is the first development in Malaysia to introduce 'negative ions' energy ceiling board to its purchasers. The energy ceiling board work as a natural ionizer and air purifier for health benefits. This purification process improves air quality by helping to purge air-borne particulates such as dust and germs. LakeView Residency is located in the resort inspired Cyber Heights Villas and offers uninterrupted panoramic view of the crystalline Putrajaya Lake. LakeView Residency is easily accessible via Maju Expressway (MEX), North-South Expressway (NSE), South Klang Valley Express (SKVE) and also the Putrajaya Link. LakeView Residency is also located near to local amenities such as Hospitals, Shopping Malls, Universities and Multi-National Companies.



### MANSION PARK

SIGNATURE VILLAS

Country Heights' newest development, the exclusive Mansion Park features 72 units of three-storey 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 places importance on luxurious living, its Villas are innovative in design and spacious, featuring 5+1 bedrooms with two master bedrooms. The Villas range from 4,085 sqft to 5,362 sqft 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.

## SAWTELLE SUITES CYBERJAYA



Located within the urban city of Cyberjaya, Sawtelle Suites is created to meet the contemporary lifestyle of the new generation. The Sawtelle Suites is a low density development with only 128 units of duplex condos. Sawtelle Suites will be developed on a 1.6 acres of freehold land in Cyber Heights Villa and be part of the amazing neighbourhood. Like the rest of the Cyber Heights Villa community, Sawtelle Suites residents will be able to enjoy the scenic view of Putrajaya Lake from their homes. The development is scheduled to be launched in the first quarter of 2014.



## MINES WATERFRONT BUSINESS SUITES

Mines Waterfront Business Suites is an exclusive business suites development located in the Mines Wellness City, an upcoming integrated health and wellness hub. The business suites will be developed on a 2.58 acres of land which comprises of approximately 272 units in two blocks of a modern façade building. The built-up areas range from 481 sqft to 1220 sqft with an indicated selling price of RM900 to RM1000 psf. Launch date for Mines Waterfront Business Suites will be in first quarter 2014 and completion date is expected to be by 2017.

## PROPERTY DEVELOPMENT



### BELLEZA GARDEN HOMES

Belleza Garden Homes Phase 2, is the latest phase in KHU. A guarded community, representing the pioneer of the linear garden concept in the Northern region. It comprises of two and three storey terraced garden homes with extensive backyard gardens integrating an idyllic open-concept environment. The development boasts generous built-up areas from 2,000 sqft. Belleza Garden Homes Phase 2, is now open for sale and the take up rates is substantial and definitely will repeat the success story of the first phase.

#### Future Development

Belleza Garden Homes Phase 3 is a continuity to the successful story of Belleza Phase 1 and 2. The development is expected to be launched in 2nd quarter, 2014 and full completion by 2016. Belleza Garden Homes Phase 3 is an exclusive freehold development in Jitra, Kedah consisting of 97 units of two-storey Linked Villas. Belleza Garden Homes Phase 3 will have a similar concept as Belleza Phase 1 and 2 with linear garden and private lawns, the first of its kind in the Northern states, a guarded community emphasising on security and safety of the owners with clubhouse facilities.



### TROUSDALÉ

Trousdale is an exclusive Retirement Resort. Designed as a private beach lakefront residence, Trousdale is an exclusive resort homes with luxurious features equipped with a matured living residence facility. Trousdale is strategically located in the Mines Wellness City, a centre of health and wellness trade, within the reach of a wide array of amenities such as the Mines Shopping Mall, Mines Exhibition Centre (MIECC) as well as Mines Wellness Hotel. Consisting of 294 residential units with a perfect view of The Mines Lake and the Mines Resort & Golf Club, Trousdale is an ideal home for matured residents who desire to live within a peaceful and comfortable atmosphere. The built up areas range from 1200 sqft to 1500 sqft. Trousdale is expected to be launched in quarter four 2014.



## AQUALIS



Aqualis is another premium development by Country Heights Holdings Berhad that spreads over 2.8 acres of land located in the Mines Wellness City. Aqualis consists of 376 high end condominiums and 32 retail units. The built up areas vary from 500 sqft. The residents and patrons will enjoy unobstructed view of The MINES Lake and the Mines Resort & Golf Club from their unit. This integrated development consists of retails and residential units, to be launched in 2015 and expected completion by 2018.

## CYBER PHASE TWO

Cyber Phase 2 consists of two main projects which are the double-storey superlink houses and Putrajaya Lakefront Condominium. The development of the double storey linked houses is located within the vicinity of Cyber Heights Villa. It consists of 60 units of houses spreading across a freehold land in Cyberjaya with build-up area ranges from 1,600 sqft. While the condominium consists of 474 units of exclusive condominiums located within the neighbourhood with build-up area ranging from 750 sqft to 950 sqft.





# PROPERTY INVESTMENT

Property Investment Division 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 and a 18-hole signature golf course and country homes in the distance, surrounded by lush and plentiful landscaping.

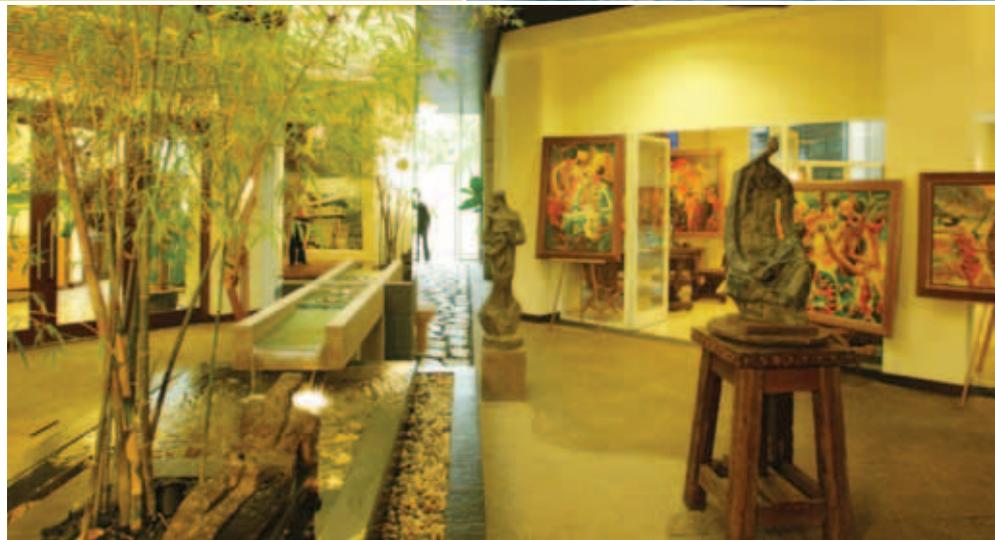
## MINES WATERFRONT BUSINESS PARK

With breathtaking views over a 150-acre lake, a world-class golf course and award-winning landscape, Mines Waterfront Business Park (“MWBP”) is an excellent working environment in the Southern Corridor of Kuala Lumpur which encompasses the growing areas of Kajang, Cheras, Puchong, Serdang, Ampang and Bukit Jalil. MWBP, a corporate office well planned by visionary developer from the very beginning and strategically located along BESRAYA Highway with connectivity to 7 major highways, also commands a sensational lake & golf course view. “The Best of Both Worlds”, summarises the working experience of the office tenants at Mines Waterfront Business Park. It is all elite golfers’ dream office, yet it is sited right in the heart between bustling Kuala Lumpur and our nation’s heartbeat of Putrajaya.



While maintaining almost full occupancy year after year and proudly tagged as the corporate addresses for many well-established multinational companies like Sumitomo, Hitachi Cable, Yellow Pages and government-linked companies like Mynics Berhad and CyberSecurity Malaysia.

MWBP is surrounded by business amenities such as convenient banking facilities, shopping malls, hotels and entertainment centres. There are plans to position Mines Waterfront Business Park as an education and health related centre that coalesces with the corporate building impression in its up and coming development of the MWBP Phase 2.



MWBP has continuously strived to give value added services to tenants by providing ample parking bays with 24-hour security and offering corporate rates at our sister company’s world-class luxury hotels namely, Palace of the Golden Horses and Mines Wellness Hotel. Tenants can house their foreign guests and visitors at our hotels for their convenience.

Asia Pacific University of Technology and Innovation (APU) has set up its campus at MWBP since 2011.



## MIECC – MINES EXHIBITION CENTRE

Mines Exhibition Centre (MIECC) is the largest exhibition venue in terms of tonnage capacity per square meter in the nation. It provides a great and magnificent venue for multi-purpose usage such as major and elaborate events, trade shows, symposiums, expositions, major gatherings, concerts and corporate functions and dinners. Sitting in the midst of a host renowned establishment 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, plan and execute event details to perfection.

MIECC - Being strategically located just 20 minutes from the Kuala Lumpur City Centre or from the 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 favorably on the organisational skills of the team and their warm approach.



### Notable Events And Exhibitions In 2013

#### 24 MAY – 2 JUNE 2013 :~ READ MALAYSIA BOOK FAIR



Entering into its 5<sup>th</sup> Edition this year, Read Malaysia was organised by Mines Events Sdn Bhd. 'Read Together' is the theme for this year's book fair which carries the '1Malaysia' book concept as a part of life programme which promotes life-long training, intellectual development and self-improvement. Read Malaysia provides a fantastic platform for all book lovers as the exhibitors offer a wide variety of book titles at affordable and attractive prices. There are over 500 booths with over 200 exhibitors in this year's edition. The event successfully attracted about 400,000 visitors.

This year's READ comes together with My Campus Life Education Fair. This education fair held in-conjunction with Read Malaysia book fair for ten days. Whereby, the students aspire to attain the skills and knowledge in postgraduate and under graduate programs.

#### 13 - 15 JUNE 2013 :~ MALAYSIA INTERNATIONAL BUS, TRUCK & COMPONENTS EXPO (MIBTC 2013)



The first ever Exhibition in Malaysia that caters specifically to the needs of the regional trucking, logistics and bus industries, serving as an exclusive platform that gathers all the best from leading manufacturers, equipment suppliers and service providers. It is the only international - scale business-to-business trade exhibition in Malaysia focusing on the commercial vehicle market and its supporting industries. Participation is open to manufacturers, buyers, and operators who are interested in selling, promoting and marketing their products at international level. The event showcases the latest innovations and updates from the trucking sector. The venue proved to be ideal for the organisers as loading & unloading of the vehicles and parts were done easily thru our drive in loading ramp. Even a large trailer was brought into the hall to be showcased. Space was no issue for the many lorries, busses, trucks & other large exhibits on display. The organiser were very happy with the venue facilities and have even booked for the next show in 2015.

## 3 JULY 2013 :- PRUDENTIAL MID YEAR CONFERENCE



Prudential Assurance Malaysia Berhad had organised a 1-day conference for 6,000 people in the insurance industry. They had brought in renowned international speakers to give talks and motivations to their strong agency forces for a better financial year. The venue was a big feat and a successful event which proved the skills and ability of MIECC in hosting a full day conference for such a large number of people with the presence of many local & foreign delegates.

## 2 - 6 OCTOBER 2013 :- HALFEST



HALFEST 2013 held in October last year was a resounding success and recorded an all time high in terms of sales revenue. The event successfully attracted more than 63,000 visitors comprising of trade and consumer visitors; hosted more than 543 booths of Halal products and services produced by 457 businesses from around Malaysia. HALFEST was the perfect medium for SMEs to strengthen their brand development and establish their foothold in the local market before expanding into the global market.

HALFEST 2013 was a buzz with exciting activities all lined up during the 5-day event for both consumers and exhibitors such as cooking demonstration, celebrity appearances, Halal hunt, fun quizzes and many more.

The venue was had a great task in catering for the large turn up of visitors and had to ensure security aspects of both the exhibitors as well as visitors were met.

## 15 - 24 NOVEMBER 2013 :- WORLD OF CHINESE BOOK FAIR (WCB)



World of Chinese Book Fair is organised by Mines Events Sdn Bhd. This is the 15<sup>th</sup> years of World of Chinese Book Fair, along this 15<sup>th</sup> years, it's provided a platform for all around the world regional publishers and distributors to establish their partnerships and also promote the reading habit. This book fair hosted more than 500 booths with over 200 exhibitors. This book fair successfully attracted more than 420,000 visitors this year.

Besides books, World of Chinese Book Fair also promises exciting and power-packed talks by renowned local and international authors and speakers. With entertaining activities and competitions lined up throughout the ten days, this book fair is indeed a not-to-be-missed attraction for the whole family during year end school holiday.

## 6 - 15 DECEMBER 2013 :- BIG BAD WOLF



Already deemed the world biggest book sale with 3 million books on sales, this year the organisers set a new record with 230 hours of non-stop shopping starting at 7:00 am on 6 December and closing the book sales at 9:00pm on 15 December. The organisers BookXcess also continued with its Red Readerhood program by further teaming up with the Budimas Charitable Foundation to collect 16,000 books for four rural libraries in Orang Asli settlements within Malaysia. Throughout the 230 hours they managed to clock in close to 1 million visitors. The organisers 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.



# HOSPITALITY

As the continuous effort to promote the ideal living concept of “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.

## PALACE OF THE GOLDEN HORSES

### Beyond Hospitality

The high standard of attentive service at Palace of the Golden Horses has been recognised 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 three times in a row – 2011, 2012 and 2013. 2013 was also a year of change for Palace of the Golden Horses as the hotel underwent major refurbishment in which the rooms, interior and exterior of the hotel were repainted. Palace of the Golden Horses offers 472 exquisite guestrooms and suites of which 20 are designed for heads of states, host nation suite and a golden suite. There are also three restaurants, a lounge and a cafe, a business centre, a swimming pool and a fully-equipped gym.

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 Restaurant – serves award winning contemporary Chinese cuisine
- Kin No Uma Japanese Restaurant – an authentic Japanese fare
- Grand Salon Lobby Lounge – serves evening cocktails and nightly live entertainment
- Side Walk Café – offering delectable pastries, fruits and juices

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, with a maximum seating capacity of up to 2,000 and 800 respectively. There is also a theatre with 300 seats which accommodates theatrical acts or corporate presentations. 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 Restaurant, Best Luxury Golf Resort for 2011, 2012 and 2013, etc.

In effort to provide guests with a complete health and wellness experience, Palace of the Golden Horses partners with the Golden Horses Health Sanctuary (GHHS), a comprehensive health screening service centre located within the hotel premises. GHHS infuses Eastern and Western preventive methods is a boon to its members, health tourists and corporations alike who place wellness at the forefront in their lifestyles. Palace of the Golden Horses, located in Mines Wellness City is one of the world's most widely known luxury hotels, inextricably linked with outstanding opulence, which will position Malaysia as one of the finest destinations 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 tranquillity. 2009 marked a year of transformation for the hotel as it relaunched its mission as a one-stop holistic wellness resort offering eastern healthcare services, incorporating Traditional Chinese Medicine (TCM), Traditional Malay Therapy (TMT), Ayurvedic and complementary health therapies based on eastern medical philosophies. 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 barbecues, family days, team building events and other leisure or corporate activities. A delightful 120-room wellness 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 logo which has a representation of two leaves is derived from a 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. 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 walking paths for reflexology at the balcony, 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 Mines Wellness Hotel have the opportunity to indulge in comprehensive and holistic wellness services through the Hotel's partnership with Golden Horses Health Sanctuary. The Wellness Counter contains information about the packages being offered. Wellness packages can be customised for the guests by combining the use of facilities such as the 18 tuina and therapy rooms, herbs bar and pharmacy, well-known Traditional Chinese Medicine, Traditional Malay Therapy 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, Sports Therapy and Body Detox – all complete with serving a range of healthy cuisine. Therapies offered by the hotel focuses on holistic and natural healing, hence all the programmes are designed on the philosophy of naturopathy to help the body heal itself. There are three different dining outlets to fulfil 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 ambience.

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

### BORNEO HIGHLANDS HORNBILL GOLF AND JUNGLE CLUB



#### Back To Nature, Back To Basics

Located just an hour's drive from Kuching International Airport, Borneo Highlands Resort is one of the most unique and exclusive eco-friendly resort developments in the region. 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 degrees Celsius. It is an absolute botanical paradise blessed with astonishing varieties of flora and fauna, fresh air, cool mountain breezes and spectacular highland scenery. The resort emphasises on 3 main retreats which is the Golf, Nature, and Spa retreats. 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.

The awards and achievements received by Borneo Highlands Resort are:

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

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

## COUNTRY HEIGHTS RESORT & LEISURE

Country Heights Resort & Leisure (CHRL) is part of the first guarded community project development in Malaysia. Surrounded by lush landscaped gardens and lakes, all villas come fully furnished and are equipped with TV, air conditioning, refrigerator, water heater, and coffee/tea making facilities.

CHRL is sought after as a strategic destination for local and international companies to host their team building events or activities. The development brands itself as a one-stop M.I.C.E. hub offering luxury villas for rent and F&B outlets to complement their well designed banquet halls, conference rooms and auditorium, which can also be used for birthdays, weddings and sports days. CHRL also offers sports and recreation centres such as indoor badminton courts, basketball court, netball court, mini football field, children's playground, lake side fishing and swimming pool, among others.





# 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.

The Health Division of CHHB, Golden Horses Health Sanctuary (GHHS) is a one-stop destination for health check-ups and wellness therapies that combines Eastern and Western preventive medicine methods. A complete health sanctuary inspired by wisdom dating back to 5,000 years ago, it is a haven for wellbeing equipped with modern 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 a preventive health centre in a resort setting – the first of its kind in the country. Its services focus 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. Primary

prevention aims to avoid the development of disease, secondary prevention aims to diagnose and treat an existing disease in its early stages, tertiary prevention aims 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 which are GHHS – Health Screening, which focuses on modern medicine practices, located in Palace of the Golden Horses, and GHHS – Wellness which focuses on Traditional and Complementary health practices, located in Mines Wellness Hotel. The locations of the centres are strategically chosen to be hosted within a hotel/resort to provide convenience and comfort for health tourists.

In 2014, GHHS will be rebranded as "GHHS Healthcare".

