

*Ever Searching for Better Living*



绿野集团

Country Heights Holdings Berhad  
(119416-K)

# 2015

annual report

## OUR MISSION

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:-

- Love
- Quality
- Style
- Nature
- Excellence

# 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 open cast 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!

I am _____	<b>C</b>	→	Caring & Committed!
I am _____	<b>H</b>	→	Healthy & Honest!
I am _____	<b>A</b>	→	Appreciative & Assertive!
I am _____	<b>M</b>	→	Mannered & Motivated!
I am _____	<b>P</b>	→	Persistent & Positive!
I am _____	<b>S</b>	→	Sincere & Successful!
I am _____	<b>!</b>	→	Oomph! (Energy)

## 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)

Country Heights understands that to be able to gain competitive edge and to maintain sustainability, Human Development is a crucial foundation. Since 2012, Country Heights has transformed its Human Resource initiatives in formulating systematic programmes for its employees towards a purposeful and effective workforce.

“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 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!

## 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*

## 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**

## 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

8th 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  
No. 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  
Bank of China (Malaysia) Berhad  
Malaysia Building Society Berhad  
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad

## SOLICITORS

Lee Partnership  
Raja, Darryl & Loh  
Abdullah & Teoh  
Adam Bachek & Associates  
C.S. Tang & Co  
Saha & Associates  
Norashikin Yong & Partners  
Iqbal Hakim, Sia & Voo  
Azwar & Associates  
Alan Tan & Lee  
M Scully

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

## WEBSITE

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

# GROUP STRUCTURE

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Country Heights Holdings Berhad

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## PROPERTY DEVELOPMENT

*Ever Searching for Better Living*



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Country Heights Holdings Berhad

(119416-K)

## PROPERTY INVESTMENT

## HOSPITALITY & HEALTH

## EDUCATION

## OTHERS

- 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% Tindak Murni Sdn Bhd
- 100% Versatile Champion Sdn Bhd
- 100% Walum Enterprise Sdn Bhd

- 100% East Vision Leisure Group Sdn Bhd

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

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

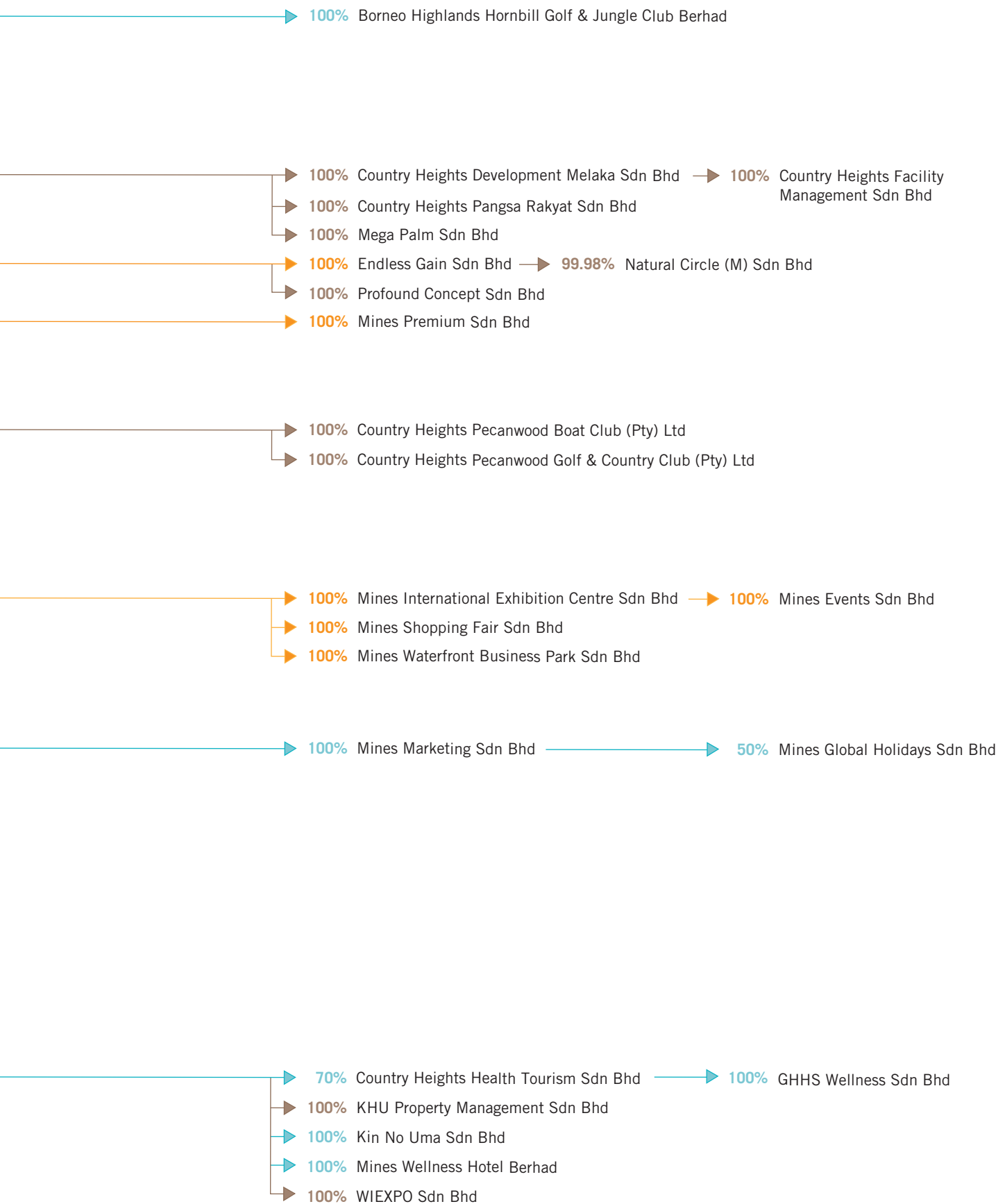
- 100% Country Heights Global Ltd
- 100% Country Heights Resources Management (M) Sdn Bhd
- 100% Malaysia Trade & Distribution Centre (Rotterdam) Sdn Bhd
- 60% Mines Global Holidays & Travel Sdn Bhd
- 100% Mines Holdings Sdn Bhd
- 69% Stallion Management Sdn Bhd
- 48% Simplex Design Sdn Bhd (Associate Company)

# GROUP STRUCTURE

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Country Heights Holdings Berhad

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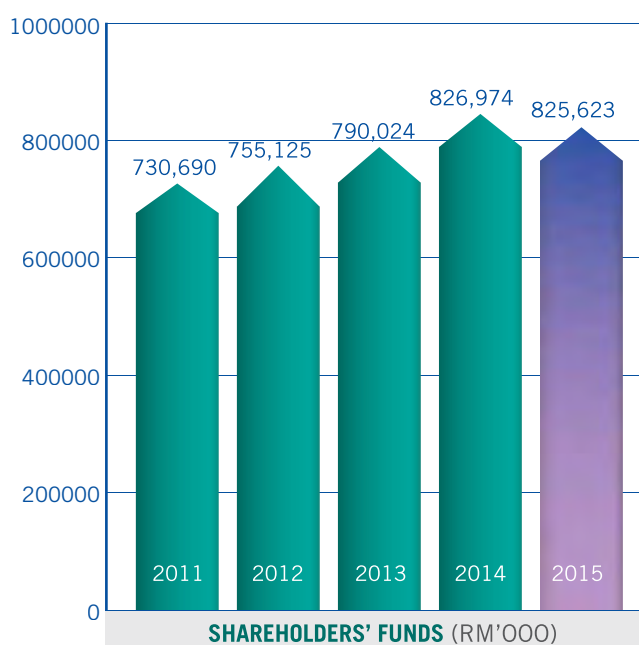
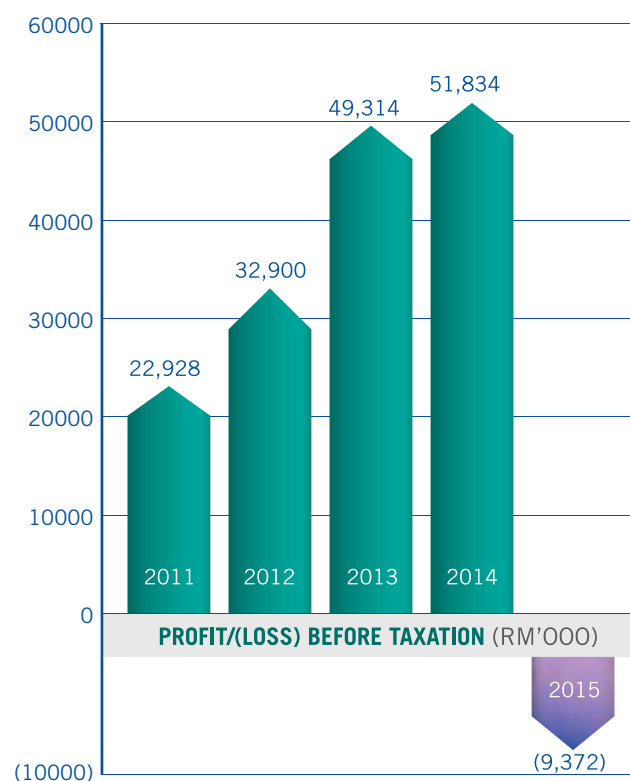
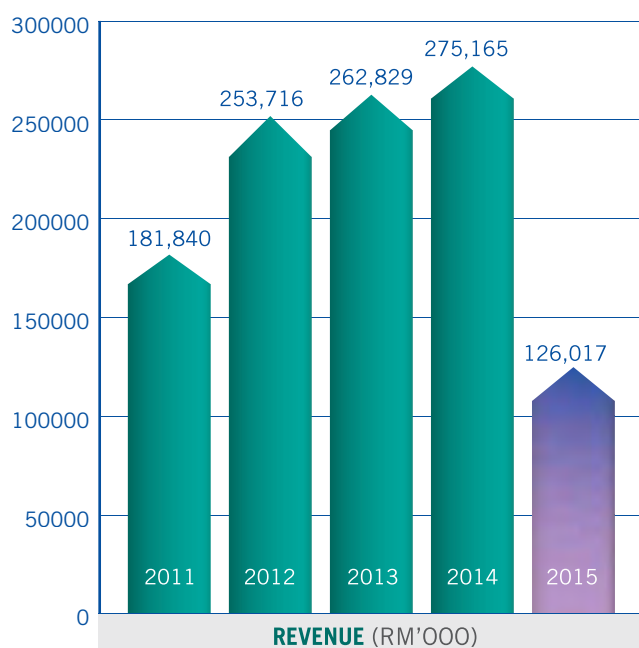


# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

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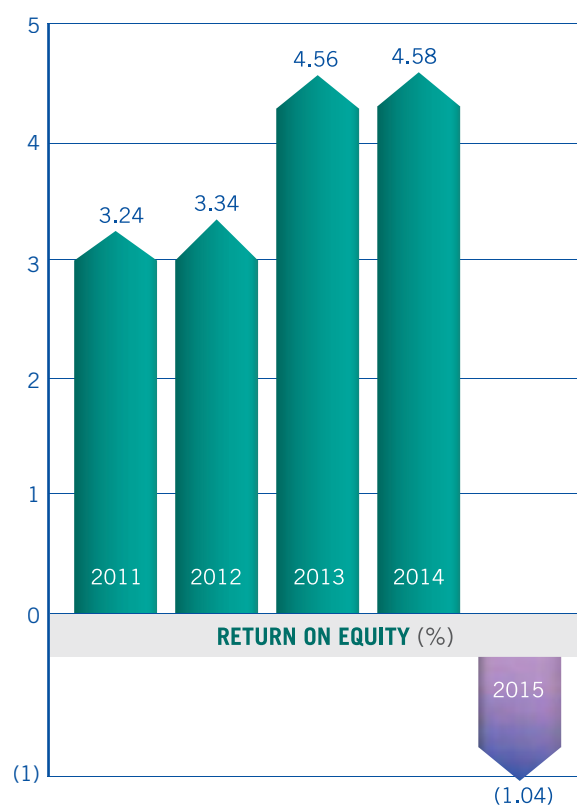
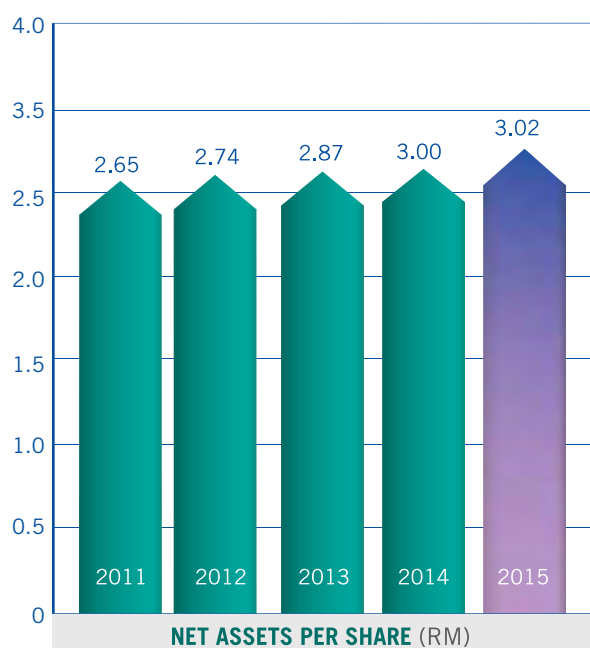


# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

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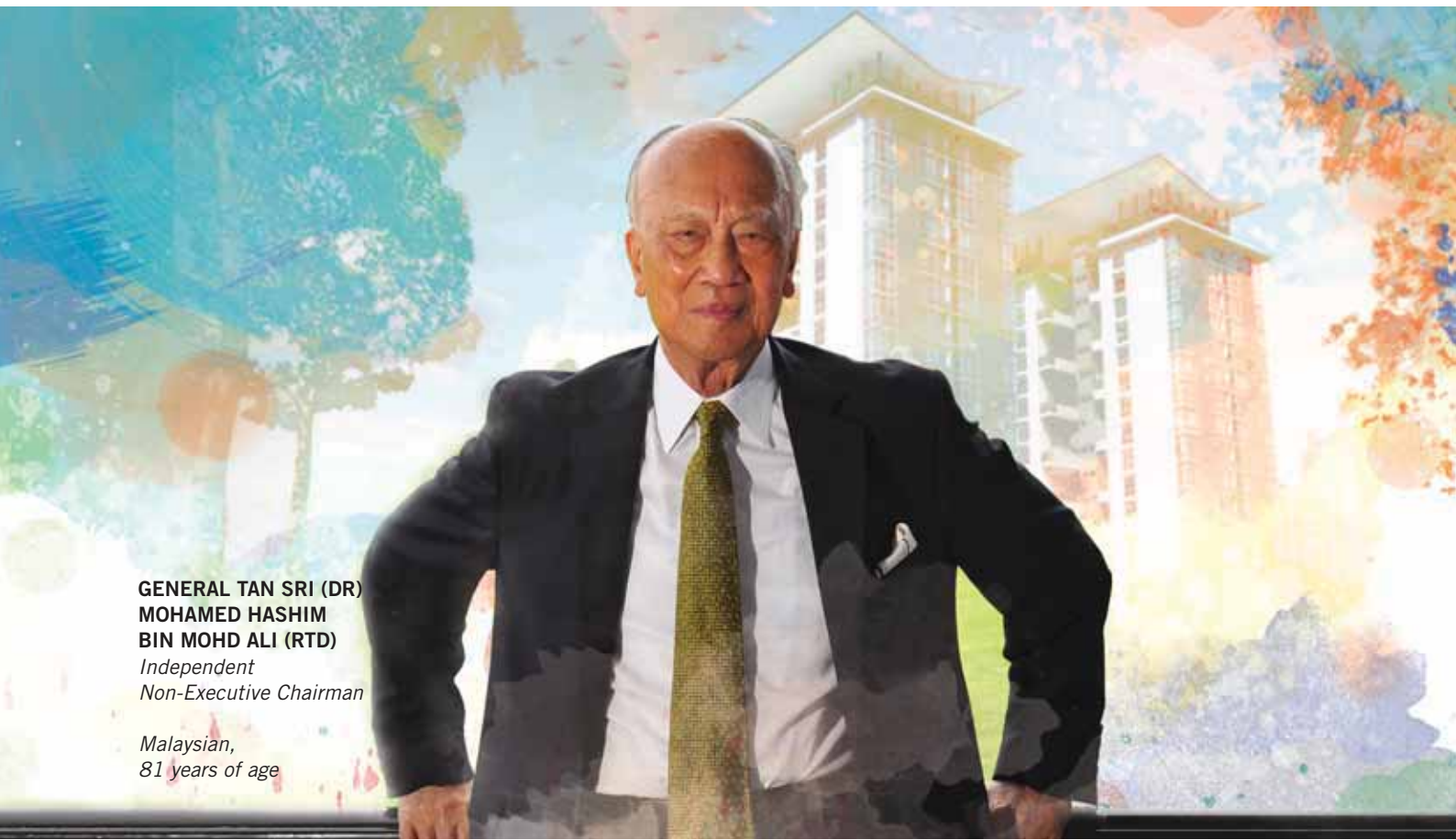


	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	126,017	275,165	262,829	253,716	181,840
Profit/(Loss) before taxation	(9,372)	51,834	49,314	32,900	22,928
Profit/(Loss) after taxation	(9,231)	37,329	35,112	25,757	23,542
Net Profit/(Loss) Attributable to Shareholders	(8,612)	37,851	36,016	25,253	23,650
Total Assets	1,343,953	1,351,527	1,362,235	1,397,881	1,384,547
Total Liabilities	492,473	498,077	545,304	614,945	626,550
Share Capital	275,707	275,707	275,707	275,707	275,707
Reserves	552,830	551,413	514,317	479,418	454,983
Shareholders' Funds	825,623	826,974	790,024	755,125	730,690
Basic Earnings/(Loss) Per Share (sen)	(3.15)	13.73	13.06	9.16	8.58
Net Assets Per Share (RM)	3.02	3.00	2.87	2.74	2.65
Return on Total Assets (%)	(0.64)	2.80	2.64	1.81	1.71
Return on Equity (%)	(1.04)	4.58	4.56	3.34	3.24
Gearing (Net Debt/Equity)	0.20	0.19	0.24	0.32	0.36

## PROFILE OF BOARD OF DIRECTORS

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**GENERAL TAN SRI (DR)  
MOHAMED HASHIM  
BIN MOHD ALI (RTD)**  
*Independent  
Non-Executive Chairman*

*Malaysian,  
81 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 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 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

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Country Heights Holdings Berhad  
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**Y. BHG. TAN SRI LEE KIM  
TIONG @ LEE KIM YEW**  
*Deputy Chairman*

*Malaysian,  
61 years of age*

**Tan Sri Lee Kim Tiong @ Lee Kim Yew**, the founder of Country Heights Holding Berhad, was first appointed to the Board as Director on 1 October 1986. He is also a member of the Remuneration Committee of the Board.

Tan Sri Lee Kim Tiong @ Lee Kim Yew, is an established businessman and an innovative entrepreneur who has stamped his mark in many industries. He has 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 key ingredients 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 Brand 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 International Exhibition and Convention Centre (MIECC), Mines Wonderland and Mines Resort & Golf Club that has earned "The Mines Resort City" the National Creativity & Innovation Award by the Malaysian Design Technology Centre in 2004.

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

In 2014, Tan Sri Lee Kim Tiong @ Lee Kim Yew, was appointed as Advisor to Country Heights Holdings Berhad and its Group of Companies to provide advisory service on the Group's strategic business development, specifically in overseas expansion.

He also sits on the Board of Golden Horse Palace Berhad, Mines Excellence Golf Resort Berhad, and several other private companies.

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

In view of his direct interest in Country Heights Holdings Berhad and substantial shareholdings in Country Heights 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

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

*Malaysian,*  
*30 years of age*

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

Ms. Lee Cheng Wen 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 became 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 Cheng Wen 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 Cheng Wen 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 Cheng Wen's business achievements and prowess in corporate Malaysia is recognised and respected. She was awarded the Women Excellence Award under category of Young Women Entrepreneur Outstanding Achievement in 2014 and The Golden Globe Tiger Award under category of Women Leadership in 2015.

Ms. Lee Cheng Wen has also been accorded with '2016 China Daily Asian Women Leadership Awards', a joint initiative by China Daily and Asia News Network ("ANN") to Asian women for their outstanding career achievements and strategic influence in their societies. The Award recognises dynamic and dedicated women who are agents of change for the empowerment of women, and those who are role models in entrepreneurship, innovation, finance, media, culture, sports, environment, education, health care, tourism, public services and charity.

She also sits on the Board of Golden Horse Palace Berhad, Borneo Highlands Hornbill Golf & Jungle Club Berhad, Mines Excellence Golf Resort Berhad and Country Heights Timeshare Berhad.

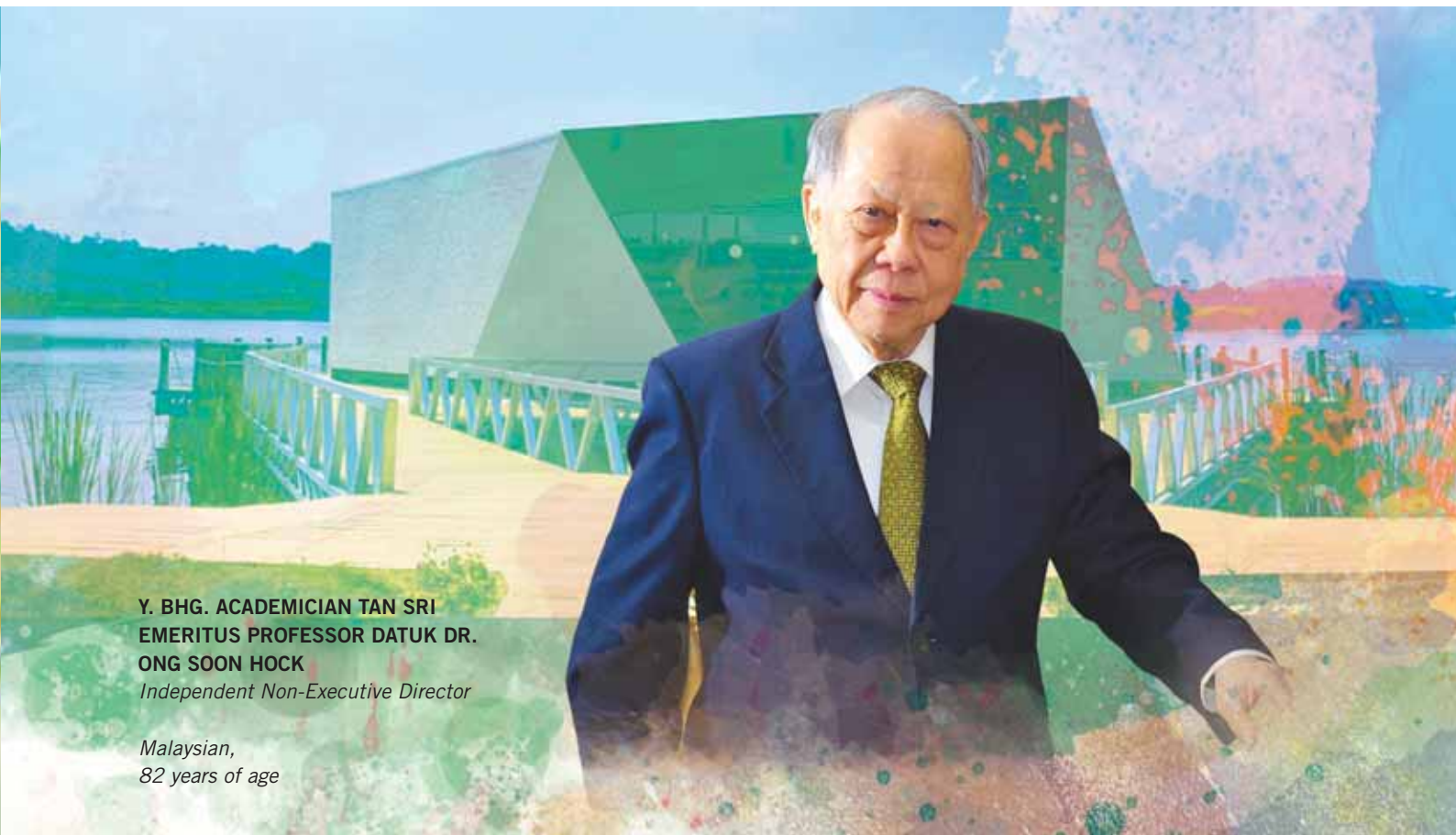
Ms. Lee Cheng Wen is the daughter of Tan Sri Lee Kim Tiong @ Lee Kim Yew, Deputy Chairman of Country Heights Holdings Berhad. She is deemed interested in certain related party transactions of a revenue or trading nature which are necessary for the day-to-day operations of the Group.



# PROFILE OF BOARD OF DIRECTORS

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Country Heights Holdings Berhad  
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**Y. BHG. ACADEMICIAN TAN SRI  
EMERITUS PROFESSOR DATUK DR.  
ONG SOON HOCK**

*Independent Non-Executive Director*

*Malaysian,  
82 years of age*

**Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock** 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 a Master in Chemistry and a PhD in Organic Chemistry of University of London King's College. He has remarkable achievements in both academic and applied scientific fields and is internationally recognised in the field of lipid chemistry with over 50 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. His many awards include the 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 "Tokoh Akademik Negara" by the Ministry of Higher Education in 2015.

Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock was also awarded the Palm Oil Industry Leadership Award ("PILA") in July 2011. He was the recipient of the prestigious Merdeka Award in October 2012 for outstanding contribution to the research and development of the chemistry and technology of palm oil and for his significant role in advocating and promoting the Malaysian palm oil industry to the world. In May 2014, he received an award from the Oxygen Club of California for being "Pioneer in Tocotrienol Research".

Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock has no directorship in other public listed companies in Malaysia.

# PROFILE OF BOARD OF DIRECTORS

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**NIK HASSAN BIN NIK MOHD AMIN**  
*Independent Non-Executive Director*

*Malaysian,  
67 years of age*

**Encik Nik Hassan Bin Nik Mohd Amin** 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 Bumiputra-Commerce Bank Berhad, Encik Nik Hassan Bin Nik Mohd Amin 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 Bumiputra-Commerce Bank Berhad. He is also a Director of Agensi Kaunseling dan Pengurusan Kredit (“AKPK”).

Encik Nik Hassan Bin Nik Mohd Amin also sits on the Board of Golden Horse Palace Berhad and Business Leap (M) Berhad.



# PROFILE OF BOARD OF DIRECTORS

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Country Heights Holdings Berhad

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**CHEW CHONG EU**  
*Independent Non-Executive Director*

*Malaysian,  
54 years of age*

**Mr. Chew Chong Eu** 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 Chong Eu is a Chartered Accountant. He graduated with a Bachelor of Commerce from the 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.

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

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

In 2005 until present, together with a number of his colleagues from BDO Capital, he established Covenant Equity Consulting Sdn Bhd, to provide quality corporate finance and advisory services with a personal touch across the Asia Pacific Region. In 2009, he was appointed as the Quality Control Director of PKF Malaysia, a member of PKF International, one of the world's top ten accounting and business advisory organisation. Mr. Chew Chong Eu was also appointed as the Regional Director of PKF International for the Asia Pacific Region for 2012/2013. He is also a Director of High-5 Consolidated Berhad.

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

## Notes:-

### 1. **Save as disclosed above, none of the Directors has:-**

- (i) any family relationship with any Directors and/or Major Shareholders of the Company
- (ii) any conflict of interest with the Company.

### 2. **Conviction for Offences**

None of the Directors has been convicted for offences within the past 10 years other than traffic offences.

### 3. **Attendance of Board Meetings**

The attendance of the Directors at Board of Directors' Meetings is disclosed in the Statement on Corporate Governance.

## PROFILE OF SENIOR MANAGEMENT

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**LEE SOW LIN, MICHELE**  
*Chief Investor Relations*

Lee Sow Lin, Michele 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. Lee Sow Lin, Michele was previously attached to the Hong Leong group for 15 years holding various senior positions in commercial, corporate banking and branch operations. In Hong Leong Finance, Lee Sow Lin, Michele was spearheading the overall real estate lending in Malaysia where she led and manages project financing and lending to property companies.

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

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

Subsequently in March 2004, Lee Sow Lin, Michele joined the board of CHHB and is also a member of its executive committee. Lee Sow Lin, Michele was responsible in steering the restructuring of certain debts of the group ie 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 loan stock RCSLS Series A & B.

In her present position as Chief Investor Relations, Country Heights Holdings Group, Lee Sow Lin, Michele Lin is responsible to identify prospects and drive strategic partnership for the Group's Mines Wellness City project as well as working closely with all investors, bankers and stakeholders across Country Heights Group of Companies for all relevant communications materials and international road shows. Apart from this, she will also be on hand to assist in any corporate exercises.



**RICKY YIP CHUN MUN**  
*General Manager,  
Health Tourism Division*

Ricky Yip Chun Mun 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 sits on the Board of Golden Horse Palace Berhad, Mines Marketing Sdn Bhd, Mines Global Holidays Sdn Bhd, Mines Express (MM2H) Sdn Bhd, Wonder Bowl Sdn Bhd, Country Heights Timeshare Berhad, Heritage Lakeside Developments Sdn Bhd, and Heritage Management Services Sdn Bhd. He is also the Chief Sales Officer for Country Heights Group – Tourism and Membership Division, responsible for recruitment of membership for timeshare, health screening and Traditional Chinese Medicine. He is currently the Chairman of the Malaysian Holiday Timeshare Developers' Federation ("MHTDF"). He has over 28 years of experience in the Malaysian timeshare industry.

Ricky Yip Chun Mun started Mines Marketing Sdn Bhd, a marketing agency for Country Heights Group in 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 more than 30,000 members with a sales volume of over RM500 million in total.

His other accomplishments include conceptualising and marketing the 1st in Malaysia oil palm farm sharing investment scheme named Country Heights Growers Scheme to more than 10,000 investors which generated an investment fund of over RM200 million. He had previously marketed and led the sales and marketing division of Palace of the Golden Horses, Mines Wellness Hotel and Borneo Highlands Resort. On the tourism business, he has developed and marketed tourism products such as medical & golf tourism, education program, property and "Malaysia My Second Home" program, and tours with hotel packages specifically targeted to the Middle East, China, Korea & Japan, and Indonesia markets.



# PROFILE OF SENIOR MANAGEMENT

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**LEE CHENG NI, DIANI**

*General Manager,  
Group Branding and Communications*

Lee Cheng Ni, Diani began working at Country Heights Holdings Berhad in 2011 as a Special Projects Manager in the office of the conglomerate's Founder and Deputy Chairman. Put in charge of overseeing operational and internal audit processes within the group, she soon learned the strength and weakness that the group faced and provided management with improvement suggestions and organised implementation. Often being a facilitator between internal departments as well as external vendors, suppliers and even customers, Lee Cheng Ni, Diani was given the opportunity to build her skills in one of the most important traits at the work place - managing people, relationships and business reputation.

In 2013, Lee Cheng Ni, Diani was promoted to head the department of Group Branding and Communications and began overseeing the formulation of touch point strategies that the group has with its stakeholders at all levels of business.

This includes responsibilities such as organising special event launches, planning advertising, marketing promotions, handling sensitive communication processes as well as crisis management.

Lee Cheng Ni, Diani graduated from the University of Southern California with a Bachelor's Degree in International Relations and Global Business, specialising in Asia Pacific and its political economy. Lee Cheng Ni, Diani attributes her discipline and tenacity to excel to her background as a professional athlete. She is an accomplished equestrienne athlete in the field of Dressage during her character shaping years, having won medal for Malaysia at international sporting events like the Asian Games and Southeast Asian Games.



**ADELINE CHONG AI WEN**

*General Manager,  
Group Human Resources*

Adeline Chong Ai Wen 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.

Adeline Chong Ai Wen joined Country Heights Group in January 2012, bringing along with her over 15 years of experience in Malaysia and overseas. Prior to joining Country Heights Group, she was attached with Maxis Communications Berhad. Before that, she spent five years in a regional role as 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 regions which include Singapore, Indonesia, China, Thailand, Australia and UAE.

Adeline Chong Ai Wen 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 graduated from the Institute of Chartered Secretaries & Administrators, United Kingdom.

# PROFILE OF SENIOR MANAGEMENT

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**GAN TIAN CHOO**

*Financial Controller,  
Group Finance*

Gan Tian Choo is the Financial Controller, Group Finance and he joined the Country Heights Group in 1997.

Highly experienced, proficient and dedicated, Gan Tian Choo has over 25 years of experience in financial and operational management in the financial services, corporate finance, distribution and services, education, trading and property development industries. Acquired valuable experience working with management and business cultures from Dreamland Holdings Berhad and Kanzen Tetsu Sdn Bhd, prior of joining Country Heights.

Gan Tian Choo obtained his Bachelor of Economics from University Kebangsaan Malaysia in 1991. He is a fellow member of Chartered Association of Certified Accountants and a member of Malaysian Institute of Accountant.



**ANGIE NG YIN MING**

*General Manager,  
Education Division*

Angie Ng Yin Ming is the current General Manager of Country Heights Education Sdn Bhd since 2006. She is leading Country Heights Education division – International Malaysia Education Centre (IMEC) and Eight Virtues Montessori Preschool's operations, business activities and expansion.

Prior to her post, she is a Director of Members Services in charge of overall membership operations of Palace Vacation Club and Assistant Director of Health Screening for Golden Horses Health Sanctuary and heading Country Heights Holdings Berhad's Group IT networking.

Have more than 15 years operation management experiences. Before joining Country Heights, she was attached with United Parcel Services, Malaysia for 10 years heading the information technologies department for UPS Malaysia.

Currently pursuing PhD in University Kebangsaan Malaysia, Angie Ng Yin Ming holds a Master Degree in Business Administration - Speciality in International Business in 2010.

# PROFILE OF SENIOR MANAGEMENT

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**TAN SIEW MEI**  
General Manager,  
GHHS Healthcare

Tan Siew Mei is a holder of Bachelor of Science in Pharmacology from National University of Malaysia (UKM). She has almost 30 years of experience in hospital and healthcare services especially medical laboratory, blood bank, preventive healthcare and wellness.

Prior to joining Country Heights, she was the Chief Medical Laboratory Scientific Officer at Assunta Hospital taking charge of the medical laboratory and blood bank. She was fully involved in the laboratory management, laboratory refurbishment/upgrade, promotion of voluntary and autologous blood donation. She played a very important role in assisting the laboratory in certification of ISO 9001, upgrading the equipment and computerising the blood bank.

Tan Siew Mei joined GHHS Healthcare in 2000 as the Senior Medical Laboratory Scientist and she was involved actively in the setup of GHHS Health Screening Centre at Palace of the Golden Horses. With her proven business acumen, she was promoted as Laboratory Manager in 2002 and Assistant Director in 2005 to oversee the operation and development of the Centre. The Centre obtained ISO 9001:2000 QMS certification by Lloyd's Register of the United Kingdom (upgraded to ISO 9001:2008 in year 2009) and Ambulatory Care License by Ministry of Health, Malaysia in 2006 till now.

With the growing numbers in health enthusiasts and members, the Centre had undergone a major expansion exercise in 2010 with 3 folds in size, facility upgrades of digital technology and state-of-the-art equipment. A new division of Preventive Clinics managed by a group of qualified and experienced specialist consultants were further incorporated in 2011 under her guidance, includes ENT, Heart, Liver and Gastro Clinics. In 2015, a Genetic Clinic was set up in providing genetic screening at molecular level, to detect possible risks for a genetic and some medical illness at an early stage.

In 2007, Tan Siew Mei assisted in the setup of Traditional Chinese Medical ("TCM") the Centre located in Mines Wellness Hotel before it was launched in 2008 by the Minister of Health. GHHS TCM Centre is the first TCM wellness centre in Malaysia obtaining the ISO 9001 : 2008 QMS certification by Lloyd's Register of the United Kingdom in 2012. Tan Siew Mei was made the Deputy General Manager in 2009 and General Manager in 2010 which enlarged her portfolio to take charge of the operations for both Western and Eastern healthcare centre under GHHS Healthcare.

# CHAIRMAN'S STATEMENT

**Dear Valued Shareholders,**

On Behalf Of The Board Of Directors Of Country Heights Holdings Berhad ("CHHB"), I Am Pleased To Present To You The Annual Report And Audited Financial Statements Of The Group And The Company For The Financial Year Ended 31 December 2015.





**THE PROPERTY SECTOR – RESIDENTIAL, COMMERCIAL AND INDUSTRIAL – ENJOYED ROBUST AND RAPID EXPANSION BETWEEN 2009 AND 2013 JUST AFTER THE 2008 GLOBAL FINANCIAL CRISIS. GROWTH SLOWED IN 2014 AND DECELERATED IN 2015, IMPACTING THOSE WITH LITTLE HOLDING POWER.**

The rapidly changing market dynamics places a big responsibility to the Board of Directors in ensuring that the company as a whole is fit for an evermore challenging future.

The Group have continued to extend its market share, and have made considerable progress not only to meet expectations but to deliver the best to our customers.

The current economy has been categorised as sluggish in 2015 as private consumption faces headwinds from sagging consumer confidence, revised taxation scheme on goods and services, slowing growth in credit to households, and signs of softening in the labor market.

The slow economy is affecting all economic sectors and the property sector is no exception. Compared to the banking and oil and gas (O&G) sectors, the property sector affects a greater part of the populace because there are more direct stakeholders.

### Country Heights' Financial Review

For 2015, being the year under review, the Group posted a net loss of RM 9.2 million (compared to RM37.3 million profit a year ago) on the back of revenue of RM126.0 million compared to RM275.2 million the previous year.

As at 31 December 2014, total assets of the Group stood at RM1,344 million while total equity attributable to shareholders stood at RM826 million, a decrease of 0.12% compared to previous year of RM827 million.

The Group's gearing (measured as a percentage of total net debts over total equity capitals) increase from 18.8% to 20.4%.



### Prospects of the Company

The property sector – residential, commercial and industrial – enjoyed robust and rapid expansion between 2009 and 2013 just after the 2008 global financial crisis. Growth slowed in 2014 and decelerated in 2015, impacting those with little holding power.