**Its services focus on health promotion and addressing risks, as well as social and genetic factors related to preventive care**

## GOLDEN HORSES HEALTH SANCTUARY



## GHHS – Health Screening

The facilities at the Health Screening centre are upgraded regularly. State-of-the-art imaging systems which include technology for full field digital mammography, digital radiography, web-based reporting, 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. This 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 PLUS, all results will be delivered on the same day, making it convenient for individuals, health tourists as well as corporations who work in collaboration with GHHS. The Health Screening component has eight clinics under its preventive medicine centre, including a metabolic syndrome and obesity clinic, eye care clinic, heart clinic, gastro and liver clinic, health and dietetic clinic, internal



medicine and physician clinic, skin and cosmetology clinic and longevity and age 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. Since its establishment, GHHS has performed over 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 improve their health.

**GHHS has performed over 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**



#### GHHS – Wellness

GHHS – Wellness's Traditional Chinese Medicine centre was awarded in 2013 as Malaysia's first ISO 9001:2008 Certified TCM Wellness Centre by Lloyd's Register Quality Assurance U.K. Complementing GHHS – Health Screening's 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 one's body back to its natural state of wellness. Within an elegant and relaxing ambience, patrons of 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 tuina therapy, qiaodanjing, Meridian point reading, TCM herbal footbath as well as practice Health Qigong. A TCM pharmacy is also available with consultants who dispense herbal prescriptions that are fully tailor-made to the needs and requirements of each customer. 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 – Bio~Herbs

GHHS – Bio~Herbs was officiated in December 2010, offering the latest premium quality supplements and health related equipments. 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 of 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 members and on the importance of having a healthy body and sound mind. To provide better convenience to the public, GHHS – Bio~Herbs products are available for purchase online at [www.ghhs.com.my](http://www.ghhs.com.my).



## MEMBERSHIP & TOURISM

Tourism Division will continue to uphold our brand for the Vacation and Health Membership divisions by striving to provide more value-added services for our members. With the enhanced leisure products and services, we can further reach out to a wider market through our sustained branding and hospitality.



### MINES GLOBAL HOLIDAYS

Mines Global Holidays (MGH) is an Inbound Travel Agency that focuses on promoting Malaysia as a top travel destination especially for local and foreign tourists with preferences of green sanctuary who seek to enhance their physical and mental health in a holistic environment such as at Mines Wellness City.

As the exclusive agent of Country Heights Holdings Berhad (CHHB), MGH specialises in Medical Tourism, Golf Tourism, MICE, Corporate Incentives, Leisure Holiday Packages, English Camp, Internship Programmes and Professional Development Courses.

With a strong and solid foundation, MGH not only has an extensive range of ground transportation and service providers to cater to regular tours and travel arrangements, but is also able to combine and customize the services of all components of CHHB as well as other external service providers to provide various first class services and wonderful tour experiences to its customers.

Mines Global Holidays is always in tune with new tourism trends and demands to continuously provide quality holidays for customer's enjoyment. In 2013, MGH was the appointed partner for artistes accommodation for the 27<sup>th</sup> Golden Disk Awards held in Kuala Lumpur.



## MEMBERSHIP & TOURISM

### PALACE VACATION CLUB A LIFETIME OF MEMORIES BEGINS HERE...



Palace Vacation Club is a membership designed to provide its members the opportunities to enjoy vacations, creating priceless memories at places beyond the regular destinations with freedom of choices available only with a timeshare network. The membership ensures and maintains the affordability and flexibility of family vacations with choices of over 100 internal and direct affiliation resorts - both at local and international destinations. In 2013, new destinations include Canary Island and Malaga in Spain, Portugal as well as Hangzhou and Haikou in China has been added into the affiliation list for members to enjoy. Apart from that, the affiliation with the Resort Condominium International (RCI), the world's largest resort exchange company allows members to access over 4,000 holiday resorts around the world.

Another major project initiated in the pipeline is to further enhance its membership value – a unique, flexible point-based membership system that offers not only holiday accommodation but health, wellness and an array of special benefits provided within the Country Heights Group of Companies.

As at December 2013, Palace Vacation Club had successfully processed 16,412 reservations for members, with booking efficiency remained high at 97% - a commendable effort from the highly dedicated Member Services team.

Palace Vacation Club will continuously uphold its commitment in enhancing members' vacation experiences with more uncharted destinations!



# COUNTRY HEIGHTS EDUCATION

The Country Heights Education Division consists of two education centres – International Malaysia Education Centre (IMEC) and 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 a professional team of professors and teachers.

## COUNTRY HEIGHTS EDUCATION

### INTERNATIONAL MALAYSIA EDUCATION CENTRE (IMEC)



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 offers English language classes to both international and local students, looking to further their aspirations through language and communication. The centre aims to be an innovative learning hub 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 courses 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

IMEC has introduced a list of new programmes in 2013, including:

- English for The Boardroom
- English for Hotel and Catering staff
- Customer Service English - Telephone English
- IMEC 2D design course - Photoshop & Illustrator
- Cyber Security
- Mobile Android Interactive Application
- Mobile Web Interactive Course
- Project Management Professional
- Etc.

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 series of 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



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 imparted for people to follow. The virtues will be a guide to help the children develop into better individuals. 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

The Eight Virtues Preschool curriculum is based on the Montessori classroom for ages 3 through 6 years old and is a ‘living room’ for children. Children choose their work from among the self-correcting materials displayed on open shelves, and then work in that area. Over a period of time, the children develop into a ‘normalised community,’ working with high concentration and few interruptions. Normalisation is the process whereby a child moves from being undisciplined to self-disciplined, from disorganised to organised and from distracted to focused in a working environment. The process occurs through repeated work with materials that captivate the child’s attention. For some children, this inner change may take place quite suddenly, leading to deep concentration. Montessori education offers children opportunities to develop their potential as they step out into the world as engaged, competent, responsible, and respectful citizens with an understanding and appreciation that learning is for life.

With these skill sets, students at Eight Virtues Preschool 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.my](http://www.eightvirtues.com.my).



# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Country Heights Holdings Berhad (“the Board”) recognises that the exercise of good corporate governance in conducting the affairs of Country Heights Holdings Berhad (“CHHB” or “the Company”) and its subsidiaries (“the Group”) with integrity, transparency and professionalism is a key component for the Group’s continued progress and success. The Board is of the view that this is not only fundamental for the protection and enhancement of shareholders’ value but also ensure that the interests of other stakeholders are safeguarded. The Board fully supports the recommendations set out in the Malaysian Code on Corporate Governance 2012 (“the Code”).

This Statement describes the manner in which the Group has applied the key principles and the extent to which it has complied with the best practices of good governance as set out in the Code for the financial year ended 31 December 2013.

## 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 8 to 13 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 Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

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 Chief Executive Officer (“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 Chairman 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	3/5
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	3/5
Nik Hassan Bin Nik Mohd Amin	5/5
Chew Chong Eu	5/5
Lee Cheng Wen	5/5

## STATEMENT ON CORPORATE GOVERNANCE

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.

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 will potentially affect 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 the Group CEO. Performance indicators for individual Directors include their interactive contributions, understanding of their roles and quality of input.

For the financial year 2013, 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 structure, processes, accountability and responsibilities of the Committees are evaluated in assessing the effectiveness of the respective Committees.

Questionnaires are also completed by the Directors on Peer Assessments. These questionnaires were reviewed 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 the Group CEO.

### **Re-election of Directors**

The Articles of Association of the Company requires a director appointed during a financial year to retire at the following annual general meeting. All directors are bound to retire at least once in every three years and re-election of Directors take place at each Annual General Meeting ("AGM"). Directors over the age of seventy are required to retire annually. All the retiring directors shall be eligible for re-election.

The re-appointment and re-election of Directors at the AGM are 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 the 30th AGM of CHHB scheduled to be held on 20 June 2014.

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 more than 20 years.

## STATEMENT ON CORPORATE GOVERNANCE

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 meetings of the Nomination Committee, the Remuneration Committee, the Audit & Risk Management Committee, and the Board; and
- They have contributed sufficient time and efforts at the meetings of the Nomination Committee, the Remuneration Committee, the Audit & Risk Management Committee, and the Board 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 and accordingly, recommends them to be retained as Independent Non-Executive Directors. Ordinary Resolutions for the aforesaid purpose will be tabled at the forthcoming Annual General Meeting for shareholders' approval.

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 the 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 2013 categorised into the appropriate components are as follows:-

Description	Executive	Non-	Total
	Directors	Executive	
	RM'000	Directors	RM'000
Salaries & Other emoluments	384	32	416
Benefit-in-kinds	-	14	14
EPF Contribution	50	-	50
Fees	-	98	98
<b>Total</b>	<b>434</b>	<b>144</b>	<b>578</b>

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

Range of Remuneration (RM)	Number of Directors	
	Executive	Non-Executive
Up to RM50,000	-	5
RM200,000 to RM350,000	-	-
RM351,000 to RM400,000	-	-
RM401,000 to RM450,000	1	-
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.

## STATEMENT ON CORPORATE GOVERNANCE

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 meetings of the Board of Directors.

### **Audit & Risk Management Committee (“ARMC”)**

The report of the ARMC is set out on pages 72 to 75 of this Annual Report.

### **Nomination Committee (“NC”)**

The NC comprises wholly of Non-Executive Directors, all of whom are independent.

#### *Membership:-*

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

#### *Meeting Attendance:-*

The NC met once during the financial year.

#### *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 Directors and the effectiveness of the Board as a whole; including the assessment of the effectiveness of the Board, its Committees and contribution of each individual Director.

#### *Authority:-*

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

#### *Main Activities 2013:-*

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

- Evaluated and assessed the overall effectiveness of the Board and its Committees including its size, structure and composition.
- Evaluated and assessed the contribution and performance of each individual Director in 2013.
- Evaluated and assessed the performance of the Group CEO.
- Proposed and recommended to the Board for approval of the Environmental & Sustainability Policy for the Company.

In its assessment, the NC 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:-*

- To recommend 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.
- To review the framework for retaining and rewarding senior management in consideration of the Company’s performance and market conditions.

#### *Authority:-*

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

# STATEMENT ON CORPORATE GOVERNANCE

## *Main Activities 2013:-*

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

- Advised the Board on the performance of the Group CEO and assessed her remuneration package for the approval of the Board.
- Made recommendations to the Board on the remuneration and entitlements of the Non-Executive Directors, including the Non-Executive Chairman, for the decision of the Board as a whole.

## **Management Executive Committee**

The Management Executive Committee (EXCO) is to assist the Board in the day-to-day operations of the Group. The EXCO operates under clearly defined terms of reference. The EXCO comprises of 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:-

- Achieving & Increasing Boardroom Effectiveness & Performance
- Aged Care : Empowering the Elderly II Conference
- Asian Infrastructure & Property Development Summit ("AIPD") 2013
- Briefing on 2014 Budget Highlights & Implications of Goods & Service Tax
- GST Briefing for Property Developers
- Hotel Investment Conference Asia Pacific ("HICAP") 2013
- Malaysian Code on Corporate Governance 2012 & Updates on Listing Requirements of Bursa Malaysia Securities
- Nominating Committee Programme
- Nurturing the Creative Organisation

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 carrying out an effective role as Directors. From time to time, the Board also receives updates and briefings, particularly on regulatory and legal developments relevant to the Company's business.

## **EFFECTIVE BOARD OPERATIONS AND INTERACTION**

### **Board Meetings Schedule and Predetermined Agendas**

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

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

### **Company Secretary**

The Company Secretary is responsible for ensuring that Board procedures are followed, and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretary is also responsible for all matters associated with the maintenance of the Board or otherwise required for its efficient operation. The Company Secretary attends and ensures that all meetings of the Board and Board Committees are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company.

### **Supply of Information**

The Directors have full and unrestricted access to complete information on a 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 matters.

# STATEMENT ON CORPORATE GOVERNANCE

## 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

The Code of Ethics for Company Directors which was adopted by the Board 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, the Corporate Governance Guide and the Companies Act, 1965.

An internal whistle blowing programme has been introduced for the 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 Chairman of the Audit & Risk Management Committee.

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

## Environmental & Sustainability Policy

The Board recognises the need to operate its business in a responsible and sustainable manner complying with all relevant legislative and regulatory requirements, to maintain its reputation, and to generate future business. CHHB combine its values of nature, love, quality, style and excellence, together with its vision of "Ever Searching for Better Living" and set its commitment to sustainable good practice in the context of environment, economic and social consideration.

The Company's commitment to environment sustainability is considered central to its business culture and as such is intended to form part of, and to support, all CHHB's activities. The Company believe that seeking to continuously improve its environmental performance is fundamental to its business success and that sustainability principles should be incorporated into CHHB's activities and decision making at all levels.

The Environmental & Sustainability Policy of the Company and the Group focuses on corporate sustainability in five main areas, being environment, health and safety, employees, business partners and local communities. The Company's and the Group's effort on environmental and social responsibility during the financial year are set out in the Corporate Responsibility Report of this Annual Report.

## 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 may 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

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

Notices on the closed period for trading in the Company's shares are sent to the Directors and principal officers on a quarterly basis specifying the timeframe during which the Directors and principal officers are prohibited from dealing in the Company's shares. The 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 the 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 the Management is proven to have acted negligently, fraudulently or dishonestly.

# STATEMENT ON CORPORATE GOVERNANCE

## RELATIONSHIP AND COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

### Dialogue between the Company, Shareholders and Investors

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

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

In complying with paragraph 9.21(3) of the MMLR 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 the 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 their views 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 the shareholders in electronic format (CD-ROM). The shareholders are given the option to request for hard copies of the Annual Report.

Shareholders and members of the public can access the website of the Company <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 the 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 the 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 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.

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 are invited to participate and brief the ARMC on specific issues at ARMC meetings. The roles of both the external and internal auditors are further described in the Audit & Risk Management Committee Report.

The Group has established an in-house Group Internal Audit Department, in addition to utilising the services of the external auditors, which reports significant findings directly to the ARMC with recommended corrective actions. The Management is responsible to ensure that corrective actions on reported weaknesses 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, 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 meetings 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 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 is satisfied that in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2013, the Group has adopted the appropriate accounting policies and applied them consistently, and that all applicable approved accounting standards have been followed.

## COMPLIANCE STATEMENT

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

Given the current composition of the Board which reflects a strong independent element and the separation of the roles of the Chairman and Group 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 transactions of revenue or trading nature which are necessary for its day-to-day operations shall expire at the conclusion of the forthcoming Annual General Meeting and is subject to renewal by the shareholders at the said Annual General Meeting.

Significant related party transactions of the Group are disclosed in Note 37 to the Financial Statements.

### Options, Warrants or Convertible Securities

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

### Depository Receipt Programme

During the financial year, the Company did not sponsor any depository receipt programme.

### Imposition of Sanctions / Penalties

There is a penalty of RM2,481 imposed by the Inland Revenue Board in respect of outstanding taxes relating to the financial year ended 31 December 2013.

### 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 2013 amounted to RM17,590.

### Variation between Audited and Unaudited Results for the Financial Year Ended 31 December 2013

There was no variance of 10% or more between the audited results for the financial year ended 2013 and the unaudited results previously announced by the Company.

### Profit Guarantees

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

### Share Buy-Back

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

There was no share buy-back during the financial year.

### Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 December 2013.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors duly passed on 17 April 2014.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

The Audit & Risk Management Committee (“ARMC”) of Country Heights Holdings Berhad was established with the objective of assisting the Board of Directors in the areas of corporate governance, system of internal controls, risk management and financial reporting of the Group. Members of the ARMC are mindful of their dual roles which are clearly reflected and demarcated in the agendas of each meeting.

## Membership and Meetings

The ARMC comprises the following members, all of whom are independent Directors:-

- i) Nik Hassan Bin Nik Mohd Amin (Chairman of ARMC, Independent Non-Executive Director);
- ii) Gen Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) (Independent Non-Executive Director);
- iii) Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock (Independent Non-Executive Director); and
- iv) Chew Chong Eu (Independent Non-Executive Director);

There were five (5) meetings held during the financial year ended 31 December 2013 and the records of their attendance are as follows:-

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

The Group Chief Executive Officer (“Group CEO”), Group Chief Financial Officer (“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 the Board’s approval were tabled at the 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 Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and best practices propagated by Bursa Securities Corporate Governance Guide; towards Boardroom Excellence.

## Composition

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

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

- i) must be a member of the Malaysian Institute of Accountants; or
- ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years working experience and;
  - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967;
  - (b) 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
  - (c) 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.

In the event of any vacancy in the ARMC resulting in the non-compliance with sub-paragraph 15.09(1) of the MMLR, the Company must fill the vacancy within three (3) months.

## Quorum

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

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

## Attendance & Frequency of Meetings

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

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

## Authority

The ARMC is authorised by the Board to:-

- i) seek any information relevant to its activities from employees of the Company.
- ii) source for necessary resources required to carry out its duties.
- iii) obtain independent professional advice it considers necessary.
- iv) have full and unlimited access to any information and documents pertaining to the Company.
- v) investigate any matters within its terms of reference, with explicit authority.

## Functions

- i) Financial Statements, External Audit and Other Information

The duties of the ARMC shall be to:-

- (a) make appropriate recommendations to the Board on matters pertaining to the nomination, appointment and dismissal of external auditors and the fee thereof;
- (b) review and discuss with the external auditors and internal auditors before the commencement of audit, the nature and scope of the audit;

- (c) review the quarterly and year-end financial statements of the Group and Company prior to submission to the Board, focusing particularly on:-

- public announcement of results and dividend payments;
- any significant changes in accounting policies and practices;
- significant adjustments and unusual events resulting from the audit;
- the going concern assumption;
- compliance with stock exchange, accounting standards and legal requirements.

- (d) 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) review external auditors' letter to management (if any) and management's response;

- (f) 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 the Head of the internal audit function;

- (i) approve any appointment or dismissal of the Head of the internal audit function;

- (j) inform itself of resignation of the Head of internal audit and provide him/her an opportunity to submit reason(s) for resigning;

- (k) 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) consider the findings of internal audit investigations and management's response;

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

### ii) 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 the following:-

- (a) 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) champion and promote the Enterprise Risk Management and to ensure that the risk management process and culture are embedded throughout the Group;
- (c) provide routine monthly and quarterly reporting and update the Board on key risk management issues and Potential Loss Event;
- (d) review Risk Management Framework and Policy & Guide annually;
- (e) 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:-
  - 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;
  - review regularly and approve the parameters used in these measures and the methodology adopted;
  - set a standard for the accurate and timely monitoring of large exposures and certain risk types of critical importance, and
  - consider whether the Group has effective management systems in place to identify, assess, monitor and manage its key risk areas.

- (g) review the Group's capability to identify and manage new risk types;
- (h) review reports on any material breaches of risk limits and the adequacy of proposed action;
- (i) follow-up on management action plans based on the status of implementation compiled by the management;
- (j) 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) 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) 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) review the Group's procedures for preventing fraud; and
- (n) 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 ARMC shall also ensure the function has adequate independence and is free from management or other restrictions.

### **Minutes**

The Secretary shall cause minutes to be duly entered in the books provided for the purpose of all resolutions and proceedings of all meetings of the ARMC. Such minutes shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts thereon stated.

Minutes of each meeting shall also be distributed to the members of the ARMC prior to each meeting.

## AUDIT & RISK MANAGEMENT COMMITTEE REPORT

### Summary of Activities of the ARMC

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

- i) review of audit plans prepared by both internal and external auditors;
- ii) review of unaudited quarterly financial statements during the financial year prior to submission to the Board for consideration and approval;
- iii) review and evaluate the policies for risk management and systems of internal control;
- iv) review of internal audit reports presented by internal auditors and consider the major findings by the internal auditors and management's responses thereto;
- v) review of the audited financial statements for the financial year ended 31 December 2013 and to discuss significant audit issues and findings with the external auditors;
- vi) 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
- vii) meet 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 department. 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 controls 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 controls to safeguard shareholders' investments and the Group's assets.

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

## Responsibility and Accountability

The Board of Country Heights Holdings Berhad affirms its overall responsibility for the Group's system of internal controls to safeguard shareholders' investments and the assets of the Group as well as reviewing the adequacy, integrity and effectiveness of the system. Internal control systems are primarily designed to cater for the business needs and manage the potential business risks of the Group.

However, such systems are designed to manage, rather than to eliminate the risk of failure to achieve 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 staff 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 acknowledges that all areas of the Group's business activities involve some degree of risk. The Group is committed to ensuring that there is an effective risk management framework which allows management to manage risks within defined parameters and standards, and promotes profitability of the Group's operations in order to enhance shareholder value.

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

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

# STATEMENT ON INTERNAL CONTROL

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.

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

The Company Officer responsible for managing internal controls and legal and regulatory compliance at the company is the Group Chief Financial Officer, Mr. Tan Kok Kee. Mr. Tan is 55, 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 Group Internal Audit Department 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 Audit & Risk Management Committee.

The Group Internal Audit Department reports directly to the Audit & Risk Management Committee. 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 2013, all the internal audits were performed by the in-house Group Internal Audit Department. Arising from these assessments and reviews, the Group Internal Audit Department presented their reports to the Audit & Risk Management Committee on their findings, recommendations for improvements and the response from management for the Committee's deliberation and consideration.

The costs incurred in maintaining the internal audit function for the financial year ended 31 December 2013 amounted to RM317,427.60.

### 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.

A whistleblowing policy has been 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 queries and complaints directly to the Group CEO, and/or the Audit Committee 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 controls 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 controls 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 17 April 2014.

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# REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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, 2013.

## 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 joint venture 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 joint venture 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	49,314	4,889
Income tax expense	(14,202)	(1,527)
Profit for the year	35,112	3,362
Profit attributable to:		
Equity holders of the Company	36,016	
Non-controlling interests	(904)	
	35,112	

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.

# REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other 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.

As of 31 December, 2013, the current liabilities of the Group have exceeded the current assets by RM73,474,000. The current liabilities of the Group arose mainly from borrowings totalling RM191,476,000, which mainly comprise term loans of RM124,934,000 as of 31 December, 2013 as mentioned in Note 29(b) to the Financial Statements. However, the financial statements of the Group have been prepared on a going-concern basis. This basis assumes that the Group will continue to be in operational existence for the foreseeable future and to have adequate funds to meet its obligations as they fall due, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of this assumption is largely dependent upon the continual financial support from the bankers and the successful implementation of the plan to monetise and unlock the value of its assets to generate better cash flows as mentioned in Note 2 to the Financial Statements.

Other than as stated in the preceding paragraph, 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 31.12.2013
	As of 1.1.2013	Bought	Sold	
<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
<b>Shares in a subsidiary company, Golden Horse Palace Berhad</b>				
<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 (formerly 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  
17 April, 2014

# 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, 2013 and the statements of profit or loss and other 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 164.

### *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, 2013 and their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia.

### *Emphasis of Matter*

Without qualifying our opinion, we wish to draw attention to Note 2 to the Financial Statements which indicates that as of 31 December, 2013, the current liabilities of the Group have exceeded the current assets by RM73,474,000. The current liabilities of the Group arose mainly from borrowings totalling RM191,476,000, which mainly comprise term loans of RM124,934,000 as of 31 December, 2013 as mentioned in Note 29(b) to the Financial Statements. However, the financial statements of the Group have been prepared on a going-concern basis. This basis assumes that the Group will continue to be in operational existence for the foreseeable future and to have adequate funds to meet its obligations as they fall due, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of this assumption is largely dependent upon the continual financial support from the bankers and the successful implementation of the plan to monetise and unlock the value of its assets to generate better cash flows as mentioned in Note 2 to the Financial Statements. Should this assumption be negated, the basis of preparation of the financial statements on the going concern basis may no longer be appropriate.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD  
(Incorporated in Malaysia)

## Report on Other Legal and Regulatory Requirements

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

## Other Reporting Responsibilities

The supplementary information set out on page 165 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 to any other person for the contents of this report.

**DELOITTE**  
**AF 0080**  
Chartered Accountants

**YEE YOON CHONG**  
Partner - 1829/07/15 (J)  
Chartered Accountant

17 April, 2014

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	5	262,829	253,716	18,743	19,693
Cost of sales and services	6	(97,563)	(101,559)	-	-
<b>Gross profit</b>		<b>165,266</b>	<b>152,157</b>	<b>18,743</b>	<b>19,693</b>
Other operating income		15,817	11,142	376	3,606
Selling and marketing expenses		(15,234)	(10,384)	(196)	(135)
Administrative expenses		(28,083)	(29,806)	(6,211)	(5,719)
Other operating expenses		(72,398)	(69,662)	(1,847)	(6,717)
Finance costs	7	(15,971)	(20,358)	(5,976)	(8,756)
Share of results of:					
Associate		91	(153)	-	-
Joint venture		(174)	(36)	-	-
<b>Profit before tax</b>	8	<b>49,314</b>	<b>32,900</b>	<b>4,889</b>	<b>1,972</b>
Income tax expense	9	(14,202)	(7,143)	(1,527)	(1,086)
<b>Profit for the year</b>		<b>35,112</b>	<b>25,757</b>	<b>3,362</b>	<b>886</b>
<b>Other comprehensive income, net of tax</b>					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences on translating foreign operations	27(b)	(1,117)	(818)	-	-
<b>Total comprehensive income for the year</b>		<b>33,995</b>	<b>24,939</b>	<b>3,362</b>	<b>886</b>
Profit/(Loss) attributable to:					
Equity holders of the Company	12(a)	36,016	25,253	3,362	886
Non-controlling interests		(904)	504	-	-
<b>Profit for the year</b>		<b>35,112</b>	<b>25,757</b>	<b>3,362</b>	<b>886</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Company		34,899	24,435	3,362	886
Non-controlling interests		(904)	504	-	-
<b>Total comprehensive income for the year</b>		<b>33,995</b>	<b>24,939</b>	<b>3,362</b>	<b>886</b>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic	12(a)	13.06	9.16		
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, 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Hotel properties and exhibition centre & showroom	13	322,072	328,737	-	-
Other property, plant and equipment	14	92,821	95,968	664	297
<hr/>					
Property, plant and equipment		414,893	424,705	664	297
Investment properties	15	62,004	119,690	-	-
Prepaid land lease payments	16	317,776	335,498	-	-
Land held for property development	17(a)	232,717	171,142	-	-
Investment in subsidiaries	18	-	-	625,855	625,455
Investment in an associate	19	91	-	41	41
Investment in a joint venture	20	91	264	-	-
Available-for-sale financial assets	21	2,660	2,186	718	718
Long-term trade receivables	22	19,285	18,459	-	-
Deferred tax assets	33	4,546	6,020	-	-
Goodwill on consolidation	23	-	-	-	-
<hr/>					
<b>Total Non-Current Assets</b>		<b>1,054,063</b>	<b>1,077,964</b>	<b>627,278</b>	<b>626,511</b>
<hr/>					
<b>Current Assets</b>					
Property development costs	17(b)	68,604	48,740	-	-
Inventories	24	110,812	128,242	-	-
Trade receivables, other receivables, deposits and prepayments	22	84,054	73,333	7,762	8,750
Tax recoverable		4,425	6,268	3,849	4,775
Cash and bank balances	25	40,277	63,334	46	343
<hr/>					
<b>Total Current Assets</b>		<b>308,172</b>	<b>319,917</b>	<b>11,657</b>	<b>13,868</b>
<hr/>					
<b>TOTAL ASSETS</b>		<b>1,362,235</b>	<b>1,397,881</b>	<b>638,935</b>	<b>640,379</b>

# STATEMENTS OF FINANCIAL POSITION

AS OF 31 DECEMBER, 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	26	275,707	275,707	275,707	275,707
Share premium		57,251	57,251	57,251	57,251
Other reserves	27	149,074	152,055	19,048	19,048
Retained earnings	28	307,992	270,112	61,280	57,918
<hr/>					
Equity attributable to equity holders of the Company		790,024	755,125	413,286	409,924
Non-controlling interests		26,907	27,811	-	-
<hr/>					
<b>Total Equity</b>	38	<b>816,931</b>	<b>782,936</b>	<b>413,286</b>	<b>409,924</b>
<hr/>					
<b>Non-Current Liabilities</b>					
Borrowings	29	42,952	72,049	104	22,500
Long-term liabilities	32(a)	3,235	3,757	-	-
Deferred income	32(b)	37,085	36,520	-	-
Deferred tax liabilities	33	80,386	82,120	44	26
<hr/>					
<b>Total Non-Current Liabilities</b>		<b>163,658</b>	<b>194,446</b>	<b>148</b>	<b>22,526</b>
<hr/>					
<b>Current Liabilities</b>					
Borrowings	29	191,476	244,934	76,151	79,147
Trade payables, other payables and accrued expenses	34	130,024	121,506	149,350	128,782
Tax payables		58,968	52,945	-	-
Deferred income	32(b)	1,178	1,114	-	-
<hr/>					
<b>Total Current Liabilities</b>		<b>381,646</b>	<b>420,499</b>	<b>225,501</b>	<b>207,929</b>
<hr/>					
<b>Total Liabilities</b>		<b>545,304</b>	<b>614,945</b>	<b>225,649</b>	<b>230,455</b>
<hr/>					
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,362,235</b>	<b>1,397,881</b>	<b>638,935</b>	<b>640,379</b>

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2013

Group	Note	Non-distributable Reserves			Distributable Reserves -	Attributable to Equity	Non-	Total
		Share Capital	Share Premium	Other Reserves	Retained Earnings	Holder of the Company	Controlling Interests	Equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<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 (loss)/income		-	-	(818)	-	(818)	-	(818)
Total comprehensive income/(loss)		-	-	(818)	25,253	24,435	504	24,939
Transfer to retained earnings	27(b)	-	-	(1,864)	1,864	-	-	-
<b>As of 31 December, 2012</b>		275,707	57,251	152,055	270,112	755,125	27,811	782,936
<b>As of 1 January, 2013</b>		275,707	57,251	152,055	270,112	755,125	27,811	782,936
Profit for the year		-	-	-	36,016	36,016	(904)	35,112
Other comprehensive (loss)/income		-	-	(1,117)	-	(1,117)	-	(1,117)
Total comprehensive income/(loss)		-	-	(1,117)	36,016	34,899	(904)	33,995
Transfer to retained earnings	27(b)	-	-	(1,864)	1,864	-	-	-
<b>As of 31 December, 2013</b>		275,707	57,251	149,074	307,992	790,024	26,907	816,931

Company	Share Capital	Share Premium	Other Reserves	Distributable Reserves		Total Equity
				Non-distributable Reserves -	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<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
<b>As of 1 January, 2013</b>	275,707	57,251	19,048	57,918		409,924
Total comprehensive income for the year - profit for the year		-	-	-	3,362	3,362
<b>As of 31 December, 2013</b>	275,707	57,251	19,048	61,280		413,286

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

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2013

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit before tax	49,314	32,900	4,889	1,972
Adjustments for:				
Interest expense	15,971	20,358	5,976	8,756
Allowance for doubtful debts on trade and other receivables	6,503	5,411	-	-
Depreciation of other property, plant and equipment	6,496	7,346	261	247
Depreciation of hotel properties and exhibition centre & showroom	4,162	4,162	-	-
Bad debts written off	7,104	5,748	-	-
Amortisation of prepaid land lease payments	4,306	4,306	-	-
Fair value adjustment to long-term trade receivables	(31)	(918)	-	-
Fair value adjustment to investment properties	(2,409)	-	-	-
Gain on disposal of other property, plant and equipment	(295)	(104)	(84)	-
Allowance for impairment losses on:				
Investment in subsidiaries	-	-	-	5,313
Available-for-sale financial assets	6	72	-	-
Allowance for impairment losses no longer required for available-for-sale financial assets	(480)	-	-	-
Other property, plant and equipment written off	4	114	-	-
Allowance for doubtful debts no longer required:				
Subsidiaries	-	-	(177)	(10)
Trade and other receivables	(483)	(694)	-	-
Amortisation of deferred income	(1,180)	(1,135)	-	-
Interest income	(890)	(1,269)	(1)	(208)
Share of results of associate	(91)	153	-	-
Share of results of joint venture	174	36	-	-
Net unrealised (gain)/loss on foreign exchange	1	(1)	1	-
Reversal of deferred income	-	(345)	-	-
Allowance for impairment losses no longer required:				
Investment in subsidiaries	-	-	-	(3,353)
Waiver of debts owing to:				
Subsidiaries	-	-	-	(34)
Other payables	-	-	(11)	-
Dividend income	-	-	(12,000)	(13,964)
<b>Operating Profit/(Loss) Before Working Capital Changes</b>	<b>88,182</b>	<b>76,140</b>	<b>(1,146)</b>	<b>(1,281)</b>
(Increase)/Decrease in:				
Inventories	17,166	117	-	-
Property development costs	(3,800)	14,127	-	-
Receivables	(24,794)	(32,739)	6,494	552
Increase/(Decrease) in:				
Long-term liabilities and deferred income	1,809	2,322	-	-
Payables	8,486	4,861	(3,636)	(641)
Subsidiaries	-	-	17,923	21,701
<b>Cash Generated From Operations</b>	<b>87,049</b>	<b>64,828</b>	<b>19,635</b>	<b>20,331</b>
Interest paid	(14,907)	(18,688)	(3,107)	(5,282)
Income tax paid	(6,632)	(11,043)	-	-
<b>Net Cash From Operating Activities</b>	<b>65,510</b>	<b>35,097</b>	<b>16,528</b>	<b>15,049</b>

# STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER, 2013

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>					
Proceeds from disposal of:					
Other property, plant and equipment		311	108	84	-
Interest received		890	1,269	2	208
Purchase of:					
Other property, plant and equipment (Note)		(4,287)	(15,165)	(227)	(103)
Investment properties		(478)	(498)	-	-
Prepaid land lease payments		(1,278)	-	-	-
Hotel properties and exhibition centre & showroom		-	(18)	-	-
Investment in a joint venture		-	(300)	-	-
Investment in subsidiaries		-	-	(400)	(7)
Prepayment of land lease		-	(85)	-	-
Dividend received		-	-	9,000	10,473
<b>Net Cash (Used In)/From Investing Activities</b>		<b>(4,842)</b>	<b>(14,689)</b>	<b>8,459</b>	<b>10,571</b>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>					
Repayment of:					
Bank Guaranteed Commercial Paper/Medium Term Notes		(49,757)	(3)	-	-
Revolving credits		(7,200)	(7,200)	-	-
Hire purchase and lease creditors		(325)	(420)	(84)	(109)
Term loans		(34,612)	(23,924)	(25,200)	(25,200)
Drawdown of term loans		8,376	22,067	-	-
<b>Net Cash Used In Financing Activities</b>		<b>(83,518)</b>	<b>(9,480)</b>	<b>(25,284)</b>	<b>(25,309)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(22,850)</b>	<b>10,928</b>	<b>(297)</b>	<b>311</b>
Effects of foreign exchange rate changes		(22)	109	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>61,455</b>	<b>50,418</b>	<b>343</b>	<b>32</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	25	<b>38,583</b>	<b>61,455</b>	<b>46</b>	<b>343</b>

Note:

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total costs of property, plant and equipment	4,891	16,234	628	103
Less: Purchase consideration satisfied by:				
Hire-purchase payables	(394)	(320)	(213)	-
Payables	(210)	(749)	(188)	-
	<b>4,287</b>	<b>15,165</b>	<b>227</b>	<b>103</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 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 and principal place of business of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries, associate and joint venture 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 joint venture during the financial year.

The registered office and principal place of business of the Company is located at 8th Floor, Block A, Mines Waterfront Business Park, No. 3, Jalan Tasik, 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 17 April, 2014.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

As of 31 December, 2013, the current liabilities of the Group have exceeded the current assets by RM73,474,000. The current liabilities of the Group arose mainly from borrowings totalling RM191,476,000, which mainly comprise term loans of RM124,934,000 as of 31 December, 2013 as mentioned in Note 29(b). However, the financial statements of the Group have been prepared on a going-concern basis. This basis assumes that the Group will continue to be in operational existence for the foreseeable future and to have adequate funds to meet its obligations as they fall due, and consequently, the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The validity of this assumption is largely dependent upon the continual financial support from the bankers and the successful implementation of the plan to monetise and unlock the value of its assets to generate better cash flows.