The weakening ringgit and the still-falling oil price had cast a pall over the larger economy. Aside from these factors, challenges in the 2016 market is expected to be more subdued compared to 2015 due to the following:

- Oversupply in certain property sub-sector market
- Stricter lending
- Slower recovery of global economies
- Too many launches at inflated prices in 2014 and prior to this;
- Full impact from developers' interest bearing schemes (DIBS) to be felt this year; and
- National issues

**HOWEVER, WE REMAIN 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 HAS REMAINED HIGH FOR CHHB.**

However, we remain 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 has remained high 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.

The property sector continues to be a very popular asset for Shariah type funds to invest in and hence, has given rise to the growing demand for Shariah compliant properties to be made available to the Islamic Funds Management and Takaful Insurance industries to invest in. To remain resilient and competitive, CHHB is listed under the Shariah compliance and is on par with the high demand for Shariah-compliant properties.

#### To remain resilient

To increase the revenue and business growth of the Group, CHHB will continue to emphasise on the Wellness and Health segment, Mines Wellness City. Mines Wellness City is an integrated healthcare and wellness hub in Malaysia. Mines Wellness City has been demarcated as one of the projects under the National Key Economic Areas (NKEA) of Economic Transformation Programme (ETP).

Development projects in the pipeline scheduled for launching in 2016-2017 are:-

- Mines Waterfront Suites at Mines Wellness City
- Mines Waterfront Suites Tower 3 & 4
- Belleza Garden Homes Phase 3 at Jitra, Kedah
- Cyberjaya Phase 2 Condominiums and Double Storey Terrace House
- Aqualis, mixed development project Mines Wellness City
- Resort-style condominium at Port Dickson

CHHB is constantly seeking to strategically expand its sizable land bank via acquisitions and strategic joint venture arrangements to enhance its future earnings growth while focusing on leasing and rental activities.

On the hospitality division, despite a drastic drop in the numbers of tourists to Malaysia, focus is given to refurbish the Palace of the Golden Horses, introduction of a new management team, joint-ventures and measures have been put into place to counter room occupancy rates with more international and local corporate events and promotions to help stimulate the business.

The Health Division, GHHS Healthcare, which have a combined western and eastern practices continues to be the key opinion leader in the preventive healthcare industry. GHHS Healthcare will focus on raising its platform to be perceived as a centre for medical tourism with increased international health tourists especially from middle-east market and a new focus on the Indonesian market.



We are also confident that CHHB is better positioned to serve the needs of customers going forward and confident that CHHB is committed to the long-term investment and development of the business.

As the board remains in place, we have directed the management to execute our strategic plans.

- Focused budget and continued cost control during financial year 2016
- Corporate scorecard
- Work on structural and business implications of regulations

## Corporate Governance

The Board complies with the recommendations as set out in the Malaysian Code on Corporate Governance 2012 and continues to perform the principles of good corporate governance to increase and protect shareholder value. The Board implements a comprehensive system of corporate governance within its day-to-day operations in establishing a strong foundation for continuous growth.

These measures are set out in our Statement on Corporate Governance on pages 66 to 76 of this Annual Report.

## Corporate Responsibility

The Group believes that, in striking a good balance between solid business performances and placing high priority on social and environmental responsibility will contribute and increase shareholder value. It is our practice and corporate culture to reinvest in society in various methods for the workplace, the people surrounding our community, the green environment and the market place.

Our initiatives during 2015 are set out on pages 32 to 37 of this Annual Report. We remain committed to broadening our scope so as to continue our growth as a socially and environmentally responsible company.

**AN IN-HOUSE SURVEY SHOWED HIGH SATISFACTION RATES, AT 98% AMONG ITS MEMBERS. GHHS HEALTHCARE WILL ALSO FOCUS ON RAISING ITS PLATFORM TO BE PERCEIVED AS A CENTRE FOR MEDICAL TOURISM WITH INCREASED INTERNATIONAL HEALTH TOURISTS.**



## Acknowledgement & Appreciation

I would like to thank all our shareholders, customers, various government agencies, consultants, financiers, contractors, suppliers, business partners and friends in the media for your continuous supports and confidence.

Finally, I would like to pay tribute to my fellow Board of Directors for their continuing commitment and engagement. As Chairman of the Board for many years, I consider it a privilege and honour to have the dedicated team. I wish all the best for the future.

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

Chairman





# GROUP CEO'S STATEMENT





**WE ARE TRANSFORMING OUR RESORT CITY IN SERI KEMBANGAN INTO A ONE-STOP WELLNESS HUB FOR MALAYSIANS AND SOUTH EAST ASIANS. UNDER THE ECONOMIC TRANSFORMATION PROGRAMME, MINES RESORT CITY WILL BE TRANSFORMED AND RE-GAZETTED INTO MINES WELLNESS CITY (MWC).**



Nevertheless, the Group has aggressively pared down its borrowings by monetising property inventories. Therefore, this effort has successfully brought down our gearing ratio to a healthy and comfortable level of 20.4%. The financial results achieved reflected a host of deliberate and prudent financial management measures implemented over the past 12 months amidst a competitive and challenging operating environment.

The Group has also been listed as a Shariah compliant company under Bursa Malaysia.

## Dear Fellow Shareholders,

2015 was a challenging year for the group but the team is still diligently working for improvements and for a better year ahead. Despite the challenges we faced in 2015, steady milestones were achieved.

## Financial Performance

Total Group revenue for the year ended 31 December 2015 dropped by RM149.2 million to RM126.0 million as compared to RM275.2 million in 2014.

Group loss before tax as at 31 December 2015 was RM9.4 million as compared to profit before tax of RM51.8 million in preceding year. This variance is resulted from the decrease of property closing ratio and lower progressive recognition from lesser ongoing projects.

While the domestic property market environment is already facing challenges, tightening of the end financing for purchasers has hampered the closing ratio of our sales, despite having some properties being oversubscribed during sales launching. The new state ruling for Selangor and Negeri Sembilan on approval guidelines and Bumi/Foreign quota has also added challenges to the market to which the group is compelled to tweaking and delaying certain our pipeline projects.



# GROUP CEO'S STATEMENT

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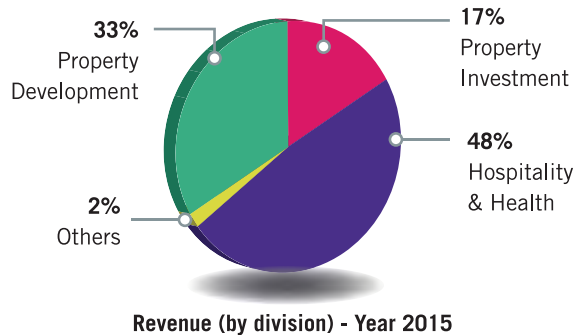
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## Our Operations

### Property Development Division

Property Development Division contributed RM41.7 million or 33% of the total Group revenue of RM 126.0 million. 2015 saw new development such as Mines Waterfront Suites, Belleza Phase 3 and Sawtelle Suites Cyberjaya.

Following our company motto of Ever Searching for Better Living, Country Heights stays true to its path to deliver niches and unique products of quality to our customers. LakeView Residency in Cyberjaya 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 tremendous health benefits. This purification process improves air quality by helping to purge air-borne particulates such as dust and germs. With the installation of the energy ceiling boards, all homeowners enjoy fresh, clean and healthy environment anytime at home or their working area. In July 2015, LakeView Residency has obtained the Certificate of Completion and Compliance and has been successfully handed over to all owners with excellent reviews.



The construction of Mines Waterfront Suites that was launched in the fourth quarter of 2014 as part of the MINES WELLNESS CITY project is ongoing and has reached 70% of its construction stage. This ambulatory-care-ready building is targeted to be complete in 2017 and it is the first wellness-centered building with special tax incentives within the Klang Valley. A building tower of 268 office units is designed specifically to meet the needs of health and wellness operators with dual water sources, individual restrooms and stunning views of the Mines Golf Course and Mines North Lake.

Mines Waterfront Suites will also be equipped with great facilities including a fitness centre and cafes and boasts a 30,000 sqft retail space for variety of wellness businesses to operate.

Also under construction is Sawtelle Suites located in Cyberjaya as the area's first duplex apartment development. Designed specially to meet the contemporary lifestyle of the new generation, the project provides the ideal concept mix for work productivity and leisure while at the comfort of a home. With only 128 units, The Sawtelle Suites is a low density development overlooking the Putrajaya Lake and the community green lung. Sawtelle Suites is expected to complete in 2016 and has reached 80% construction stage.

### Hospitality & Health

The Hospitality & Health Division contributed RM60.4 million or 48% to the Group's revenue in 2015, which is the main revenue contributor. However, revenue has decreased as compared to RM 69.1 million for 2014.

In 2014, the Hospitality Division faced stiff competitions in the market due to lower inbound tourists coupled with the airline tragedies affecting the travel and hospitality industry. The sector did not recover much for the group and the hotel occupancy remains low in 2015. The weak economic sentiment also saw much lesser corporate and government bookings compared to previous years. Moreover, the implementation of GST has seen higher cost especially in the healthcare segment, and a lower responses in preventive healthcare membership sales as consumers remain cautious in spending.

# GROUP CEO'S STATEMENT

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Country Heights' Hospitality Division carries four international award winning hospitality properties namely Palace of the Golden Horses, Mines Wellness Hotel, Borneo Highlands Hornbill Golf and Jungle Club and Country Heights Resort and Leisure. As of last quarter of 2015, the property known as Mines Wellness Hotel has been strategically leased out to and managed by Philea Group and has been rebranded as Philea Mines Beach Resort. This arrangement will generate a positive yield for the Mines Wellness Hotel asset while maintaining the group's hospitality division goal to deliver the best in hospitality services, Food and Beverage, MICE and recreational facilities.

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. Our accolades includes the World Luxury Hotel for Country Winner – Luxury Golf Course for four times in a row – 2011, 2012, 2013 and 2014.

In 2015, Grand Salon Lobby Lounge has seen major renovation that transforms the iconic lobby lounge into a stylish grandeur fit for Cocktail Parties, Private Events, Wine-Tasting, Fashion Shows, Fine Dining, Product Launches etc. The hotel has also embarked on a project till end of 2016 to convert its suites with themes that honor VVIP guests who have stayed at the hotel – namely HRM Queen Elizabeth, Nelson Mandela, Former President of Republic of China, Jiang Zemin.

**Property Development Division contributing RM41.7 million or 33% of the total Group revenue of RM 126.0 million. 2015 saw new development such as Mines Waterfront Suites, Belleza Phase 3 and Sawtelle Suites Cyberjaya.**

For the Groups' Health Division, GHHS Healthcare has expanded its detailed preventive screening service to include tailored Genetic Screening profile into its offering. Focusing on Cardiac, Metabolic, General Wellness of Hormones and Vitamins, Children, Fitness and Oncology, GHHS Genetic Screening programme can now better assist our membership and customers on a personalised preventive healthcare regime.

## Property Investment and Others

The Property Investment Division remains the third contributor of the group accounting for RM21.8 million or 17% 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 rental income from events and hall rental at the Mines International Exhibition and Convention Centre (MIECC).

2015 has shown an improvement to the bottom line of the Property Investment Division as compared to 2014. As at the end of 2015, MWBP managed to achieve an occupancy rate of 96%. The occupancy for MWBP in 2016 is expected to remain stable with a marginal increase in the rental rates for the renewal of tenancy agreements.





In 2015, MIECC has attracted key international franchise shows such as National Achievers Congress 2015 and Live Spectacle NARUTO. Live Spectacle Naruto was first brought to live in Malaysia and they have chosen MIECC and the convention centre received major media publicity. Live Spectacle NARUTO took the audiences to the world of incredible live actions: acting, dance and acrobatic performances, with various fantastic stage effects.

NAC 2015 brought Lizzie Velasquez as a main speaker who is a global motivational speaker, anti-bullying activist and author of three books: **"Lizzie Beautiful"**, **"Be Beautiful, Be You"**, and **"Choosing Happiness"**. She is an Executive Producer of the documentary based on her life, **"A Brave Heart: The Lizzie Velasquez Story"** which chronicles her life from bullying victim to motivational speaker to activist.

## 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 Mines Wellness City. 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 team of accredited professors and teachers.

IMEC has become UNIMAS first satellite learning centre in Kuala Lumpur which was launched on 15 January 2015 with the collaboration between UNIMAS and Country Heights Education Sdn Bhd. This satellite learning centre is offering four (4) Post Graduate Programmes:

- Corporate Master in Business Administration (CMBA)
- Master of Advance Information Technology (MAIT)
- Master Science in Human Resource Development (HRD)
- Master of Science (Learning)

Addition, on 17 March 2015, UNIMAS officially recognized IMEC's Intensive English Programme Level 8 as proof of English proficiency for UNIMAS programmes.

IMEC recently has been accorded among the top language centres in Malaysia that were awarded a 5 star (Excellent) rating "Standard Kualiti Institusi Pendidikan Swasta (SKIPS) Pusat Bahasa Tahun 2014 (valid through 2016)" by Ministry of Education Malaysia.