In this connection, the Group is currently negotiating with its bankers to reschedule the repayment due dates of one of its term loans with a carrying value of RM92,852,000 as of 31 December, 2013 as mentioned in Note 29(b)(v). The Group is also concurrently working on refinancing the said loan. In addition, the Group is pursuing plans to monetise and unlock the value of its assets to generate cash flows. Consequently, the directors are satisfied that the Group will be able to meet its financial obligations as they fall due in the foreseeable future.

### Adoption of new and revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised FRSs and Issues Committee Interpretations ("IC Interpretation") and amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") which became effective for annual periods beginning on or after 1 January, 2013 as follows:

FRS 7	Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009), FRS 9 (IFRS 9 issued by IASB on October 2011) and Transition Disclosures]
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures – Offsetting Financial Assets and Liabilities)
FRS 10	Consolidated Financial Statements
FRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
FRS 11	Joint Arrangements
FRS 11	Joint Arrangements (Amendments relating to Transition Guidance)
FRS 12	Disclosure of Interests in Other Entities
FRS 12	Disclosure of Interests in Other Entities (Amendments relating to Transition Guidance)
FRS 13	Fair Value Measurement
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
FRS 116	Property, Plant and Equipment (Classification of servicing equipment)
FRS 119	Employee Benefits (2012)
FRS 127	Separate Financial Statements (2012)
FRS 128	Investment in Associates and Joint Ventures
FRS 134	Interim Financial Reporting
IC Interpretation 2	Members' Shares in Cooperative Entities and Similar Instruments (Tax effect of distribution to holders of equity instruments)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to FRSs contained in the document entitled Annual Improvements FRSs 2009 - 2012 cycle

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Adoption of new and revised Financial Reporting Standards (cont'd)

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, 2012, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the MFRS Framework, a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January, 2012, with the exception for Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including its parents, significant investors and venturers were given a transitional period of two years, which allow these entities an option to continue with the FRS Framework. Following the announcement by the MASB on 7 August, 2013, the transitional period for TEs has been extended for an additional year.

Accordingly, the Group and the Company, being TEs, have availed themselves of this transitional arrangement and will continue to apply FRSs in their next set of financial statements. Accordingly, the Group and the Company including certain subsidiary companies will be required to prepare its first set of MFRS financial statements when the MFRS Framework is mandated by MASB.

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 on 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 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) <sup>1</sup>
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) <sup>1</sup>
FRS 9	Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139) <sup>1</sup>
IC Int. 21	Levies <sup>2</sup>
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010, respectively) and Transition Disclosures <sup>1</sup>
Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities <sup>2</sup>
Amendments to FRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions) <sup>3</sup>
Amendments to FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) <sup>2</sup>
Amendments to FRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets) <sup>2</sup>
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting) <sup>2</sup>

Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2010 - 2012 cycle  
Amendments to FRSs contained in the document entitled Annual Improvements to FRSs 2011 - 2013 Cycle

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

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

**Standards and IC Interpretations in issue but not yet effective (cont'd)**

- <sup>1</sup> The mandatory effective date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010, respectively) which was for annual periods beginning on or after 1 January, 2015, has been removed with the issuance of FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139. The effective date of FRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the FRS 9 is available for early adoption
- <sup>2</sup> Effective for annual periods beginning on or after 1 January, 2014
- <sup>3</sup> Effective for annual periods beginning on or after 1 July, 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. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

**Subsidiaries and Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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 a joint venture.

### 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.

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

#### **Business Combinations (cont'd)**

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

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

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

#### **Investment in Subsidiaries**

Investment in subsidiaries, which is eliminated on consolidation, is stated at cost less any 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 an Associate and a Joint Venture**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of an associate or a joint venture are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Investment in an Associate and a Joint Venture (cont'd)

The requirements of FRS 139 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with FRS 136 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with FRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with FRS 139. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that are not related to the Group.

### 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 to 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 goods and services provided in the normal course of business.

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

**Revenue Recognition (cont'd)**

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

**(i) Sale of properties**

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

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

**(ii) Revenue from Hotel Operations**

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

**(iii) Management Fees**

Management fees are recognised when services are rendered.

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

Membership fees are recognised upon signing of the membership agreement.

**(v) Subscription Fees**

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

**(vi) Timeshare Fees**

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

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

**(vii) Rental Income**

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

**(viii) Revenue from Services**

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

**(ix) Interest Income**

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Revenue Recognition (cont'd)

#### (x) Revenue from Promotions

Revenue from rental of promotion spaces 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.

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.

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

#### Leases (cont'd)

##### (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.

##### (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 profit or loss and other comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January, 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January, 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Employee Benefits

#### (i) Short-term benefits

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

#### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any if 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.

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.

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

**Taxation (cont'd)**

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to FRS 112 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

**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 to the Company 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

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

Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the end of the reporting period. Any revaluation increase is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A revaluation decrease is first offset against unutilised previously recognised revaluation increase in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

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

Certain freehold land and buildings of the Group were revalued based on independent valuations on an open market value basis in 1994 and have not since been revalued. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of International Accounting Standard 16 (Revised), Property, Plant and Equipment, as approved by the Malaysian Accounting Standards Board, these assets are 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 75 to 179 years (2012: 76 to 180 years).

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

**Investment Properties**

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

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

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

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

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

**Land Held for Property Development**

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

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

**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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### 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 and the Company 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.

#### (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.

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

**Financial Instruments (cont'd)**

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

**(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 profit or loss and other 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Financial Instruments (cont'd)

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

##### (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 receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

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

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

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

#### Financial Instruments (cont'd)

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

###### (vi) Derecognition of Financial Assets

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

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

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

###### (i) Equity Instruments

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

###### (ii) Financial Liabilities

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

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### Financial Instruments (cont'd)

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

##### (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, 2013

**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 duration of 5 to 25 years.

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

In making 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 past experiences and the analyses 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

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

#### (iii) Property Development

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

Significant judgement is required in determining the percentage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates past experiences and relies 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 17 December, 2013 and 26 December, 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 8 January, 2014, 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  
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**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, 2013, allowance for doubtful debts on receivables provided by the Group and by the Company are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount owing by subsidiaries	-	-	19	196
Trade receivables	23,271	27,426	-	-
Sundry receivables	1,379	2,306	364	380
	<b>24,650</b>	<b>29,732</b>	<b>383</b>	<b>576</b>

**(ix) Investment in Subsidiaries**

Management exercises its judgment in estimating the recoverable amounts of such investment. As of 31 December, 2013, the Company recognised impairment losses on investment in subsidiaries of RM11,310,000 (2012: RM14,024,000).

**5. REVENUE**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property development	146,800	131,347	-	-
Property investment	21,302	21,661	-	-
Hospitality and health	91,864	98,289	-	-
Others	2,863	2,419	-	-
Gross dividend income from unquoted shares	-	-	12,000	13,964
Management fees from subsidiaries	-	-	6,743	5,729
	<b>262,829</b>	<b>253,716</b>	<b>18,743</b>	<b>19,693</b>

**6. COST OF SALES AND SERVICES**

	Group	
	2013 RM'000	2012 RM'000
Property development	48,344	53,741
Cost of inventories sold	6,852	6,668
Cost of services rendered	42,367	41,150
	<b>97,563</b>	<b>101,559</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 7. FINANCE COSTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense on:				
Bank Guaranteed Commercial Paper and Medium Term Notes	1,782	2,399	1,782	2,399
Term loans, revolving credits, and bank overdrafts	13,019	15,882	4,172	6,342
Hire purchase and lease	54	61	14	14
Others	1,116	2,016	8	1
	<b>15,971</b>	<b>20,358</b>	<b>5,976</b>	<b>8,756</b>

## 8. PROFIT BEFORE TAX

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Employee benefits expense	10	51,987	55,617	5,023	4,268
Impairment loss recognised on receivables	22	6,503	5,411	-	-
Depreciation of:					
- other property, plant and equipment	14	6,496	7,346	261	247
- hotel properties and exhibition centre & showroom	13	4,162	4,162	-	-
Bad debts written off		7,104	5,748	-	-
Amortisation of prepaid land lease payments	16	4,306	4,306	-	-
Rental of premises		1,601	1,512	883	671
Lease rental expense		691	889	71	124
Tax penalty		2	-	(1)	-
Fair value adjustment to long-term trade receivables		(31)	(918)	-	-
Fair value adjustment to investment properties	15	(2,409)	-	-	-
Auditors' remuneration:					
Statutory audit:					
- auditors of the Group		426	426	71	70
- other auditors		62	69	-	-
Non audit services:					
- auditors of the Group		18	55	5	5
- other auditors		58	33	-	-
Rental of equipment		166	225	-	-
Non-executive directors' remuneration	11	130	145	130	145
Executive directors' remuneration excluding benefits-in-kind	11	1,238	1,071	434	267
Gain on disposal of:					
- other property, plant and equipment		(295)	(104)	(84)	-
Allowance for impairment losses on:					
- investment in subsidiaries		-	-	-	5,313
- available-for-sale financial assets		6	72	-	-
Other property, plant and equipment written off		4	114	-	-
Rental income		(2,257)	(2,825)	-	-

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

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

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Allowance for doubtful debts no longer required:					
- subsidiaries		-	-	(177)	(10)
- trade and other receivables	22	(483)	(694)	-	-
Amortisation of deferred income		(1,180)	(1,135)	-	-
Interest income on:					
- short-term deposits		(890)	(1,216)	(1)	-
- others		-	(53)	-	(208)
Bad debts recovered		(202)	(174)	-	-
Net unrealised (gain)/loss on foreign exchange		1	(1)	1	-
Reversal of deferred income		-	(345)	-	-
Allowance for impairment losses no longer required:					
Available-for-sale financial assets		(480)	-	-	-
Investment in subsidiaries		-	-	-	(3,353)
Waiver of debt owing to:					
- subsidiaries		-	-	-	(34)
- other payables		-	-	(11)	-

**9. INCOME TAX EXPENSE**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Estimated tax payable:					
Malaysian		13,200	6,586	1,389	1,134
Underprovision in prior years		1,756	2,260	120	23
Tax saving from group relief		(459)	(147)	-	-
		14,497	8,699	1,509	1,157
Deferred tax expense:					
Relating to origination and reversal of temporary differences		(412)	(330)	18	(71)
Reversal of temporary differences in respect of depreciation on revaluation surplus		113	(318)	-	-
Under/(Over)provision in prior years tax:					
Malaysian		4	(908)	-	-
	33	(295)	(1,556)	18	(71)
Tax expense for the year		14,202	7,143	1,527	1,086

Malaysian income tax is calculated at the statutory income tax rate of 25% (2012: 25%) of the estimated taxable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. The income tax rate applicable to the subsidiaries in South Africa is 28% (2012: 28%).

The group tax charge for the year has been reduced by RM459,000 (2012: RM147,000) 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, 2013

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

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before tax	49,314	32,900	4,889	1,972
Taxation at Malaysian statutory income rate of 25% (2012: 25%)	12,329	8,225	1,222	493
Tax effects of:				
Non-deductible expenses	11,331	3,390	235	1,302
Non-taxable income	(6,909)	(1,329)	(68)	(661)
Utilisation of deferred tax assets previously not recognised	(3,963)	(4,030)	18	(71)
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties and exhibition centre & showroom	113	(318)	-	-
Group relief	(459)	(147)	-	-
Under/(Over)provision in prior years in respect of:				
Current tax	1,756	2,260	120	23
Deferred tax	4	(908)	-	-
Tax expense for the year	14,202	7,143	1,527	1,086

## 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages and salaries	40,243	42,576	4,129	3,569
Social security costs	445	444	25	21
Contribution to defined contribution plans	4,378	4,186	503	443
Other staff related expenses	6,921	8,411	366	235
	51,987	55,617	5,023	4,268

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 RM1,238,000 (2012: RM1,071,000) and RM434,000 (2012: RM267,000), 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

**NOTES TO THE  
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**11. DIRECTORS' REMUNERATION (cont'd)**

**Executive Director:**

(i) Lee Cheng Wen

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Directors of the Company</b>				
<b>Non-Executive Directors</b>				
Fees and other emoluments	130	145	130	145
Benefits-in-kind	14	16	14	16
	<b>144</b>	<b>161</b>	<b>144</b>	<b>161</b>
<b>Executive Director</b>				
Salaries, fee and other emoluments	384	238	384	238
Contribution to defined contribution plans	50	29	50	29
Benefits-in-kind	-	28	-	28
	<b>434</b>	<b>295</b>	<b>434</b>	<b>295</b>
	<b>578</b>	<b>456</b>	<b>578</b>	<b>456</b>
<b>Directors of Subsidiaries</b>				
<b>Executive Directors</b>				
Salaries and other emoluments	627	627	-	-
Bonus	78	78	-	-
Contribution to defined contribution plans	99	99	-	-
Benefits-in-kind	56	56	-	-
	<b>860</b>	<b>860</b>	<b>-</b>	<b>-</b>
<b>Analysis excluding benefits-in kind:</b>				
Total non-executive directors' remuneration	8	130	130	145
Total executive directors' remuneration excluding benefits-in-kind	8 & 10	1,238	434	267
Total directors' remuneration excluding benefits-in-kind	37(b)	1,368	564	412

**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	
	2013	2012
Profit attributable to ordinary equity holders of the Company (RM'000)	36,016	25,253
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	275,707	275,707
Basic earnings per share (sen)	13.06	9.16

**(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, 2013

## 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, 2012		308,758	134,840	443,598
Additions		18	-	18
As of 31 December, 2012/1 January, 2013		<b>308,776</b>	<b>134,840</b>	<b>443,616</b>
Transfer to land held for property development	17(a)	(2,760)	-	(2,760)
As of 31 December, 2013		<b>306,016</b>	<b>134,840</b>	<b>440,856</b>
<b>Accumulated Depreciation</b>				
As of 1 January, 2012		19,897	5,113	25,010
Charge for the year	8	3,310	852	4,162
As of 31 December, 2012/1 January, 2013		<b>23,207</b>	<b>5,965</b>	<b>29,172</b>
Charge for the year	8	<b>3,310</b>	<b>852</b>	<b>4,162</b>
Transfer to land held for property development	17(a)	(257)	-	(257)
As of 31 December, 2013		<b>26,260</b>	<b>6,817</b>	<b>33,077</b>
<b>Accumulated Impairment Losses</b>				
As of 31 December, 2012/2013		<b>24,162</b>	<b>61,545</b>	<b>85,707</b>
<b>Net Carrying Amount</b>				
As of 31 December, 2013		<b>255,594</b>	<b>66,478</b>	<b>322,072</b>
As of 31 December, 2012		261,407	67,330	328,737

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 26 December, 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 17 December, 2013 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 8 January, 2014 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

As of 31 December, 2013, had the revalued hotel properties and exhibition centre & showroom of the Group been carried under the cost model, the carrying amount would have been RM232,858,000 (2012: RM235,844,000) and RM66,477,000 (2012: RM67,330,000), respectively.

Palace of the Golden Horses, Malaysia International Exhibition & Convention Centre & Showroom and Mines Wellness Hotel with net carrying amount totalling to RM322,072,000 (2012: RM328,737,000) are pledged as securities for borrowings as disclosed in Notes 29b(i), 29b(iii), 29b(v) and 29b(vii).

## 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, 2013		2,187	13,377	107,476	76,074	60,101	7,806	7,195	274,216
Additions		-	-	880	865	1	615	2,530	4,891
Disposals		-	-	(17)	(615)	-	(890)	-	(1,522)
Write-offs		-	-	(291)	(2)	(2,228)	(102)	-	(2,623)
Transfer from investment properties	15	-	37	-	-	-	-	-	37
Transfer to land held for property development	17(a)	-	-	-	(24)	-	-	-	(24)
Reclassification		(53)	5,651	(9)	(967)	(4,622)	-	-	-
Exchange differences		-	-	(69)	-	(1,754)	-	-	(1,823)
As of 31 December, 2013		2,134	19,065	107,970	75,331	51,498	7,429	9,725	273,152
Representing:									
At cost		-	19,065	107,970	75,331	51,498	7,429	9,725	271,018
At transitional cost*		2,134	-	-	-	-	-	-	2,134
<b>Accumulated Depreciation</b>									
As of 1 January, 2013		422	3,341	84,869	72,348	10,467	6,801	-	178,248
Charge for the year	8	18	441	3,859	1,180	560	438	-	6,496
Disposals		-	-	(10)	(614)	-	(882)	-	(1,506)
Write-offs		-	-	(288)	-	(2,229)	(103)	-	(2,620)
Transfer to land held for property development	17(a)	-	-	-	(14)	-	-	-	(14)
Reclassification		(367)	(699)	(7)	(990)	2,063	-	-	-
Exchange differences		-	-	(62)	-	(211)	-	-	(273)
As of 31 December, 2013		73	3,083	88,361	71,910	10,650	6,254	-	180,331
<b>Net Carrying Amount</b>									
At cost		-	15,982	19,609	3,421	40,848	1,175	9,725	90,760
At transitional cost*		2,061	-	-	-	-	-	-	2,061
		2,061	15,982	19,609	3,421	40,848	1,175	9,725	92,821

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

Group	Note	Freehold Land and Buildings RM'000	Leasehold Buildings RM'000	Office Furniture and Fittings RM'000	Plant, Machinery and Equipment RM'000	Golf Clubs & Courses and Boat Clubs RM'000	Motor Vehicles RM'000	Capital Work-in- Progress RM'000	Total RM'000
<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	8	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

\* 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 are continued to be stated at surrogate cost, based on the 1994 valuations.

**NOTES TO THE  
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**14. OTHER PROPERTY, PLANT AND EQUIPMENT (cont'd)**

Company	Office Furniture and Fittings RM'000	Office Equipment RM'000	Motor Vehicles RM'000	Renovation RM'000	Total RM'000
<b>Cost</b>					
As of 1 January, 2012	64	210	932	105	1,311
Additions	-	100	-	3	103
As of 31 December, 2012/1 January, 2013	<b>64</b>	<b>310</b>	<b>932</b>	<b>108</b>	<b>1,414</b>
Additions	7	199	402	20	628
Disposal	-	-	(168)	-	(168)
As of 31 December, 2013	<b>71</b>	<b>510</b>	<b>1,165</b>	<b>129</b>	<b>1,875</b>
<b>Accumulated Depreciation</b>					
As of 1 January, 2012	31	156	644	39	870
Charge for the year	6	45	185	11	247
As of 31 December, 2012/1 January, 2013	<b>37</b>	<b>201</b>	<b>829</b>	<b>50</b>	<b>1,117</b>
Charge for the year	6	74	169	12	261
Disposal	-	-	(168)	-	(168)
As of 31 December, 2013	<b>41</b>	<b>275</b>	<b>830</b>	<b>62</b>	<b>1,211</b>
<b>Net Carrying Amount</b>					
As of 31 December, 2013	<b>28</b>	<b>234</b>	<b>335</b>	<b>68</b>	<b>664</b>
As of 31 December, 2012	27	109	103	58	297

- (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 RM884,000 (2012: RM816,000).
- (b) Other property, plant and equipment with net carrying amount of RM24,195,000 (2012: RM26,443,000) are charged as security for borrowings as disclosed in Notes 29(a), 29(b)(iv), 29(b)(v), 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 RM1,937,000 (2012: RM1,978,000).
- (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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Cost:</b>				
Office, furniture and fittings	36,003	91,275	86	91
Plant, machinery and equipment	53,871	53,889	-	-
Motor vehicles	5,359	4,473	3	7
	<b>95,233</b>	<b>149,637</b>	<b>89</b>	<b>98</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 15. INVESTMENT PROPERTIES

	Note	Group	
		2013 RM'000	2012 RM'000
At beginning of year		119,690	110,887
Additions from subsequent expenditure		329	498
Additions from acquisition		149	-
Fair value adjustment	8	2,409	-
Transfer from property development cost	17(b)	-	8,305
Transfer to land held for property development	17(a)	(60,536)	-
Transfer to other property, plant and equipment	14	(37)	-
At end of year		62,004	119,690

The following investment properties are held under lease terms:

	Group	
	2013 RM'000	2012 RM'000
Leasehold land	25,407	54,976
Buildings	22,162	52,837
	47,569	107,813

The investment properties with carrying amount of RM50,878,000 (2012: RM110,526,000) 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 RM7,132,000 (2012: RM7,695,000). Direct operating expenses arising from the investment properties during the year amounted to RM1,467,000 (2012: RM1,417,000).

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 17 December, 2013 by Chockalingam P. Moham, a registered valuer of the independent valuer company, TD Aziz Sdn. Bhd., using comparison method of valuation, which is regarded to approximate the market value.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December, 2013 are as follows:

	2013			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Group				
Investment properties	-	62,004	-	62,004

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**16. PREPAID LAND LEASE PAYMENTS**

	Note	Group	
		2013 RM'000	2012 RM'000
At beginning of year		335,498	339,719
Additions		1,278	85
Transfer to land held for property development	17(a)	(14,694)	-
Amortisation for the year	8	(4,306)	(4,306)
At end of year		317,776	335,498

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

The prepaid land lease payments with an aggregate carrying value of RM13,379,000 (2012:RM13,344,000) which the Group is in the process of obtaining registration of land titles from the relevant authorities have been transferred to land held for property development.

Prepaid land lease payments with carrying amount of RM315,483,000 (2012: RM319,595,000) 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>				
As of 1 January, 2012		103,694	73,470	177,164
Additions		1,392	146	1,538
Overprovision of development cost in prior years		-	(4,654)	(4,654)
Transfer to inventories	24	(2,906)	-	(2,906)
As of 31 December, 2012/1 January, 2013		102,180	68,962	171,142
Additions		1,866	685	2,551
Transfer to property development costs	17(b)	(18,719)	-	(18,719)
Transfer from prepaid land lease payments	16	-	14,694	14,694
Transfer from investment properties	15	-	60,536	60,536
Transfer from other property, plant and equipment	14	-	10	10
Transfer from hotel properties and exhibition centre & showroom	13	-	2,503	2,503
As of 31 December, 2013		85,327	147,390	232,717

Included in land held for property development are certain parcels of land, with an aggregate carrying value of RM28,691,000 (2012: RM15,312,000), 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 RM60,546,000 (2012: RM43,036,000) are charged as security for borrowings as disclosed in Notes 29(b)(v) and 31.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

### (b) Property Development Costs

		Group	
	Note	2013 RM'000	2012 RM'000
At beginning of year			
Freehold land - at cost		119,095	125,862
Leasehold land - at cost		163	163
Development expenditure		296,704	274,299
		<b>415,962</b>	<b>400,324</b>
Costs incurred during the year:			
Freehold land - at cost		319	-
Development expenditure		29,370	41,114
		<b>29,689</b>	<b>41,114</b>
Cost recognised as expense in profit or loss:			
Previous years		(367,222)	(330,520)
Current year		(28,544)	(36,702)
		<b>(395,766)</b>	<b>(367,222)</b>
Transfers from/(to):			
Investment properties	15	-	(8,305)
Land held for property development	17(a)	18,719	-
Inventories	24	-	(17,171)
		<b>18,719</b>	<b>(25,476)</b>
At end of year		<b>68,604</b>	<b>48,740</b>

The property development costs with a carrying amount of RM18,964,000 (2012: RM20,529,000) are charged as security for borrowings as disclosed in Notes 29(b)(vi), 29(b)(viii), 29(b)(ix) and 31.

## 18. INVESTMENT IN SUBSIDIARIES

		Company	
		2013 RM'000	2012 RM'000
Unquoted shares, at cost		223,112	225,426
Investment in Cumulative Redeemable Preference Shares		414,053	414,053
		<b>637,165</b>	<b>639,479</b>
Less: Accumulated impairment losses		(11,310)	(14,024)
Net		<b>625,855</b>	<b>625,455</b>

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

During the financial year, Country Heights China Ltd, a wholly owned subsidiary incorporated in Labuan, Malaysia had been automatically struck off the register by the Labuan FSA with effect from 16 June 2013.

On 9 April, 2013, Kristal Peramah (M) Sdn Bhd ("KPSB") a wholly-owned subsidiary of the Company, which was placed under Members' Voluntary Winding-Up on 30 October, 2012, had held its Final Meeting to conclude the winding-up. The investment in unquoted shares, at cost and accumulated impairment losses in KPSB, amounting to RM2,714,000, respectively, were reversed out from total investment in subsidiaries above.

On 16 August, 2013, Tindak Murni Sdn Bhd ("TMSB"), a wholly-owned subsidiary of the Company, increased its issued and paid up share capital to RM3,000,000 by an allotment of 400,000 ordinary shares of RM1.00 each.

On 6 November, 2013, Profound Concept Sdn Bhd ("PCSB"), a wholly owned subsidiary of Country Heights Property Development Berhad, which in turn is a wholly-owned subsidiary of the Company, increased its authorised share capital to RM500,000 divided into 500,000 ordinary shares RM1.00 each and its issued and paid up share capital to RM250,000.00 by an allotment of 249,998 ordinary shares of RM1.00 each.

On 23 December, 2013, Endless Gain Sdn Bhd ("EGSB"), a wholly-owned subsidiary of County Heights Property Development Berhad, which in turn is a wholly owned subsidiary of the Company, increased its issue and paid up share capital to RM250,000 by an allotment of 249,998 ordinary shares of RM1.00 each.

The details of the subsidiaries are as follows:

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest Equity Interest	
			2013 %	2012 %
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 investment holding	100	100
Country Heights W.T.C. Sdn Bhd	Malaysia	Property development and investment holding	100	100
Country Heights Properties Sdn Bhd	Malaysia	Property management and investment holding	100	100
East Vision Leisure Group Sdn Bhd	Malaysia	Investment holding	100	100
Mines Holdings Sdn Bhd	Malaysia	Investment holding	100	100
# ^ Country Heights China Ltd	Labuan	Dormant	-	100
^ 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

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest Equity Interest	
			2013 %	2012 %
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 and timeshare membership	81	81
Country Heights Commercial Development Sdn Bhd	Malaysia	Investment holding and resort and hotel management	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	Malaysia	Provision of preschool education and related services	70	70
Country Heights Resources Management (M) Sdn Bhd	Malaysia	Dormant	100	100
@Country Heights Property Development Berhad	Malaysia	Dormant	100	100
Country Heights Sea Resort Sdn Bhd	Malaysia	Dormant	100	100
Country Heights Education Sdn Bhd	Malaysia	Provision of educational related services	70	70
@Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd	Malaysia	Dormant	100	100
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 Properties Sdn Bhd</b>				
Country Heights Development Melaka 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

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2013 %	2012 %
<b>Subsidiary of Country Heights Development Melaka Sdn Bhd</b>				
Country Heights Facility Management Sdn Bhd (formerly known as 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 private medical care facilities and services and medical related facilities and services to the public	70	70
Mines Wellness Hotel Berhad	Malaysia	Ownership & operator of a hotel and also in the business of selling private healthcare memberships	100	100
Kin No Uma Sdn Bhd	Malaysia	Dormant	100	100
@KHU Property Management Sdn Bhd	Malaysia	Dormant	100	100
WIEXPO 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	Provision of exhibition space	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>				
@Mines Marketing Sdn Bhd	Malaysia	Marketer in all aspects of health screening, timeshare memberships and palm oil memberships	100	100

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2013 %	2012 %
<b>Subsidiary of Country Heights Health Tourism Sdn Bhd</b>				
@GHHS Wellness Sdn Bhd	Malaysia	Provision of private medical care facilities and medical related facilities services to the public	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	Ownership of property held for rental purposes	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
+ @Country Heights Pecanwood Boat Club (Pty) Ltd	South Africa	Ownership and operator of boat club	100	100

+ Audited by other firm of auditors

^ 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 position as at the end of the financial year. The financial statements of these subsidiary companies have been prepared on a going-concern basis as the Company has undertaken to continue providing financial support to these subsidiary companies.

**NOTES TO THE  
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**18. INVESTMENT IN SUBSIDIARIES (cont'd)**

**Composition of the Group**

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Country of Incorporation and Operation	Number of wholly-owned subsidiaries		Number of non-wholly-owned subsidiaries	
		2013	2012	2013	2012
Property development, management and investment; and investment holding	Malaysia	15	15	1	1
Ownership and operation of resort, hotel, golf and boat clubs; and investment holding	Malaysia South Africa	4 2	4 2	1 -	1 -
Ownership of property; and letting of property and promotion, office and exhibition spaces	Malaysia	4	4	-	-
Provision of marketing and promotion services	Malaysia	3	3	-	-
Provision of preschool education and educational related services	Malaysia	2	2	-	-
Ownership of land held for property development	Malaysia	2	2	-	-
Provision of private medical care facilities and services and medical related facilities and services to the public	Malaysia	1	1	1	1
Property trading	Malaysia	1	1	-	-
Building and infrastructure contractor	Malaysia	1	1	-	-
Dormant	Malaysia Labuan	9 1	9 2	1 1	1 1
		45	46	4	4

There are no non-wholly owned subsidiaries of the Group that have material non-controlling interest.

**19. INVESTMENT IN AN ASSOCIATE**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
In Malaysia:				
Unquoted shares, at cost	247	247	247	247
Group share of post-acquisition reserves	50	(41)	-	-
	297	206	247	247
Accumulated impairment losses	(206)	(206)	(206)	(206)
Net	91	-	41	41

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

The summarised financial information of the associate is as follows:

	Group	
	2013 RM'000	2012 RM'000
<b>Assets and liabilities</b>		
Current assets	1,154	954
Non-current assets	164	210
<b>Total assets</b>	<b>1,318</b>	<b>1,164</b>
<b>Current liabilities</b>	<b>1,128</b>	<b>1,240</b>
<b>Total liabilities</b>	<b>1,128</b>	<b>1,240</b>
<b>Results</b>		
Revenue	5,658	3,595
Profit/(Loss) for the year	268	(378)

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

	Group	
	2013 RM'000	2012 RM'000
Share of net assets	91	-

Details of the associate are as follows:

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest Equity Interest	
			2013 %	2012 %
+ # 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, 2013 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2013 and 31 December, 2013.

## 20. INVESTMENT IN A JOINT VENTURE

	Group	
	2013 RM'000	2012 RM'000
Unquoted shares:		
At cost	300	300
Share in post-acquisition results	(209)	(36)
	<b>91</b>	<b>264</b>

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**20. INVESTMENT IN A JOINT VENTURE (cont'd)**

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name of Joint Venture	Financial Year End	Effective Percentage Ownership		Principal Activities
		2013 %	2012 %	
Mines Global Holidays Sdn. Bhd	31 December	50	50	Travel Agency

The joint venture is audited by other firm of auditors.

The summarised financial information in respect of the Group's joint venture is set out below:

	Group	
	2013 RM'000	2012 RM'000
<b>Assets and liabilities</b>		
Current assets	200	607
Non-current assets	154	25
<b>Total assets</b>	<b>355</b>	<b>632</b>
Current liabilities	78	103
Non-current liabilities	95	-
<b>Total liabilities</b>	<b>173</b>	<b>103</b>
<b>Results</b>		
Revenue	432	57
Loss for the year	(348)	(68)

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 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
	<b>3,054</b>	<b>3,054</b>	<b>718</b>	<b>718</b>
Less: Accumulated impairment losses:				
Quoted shares in Malaysia	(124)	(118)	-	-
Unquoted shares in Malaysia	(270)	(750)	-	-
	<b>(394)</b>	<b>(868)</b>	<b>-</b>	<b>-</b>
<b>Net</b>	<b>2,660</b>	<b>2,186</b>	<b>718</b>	<b>718</b>
Market value of quoted shares in Malaysia	116	120	-	-

# NOTES TO THE FINANCIAL STATEMENTS

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Current</b>					
<b>Trade receivables</b>					
Amount owing by subsidiaries	(b)	-	-	4,450	8,285
Owing by companies in which certain directors have interest		735	692	-	-
Third parties	(c)	83,143	75,305	-	-
		83,878	75,997	4,450	8,285
Less: Allowance for doubtful debts for third parties		(23,271)	(27,426)	-	-
Trade receivables, net		60,607	48,571	4,450	8,285
<b>Other receivables, deposits and prepayments</b>					
Amount owing by subsidiaries	(b)	-	-	3,226	490
Owing by companies in which certain directors have interest		4,145	3,719	65	155
Sundry receivables		17,008	19,280	378	380
Deposits		3,112	3,168	14	16
Prepayments		561	901	12	-
		24,826	27,068	3,695	1,041
Less: Allowance for doubtful debts:					
Amount owing by subsidiaries		-	-	(19)	(196)
Sundry receivables		(1,379)	(2,306)	(364)	(380)
		(1,379)	(2,306)	(383)	(576)
Other receivables, net		23,447	24,762	3,312	465
Total current receivables		84,054	73,333	7,762	8,750
<b>Non-current trade receivables</b>					
Third parties	(d)	19,285	18,459	-	-

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

	Note	Group	
		2013 RM'000	2012 RM'000
At beginning of year		27,426	28,306
Impairment loss recognised on receivables	8	6,503	5,411
Amount written off		(2,994)	(1,495)
Amount no longer required	8	(483)	(694)
Impairment loss reversed		(7,181)	(4,102)
At end of year		23,271	27,426

# NOTES TO THE FINANCIAL STATEMENTS

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## 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	6	265	-	-
Past due but not impaired:				
30 days and below	22,596	24,158	662	579
31 to 60 days	13,145	4,210	549	454
61 to 90 days	2,842	789	542	515
91 to 120 days	1,057	1,029	532	529
121 days and above	20,961	18,120	2,165	6,208
	<b>60,601</b>	<b>48,306</b>	<b>4,450</b>	<b>8,285</b>
	<b>60,607</b>	<b>48,571</b>	<b>4,450</b>	<b>8,285</b>
Past due and impaired	23,271	27,426	-	-
Total trade receivables	<b>83,878</b>	<b>75,997</b>	<b>4,450</b>	<b>8,285</b>

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At beginning of year		2,306	2,309	380	380
Amount written off		(927)	(3)	(16)	-
At end of year		<b>1,379</b>	<b>2,306</b>	<b>364</b>	<b>380</b>

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	19	23	-	-
Past due but not impaired:				
30 days and below	2,345	9,927	1	1
31 to 60 days	150	655	1	1
61 to 90 days	370	339	1	1
91 to 120 days	387	343	5	6
121 days and above	16,503	9,406	71	146
	<b>19,755</b>	<b>20,670</b>	<b>79</b>	<b>155</b>
	<b>19,774</b>	<b>20,693</b>	<b>79</b>	<b>155</b>
Past due and impaired	1,379	2,306	364	380
Total other receivables	<b>21,153</b>	<b>22,999</b>	<b>443</b>	<b>535</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 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:

	Note	Company	
		2013 RM'000	2012 RM'000
At beginning of year		196	206
Amount no longer required	8	(177)	(10)
At end of year		19	196

### (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	
	2013 RM'000	2012 RM'000
<b>Cost</b>		
At the beginning of the year	35,124	35,124
Charge out upon strike off of subsidiaries	(99)	-
At the end of the year	35,025	-
<b>Accumulated impairment losses</b>		
At the beginning of the year	(35,124)	(35,124)
Charge out upon strike off of subsidiaries	99	-
At the end of the year	(35,025)	(35,124)
Net	-	-

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**24. INVENTORIES**

	Note	Group	
		2013 RM'000	2012 RM'000
<b>At cost</b>			
Properties held for sale		73,545	74,002
Consumable materials		1,205	1,405
Transfer from:			
Land held for property development	17(a)	-	2,906
Property development cost	17(b)	-	17,171
		<b>74,750</b>	<b>95,484</b>
<b>At net realisable value</b>			
Properties held for sale		36,062	32,758
Total inventories		<b>110,812</b>	<b>128,242</b>

Inventories with a carrying value of RM23,405,000 (2012: RM24,741,000) are charged as security for borrowings as disclosed in Notes 29(b)(iii) and 29(c)(ii).