## MEMBERSHIP & TOURISM

Celebrating 16 years of excellence, Membership and Tourism Division will continue to strive and 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.

2015 marked yet another significant milestone for Palace Vacation Club in the timeshare industry, not only at the local front but in the global arena. It marked 16th Anniversary of Palace Vacation Club since establishment on 1 July 1999, and have spent the past decade continuing to build our brand, which has now become synonymous with our commitment to providing our members the opportunities to enjoy worry-free vacations and creating wonderful memories.



On the real economy, real GDP growth for 2015 is estimated to register close to 5%, a respectable growth considering weak and uneven global economic recovery, while headline inflation remained benign, averaging 2.1% for 2015 as a whole (2014: 3.2%), which is only 0.1 percentage point above the price stability inflation target of many central banks in advanced economies.



## Highlights:

- One of the leading timesharing membership programmes with over 8,000 members and a choice of over 100 internal and direct affiliation resorts
- Increased number of new affiliation resorts located in China namely Shanghai, Hainan and Jiuzhaigou; as well as Bali, Indonesia and Bangkok, Thailand
- Dedicated Membership Check-in Counter for members at Palace of the Golden Horses Hotel
- Achieved a high 97% successful booking rate from the Member Services team
- Ventured into new market in Saudi Arabia through a marketing agent, Arabian Falcon International
- New direct affiliation resorts at Uttarakhand, India and Koh Samui, Thailand
- Palace of the Golden Horses has been awarded with "Gold Crown" status by Resort Condominium International (RCI), the world's largest resort exchange company with access to more than 4000 resorts in over 100 countries
- Venturing into new markets in India, Indonesia and China

- Palace Vacation Club will continue to enhance its membership benefits and privileges, such as:

- a) Exchange their holiday privileges for concert tickets for "The Thriller" & "Saturday Night Fever" musical shows
- b) Enjoy a Free Credit Week for exchange into over 2,000 resorts worldwide through recent affiliation with an international exchange company Dial An Exchange (DAE)

Looking ahead, we are focusing on accelerating the execution of our growth strategy by identifying and selling to new markets, forging marketing partnerships to deliver more value for our members while continuing to build on the strength of our brand through innovation and our commitment in delivering excellence services to our members.

## Recognitions and Accolades

Recognitions that the Group has received have allowed us to benchmark our products, services and operations for the benefit of our customers, business partners and employees.

We have proudly received the following accolades and awards:

## Human Development Capital:

- Human Resource Excellence Awards 2015: 'Excellence in HR Social Media (Silver Winner)'
- Top 5 Companies in Asia Pacific for 'Best Employee Healthcare and Wellness Programmes' Category
- 'Best Companies to Work for in Asia 2014': Award by HR Asia a regional publication for HR professionals. This award is recognition of CHHB's outstanding achievement and significant best practices in Human Resources Management that is aligned to the Group's philosophy and vision.

## Hospitality and Health:

- MWH won Asia's Best Wellness Hotel Award "Top 10 of Malaysia" magazine
- Palace of The Golden Horses wins World Luxury Hotel Award for Luxury Golf Resort for the fourth times by World Luxury Award Organisation in South Africa
- Mines Wellness Hotel as reigning award winner for Asian Green Hotel Award for year 2012-2014
- GHHS Healthcare has been awarded Malaysia's first TCM ISO 9001:2008 Certification of Excellence by Lloyd's Register Of Excellence, UK

## Property:

- In 2015, the development project 'Mines Wellness City' won two awards by Property Insight: 'Best Medical Tourism Development and Best Wellness Development'

# GROUP CEO'S STATEMENT

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## Economic outlook

While Malaysia is naturally protected from snowstorms, tornados and hurricanes, having to deal with only regular rains, floods and sometime landslides, the country grappled with severe headwinds on the local and international economic front in 2015, state government restriction on housing ruling, following unanticipated global commodity and currency shocks, financial market turbulence and sudden reversal of capital flows.

Though challenges are expected to arise along the way this year.

On the real economy, real GDP growth for 2015 is estimated to register close to 5%, a respectable growth considering weak and uneven global economic recovery, while headline inflation remained benign, averaging 2.1% for 2015 as a whole (2014: 3.2%), which is only 0.1 percentage point above the price stability inflation target of many central banks in advanced economies.

Meanwhile, fiscal deficit of the Federal Government financial position improved considerably, estimated to register 3.2% of GDP in 2015, which is a significant achievement compared to the ratio of 6.5% of GDP recorded in 2009, when the country was hit hard by the global economic and financial crisis.

Locally, while the review of Malaysia's outlook may be mixed due to a myriad of different local sentiments, the Group remains cautious in its strategies to weather through uncertainty.

(Source: The Malaysia Institute of Economic Research)

## Acknowledgement

In closing, I would like to thank our customers for their business. It is a privilege for us to serve our customers well. I also want to thank our shareholders and the Board of Directors for your confidence and continued support. And finally, I want to recognize all employees for their loyalty and unwavering commitment.

Thank you.

**Lee Cheng Wen**  
Group Chief Executive Officer









# CALENDAR OF NOTABLE EVENTS FOR 2015

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## January

- 7 January** - Corporate YAY Day (CHHB)
- 15 January** - Signing Ceremony Between IMEC & UNIMAS (IMEC)
- 31 January** - Mines Wellness City & Property Insight's Property Talk (PDD)

## February

- 5 February** - Mines Wellness City & Property Briefing (PDD)
- 23 February** - Chinese New Year's Celebration (CHHB)

## June

- 3 June** - Monthly Interactive Session: Successful Pitching For Business (PID And PDD)
- 6 June** - CSR: Hari Kesedaran Kesihatan Bersama DFMM & Persatuan Keamanan Sejagat Malaysia (UPSM)
- 12 June** - Corporate Teambuilding With Exco, Hods, Leapers & Potential Leapers
- 17 June** - 31<sup>th</sup> Annual General Meeting (CHHB)
  - Launch of Health United Plus (Special Membership Programme) (GHHS)
  - Health Programme: Qi Qong Session & DFMM (GHHS)
- 26 June** - CSR – Berbuka Puasa Bersama Anak-Anak Yatim (CHHB)
- 30 June** - Monthly Interactive Sessions: Service With Heart (PGH)



## September

- 5 September** - CHampS! Club Game: Fishing Competition (CHHB)
- 17 September** - HR Excellence Awards 2015 (Excellence in HR Social Media (Silver Winner) (CHHB)
- 21 September** - Monthly Interactive Sessions: Education - SUCCESS & FAILURE: Strategies to Improve Success (IMEC)
  - A Life Changer – Unlocking the Secret in Your Genes: Launch of Genetic Screening and talk by Dr Pang, Wellness Clinic (GHHS)
  - GHHS Being featured on LiTV programme on promoting Malaysia Health Tourism, Collaboration with MHTC (GHHS)

## October

- October 2015 to January 2016** - Miss Universe Malaysia Competition 2016. Collaboration With Palace Of The Golden Horses (PGH)
- 3 October** - Property Division Sponsored And Participated In General Practice Conference (PDD)
- 10 October** - CHampS! Club Game: Jumpstreet Competition
- 12 October** - Monthly Interactive Sessions: Developing Creativity (PVC)

# CALENDAR OF NOTABLE EVENTS FOR 2015

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## March

**11 March** - CSR: Blood Donation Programme (CHHB)

**28 March** - Handing Over Keys Ceremony: Belleza Garden Homes Phase 2 (PDD)



## APRIL

**1 April** - Mines Wellness City Won The Best Property And Wellness Property Award By Property Insight (PDD)

**4 April** - Official Launch Of Dengue Free Malaysia Movement (CHHB)

**8 April** - cHamps! Club Game: Bowling Tournament

**15 April** - Official Launch Of Health United Basic & Lite (GHHS)

**16 April** - Malaysia International Modern Wellness Exhibition 2015 (GHHS)

## July

**12 July** - Launch Of Nasi Kandar Promotion Officiated By Datuk David Arumugam (Alleycats) At Carousel, Palace Of The Golden Horses

**14 July** - Monthly Interactive Sessions: GHHS - How To Handle Difficult Customers (GHHS)

## August

**16 August** - Padawan Raft Safari

- TCM Charity Day  
"Wellness Charity Day"

**19 August** - Birthday Celebration For Country Heights' Founder, Tan Sri Lee Kim Yew (CHHB)

## November

**12 November** - 'GHHS Healthcare Goes To Indonesia' Partnered With MHTC & Selangor Tourism To Batam (GHHS)

**14 November** - Property Golf Tournament At Borneo Highlands Resort (PDD)

**27 November** - Selangor International Expo 2015 (MIECC)

## December

**6 December** - Property Talk With Medical Practitioners Coalition Association Malaysia Exclusive Event (PDD)

**8 December** - The Launch Of Asean Lantern Musical Show By HRH Sultan of Selangor (MINES 567 & CHHB)

**14 December** - Directors and Management Improvement Programme 2015 - Current Trends in Preventive Healthcare and Cancer Management in TCM

**31 December** - New Year's Eve Dinner Comedy Show By Dr. Jason Leong @ the Newly Refurbished Grand Salon, Palace Of The Golden Horses (PGH)



## Our belief that Performance Begins with Strong Responsibility

We at Country Heights Group of Companies are committed to being a top-performing company for our customers, shareholders, and employees and community. In line with our motto “Ever Searching for Better Living” we believe that our company must operate on a foundation of strong values that include effective corporate responsibilities programmes to advance education, support the community programmes and their families with the community groups where our employees live and work.

As the Group CEO, I'm very proud of our employees, who are reflecting the company's values through their actions. Country Heights continues to make significant positive impacts in the communities where we live and work while sustaining our operational performance and delivering high-quality, innovative, and meaningful solutions to our customers.

### Our People – At Work Place

Talent development plays a pivotal role in building the people's strength to ensuring the company growth stays sustainable. Leadership development is also critical and integral part of the Talent Development process.

We have undertaken training and leadership programmes for our employees and providing financial assistance to personnel who wish to further their education be it Master's degree or professional qualifications. The Group also offers in-house training such as Country Heights Leadership Acceleration Programme (CH Leap) which grooms and appreciates talent for better succession planning. We undertook various 'Townhall' programmes, which provide platform for interaction between employees and senior management.



Recognising the immense and critical contributions of our employees, the Group has always been committed to empowering our people by realising their true potential. In this regard, we are fortunate to have a diverse range of businesses across different industries, which provide almost endless opportunities to our employees to broaden their knowledge and skills in ways that they could not possible do in smaller, more conventional corporate environments.



### Interactive Programmes:

#### Team Building: Senior Management and LEAPERS

June 2015: “Even if fall, we don't fall backward but we fall to the front. At least we are one step ahead and not to the back”.

Property Development and Property Investment Division

June 2015:

#### Successful Pitching For Business

Hospitality Division

June 2015:

#### Service with a Heart

Health Division

July 2015:

#### How to Handle Difficult Customers

Education Division

September 2015:

#### Success and Failure: Strategies to Improve Success

Tourism Division

October 2015:

#### Developing Creativity

### Country Heights Games:

April 2015 : **Bowling Tournament**

August 2015: **Padawan Raft Safari**

September 2015: **Fishing Competition**

October 2015: **Jumpstreet**



## GO GREEN - THE ENVIRONMENT

Over the years, we have embedded elements of Corporate Responsibility – such as greening of products and services - into key processes and our products and services. Our hotels Palace of the Golden Horses, Borneo Highlands Resort and MINES Wellness Hotel chain have embarked on a plan to improve energy efficiency, conserve water and support projects that reduce deforestation. All our hotels have its own farm, and in the case of Borneo Highlands Resort, serves only organic vegetarian food. MINES Wellness Hotel has been awarded ASEAN Green Hotel Recognition Award since its first win in 2010 - 2014. MINES Wellness Hotel (now known as Philea MINES Beach Resort) is one of the 10 hotels in Malaysia chosen to receive the Green Award 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.

To ensure continuous efforts on our green and healthy environment, the Hospitality component introduced MINES Green Circle, a green body that governs green practices for both Palace of the Golden Horses and MINES Wellness Hotel. We advocate green message to the staff as well guests, and all collaterals are printed on recycled paper.



## REACHING OUT TO COMMUNITY

The Group has undertaken various programmes to lend a helping hand to the underprivileged and our nearby community. 2015 also seen our focus on embarking a strong campaign in preventing Aedes mosquitoes via a campaign 'Dengue Free Malaysia Movement' (DFMM).

- In March 2015: **'Blood Donation Campaign'** in cooperation with the National Blood Centre.

The objective of this campaign is to raise awareness on the importance of blood donation and help to reduce the insufficiency of blood supply at the National Blood Centre.

- In June 2015, Champs CSR event was organised with less fortunate children as to share the spirit of Ramadhan event with several orphanages homes from Selangor by providing the children with Hari Raya gifts and entertained them with activities and Buka Puasa Dinner.