**25. CASH AND BANK BALANCES**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deposits with licensed banks and other financial institutions	(a)	7,231	15,881	-	-
Cash on hand and at banks	(b)	33,046	47,453	46	343
Total cash and bank balances	38	<b>40,277</b>	<b>63,334</b>	<b>46</b>	<b>343</b>

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

- (i) A sum of RM1,934,000 (2012: RM1,896,000) pledged for bank guarantee facilities granted to certain subsidiaries;
- (ii) An amount of RM98,000 (2012: RM95,000) 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 RM945,000 (2012: RM119,000); 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 RMNIL (2012: RM35,000).

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

- (i) Amounts totalling RM7,027,000 (2012: RM4,605,000) 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 RM1,294,000 (2012: RM1,123,000) held under trust accounts pursuant to trust deeds in relation to a timeshare membership scheme of subsidiaries, Golden Horse Palace Berhad.

# NOTES TO THE FINANCIAL STATEMENTS

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

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

(iii) An amount of RMNIL (2012: RM22,052,000) 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 RMNIL (2012: RM15,728,000) 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 Note 31 and payment of finance cost of Bank Guaranteed Medium Term Notes.

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

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances		40,277	63,334	46	343
Bank overdrafts	29(a)	(1,694)	(1,879)	-	-
Cash and cash equivalents		38,583	61,455	46	343

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

	Group	
	2013 %	2012 %
Licensed banks and other financial institutions	3.00	2.89

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

	Group	
	2013 Days	2012 Days
Licensed banks	30 to 365	30 to 365

## 26. SHARE CAPITAL

	Group and Company	
	2013 RM'000	2012 RM'000
<b>Authorised:</b>		
5,050,000,000 ordinary shares of RM1.00 each	5,050,000	5,050,000
<b>Issued and fully paid:</b>		
275,707,403 ordinary shares of RM1.00 each	275,707	275,707

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**27. OTHER RESERVES**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Non-distributable:</b>					
Revaluation reserve	(a)	141,475	143,339	-	-
Translation reserve	(b)	(11,506)	(10,389)	-	-
Capital redemption reserve	(c)	19,048	19,048	19,048	19,048
Fair value reserve	(d)	57	57	-	-
		<b>149,074</b>	<b>152,055</b>	<b>19,048</b>	<b>19,048</b>

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	
	2013 RM'000	2012 RM'000
<b>Revaluation reserve</b>		
At beginning of year	143,339	145,203
Transfer to retained earnings upon depreciation of revalued assets	(1,864)	(1,864)
At end of year	<b>141,475</b>	<b>143,339</b>

**(b) Translation reserve**

	Group	
	2013 RM'000	2012 RM'000
At beginning of year	(10,389)	(9,571)
Arising during the year	(1,117)	(818)
At end of year	<b>(11,506)</b>	<b>(10,389)</b>

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	
	2013 RM'000	2012 RM'000
At beginning/end of year	<b>19,048</b>	<b>19,048</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 27. OTHER RESERVES (cont'd)

### (c) Capital redemption reserve (cont'd)

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	
	2013 RM'000	2012 RM'000
At beginning/end of year	57	57

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

## 28. RETAINED EARNINGS

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a Company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous full imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies with Section 108 tax credit are given an irrevocable option to disregard the tax credit or to continue to utilise such tax credits until the tax credits are fully utilised or upon the expiry of the 6 year transitional period on 31 December, 2013, whichever is earlier. During the transitional period, the Section 108 tax credit will be reduced by any tax credits utilised and any tax paid will not be added to this account.

The Company had not previously made the irrevocable option to disregard the Section 108 tax credits. Accordingly, the Company will be under the single tier tax system upon the expiry of the transitional period on 31 December, 2013. Any remaining balance of the Section 108 tax credits as of that date shall be disregarded.

## 29. BORROWINGS

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total borrowings - gross		235,292	318,845	76,255	101,647
Less : Debts issuance costs		(864)	(1,862)	-	-
Outstanding borrowings	38	234,428	316,983	76,255	101,647
Less : Portion due within one year, included under short-term borrowings		(191,476)	(244,934)	(76,151)	(79,147)
Total long-term borrowings		42,952	72,049	104	22,500

**NOTES TO THE  
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FOR THE YEAR ENDED 31 DECEMBER, 2013

**29. BORROWINGS (cont'd)**

Detailed breakdown of borrowings are as follows:

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Short-term Borrowings</b>					
<b>Secured:</b>					
Bank Guaranteed Medium Term Notes	31	-	10,000	-	-
Bank overdrafts	(a)	1,694	1,879	-	-
Bank Guaranteed Commercial Paper	31	-	39,757	-	-
Term loans	(b)	124,934	124,125	22,500	25,200
		<b>126,628</b>	<b>175,761</b>	<b>22,500</b>	<b>25,200</b>
<b>Unsecured:</b>					
Term loans	(b)	53,586	53,908	53,586	53,908
Revolving credits	(c)	11,000	15,000	-	-
Hire-purchase and finance lease payables	30	262	265	65	39
		<b>64,848</b>	<b>69,173</b>	<b>53,651</b>	<b>53,947</b>
<b>Total Short-term Borrowings</b>		<b>191,476</b>	<b>244,934</b>	<b>76,151</b>	<b>79,147</b>
<b>Long-term Borrowings</b>					
<b>Secured:</b>					
Term loans	(b)	42,330	68,298	-	22,500
		<b>42,330</b>	<b>68,298</b>	<b>-</b>	<b>22,500</b>
<b>Unsecured:</b>					
Revolving credits	(c)	-	3,200	-	-
Hire-purchase and finance lease payables	30	622	551	104	-
		<b>622</b>	<b>3,751</b>	<b>104</b>	<b>-</b>
<b>Total Long-term Borrowings</b>		<b>42,952</b>	<b>72,049</b>	<b>104</b>	<b>22,500</b>
<b>Total Borrowings</b>					
Bank overdrafts	(a)	1,694	1,879	-	-
Term loans	(b)	220,850	246,331	76,086	101,608
Revolving credits	(c)	11,000	18,200	-	-
Hire purchase and finance lease payables	30	884	816	169	39
Bank Guaranteed Commercial Paper	31	-	39,757	-	-
Bank Guaranteed Medium Term Notes	31	-	10,000	-	-
		<b>234,428</b>	<b>316,983</b>	<b>76,255</b>	<b>101,647</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 29. BORROWINGS (cont'd)

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Within one year	191,215	244,669	76,086	79,108
More than 1 year and less than 2 years	16,139	34,111	-	22,500
More than 2 years and less than 5 years	25,206	35,553	-	-
More than 5 years	984	1,834	-	-
	<b>233,544</b>	<b>316,167</b>	<b>76,086</b>	<b>101,608</b>

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

	Note	Group		Company	
		2013 %	2012 %	2013 %	2012 %
Bank overdrafts	(a)	8.35	8.30	-	-
Term loans	(b)	6.43	6.50	8.60	8.60
Revolving credits	(c)	6.89	6.90	-	-
Bank Guaranteed Commercial Paper	31	-	4.15	-	-
Bank Guaranteed Medium Term Notes	31	-	7.10	-	-

### (a) Bank overdrafts

	Note	Group	
		2013 RM'000	2012 RM'000
<b>Short-term</b>			
Secured:			
RM2,000,000 facility	(i)	1,694	1,879
South African Rand 750,000 facility	(ii)	-	-
Total bank overdrafts	25	1,694	1,879

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

(i) Overdraft facility of RM2,000,000 (2012: RM2,280,000) 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 RM6,214,000 (2012: RM6,299,000) 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 RM3,734,000 (2012: RM3,784,000) 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 (2012: RM5,000,000) provided by the Company.

The said overdraft facility bears interest at 1.75% (2012: 1.75%) above the bank's base lending rate.

**NOTES TO THE  
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**29. BORROWINGS (cont'd)**

**(a) Bank overdrafts (cont'd)**

- (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 RM9,119,000 (2012: RM10,737,000) held by PGCC included in other property, plant and equipment as disclosed in Note 14.

The said overdraft facility has been fully repaid and is in the process of uplifting the above mentioned mortgage bond.

**(b) Term loans**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Short-term</b>					
<b>Secured:</b>					
RM75,000,000 facility	(i)	22,500	25,200	22,500	25,200
RM50,000,000 facility	(iii)	8,295	6,795	-	-
RM1,733,000 facility	(iv)	94	90	-	-
RM92,909,260 facility	(v)	92,852	92,040	-	-
RM15,000,000 facility	(vii)	1,193	-	-	-
		<b>124,934</b>	<b>124,125</b>	<b>22,500</b>	<b>25,200</b>
<b>Unsecured:</b>					
RM84,452,000 facility	(ii)	53,586	53,908	53,586	53,908
		<b>178,520</b>	<b>178,033</b>	<b>76,086</b>	<b>79,108</b>
<b>Long-term</b>					
<b>Secured:</b>					
RM75,000,000 facility	(i)	-	22,500	-	22,500
RM50,000,000 facility	(iii)	30,641	38,936	-	-
RM1,733,000 facility	(iv)	1,406	1,500	-	-
RM15,400,000 facility	(vi)	-	1,999	-	-
RM15,000,000 facility	(vii)	5,340	3,363	-	-
RM11,000,000 facility	(viii)	4,478	-	-	-
RM29,000,000 facility	(ix)	465	-	-	-
		<b>42,330</b>	<b>68,298</b>	<b>-</b>	<b>22,500</b>
<b>Total term loans</b>		<b>220,850</b>	<b>246,331</b>	<b>76,086</b>	<b>101,608</b>

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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 29. BORROWINGS (cont'd)

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

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 was then further extended for an additional period of 24 months to 22 December, 2013. Subsequently on 9 December, 2013, the loan has been further extended for a period of 2 years to 21 December, 2015.

- (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 RM788,000 (2012: RM407,000) as disclosed in Note 24;
  - (ii) 24 units (2012: 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 RM8,437,000 (2012: 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 (2012: RM4,298,000) as disclosed in Note 24; and
  - (iv) Mines Wellness Hotel belonging to a related company, Mines Wellness Hotel Berhad, with a carrying value of RM52,537,000 (2012: 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 24 units of Cyber Heights Villa (Phase 1) held by TMSB;
- (d) assignment over the Proceeds Account;
- (e) third party assignment over the proceeds derived from the sales of identified properties located in the MINES and Kolej Heights Utara; and
- (f) irrevocable and unconditional guarantee provided by the Company.

**NOTES TO THE  
FINANCIAL STATEMENTS**  
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**29. BORROWINGS (cont'd)**

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

TL2 is also secured by fixed deposits, including principal and interest of RM98,000 (2012: RM95,000) 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 2013 is 6.60% (2012: 6.60%) per annum.

- (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; and
- 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, 16 and 17(a).

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. Subsequently, the term loan has been further extended for 9 months from 17 June, 2013 and further extended for an additional 3 months from 16 March, 2014.

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 29. BORROWINGS (cont'd)

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

(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.

The bridging loan has been fully settled by way of redemption settlement of sold units in April 2013.

(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; and
  - (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; and
- 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.

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

**29. BORROWINGS (cont'd)**

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

(viii) A bridging loan facility of RM11,000,000 granted to a subsidiary, College Heights Utara Sdn Bhd ("CHUSB") which is secured by the following:

- Third party second legal charge over the Security Land, i.e HS(D) 16989 - HS(D) 17161 PT1097 - PT1269, HS(D) 17180 - HS(D) 17183 PT1352 - PT1355, HS(D) 17190 PT1365, Mukim of Bandar Darul Aman and GM 240 Lot 503, Mukim of Bukit Tinggi Daerah Kubang Pasu, Kedah as disclosed in Note 17(b);
- Specific debenture with Power of Attorney to deal with the project known as Belleza Garden Homes Phase 2A and the Security Land;
- Power of Attorney to deal with the Project and the Security Land including future developments, with steps in rights, 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 9 October, 2013 and principal repayment by way of redemption of sold units fixed at 30% of the units selling price.

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

(ix) A bridging loan facility of RM29,000,000 granted to a subsidiary company, Tindak Murni Sdn Bhd ("TMSB") which is secured by the following:

- First party first legal charge over the Project Land, i.e. HSD 34517 PT 48507, Mukim Dengkil, Daerah Sepang, Selangor as disclosed in Note 17(b);
- Specific debenture with Power of Attorney over the project known as Mansion Park and the Project Land;
- Power of Attorney to deal with the Project and the Project Land including future developments, with step in rights, etc;
- Corporate guarantee by the Company; and
- Facility agreement between TMSB and the bank.

The bridging loan shall be repayable within 36 months from the first disbursement on 28 November, 2013 and principal repayment by way of redemption settlement of sold units fixed at 40% for first 24 units, 35% for next 24 units, and 30% for last 24 units.

The bridging loan bears interest at cost of fund plus 1.0% on monthly rest until the full settlement loan.

# NOTES TO THE FINANCIAL STATEMENTS

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## 29. BORROWINGS (cont'd)

### (c) Revolving credits

	Note	Group	
		2013 RM'000	2012 RM'000
<b>Short-term</b>			
Unsecured:			
RM15,000,000 facility	(i)	7,800	10,200
RM30,000,000 (restructured) facility	(ii)	3,200	4,800
		<b>11,000</b>	<b>15,000</b>
<b>Long-term</b>			
Unsecured:			
RM30,000,000 (restructured) facility	(ii)	-	3,200
<b>Total revolving credits</b>		<b>11,000</b>	<b>18,200</b>

(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 (2012: RM15,000,000) provided by the Company.

The revolving credit facility bears interest at 2.5% (2012: 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 (2012: RM30,000,000) provided by the Company:

- Lien-holders' caveat over the title of 78 units (2012: 80 units) of bungalow lots located at Nilai, Pajam, Negeri Sembilan with carrying value of RM9,883,000 (2012: RM10,006,000) 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 RM9,948,000 (2012: RM10,083,000) as disclosed in Notes 14 and 16.

The revolving credit facility bears interest at 2.5% (2012: 2.5%) above Cost of Fund.

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**30. HIRE-PURCHASE AND FINANCE LEASE PAYABLES**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Minimum lease payments:</b>					
Not later than 1 year		302	307	72	44
Later than 1 year but not later than 2 years		238	190	72	-
Later than 2 years but not later than 5 years		351	293	35	-
Later than 5 years		100	146	-	-
		<b>991</b>	<b>936</b>	<b>179</b>	<b>44</b>
Less: Future finance charges		(107)	(120)	(10)	(5)
Present value of finance lease liabilities		<b>884</b>	<b>816</b>	<b>169</b>	<b>39</b>
<b>Present value of finance lease liabilities:</b>					
Not later than 1 year		262	265	65	39
Later than 1 year but not later than 2 years		211	164	68	-
Later than 2 years but not later than 5 years		317	253	36	-
Later than 5 years		94	134	-	-
		<b>884</b>	<b>816</b>	<b>169</b>	<b>39</b>
<b>Analysed as:</b>					
Due within 12 months	29	262	265	65	39
Due after 12 months	29	622	551	104	-
		<b>884</b>	<b>816</b>	<b>169</b>	<b>39</b>

The hire-purchase and finance lease payables bear interest at rates ranging between 2.20% to 4.95% (2012: 2.20% to 4.95%) per annum.

The Group's and the Company's hire-purchase and finance lease payables are secured by the financial institutions' charge over the assets under hire-purchase and finance lease.

**31. BANK GUARANTEED COMMERCIAL PAPER & BANK GUARANTEED MEDIUM TERM NOTES**

The Bank Guaranteed Commercial Paper ("CP") and Bank Guaranteed Medium Term Notes ("MTN") were constituted by a Trust Deed dated 2 May, 2006 made by a subsidiary of the Company, Mega Palm Sdn Bhd and the Trustee for the notesholders of the CP and MTN. All notes shall be redeemed in full at face amount on the maturity date. The CP was 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 was 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 were 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;

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

- (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 RMNIL (2012: RM43,036,000) and RMNIL (2012: RM16,528,000), 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 contained 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 were accounted for in the statements of financial position of the Group as follows:

	Group	
	2013 RM'000	2012 RM'000
Bank Guaranteed Medium Term Notes Nominal value	10,000	10,000
Less : Repayment	(10,000)	-
	-	10,000
Bank Guaranteed Commercial Paper Nominal value	40,000	40,000
Less : Repayment	(40,000)	-
Less: Unamortised discount*	-	(243)
Net	-	39,757

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

- The MTN and CP were fully repaid during the year.

## 32. LONG-TERM LIABILITIES AND DEFERRED INCOME

	Note	Group	
		2013 RM'000	2012 RM'000
<b>Long-Term Liabilities:</b>			
Unsecured:			
Golf membership loans	(a)	3,235	3,757
Deferred income	(b)	37,085	36,520
		40,320	40,277
<b>Short-Term Liability:</b>			
Unsecured:			
Deferred income	(b)	1,178	1,114
		41,498	41,391

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**32. LONG-TERM LIABILITIES AND DEFERRED INCOME (cont'd)**

- (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	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At beginning of year		76,100	77,667	26	97
(Credit)/Charge to profit or loss for the year:					
Investment properties		(305)	-	-	-
Revaluation surplus		(991)	(1,125)	-	-
Land held for property development		(421)	(177)	-	-
Property development costs		1,412	716	-	-
Others		(6)	(5)	-	-
Unused tax losses		33	(38)	-	-
Unabsorbed capital allowances		(17)	(927)	18	(71)
	9	(295)	(1,556)	18	(71)
Credit to equity for the year:					
Exchange differences		35	(11)	-	-
At end of year		75,840	76,100	44	26

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deferred tax assets	(4,546)	(6,020)	-	-
Deferred tax liabilities	80,386	82,120	44	26
	75,840	76,100	44	26

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

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

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Deferred tax assets</b>				
Temporary differences arising from:				
Property development costs	(4,333)	(5,745)	-	-
Others	(172)	(201)	-	-
Unused tax losses	(41)	(74)	-	-
	<b>(4,546)</b>	<b>(6,020)</b>	-	-
<b>Deferred tax liabilities</b>				
Temporary differences arising from:				
Investment properties	73	378	-	-
Revaluation surplus	78,956	79,947	-	-
Land held for property development	1,237	1,658	-	-
Unabsorbed capital allowances	120	137	44	26
	<b>80,386</b>	<b>82,120</b>	<b>44</b>	<b>26</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, 2013, 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	
	2013 RM'000	2012 RM'000
Unused tax losses	140,666	139,481
Unabsorbed capital allowances	153,080	170,118
Unabsorbed investment tax allowances	141,207	141,207
	<b>434,953</b>	<b>450,806</b>

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

The unused tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective subsidiaries, subject to no substantial changes in shareholdings of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authorities.

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**34. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES**

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Trade payables</b>					
Third parties	(a)	22,059	22,497	-	-
Due to companies in which certain directors have interest		1,755	793	-	-
Retentions		5,554	4,012	-	-
Trade accruals		6,719	5,829	-	-
		<b>36,087</b>	<b>33,131</b>	<b>-</b>	<b>-</b>
<b>Other payables and accrued expenses</b>					
Amount due to subsidiaries	(b)	-	-	136,249	115,553
Accruals		18,788	16,723	870	795
Sundry payables		39,052	32,438	530	747
Deposits received		7,099	9,813	-	-
Provision for tax penalty		11,558	11,979	-	-
Provision for liquidated ascertained damages		151	196	-	-
Due to companies in which certain directors have interest	(c)	17,289	17,226	11,701	11,687
		<b>93,937</b>	<b>88,375</b>	<b>149,350</b>	<b>128,782</b>
		<b>130,024</b>	<b>121,506</b>	<b>149,350</b>	<b>128,782</b>

(a) The normal credit terms granted to the Group range from 30 to 45 days (2012: 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 (2012: 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 (2012: 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.

**35. COMMITMENTS**

	Group	
	2013 RM'000	2012 RM'000
<b>Capital commitments:</b>		
Approved and contracted for	19,087	19,087
Approved but not contracted for	51,218	51,218
	<b>70,305</b>	<b>70,305</b>

# NOTES TO THE FINANCIAL STATEMENTS

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## 36. CONTINGENT LIABILITIES

	Company	
	2013	2012
	RM'000	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	144,958	194,769

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	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	-	-	11,000	18,200
Lawsuit by Government of Malaysia in relation to real property gains tax for the year of assessment 1993, 1998 & 1999*	13,215	13,215	11,403	11,403
Bank guarantees given to suppliers for the purpose of hotel utilities	1,055	1,024	-	-
Bank guarantees given to related parties for the purpose of utilities	560	840	-	-
	<b>14,830</b>	<b>15,079</b>	<b>22,403</b>	<b>29,603</b>
	<b>14,830</b>	<b>15,079</b>	<b>167,361</b>	<b>224,372</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.

By a summons dated 20 January, 2010, the Government of Malaysia ("Plaintiff") filed a claim against the Timbang Makmur Sdn Bhd ("TMSB") for the sum of RM1,812,217 together with interest at 8% thereon in relation to unpaid real property gains tax for the year of assessment 1998 for the acquisition of 500,000 shares in Mines Wonderland Sdn Bhd. Solicitors for the Defendant have filed the Memorandum of Appearance on 1 April, 2010 and the 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 has on 24 May, 2012 dismissed the Defendant's application with costs. The Plaintiff subsequently filed a Summary Judgement application and on 7 November, 2013, the court dismissed the application with costs. The next case management has been fixed on 16 January, 2014 but was subsequently changed to 27 February, 2014 then to 7 April, 2014, and trial on 9 and 10 June, 2014.

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**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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Insurance expenses	1,119	1,309	43	46
Rental expenses	542	459	-	-
Consultation fees	-	137	-	-
Maintenance services	-	(77)	-	-
Rental income	(202)	(111)	-	-

(ii) Transactions with directors of the Company:

	Group	
	2013 RM'000	2012 RM'000
Rental expense paid to Gen. Tan Sri (Dr) Mohamed Hashim bin Mohd Ali (Rtd)	-	10

(iii) Transactions with subsidiaries

	Company	
	2013 RM'000	2012 RM'000
Dividend received from subsidiaries, net of tax	(9,000)	(10,473)
Management fees receivable from subsidiaries	(6,743)	(5,729)
Rental of premises payable to a subsidiary	862	669

(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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries and other emoluments	1,458	1,327	831	700
Bonuses	127	127	49	49
Pension costs - defined contribution plans	205	183	106	84
Director fees	98	98	98	98
	<b>1,888</b>	<b>1,735</b>	<b>1,084</b>	<b>931</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 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:

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors' remuneration	11	1,368	1,216	564	412

## 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:

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Borrowings	29	234,428	316,983	76,255	101,647
Cash and bank balances	25	(40,277)	(63,334)	(46)	(343)
Net debt		194,151	253,649	76,209	101,304
Equity		816,931	782,936	413,286	409,924
Net debt to equity ratio		23.8%	32.4%	18.4%	24.7%

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

**Capital Risk Management (cont'd)**

**Categories of financial instruments**

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Financial Assets</b>				
Available-for-sale financial assets	2,660	2,186	718	718
Loans and receivables:				
Long-term trade receivables	19,285	18,459	-	-
Trade and other receivables	83,493	72,432	7,750	8,750
Cash and bank balances	40,277	63,334	46	343
	<b>145,715</b>	<b>156,411</b>	<b>8,514</b>	<b>9,811</b>
<b>Financial Liabilities</b>				
Amortised cost:				
Borrowings	234,428	316,983	76,255	101,647
Long-term liabilities	3,235	3,757	-	-
Trade and other payables	111,216	99,518	149,350	128,782
	<b>348,879</b>	<b>420,258</b>	<b>225,605</b>	<b>230,429</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 RM. The Group and the Company have no substantial long-term interest bearing assets as of 31 December, 2013. 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, 2013

## 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>Floating rate liabilities</b>				
Bank overdrafts	8	9	-	-
Term loans	836	962	113	239
Revolving credits	55	91	-	-
Bank Guaranteed Commercial Paper	-	199	-	-
Bank Guaranteed Medium Term Notes	-	50	-	-
	<b>899</b>	<b>1,311</b>	<b>113</b>	<b>239</b>

### 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount owing by companies in which certain directors have interest:				
Trade receivables	735	692	-	-
Other receivables	4,145	3,719	65	155
	<b>4,880</b>	<b>4,411</b>	<b>65</b>	<b>155</b>
Amount owing by subsidiaries	-	-	7,657	8,579
	<b>4,880</b>	<b>4,411</b>	<b>7,722</b>	<b>8,734</b>
Total receivables	<b>99,666</b>	<b>87,723</b>	<b>7,736</b>	<b>8,734</b>
% over total receivables	<b>4.9%</b>	<b>5.0%</b>	<b>99.8%</b>	<b>100.0%</b>

**NOTES TO THE  
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**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 to the abovementioned companies at the end of the reporting period, as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount due to companies in which certain directors have interest:				
Trade payables	1,755	793	-	-
Other payables	17,289	17,226	11,701	11,687
	<b>19,044</b>	18,019	<b>11,701</b>	11,687
Amount due to subsidiaries	-	-	<b>136,249</b>	115,553
	<b>19,044</b>	18,019	<b>147,950</b>	127,240

**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, 2013, the current liabilities exceeded the current assets of the Group by RM73,474,000. The current liabilities of the Group arose mainly from borrowings totalling RM191,476,000, which mainly comprise term loans of RM124,934,000 as of 31 December, 2013 as disclosed in Note 29(b).

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

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## 38. FINANCIAL INSTRUMENTS (cont'd)

### Liquidity Risk Management (cont'd)

	Contractual interest rate %	2013			Total RM'000
		Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	
<b>Group</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables	-	111,216	-	-	111,216
Term loans	-	-	53,586	-	53,586
Long-term liabilities	-	-	-	3,235	3,235
		111,216	53,586	3,235	168,037
Interest bearing:					
Term loans	6.43%	4,412	120,522	42,330	167,264
Revolving credits	6.89%	1,200	4,400	5,400	11,000
Hire-purchase and finance lease payables	2.2%-4.95%	51	251	689	991
Bank overdrafts	8.35%	-	1,694	-	1,694
		5,663	126,867	48,419	180,949
<b>Total financial liabilities</b>		<b>116,879</b>	<b>180,453</b>	<b>51,654</b>	<b>348,986</b>
<b>Company</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables	-	149,350	-	-	149,350
Term loans	-	-	53,586	-	53,586
Financial guarantee contracts*	-	-	-	-	-
		149,350	53,586	-	202,936
Interest bearing:					
Term loans	8.6%	4,200	18,300	-	22,500
Hire-purchase and finance lease payables	2.2% - 3.46%	12	60	107	179
		4,212	18,360	107	22,679
<b>Total financial liabilities</b>		<b>153,562</b>	<b>71,946</b>	<b>107</b>	<b>225,615</b>

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

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

**Liquidity Risk Management (cont'd)**

Group	Contractual interest rate %	2012			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	-	99,518	-	-	99,518
Term loans	-	-	53,908	-	53,908
Long-term liabilities	-	-	-	3,757	3,757
		99,518	53,908	3,757	157,183
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%	53	254	629	936
Bank overdrafts	8.3%	1,879	-	-	1,879
		7,347	183,721	72,127	263,195
<b>Total financial liabilities</b>		<b>106,865</b>	<b>237,629</b>	<b>75,884</b>	<b>420,378</b>
<b>Company</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables	-	128,782	-	-	128,782
Term loans	-	-	53,908	-	53,908
Financial guarantee contracts*	-	-	-	-	-
		128,782	53,908	-	182,690
Interest bearing:					
Term loans	8.6%	4,200	21,000	22,500	47,700
Hire-purchase and finance lease payables	2.2% - 3.46%	17	27	-	44
		4,217	21,027	22,500	47,744
<b>Total financial liabilities</b>		<b>132,999</b>	<b>74,935</b>	<b>22,500</b>	<b>230,434</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 RM1,615,000 (2012: RM1,864,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 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:

	Note	Group		Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
<b>Financial Assets</b>					
<b>2013</b>					
<b>Available-for-Sale:</b>					
Quoted shares in Malaysia	21	116	116	-	-
Unquoted shares in Malaysia	21	1,730	1,730	-	-
Memberships	21	814	^	718	^
<b>Loans and Receivables:</b>					
Long-term trade receivables	22	19,285	19,285	-	-
Trade and other receivables	22	83,493	83,493	7,750	7,750
Cash and bank balances	25	40,277	40,277	46	46
<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
<b>Financial Liabilities</b>					
<b>2013</b>					
<b>Amortised Cost:</b>					
Bank overdrafts	29	1,694	1,694#	-	-
Term loans	29	220,850	220,850#	76,086	76,086 #
Revolving credits	29	11,000	11,000#	-	-
Hire-purchase and finance lease payables	30	884	884#	169	169 #
Long-term liabilities	32	3,235	**	-	-
Trade and other payables	34	92,428	92,428	148,480	148,480
<b>2012</b>					
<b>Amortised Cost:</b>					
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

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

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

**Fair Values (cont'd)**

**Fair value hierarchy**

The table below provide an analysis of financial instruments carried at fair value, by valuation method. The different levels have been defined in Note 3:

	Level 1 RM	Level 2 RM	2013 Level 3 RM	Total RM
<b>Group Financial assets</b>				
<b>Available-for-Sale:</b>				
Quoted shares in Malaysia	116	-	-	116
Unquoted shares in Malaysia	-	-	1,730	1,730
Memberships	-	-	^	^
<b>Loans and Receivables:</b>				
Long-term trade receivables	-	-	19,285	19,285
Trade and other receivables	-	-	83,493	83,493
Cash and bank balances	-	-	40,277	40,277
<b>Financial liabilities</b>				
<b>At amortised cost:</b>				
Bank overdrafts	-	-	1,694	1,694
Term loans	-	-	220,850	220,850
Revolving credits	-	-	11,000	11,000
Hire-purchase and finance lease payables	-	-	884	884
Long-term liabilities	-	-	**	**
Trade and other payables	-	-	92,428	92,428
<b>Company Financial assets</b>				
<b>Available-for-Sale:</b>				
Memberships	-	-	^	^
<b>Loans and Receivables:</b>				
Trade and other receivables	-	-	7,750	7,750
Cash and bank balances	-	-	46	46
<b>Financial liabilities</b>				
<b>At amortised cost:</b>				
Term loans	-	-	76,086	76,086
Hire-purchase and finance lease payables	-	-	169	169
Trade and other payables	-	-	148,480	148,480

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 38. FINANCIAL INSTRUMENTS (cont'd)

### Fair Values (cont'd)

#### Fair value hierarchy (cont'd)

	2012			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group Financial assets</b>				
<b>Available-for-Sale:</b>				
Quoted shares in Malaysia	120	-	-	120
Unquoted shares in Malaysia	-	-	1,250	1,250
Memberships	-	-	^	^
<b>Loans and Receivables:</b>				
Long-term trade receivables	-	-	18,459	18,459
Trade and other receivables	-	-	72,432	72,432
Cash and bank balances	-	-	63,334	63,334
<hr/>				
<b>Financial liabilities</b>				
<b>At amortised cost:</b>				
Bank overdrafts	-	-	1,879	1,879
Term loans	-	-	246,331	246,331
Revolving credits	-	-	18,200	18,200
Bank Guaranteed Commercial Paper	-	-	39,757	39,757
Bank Guaranteed Medium Term Notes	-	-	10,000	10,000
Hire-purchase and finance lease payables	-	-	816	816
Long-term liabilities	-	-	**	**
Trade and other payables	-	-	82,795	82,795
<hr/>				
<b>Company Financial assets</b>				
<b>Available-for-Sale:</b>				
Memberships	-	-	^	^
<b>Loans and Receivables:</b>				
Trade and other receivables	-	-	8,750	8,750
Cash and bank balances	-	-	343	343
<hr/>				
<b>Financial liabilities</b>				
<b>At amortised cost:</b>				
Term loans	-	-	101,608	101,608
Hire-purchase and finance lease payables	-	-	39	39
Trade and other payables	-	-	127,987	127,987

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

**Fair Values (cont'd)**

**Fair value hierarchy (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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 39. SEGMENT INFORMATION (cont'd)

### (a) Business Segments (cont'd)

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
<b>2013</b>						
<b>Revenue</b>						
External sales	146,800	21,302	91,864	2,863	-	262,829
Inter-segment sales	1,267	1,939	18,622	18,743	(40,571)	-
<b>Total revenue</b>	<b>148,067</b>	<b>23,241</b>	<b>110,486</b>	<b>21,606</b>	<b>(40,571)</b>	<b>262,829</b>
<b>Results</b>						
Segment results	55,620	3,492	3,965	13,173	(10,882)	65,368
Profit from operations						65,368
Finance costs						(15,971)
Share of results of associate						91
Share of results of joint venture						(174)
Profit before tax						49,314
Income tax expense						(14,202)
Profit for the year						35,112
<b>Assets</b>						
Segment assets	457,236	337,802	555,429	2,615	-	1,353,082
Tax recoverable	572	4	1	3,848	-	4,425
Deferred tax assets	4,546	-	-	-	-	4,546
Investment in an associate	-	-	-	91	-	91
Investment in a joint venture	-	-	-	91	-	91
Consolidated total assets						1,362,235
<b>Liabilities</b>						
Segment liabilities	140,798	101,667	74,968	88,517	-	405,950
Deferred tax liabilities	2,995	27,959	49,388	44	-	80,386
Tax payables	58,082	1,057	139	(310)	-	58,968
Consolidated total liabilities						545,304
<b>Other Information</b>						
Capital expenditure	198	1,071	4,718	659	-	6,646
Depreciation/Amortisation	599	3,695	10,223	447	-	14,964
Allowance for doubtful debts	562	353	5,588	-	-	6,503
Bad debts written off	125	5	6,974	-	-	7,104
Allowance for impairment losses no longer required on available-for-sale financial assets	(480)	-	-	-	-	(480)
Impairment losses in value of other investment	-	-	-	-	-	6
Allowance for doubtful debts no longer required	(84)	(140)	(259)	-	-	(483)

**NOTES TO THE  
FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER, 2013

**39. SEGMENT INFORMATION (cont'd)**

**(a) Business Segments (cont'd)**

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Operations RM'000
<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 joint venture						(36)
Profit before tax						32,900
Income tax expense						(7,143)
Profit for the year						25,757
<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 a joint venture	-	-	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)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2013

## 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>2013</b>			
Malaysia	255,628	1,341,009	6,645
South Africa	7,201	12,073	1
	<b>262,829</b>	<b>1,353,082</b>	<b>6,646</b>
<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>

## 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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<b>The share of retained earnings of the Company and its subsidiaries:</b>				
Realised	502,523	468,752	61,280	57,944
Unrealised	(79,843)	(78,162)	-	(26)
	<b>422,680</b>	<b>390,590</b>	<b>61,280</b>	<b>57,918</b>
<b>Total share of retained earnings from associate:</b>				
Realised	50	(41)	-	-
	<b>422,730</b>	<b>390,549</b>	<b>61,280</b>	<b>57,918</b>
<b>Total share of retained earnings from joint venture:</b>				
Realised	(209)	(36)	-	-
	<b>422,521</b>	<b>390,513</b>	<b>61,280</b>	<b>57,918</b>
Less : Consolidation adjustments	(114,529)	(120,401)	-	-
<b>Total retained earnings as per statements of financial position</b>	<b>307,992</b>	<b>270,112</b>	<b>61,280</b>	<b>57,918</b>

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 requirements 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, 2013 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 165 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 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  
17 April, 2014