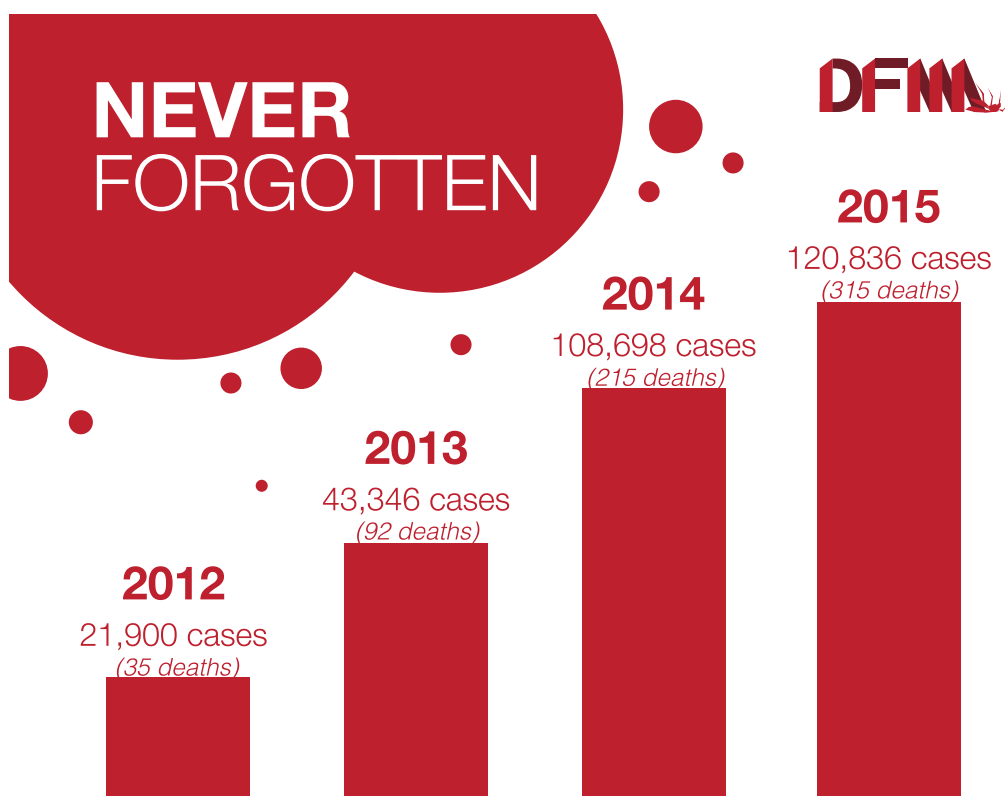


- In July 2015: An annual celebration of the enlightenment of Bodhisattva, Country Heights' Health Division's GHHS Healthcare's Traditional Chinese Medicine (TCM) Centre has organised free Traditional Chinese Medical therapies and herbs medical treatments for public. This yearly event organised together with Huayan Amitabha Buddhist Society and supported by Federation of Chinese Physicians and Acupuncturist Association of Malaysia (FCPAAM). GHHS Healthcare has lived up the philosophic ideology of "Prevention is Always Better than Cure" by providing quality services and facilities to promote health and improve the lifestyle of society. In addition, the Traditional Chinese Medicine (TCM) Centre advocates the extensive use of Traditional Chinese Medicine, through the most natural and non-invasive ways, together with ancient wisdom and therapies to help in achieving optimal health.
- All year long programme: To instill two CHamps! Values; LOVE and NATURE within all employees, we have organised 'Clothes Donation Drive' with a special and dedicated donation bin is permanently placed Country Heights HQ and all CHamps! and their families are encouraged to drop-off and donate clothes, shoes, handbags, belts, linen, and soft toys into the donation bin. All proceeds generated are channeled to three charity associations in sustaining the livelihood of those who are less fortunate; the Malaysian Association of the Blind (MAB), Majlis Kanser Malaysia (MAKNA); and Spastic Children's Association of Selangor and Federal Territory.

## SPECIAL CORPORATE RESPONSIBILITY PROGRAMME: DENGUE FREE MALAYSIA MOVEMENT

*April 2015: The Launch of 'Dengue Free Malaysia Movement'.*

Country Heights' employees donated time and effort to its CSR "Dengue Free Malaysia Movement" held on 4 April 2015 to fight the dengue epidemic. More than 2,000 over enthusiastic volunteers attended the launch campaign which was graced by HRH Tengku Amir Shah Ibni Sultan Sharafuddin Idris Shah Alhaj. 20 NGOs and associations has pledged their commitments to be part of this initiative.



### DENGUE STATISTICS:

Worldwide:

- 1 person admitted every minute
- 1 person dies every 25 minutes

Source: World Health Organisation

In Malaysia, from **1 January to 31 December 2015**

- 315 people died
- 120,836 hospitalized cases
- Up to 500 daily cases
- 246 hotspots nation wide
- 180% Increase in death toll

Source: World Health Organisation & Ministry of Health, Malaysia

We recognise and affirm our responsibility towards environmental, social and economic performance – these have become our pledge and ingrained in how we conduct our business in Country Heights group of companies. Dengue Free Malaysia Movement (DFMM) is a National Awakening Campaign initiated by Country Heights Holdings Bhd's Founder, Tan Sri Lee Kim Tiong @ Lee Kim Yew to combat the increasingly severe dengue epidemic in Malaysia.

Too many people, too many families, too many individuals have suffered because of the dengue virus. Statistics from the World Health Organisation show that in every minute, one person is admitted into the hospital; every 25 minutes, one person dies because of this virus.

In Malaysia, before 2013, total dengue cases had never exceeded 45,000 cases a year. In 2014 alone, dengue cases surged up to 108,000 cases, with a fatality every two days, which brought the total up to 215 deaths. In 2015, dengue virus has claimed more than 315 Malaysian lives, with over 120,836 hospitalised cases. This means that on average, one person died each day in 2015 because of dengue.





DFMM believes that the problem with dengue is not so much of an awareness problem for people to know that dengue is a threat, people already know that. But what people are not doing, is placing dengue as an urgent priority within communities, the lack of urgency to eradicate it once and for all.

Country Heights has been actively promoting the awareness to fight dengue since 10 years ago, but with the increasingly horrifying dengue epidemic plaguing the country. DFMM was officially launched on 4 April 2015 and patroned by His Royal Highness Sultan of Selangor.

## DFMM OBJECTIVES

The movement was set up with these five main objectives to instil urgency and invoke behavioural change among Malaysians:

### 1) Think and Act – Do not litter, littering kills!

Aedes mosquitoes' lifespan is really short. Naturally they can live up to 2 – 5 weeks, depending on the environment. Each adult female mosquito can breed up to three or four times during its lifespan, each time up to 300-500 eggs. This short-living creature can only multiply its species and keep causing harm because we humans give them a breeding ground!



## 2) Make sure our cars are mosquito free – Do not transport mosquitoes!

FACT! Mosquitoes can travel up to a not more than 500m! But why can dengue virus spread so far and fast?

Originally, a lot of areas are dengue free. DFMM Initiator Tan Sri Lee Kim Tiong @ Lee Kim Yew belief – is that mosquitoes can hide inside our cars.

A female mosquito can lay up to 1,000 eggs during its lifespan. Imagine just after two cycles, how many dengue mosquitoes will be bred? By not transporting mosquitoes we can help stop the spread of black-listed areas effectively.

Spray our cars at the end of day. Check your cars. Especially when you live in a black-listed areas for dengue.

## 3) Join the movement and reduce your risk by 50%! - Make your home dengue free!

DFMM has created a platform for latest knowledge, updates, strategies and tools that Malaysians can share in fighting dengue. We advocate that simply by knowing what to do, you can take control of your risk exposure by half.

Those who join this movement, simply by visiting the DFMM Centre to be a volunteer, or simply visiting its website [www.dfmm.co](http://www.dfmm.co) or liking its Facebook page at [www.facebook.com/T2Fight](https://www.facebook.com/T2Fight) - will have the necessary knowledge and tools to protect themselves.

Our objective is that all volunteers who join or work with DFMM can make their own homes to be dengue free. If each volunteer can make their home dengue free, their neighbors will also benefit and become dengue free. And when a whole neighborhood is dengue free, an area can be dengue free and safe.

## 4) Unite Malaysians – Aedes doesn't choose which blood to suck!

This is a National problem that transcends racial, religion, social or political background. To solve this problem, we need all Malaysians to do our part with 100% community participation.

## 5) Practice empathy – it could be anyone of us!

Ancient Chinese scholar Mencius said, "If we see a child fall into a well, the instinct of human beings is to urgently save the child without thinking whose child it is." DFMM calls out to all Malaysians, to empathize with the pain that so many Malaysians who have been affected by this small yet deadly enemy.



## DFMM Implementation Strategies:

### Compelling visuals for implementation. “We believe what we see”

- Using thought-provoking messages and call to action. We understand that the world is increasingly tuned to visuals and graphics, and thus all our messages are clear and very compelling. These include billboards, poster panels, flyers etc.
- Using video content, such as testimonial from victims to invoke sense of apathy and urgency.
- DFMM mascots of a “scared” mosquito and a DFMM mosquito extinguisher to create interest

### Channels for implementation. An on-going battle with dengue.

- DFMM Volunteer & Action Centre provides free information and displays relevant mosquito repelling products available to public. Located at MIECC, Mines Wellness City
- Free rental for fog guns with coaching to use at DFMM centre to public
- Collaborations with Ministry of Health, Malaysia and Department of Integration and Unity, Malaysia
- Working with Influential figures i.e Tan Sri Michelle Yeoh, Datin Marina Mahathir, local celebrities etc.
- “Gotong-royong” in partnership with local councillors
- Internal staff will help carry DFMM messages to home and their friends
- Free t-shirts with strong message given to public during events and roadshows
- Community outreach by giving health talk and “gotong-royong” session
- Mall roadshows by DFMM volunteers
- Visual billboard roadshows in various venues

Website: [www.dfmm.co](http://www.dfmm.co)

Facebook: [www.facebook.com/t2fight](https://www.facebook.com/t2fight)

The Group of companies will continue our Corporate Responsibility efforts to the betterment of society as well as to enhance the well-being of all its stakeholders. Almost all our companies, for example, freely donate to orphanages, old folks homes, mosques and temples and other worthy institutions, and spread the spirit of caring and sharing with the less fortunate during festive occasions.

At the workplace, every calendar year sees a number of staff activities being undertaken to maintain cohesion and create a sense of ownership of roles and responsibilities. As we take our environmental stewardship seriously, we also share responsible behaviors with our staff who willingly participate in recycling, energy conservation and other green campaigns both at work and within the external environment. Above all, our Group of companies are committed to maintaining a healthy and green work environment.





# Property Development

CHHB's Property Development Division continues to deliver high standard of quality, modern, sustainability and the infusion of the environmental friendly elements at strategic location. Our property for instance LakeView Residency in Cyberjaya 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 airborne particulates such as dust and germs. With the installation of the energy ceiling boards the homeowners will enjoy fresh, clean and healthy environment anytime at home or their working area.

2015 saw new development such as Mines Waterfront Suites, Belleza Phase 3 and Sawtelle Suites Cyberjaya.

For more information, log onto [www.countryheights.com](http://www.countryheights.com).





## MINES WELLNESS CITY MALAYSIA'S WELLNESS HUB

MINES Wellness City (MWC) is the Malaysia's first integrated Health and Wellness Resort City. As a major socio-economic catalyst for Southern Kuala Lumpur, MWC is strategically located between Kuala Lumpur and Putrajaya. This property development exercise will focus on the increasingly important healthcare and wellness industry. MWC's development area span across 120 acres (1,000 acres) and is poised for new 36 million square foot to be built that will cater to hospitals, specialist clinics, aged-care facilities, health screening centres, residential units, office spaces, retail shops and community mall and has an estimated GDV of RM14 billion with FDI opportunities of over RM3.1 billion. Log onto [www.mineswellnesscity.com](http://www.mineswellnesscity.com).



## MINES WATERFRONT SUITES

Mines Waterfront Suites is an exclusive development of 268 units of office suites specially designed to meet the needs of health and wellness operators with built up areas varies from 481 sqft to 1,220 sqft. Located within the enclave of the Mines Wellness City, every unit comes with either the view of the prestigious Mines Golf Course or the fascinating view of Mines Lake besides being furnished with dual water sources and individual restroom.

Mines Waterfront Suites will be equipped with great facilities including a fitness centre and cafes besides a 30,000 sqft retail spaces for variety of wellness businesses to operate. Launched in fourth quarter 2014 and Mines Waterfront Suites is expected to be completed by 2017.

Currently, Mines Waterfront Suites has reached 70% construction stage.

Log onto <http://mineswellnesscity.com/mines-waterfront-business-suites/> for more information.





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### LAKEVIEW RESIDENCY @ CYBER HEIGHT VILLA

LakeView Residency is located in the resort inspired Cyber Heights Villas and offers uninterrupted panoramic view of the crystalline Putrajaya Lake. The 120 -units LakeView Residency built in a three blocks of 11-storey resort apartment. All units are corner lots with only four units per floor, creating a personal sanctuary of space amidst serene surroundings. LakeView Residency is the first development in Malaysia to introduce 'negative ions' energy ceiling board to its purchasers. The 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. With the installation of the energy ceiling boards, LakeView homeowners may enjoy fresh, clean and healthy environment anytime at home or working area without going out. LakeView Residency has obtained the Certificate of Completion and Compliance in July 2015 and has been successfully handed over to all owners.



### SAWTELLE SUITES CYBERJAYA

Located within the urban city of Cyberjaya, Sawtelle Suites is specially created to meet the contemporary lifestyle of the new generation. Designed to bring out the best in work productivity and leisure while at the comfort of a home, Sawtelle Suites are furnished with incredible features to support and enhance living quality of its residents. Some of the facilities available at Sawtelle Suites are multipurpose hall, swimming pool, gymnasium, and retail units. The Sawtelle Suites is a low density development with only 128 units of duplex condos spreading across 1.6 acres of land in Cyber Heights Villa. Like the rest of the Cyber Heights Villa community, Sawtelle Suites residents will be able to enjoy the scenic view of Lake Putrajaya from their homes. Sawtelle Suites is now under construction and is expected to completed in 2017.





## AQUALIS

### 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 600 units of high-end condominiums and 28 retail units. The built up sizes areas start from 450 sqft. Residents and patrons will enjoy unobstructed views of the Mines Lake and the Mines Golf Course from their units. Targeted to be launched in 2016 and expected to be completed in 2018. For more information, <http://mineswellnesscity.com.my/aqualis/>



### BELLEZA GARDEN HOMES

Belleza Garden Homes is located in the peaceful pastures of Kolej Heights Utara in Jitra, Kedah. An exclusive low density development in the private enclave of Kolej Heights Utara just 15 minutes away from the Alor Setar Airport, Belleza Garden Homes is surrounded by lush greenery surrounding that truly lives up to their name. A gated and guarded community, this development represents the pioneer phase of the linear garden concept in the Northern region of Malaysia. It comprises of two and three storeyed terraced, garden homes with extensive backyards gardens integrating with an idyllic open-concept environment. The development boasts generous built up areas starting from 2,000 sqft. Belleza Garden Homes Phase 2 is now completed and handed over and Phase 3 construction has commenced.

Belleza Garden Homes Phase 3 is continuation of the successful story of Belleza Phase 1 and 2. The development is expected to be launched in quarter one, 2016 and full completion expected by 2018. Belleza Garden Homes Phase 3 is an exclusive freehold development in Jitra, Kedah consisting of 90 units of 2 Storey Linked Villas. It will have a similar concept as Belleza Phase 1 and 2 with linear gardens and private lawns, the first of its kind in the Northern states, a gated and guarded community emphasising on security and safety of the owners with clubhouse facilities.



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## THE MINES BUNGALOW LOTS

*Fine Living At The Mines*

### THE MINES BUNGALOW LOTS

Mines Bungalow is located inside MINES Resort City in Seri Kembangan, Selangor and is a distinguished address at a prime location. 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. Consisting of 200 plots of bungalow land dotted along the exclusive 18-hole golf course, all home lots are designed with lush landscapes and beautiful gardens. An address synonymous with quality and privacy, Mines Bungalow is a sought-after address for homeowners who understand and appreciate the finer things in life.



### COLLEGE HEIGHTS GARDEN RESORT

College Heights Garden Resort is Malaysia's first academic township. This exclusive residential development offers a resort lifestyle and luxurious bungalow lots set amongst spacious gardens and a community devoted to learning at all levels - from kindergarten to tertiary. College Heights Garden Resort is carefully designed to create all the right elements, of beauty and tranquillity that befits an academic township. Throughout Malaysia, there is no other township like College Heights Garden Resort. Homeowners will have room to grow and prosper in this self-contained township, developed by Country Heights to be the premier location for living and learning in Malaysia.

Located within the neighbourhood is an affordable development by Country Heights: Apartment College Heights. This development consists of 1,282 completed units of homes spread over 17 blocks of 4-storeyed buildings developed within 20 acres of land area. Apartment College Heights is strategically located in Pajam, one of the fastest growing areas in Negeri Sembilan. Apartment College Heights can be accessed via KL- Seremban Highway, Kajang-Seremban Road and LEKAS Highway.





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**KOLEJ HEIGHTS UTARA**  
KUBANG PASU  
*A Paradise For Country-Style Living*

## KOLEJ HEIGHTS UTARA A PARADISE FOR COUNTRY- STYLE LIVING

Kolej Heights Utara is another premium development by Country Heights undertaken by its wholly owned subsidiary, College Heights Utara Sdn. Bhd. Spread across 489 acres of prime freehold land of Kubang Pasu, Kolej Heights Utara consists mainly of bungalows and super-linked residential units with manicured open space landscape, making it one of the biggest high-end, lowest density enclaves within the lowest density in the Kedah State. Kolej Heights Utara residences is well connected through a network of highways linking to Hatyai (Thailand), Kangar, Sultan Abdul Halim International Airport and Alor Setar and is renowned for its scenic pristine landscape tapestry that pays tribute to the beauty of Mother Nature. Belleza Garden Homes Phase 1 and 2 have been fully sold and handed over to purchasers. Belleza Garden Homes is a development emphasizing on Lifestyle in a Gated & Guarded Community with linear gardens –the first concept being introduced in Jitra.



**Country Heights Kajang**  
*Country living at its best*

## COUNTRY HEIGHTS KAJANG COUNTRY LIVING AT ITS BEST

Country Heights Kajang was launched in 1985 and it is Malaysia's first country living development with gated and guarded community concept. 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. This residential area offers a relaxing lifestyle that allows its community to enjoy a peaceful lifestyle in a quiet environment, away from the hustle and bustle of the city centre. This development has proven to be a sought after property land in the city due to its value appreciation of almost 50 times since it was first launched. Other than being home for many Malaysian elites, Country Heights Kajang is also a preferred residential area for professional expats living in Malaysia. Located within the vicinity too is a sub-development of known as Country Villa which offer Malaysia's first Mediterranean-style waterfront villas complete with facilities such as a clubhouse, swimming pool, tennis courts, badminton courts, F&B outlets, meeting and conference spaces, etc. Like all Country Heights homes, Country Villas is an environmentally-conscious home designed with elegance and taste and incorporated into the surrounding nature.





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## COUNTRY HEIGHTS DAMANSARA A LITTLE FOREST IN KUALA LUMPUR

Country Heights Damansara is a perfect home sanctuary that offers residents an oasis of tranquillity amidst the bustling city of Kuala Lumpur. Spread over 200 acres of freehold land among lush and hilly foliage, this low-density enclave offers the best in natural beauty and location. Being one of the last remaining freehold land neighborhoods in Kuala Lumpur, Country Heights Damansara 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, landowners and purchasers become instant millionaires and have enjoyed tremendous appreciation value over the years in their investment with this development. Country Heights Damansara has been recognized with awards by the international real estate fraternity, winning 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 2010.



## CYBER HEIGHTS VILLAS IN AN INTELLIGENT CITY, CYBERJAYA

Cyber Heights Villa – a sustainable resort-themed development inspired by nature strategically located within one of the world's most prestigious intelligent cities and Malaysia's Multimedia Super Corridor. Cyber Heights Villa boasts of having the vast magnificent 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. Residents will enjoy the amenities provided in the Clubhouse including swimming pool, meeting room, function hall, tennis court, laundry, convenience shop and restaurant. Phase 2 consists of two projects; Lakeview Residency which has been completed and ready for hand over, and Sawtelle Suites which is still under construction and expected to be completed in 2017. This eco-centric development harmonizes with the adjacent serene lake and parks, and syncs well with the vast open spaces through a generous low-density layout.





## BORNEO HIGHLANDS RESORTS

Borneo Highlands Resort is located approximately 50 minutes' drive away from the Kuching International Airport and situated at a height of 1,500 meters above mean sea level on the Sarawak-Kalimantan border and is nestled amongst the oldest and second largest tropical rainforest in the world. 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". The Rainforest Haven at Borneo Highlands Resort is one of the most exciting residential developments in Southeast Asia with the tagline, "The World's First Highlands Holiday Home in a Rainforest". Borneo Highlands Resort won the 'Best Golf Development Malaysia' in the CNBC Asia Pacific Residential Property Awards in 2008 and 2010.



## PECANWOOD COUNTRY HEIGHTS & COUNTRY CLUB

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 Hartbeespoort Dam.





# Property Investment

Property Investment Division entails the rental and leasing business of the Group. It involves two properties, MINES Waterfront Business Park (MWBP) and MINES International Exhibition Convention and Exhibition Centre (MIECC). MWBP is the only office address with an expansive view of 150-acre Lake and a 18-hole signature golf course and country homes in the distance, surrounded by lush and lavish landscaping.





## MINES WATERFRONT BUSINESS PARK

## MINES WATERFRONT BUSINESS PARK

With breath taking views over a 150-acre lake, a world-class golf course and award-winning landscape, MINES Waterfront Business Park (MWBP) is an excellent working environment in the Southern Corridor which encompasses of the growing areas of Kajang, Cheras, Puchong, Serdang, Ampang and Bukit Jalil.

MWBP, a corporate office well planned by visionary developer from the very beginning and strategically located in front of BESRAYA Highway with connectivity to 8 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 most major destinations.

While maintaining almost full occupancy year after year and proudly tagged as the corporate addresses for many well-established multinational companies like Measat Broadcast Network Systems (ASTRO), i-Sentia, Sumitomo, Hitachi Cable, and government-linked companies like Konsortium Baja Nasional, Sazean Holdings, Mynics Berhad and CyberSecurity Malaysia. Asia Pacific University of Technology and Innovation (APU) has set up its campus at MWBP since 2011.

In line with our CHHB's motto of "Ever Searching for Better Living", MWBP continuously strives to give value added services to all its tenants. Free shuttle bus service is available for tenants to commute to or from the Serdang KTM Station and Sungei Besi LRT Station as to ease traffic congestion and for the convenience of the tenants.

MWBP's management ensures that the safety of the tenant are being taken care of. We provide a safe working environment by having vigilant security guards and CCTV system, patrolling security services within the office premise and car park area, also a touch card access system for scrutinizing vehicles entering or exiting the office building and parking area.



The entire MINES area has been gazette by the Government as a "Wellness Zone" and has awarded this area as the MINES Wellness City (MWC) status. With this MWC Status, various tax incentives are available to the operators, tenants or companies in the wellness or health services related industry.

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 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.

# MIECC

mines exhibition centre

## MINES INTERNATIONAL EXHIBITION AND CONVENTION CENTRE (MIECC)

MIECC is the largest column-free exhibition venue with the biggest tonnage capacity per square meter in Malaysia. It provides a great and magnificent venue for multi-purpose usage that can cater large crowds and elaborate events, trade shows, symposiums, expositions, major gatherings, concerts, corporate functions and dinners.

Situated within MINES Wellness City and a stone's throw away from renowned establishments such as Palace of the Golden Horses, MINES Wellness Hotel, The MINES Shopping Mall and the exclusive MINES Resort and Golf Club, events at MIECC enjoy the upper hand of convenience by having an array of facilities and amenities at its door step.

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 meter.

Event Title : Mc Ocean SD Nite 2015  
Date : 17 January 2015

### Description

Mc Ocean Holding Sdn Bhd has created a seamless international business model and platform to give everyone an equal opportunity to strive and achieve a successful life. The thought to succeed and be wealthy and healthy occupies almost everyone's passionate dreams. Every individual is aspired to obtain fame and fortune, and hoping to get epic milestone and leaves a legacy of wisdom, to be admired and treasured by their families, friends and public at large.

Standing on the stage at Mc Ocean SD Night, these achievers gained their glories, cheers and recognitions. Their commitment and hard work is rewarded and recognized. Mc Ocean SD Night is the most memorable moment in their life.





**Event Title :** Live Spectacle NARUTO

**Date :** 30th – 31st May 2015

### Description

Live Spectacle NARUTO featured the first part of the story from manga series (Manga series vol.1 to 27), focusing on the childhood episodes, the struggle between rivals and Naruto's strong riptide.

Live Spectacle NARUTO takes the audiences to the world of incredible live actions: acting, dance and acrobatic performances, with various fantastic stage effects and received major media publicity.



**Event Title :** Aqua Pets Malaysia

**Date :** 18th – 20th September 2015

### Description

The event, which was the first of its kind held at MIECC from 18 to 20 September, 2015. Besides exotic pets, the event highlighted the all time popular cats and dogs. One of the main attractions was Malaysia's biggest ever cat show. The Malaysian Kennel Association also organised an agility and obedience competition as well as a grooming competition. The exotic pets at the event include sugar gliders as well as a wide variety of chameleons and snakes, including pythons.