## 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  
17th day of April, 2014.

Before me,

**W 520 MOHAMED PUDZIL BIN HJ MOHD WAHI  
COMMISSIONER FOR OATHS  
Kuala Lumpur**

# ANALYSIS OF SHAREHOLDINGS

AS AT 23 APRIL 2014

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	108	1.90	1,669	0.01
100 - 1,000	1,722	30.36	1,574,329	0.57
1,001 - 10,000	3,292	58.05	12,125,331	4.40
10,001 - 100,000	496	8.75	13,888,270	5.03
100,001 to less than 5% of issued shares	47	0.83	68,208,704	24.74
5% and above of issued shares	6	0.11	179,909,100	65.25
<b>Total</b>	<b>5,671</b>	<b>100.00</b>	<b>275,707,403</b>	<b>100.00</b>

## Substantial Shareholders

No.	Name of Shareholders	No. of Shares			
		Direct	%	Indirect	%
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	78,257,131 <sup>(1)</sup>	28.38
2	Golden Touch Venture Sdn Bhd	39,425,000	14.30	-	-
3	Country Heights International Sdn Bhd	20,288,900	7.36	-	-
4	Lim Wee Hang	16,195,200	5.87	-	-
5	Lee Cheng Wen	14,978,831	5.43	152,878,300 <sup>(2)</sup>	55.45

## Statement of Directors' Shareholdings

No.	Name of Directors	No. of Shares			
		Direct	%	Indirect	%
1	General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	1,480,842	0.54	-	-
2	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.50	78,257,131 <sup>(1)</sup>	28.38
3	Lee Cheng Wen	14,978,831	5.43	152,878,300 <sup>(2)</sup>	55.45
4	Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock	16,000	0.01	-	-
5	Nik Hassan Bin Nik Mohd Amin	-	-	-	-
6	Chew Chong Eu	-	-	-	-

Note :

(1) Deemed interested by virtue of his substantial interests in GTVSB and Country Heights International Sdn Bhd, and his spouse's and child's interests in CHHB pursuant to Section 6A of the Act

(2) Deemed interested by virtue of her father, Tan Sri Lee Kim Tiong @ Lee Kim Yew, who is a major shareholder of the Company

# LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

AS AT 23 APRIL 2014

Name of Shareholders	No. of Shares	Percentage
1. Lee Kim Tiong @ Lee Kim Yew	89,021,169	32.2883
2. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Golden Touch Venture Sdn Bhd</i>	23,675,000	8.5870
3. Country Heights International Sdn Bhd	20,288,900	7.3589
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. Lee Cheng Wen	14,978,831	5.4329
7. Kensington Group Management Limited	13,784,000	4.9995
8. Joint Win Investment Limited	11,945,100	4.3325
9. Chunghwa Picture Tubes (Malaysia) Sdn Bhd	9,257,700	3.3578
10. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Siva Kumar a/l M Jeyapalan</i>	8,000,000	2.9016
11. Lim Chow Sen @ Lim Chow Soon	5,200,000	1.8861
12. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Siva Kumar a/l M Jeyapalan</i>	4,385,600	1.5907
13. HDM Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Bee Garden Holdings Sdn Bhd</i>	3,561,400	1.2917
14. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Loke Kim Wan</i>	2,000,000	0.7254
15. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	811,200	0.2942
16. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ng Faai @ Ng Yoke Pei</i>	731,100	0.2652
17. Mohamed Hashim bin Mohd Ali (Gen Rtd Tan Sri)	669,642	0.2429
18. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Lee Kim Tiong @ Lee Kim Yew</i>	555,461	0.2015
19. Anchor Point Sdn Bhd	480,000	0.1741
20. Malpac Capital Sdn Bhd	468,500	0.1699
21. Tan Eng Hock	458,500	0.1663
22. Loke Kim Wan	320,000	0.1161
23. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kian Aik</i>	320,000	0.1161
24. Lim Hong Liang	315,600	0.1145
25. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Teh Swee Heng</i>	312,800	0.1135
26. Tan Aik Choon	306,800	0.1113
27. Goh Ai Son	300,000	0.1088
28. Lock Kai Sang	284,800	0.1033
29. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Len Book Learn</i>	281,900	0.1022
30. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lee Choon Fook</i>	257,500	0.0934
<b>Total</b>	<b>244,916,703</b>	<b>88.8324</b>
<b>Total Issued Capital</b>	<b>275,707,403</b>	

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	25	Freehold	Residential - bungalow land	11.39		2,022	7/13/87
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	25	1,600	6/15/93
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			2,500	2/27/08
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			1,300	2/27/08
HSD 24917 P.T. No. 20431 Mukim of Kajang District of Ulu Langat Selangor	Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Kindergarten Land			540	2/27/08
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	25	12,300	6/15/93
HSD 52968 P.T.No. 40835 Mukim of Kajang District of Ulu Langat Selangor	Limited Additions Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Residential - bungalow land	0.38		199	4/21/89
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	4 villas  11 villas	Leasehold (expiring 12.11.2088)	Villas - P1: completed  - P2: completed (unsold units retained for rental purposes)	0.99	20	726	8/24/88
						17	1,998	8/24/88

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Pajakan Negeri 7211 No. Lot 24731 HSD 22918 P.T.No. 14193 Mukim of Kajang District of Ulu Langat Selangor	W.T.C. Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	1	Leasehold (expiring 12.11.2088)	Clubhouse & Tennis Courts	12.28	19	11,008	8/24/88
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	6/15/93
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	6/15/93
Lot 27 HSD 105214 P.T. No. 12274 Mukim of Setul District of Seremban	College Valley Industrial Park	61	Freehold	Industrial land	4.60		2,413	3/31/95
Lot 28 HSD 104395 P.T. No. 12273 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	17		6/1/94
Lot 397 HSD 104778 P.T. No. 12656 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	17		6/1/94
Lot 890 HSD 105017 P.T. No. 12895 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	17		6/1/94
Lot 963 HSD 105344 P.T. No. 13222 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	17		6/1/94
Lot 972 HSD 105335 P.T. No. 13213 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.16	17		6/1/94
Lot 973 HSD 105241 P.T. No. 13212 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	17		6/1/94

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 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	17	28,054	6/1/94
Lot 1323 HSD 105606 P.T. No. 13485 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	6		
Lot 1324 HSD 105607 P.T. No. 13486 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	6		
Lot 1325 HSD 105608 P.T. No. 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	6		
Lot 1327 HSD 105610 P.T. No. 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	6		
	College Heights Garden Resort	7	Freehold	Bungalow	5.19	17	9,671	6/1/94
	College Heights Garden Resort	204	Freehold	Residential - bungalow land	45.36			
	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	12	9,671	6/1/94
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	12		6/1/94
Lot 23560 HM 132798 Mukim of Setul District of Seremban	College Heights Garden Resort	330	Freehold	Low cost flat/shop	22.08	10	11,891	6/1/94
	College Heights Garden Resort	7	Freehold	Institutional land	80.17		12,324	6/1/94
	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56			
	College Heights Garden Resort	154	Freehold	Commercial Development	12.87		2,630	6/1/94
	College Heights Garden Resort	2	Freehold	Residential future	4.13		1,789	6/1/94
	College Heights Garden Resort	4	Freehold	Hotel, Medical, Petrol Station & Gerai	5.58			6/1/94

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 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	}	1,521	8/6/01
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			
Lot 9226 PM 332 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.47			
CT 8095 - 8098 Lot 4129 - 4132 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	89	Freehold	Residential - bungalow land	13.29		5,644	3/1/95
PN 17796 (formerly HSD 10483) Lot 1284 (formerly Lot 1115) Pekan Teluk Kemang District of Port Dickson Negeri Sembilan	Ocean Wave Water Theme Park		Leasehold (expiring 18.12.2089)	Theme Park & service apartments	3.83	8	8,237	2/27/90
Lot 7938 HM 37650 PT No. 2712 Mukim of Setul District of Seremban Negeri Sembilan	Lot 162, Staffield Country Resort	1	Freehold	Residential - bungalow land	0.21		181	8/23/95
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	}	47,279	9/20/94
				Future Development	4,803.92			9/20/94
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	13	30,290	6/27/00
Lot 4 (Lot 4756) Geran No. 44342	Jenan Estate, Kubang Pasu, Kedah	258	Freehold	Bungalow Lots	41.68		13,682	11/8/95
Lot 7 Geran No. 7062		7	Freehold	Bungalow House	1.64		4,069	
Lot 6534 Geran No. 25870		5	Freehold	Commercial Lots	6.32		1,078	11/8/95
Lot 1818 HM 1820								
Lot 1962 HM 1819								
Lot 503 HM 614		264	Freehold	Super Linked House	10.82		10,610	
Lot 1710 HM 1833								
Lot 11 HM 1672 Jenan, Kedah		1	Freehold	Future Development	185.10		15,321	
		48	Freehold	Shop Office	2.10		2,781	
		1	Freehold	Club House	6.48	9	8,305	

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	95	Freehold	Cyber Heights Villas	3.13	9	21,665	2/11/99
		10	Freehold	Cyber Residency	0.39		3,393	2/11/99
		120	Freehold	Lakeview Residency	1.63		4,328	2/11/99
		1	Freehold	Proposed Mixed Development (Duplex)	1.65		1,316	2/11/99
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		6,312	2/11/99
HSD 34517 P.T. No. 48507 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	72	Freehold	Proposed Mixed Development (Mansion Park)	8.63		12,002	2/11/99
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Club House	3.66	9	7,116	2/11/99
		1		Future Development	3.59		1,798	2/11/99
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	13	Freehold	Bungalow lots	4.53	5	45,400	11/14/00
		1	Freehold	Bungalow House	0.25			
			Freehold	Cluster Bungalow	13.40			
Lot 8242 HM 34157 Mukim of Durian Tunggal District of Alor Gajah Melaka	Melaka Land	1	Leasehold (expiring 21.4.2103)	Future Mixed Development	62.02		15,044	4/14/04
Lot 1578 HSD 91910 Pekan Baru Sungai Besi District of Petaling Selangor	Golf View Apartments	1	Leasehold (expiring 20.3.2091)	Recreational	11.86		25,999	9/25/98
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	16	376,558	5/20/04
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	21	52,932	2/29/08

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 59893 P.T. No. 16721 Mukim of Petaling District of Petaling Selangor	Malaysia International Exhibition & Convention Centre (MIECC)	1	Leasehold (expiring 20.3.2091)	Exhibition Centre	6.74	16	194,149	7/1/03
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	6.30	16	59,918	2/29/08
			Proposed commercial building		5.75		60,546	
HSD 59888 P.T. No. 16716 Mukim of Petaling District of Petaling Selangor	Fisherman's Wharf	1	Leasehold (expiring 20.3.2091)	Recreational	1.77	}	13,379	9/25/98
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			9/25/98
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	18	3,680	3/1/10
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	16	754	11/12/01
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	2	1,183	11/12/01
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	14	810	5/21/02
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	1	2,168	4/28/11

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2013

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2013 Net Book Value (RM'000)	Revaluation*/ Acquisition Date		
Erf 258	Extension 5 482 JQ North West Province South Africa	1	Freehold	Etika house	0.13	14	64	12/31/97		
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	13	576	12/31/99		
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat	8.37	15	86	6/1/03		
Portion 124	Extension 13 482 JQ North West Province South Africa	1	Freehold	Clubhouse Boat Club Marina	9.87					
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	15	9,119	6/1/03		
Erf 876	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	18.03					
Erf 877	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	176.65					
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86					
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	Public Open Space	0.29					
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52					
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74					
Remaining extent of portion 77	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	17.66					
Erf 1259	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.27				430	6/1/03
Erf 1260	Extension 16 482 JQ North West Province South Africa	1	Freehold	None	0.29				417	6/1/03
					<b>6,117.10</b>		<b>1,183,280</b>			

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirtieth Annual General Meeting of Country Heights Holdings Berhad will be held at Unity Room, Lower Ground Level, Palace of the Golden Horses, Jalan Kuda Emas, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 20 June 2014 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 2013 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 2013. *(Resolution 2)*
3. To re-elect Encik Nik Hassan Bin Nik Mohd Amin who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Resolution 3)*
4. To re-elect Mr. Chew Chong Eu who retires pursuant to Article 102 of the Company's Articles of Association, and being eligible, has offered himself for re-election. *(Resolution 4)*
5. 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 5)*
6. 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 6)*
7. To re-appoint Messrs. Deloitte as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Resolution 7)*

**As Special Business**

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

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

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

*(Resolution 8)*

**9. Proposed Renewal of General Mandate for Recurrent Related Party Transactions and Proposed New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into and to give effect to the Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties as specified in Section 3.2 of the Circular to Shareholders dated 22 May 2014 ("Circular");

AND THAT a mandate be and is hereby granted for the Company and/or its subsidiaries to enter into additional Recurrent Related Party Transactions of a Revenue or Trading Nature with the Related Parties as specified in Section 3.2 of the Circular;

provided always that:-

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

## NOTICE OF ANNUAL GENERAL MEETING

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 9)*

### 10. 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 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 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 10)*

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

"THAT subject to the passing of Ordinary Resolution 5, authority be and is hereby given to General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance 2012."

*(Resolution 11)*

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

"THAT subject to the passing of Ordinary Resolution 6, authority be and is hereby given to Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code of Corporate Governance 2012."

*(Resolution 12)*

### **13. To transact any other business of which due notice shall have been given.**

By Order of the Board

**WONG SOOK PING**  
**(MAICSA 0761491)**  
Company Secretary

Seri Kembangan, Selangor Darul Ehsan  
22 May 2014

## NOTICE OF ANNUAL GENERAL MEETING

### 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 a member 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.
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 13 June 2014 shall be eligible to attend the Thirtieth Annual General Meeting or appoint proxies 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 8th Floor, Block A, 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.

# NOTICE OF ANNUAL GENERAL MEETING

## Explanatory notes to Special Business:

1. The proposed Ordinary Resolution 8 is to renew the authority granted by the shareholders of the Company at the Twenty-Ninth Annual General Meeting ("AGM") held on 28 June 2013. The proposed mandate, if passed, will empower the Directors of the Company, from the date of this AGM the authority to allot and issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued capital of the Company. This is to avoid any delay and cost involved in the convening of further general meetings to obtain shareholders' approval for such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM.

The purpose and utilisation of the proceeds could only be determined if the Board decides to allot the shares.

The Board of Directors did not issue any shares pursuant to the mandate obtained at the Twenty-Ninth AGM held on 28 June 2013.

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 9, if passed, will allow the Company and/or 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 22 May 2014 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 10, 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 Securities 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 11, if passed, will allow General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) to be retained and continue to act as an Independent Non-Executive Director to fulfill the requirements of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities. 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 Statement on Corporate Governance in the Annual Report 2013 on pages 65 to 66.
5. The proposed Ordinary Resolution 12, if passed, will allow Academician Tan Sri Emeritus Professor Datuk Dr Ong Soon Hock to be retained and continue to act as an Independent Non-Executive Director to fulfill the requirements of Paragraph 15.02 of the Main Market Listing Requirements of Bursa Securities. 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 Statement on Corporate Governance in the Annual Report 2013 on pages 65 to 66.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27 (2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

### **Details of Directors standing for re-election/re-appointment are as follows:**

The Directors who are standing for re-election/re-appointment at the Thirtieth 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  
Nik Hassan Bin Nik Mohd Amin  
Chew Chong Eu

The details of the above Directors and their interest in the securities of the Company are set out on pages 8 to 13 and 167 of the Annual Report.

## PROXY FORM

No. of ordinary shares held

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

being a member/members of Country Heights Holdings Berhad hereby appoint:-

Proxy	Name and NRIC/Passport No.	Address	Proportion of Shareholdings	
			No. of Shares	%
1				
2				

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 Thirtieth Annual General Meeting of the Company to be held at Unity Room, Lower Ground Level, Palace of the Golden Horses, Jalan Kuda Emas, Mines Wellness City, 43300 Seri Kembangan, Selangor Darul Ehsan on Friday, 20 June 2014 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 2013 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 Encik Nik Hassan Bin Nik Mohd Amin as Director	Resolution 3		
4.	To re-elect Mr. Chew Chong Eu as Director	Resolution 4		
5.	To re-appoint General Tan Sri (Dr.) Mohamed Hashim Bin Mohd Ali (Rtd) as Director	Resolution 5		
6.	To re-appoint Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock as Director	Resolution 6		
7.	To re-appoint Messrs. Deloitte as Auditors and to authorise the Directors to fix their remuneration	Resolution 7		
8.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965	Resolution 8		
9.	To approve the Proposed Renewal of General Mandate for Recurrent Related Party Transactions and Proposed New Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	Resolution 9		
10.	To approve the Proposed Renewal of Authority for the Purchase of its Own Shares by the Company	Resolution 10		
11.	To authorise General Tan Sri (Dr.) Mohamed Hashim Bin Mohd Ali (Rtd) to continue in office as an Independent Non-Executive Director	Resolution 11		
12.	To authorise Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock to continue in office as an Independent Non-Executive Director	Resolution 12		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014. Signature/Common Seal of Shareholder \_\_\_\_\_

#### Notes :

- 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.
- 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 a member to speak at the general meeting.
- If no name is inserted in the space for the name of the proxy, the Chairman of the meeting will act as the proxy.
- The instrument appointing a proxy shall be in writing under the hand of the 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.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- Only members registered in the Record of Depositors as at 13 June 2014 shall be eligible to attend the Thirtieth Annual General Meeting or appoint proxies to attend and vote on his or her behalf.
- The duly completed and signed Proxy Form must be deposited at the Registered Office of the Company at 8th Floor, Block A, Mines Waterfront Business Park, No. 3, Jalan Task, 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.

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AFFIX  
STAMP

The Company Secretary  
**Country Heights Holdings Berhad**  
8th Floor, Block A  
Mines Waterfront Business Park  
No. 3, Jalan Tasik, Mines Wellness City  
43300 Seri Kembangan, Selangor Darul Ehsan

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LAKEVIEW  
RESIDENCY  
@ Cyber Heights Villa



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