# Hospitality

Country Heights' Hospitality Division carries four international award winning brands namely Palace of the Golden Horses, MINES Wellness Hotel, Borneo Highlands Hornbill Golf and Jungle Club and Country Heights Resort and Leisure. Through this Division the Group offers the best in hospitality, fine and casual dining; leisure, recreational, health and wellness centres; confectionary and fitness. This serves as our continuous efforts to strive the ideal living concept of "Ever Searching for a Better Living"!







## 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 four times in a row – 2011, 2012, 2013 and 2014. While the year earlier, 2014, Kim Ma Restaurant, underwent a total refurbishment, which transformed it into a work of art.

Now in 2015, Grand Salon Lobby Lounge is being transformed into a stylish grandeur fit for cocktail parties, private events, wine-tasting, fashion shows, fine dining, product launches and the list goes one, which was unveiled to the public in December 2015. On top of it, we have embarked on a project till end of 2016 to convert our suites – namely Queen Elizabeth, Nelson Mandela and the list of royalties and dignitaries will be added along the way.

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. Not forgetting 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 contemporary Chinese cuisine
- Kin No Uma Japanese Restaurant – an authentic Japanese fare
- Grand Salon Lobby Lounge – serves English Hi-Tea in the afternoon and affluent alcoholic beverages by night
- Side Walk Café – offering delectable pastries, cakes, fruits, coffees 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 high-speed portable internet 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 includes: FIABCI Award of Distinction in 1999, 25th International Award for Tourist, Hotel & Catering Industry in 2000, International Arch of Europe of Superior Quality & Technology in 2001, International New Millennium Golden Award for Quality & Prestige in 2002, Received Most Awards at Culinaire Malaysia 2003, Best MICE Hotel 2003/2004, Best MICE Facility & Service Hotel – Outbound 2007, Best MICE Facility and Service Hotel in 2008, Best Innovative Chinese Restaurant 2005, 2006, 2008, 2009 for Kim Ma Restaurant, Best Luxury Golf Resort for 2011, 2012, 2013 and 2014, etc.

In line with the healthy living and wellness concept, Palace of the Golden Horses also ties-up with GHHS Healthcare to offer a comprehensive health screening service. Located within the hotel premises, the GHHS Healthcare which infuses Eastern and Western preventive methods is a boon to its members, health tourists and corporations alike who place wellness at the forefront of their lifestyles. Palace of the Golden Horses, located within the Mines Wellness City is poised to be one of the world's most widely known luxury hotels, inextricably linked with outstanding opulence, which will position Malaysia as one of the finest destinations in the global hospitality and tourism industry.

Beginning of February 2016, Palace of the Golden Horses is being managed by Stallion Management Sdn Bhd.

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





**MINES WELLNESS  
HOTEL**  
WE'LL TAKE CARE OF YOU  
(rebranded as PHILEA MINES  
BEACH RESORT)

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.

Dubbed the only 'beach in the city', it is also the perfect choice not only for health retreats or weekend getaways, but also for garden weddings, beach barbeques, family days, team building events and other leisure or corporate activities. A delightful 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.

In line with the restructuring in the hospitality division, MINES Wellness Hotel was leased out effective from 1 August 2015 and has been rebranded as Philea Mines Beach Resort. The resort has been undergoing renovations in stages and is managed by Philea group.





## 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 & Jungle Club is a golfers' heaven with a beautiful 18-hole golf course which provides players with utmost serenity and calmness. Borneo Highlands Resort is surrounded by the lush rainforest with a refreshing year round spring temperature of 18 to 28 degree Celsius. It is an absolute botanical paradise blessed with astonishing varieties of flora and fauna, with fresh air, cool mountain breezes and spectacular highland scenery. 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.
- Obtained the Malaysia Organic Scheme Certification by the Malaysia Agriculture Department for Borneo Highlands Resort's Organic Farm.

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







**Country Heights  
Resort & Leisure**

## COUNTRY HEIGHTS RESORT AND LEISURE

Country Heights Resort & Leisure is located in Kajang interchange of North-South Highway which is only a 20-minutes' drive from Kuala Lumpur City and 5-minutes' drive from Kajang Town and Bangi. It provides accommodations, restaurant, sports and recreation facilities including team building and management training, seminar and conference.

### Accommodations

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

### Restaurant

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

### Seminar and Conference

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



### Team Building and Management Training

Country Heights Resort and Leisure offers a conducive environment for team building, company outings and also company family days as well as large open fields, sports and recreations. Team building and character building courses can be conducted upon request.

### Sports and Recreation Facilities

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

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

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



# Health

GHHS Healthcare 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 Healthcare Screening and Wellness Centre is the first in Malaysia to offer professional and comprehensive preventive healthcare approaches amidst an idyllic resort setting.





## GHHS HEALTHCARE

With professional expertise and highly sophisticated diagnostic equipment, we are able to provide all our members with the very best care and technology available. Uniting the latest in modern Western medicine and technology with holistic Eastern philosophies, GHHS Healthcare provides a wide spectrum of preventive and standard healthcare services. The entire centre is surrounded by a lush, green, relaxing resort environment, with your needs attended to at every turn by experienced, qualified healthcare professionals. With a level of service comparable to any 5-star hotel, surrounded by health, tranquillity and relaxation, your experience will be anything but cold or clinical. GHHS healthcare provides health screening to the genetic level that screens your genes, cells and organs to determine your current health status and risk factors. These results are interpreted by professional consultants and medical officers to provide you with the best diagnosis and medical plans. Our lifestyle modification plans empower you with the knowledge and tools to keep your health at its peak. The achievements of GHHS Healthcare are remarkable, GHHS Healthcare has conducted over 105,500 screening packages and 1 million tests as of 2015 and has over 30,000 active members with 97% member satisfaction rate.

### GHHS HEALTHCARE: TRADITIONAL CHINESE MEDICINE

To supplement Western medicine and diagnostics, we also provide health restoration and maintenance plans that include non-invasive, traditional alternative therapies, including TCM, complementary healthcare services and much, much more. GHHS Healthcare - TCM Centre offers an exclusive and professional array of TCM services, which include traditional pulse reading and Chinese Diagnosis, TCM chiropractic care, traditional Chinese Acupuncture, acupressure, moxibustion, cupping (Ba Guan), scraping (Guo Sha), traditional Tuina therapy, Qiaodanjing, meridian point reading, TCM Herbal Footbath as well as health Qigong sessions. A TCM Pharmacy is also available where trained consultants dispense herbal prescriptions to promote the restoration of harmony in the body.

### HEALTH UNITED

*Because The Best Healthcare Begins from Prevention*

Health United is a program or membership that believes true healthcare lies in preventing illness with a holistic, systemic approach that preserves and maintains good health, instead of supporting it only during times of illness or injury. The existence of Health United is to re-define what healthcare truly means. Health United empowers one to take control and actively manage ones' health, starting with the most sophisticated health screenings and tests that build the most detailed map of your body, all the way down to the genetic level. Health United has 3 types of membership packages. The Health United packages is more flexible, enjoy services at a good discounted rate, medical screening, TCM Therapy and holiday in one membership.



#### List of activities:

##### April 2015

1. Launch of Health United Basic & Lite

##### June 2015

1. Launch of Health United Plus (Membership)
2. QiGong event

##### August 2015

1. TCM Charity Day – GHHS Healthcare Wellness Charity Day gives back with Traditional Chinese Medicine (TCM). Over 160 participants from Klang valley, ages between 1 to 80 years received complimentary diagnosis, treatments and herbal remedies to cure a range of common ailments ranging from back pain, insomnia to diabetes.

##### September 2015

1. A Life Changer – Unlocking the Secret in Your Genes: Launch of Genetic Screening and talk by Dr Pang, Wellness Clinic
2. Co-sponsor MHTC media event
3. Participated with MHTC on LiTV program on promoting Malaysia Health Tourism

##### November 2015

1. Promote Health Tourism in Selangor with Selangor Tourism to Batam



## PREVENTIVE 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 and robotics archival retrieval solution, as well as DEXA bone mineral density measurement, are all available at the centre. The Centre also offers DNA genetic screening. GHHS Healthcare 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. GHHS Healthcare has performed over 964,000 screening tests, and has successfully detected almost 10% of high risk profile cases from the total number of check-ups carried out. The professional team of doctors, nurses, radiologists, dietician and nutritionist provide consultation to all patrons on how to improve their health status by giving them personalised remedies and solutions based on their screening results.

Services at GHHS Healthcare's Health Screening Centre:

- Comprehensive blood profile screening
- Ultrasound screening
- X-ray screening
- DEXA bone density screening
- Mammogram screening
- CT scan screening
- Hormone screening
- Endoscopy/ colonoscopy/ gastroscopy
- ENT screening
- Genetic screening (individual risk profiles / 31 types of cancer markers)
- Genetic screening for children (25 types of inherent risks)
- Cardiac assessment
- Personalised diet and nutrition counselling
- Pharmacy
- Health food bar



## COMPLEMENTARY THERAPY

Complementing its state-of-the-art technology, the GHHS Healthcare's Traditional Chinese Medicine (TCM) Centre offers a comprehensive range of alternative treatments such as Traditional Chinese Medicine therapy, Ayurvedic treatments, Physiotherapy and Health Recuperation. Traditional and alternative therapies are designed to bring one's body back to its natural state of wellness and balance with minimal invasion. Within an elegant and relaxing ambience, patrons of the GHHS Healthcare's TCM Centre are able to experience medical knowledge that dates back to 5,000 years ago, which include treatments such as 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 the practice of Health Qigong.





A TCM pharmacy is also available with consultants who dispense herbal prescriptions to promote the restoration of harmony in the body. 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 Healthcare's Traditional Chinese Medicine Centre to complement the Mines Wellness City's Project. This Centre provides a place for patients undergoing rehabilitation to recuperate from injuries or surgeries in a private environment. GHHS Healthcare's Traditional Chinese Medicine Centre is also the first TCM centre in Malaysia to receive ISO 9001:2008 certification by Lloyd's Register Quality Assurance, in recognition of the centre's excellence.

Services at GHHS Healthcare's Traditional Chinese Medicine Centre:

- Pulse Reading
- Acupuncture
- Cupping
- Tuina
- Gua Sha
- Bone setting/chiropractic treatment
- Obesity programme
- Health QiGong programme
- Herbal dispensary



## HEALTH PRODUCTS

GHHS Healthcare's Bio~Herbs Health Store offers the latest premium quality supplements and health related equipment. Product categories include traditional, natural, organic and functional food, health gadget, wholesome food, healthy snacks and personal care products.

The traditional products such as herbal remedies are formulated by GHHS Healthcare's resident Chinese Physician who has more than 30 years of medical experience. To provide better convenience to the public, products of GHHS Healthcare's Bio~Herbs Health Store are also available for purchase online.

To find out more, log onto <http://store.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.







**PALACE  
VACATION CLUB**  
CELEBRATING 15  
YEARS OF  
EXCELLENCE

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.

2015 marked yet another significant milestone for Palace Vacation Club in the timeshare industry, not only at the local front but in the global arena. It marked 16th anniversary of Palace Vacation Club since establishment on 1 July 1999, and have spent the past decade continuing to build our brand, which has now become synonymous with our commitment to providing our members the opportunities to enjoy worry-free vacations and creating wonderful memories.

## Key Facts & Highlights for Palace Vacation Club

- One of the leading timesharing membership programmes with over 8,000 members and a choice of over 100 internal and direct affiliation resorts
- Increased number of new affiliation resorts located in China namely Shanghai, Hainan and Jiuzhaigou; as well as Bali, Indonesia and Bangkok, Thailand
- Dedicated Membership Check-in Counter for members at Palace of the Golden Horses Hotel
- Achieved a high 97% successful booking rate from the Member Services team
- Ventured into new market in Saudi Arabia through a marketing agent, Arabian Falcon International
- New direct affiliation resorts at Uttarakhand, India and Koh Samui, Thailand
- Palace of the Golden Horses has been awarded with “Gold Crown” status by Resort Condominium International (RCI), the world’s largest resort exchange company with access to more than 4000 resorts in over 100 countries
- Venturing into new markets in India, Indonesia and China
- Palace Vacation Club will continue to enhance its membership benefits and privileges, such as:
  - a) Exchange their holiday privileges for concert tickets for “The Thriller” & “Saturday Night Fever” musical shows
  - b) Enjoy a Free Credit Week for exchange into over 2,000 resorts worldwide through recent affiliation with an international exchange company Dial An Exchange (DAE)

Looking ahead, we are focusing on accelerating the execution of our growth strategy by identifying and selling to new markets, forging marketing partnerships to deliver more value for our members while continuing to build on the strength of our brand through innovation and our commitment in delivering excellence services to our members.





## MEMBERSHIP & TOURISM

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### 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 customise 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 customers' enjoyment.



# 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 MINES Wellness City. 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 team of accredited professors and teachers.





# COUNTRY HEIGHTS EDUCATION

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Country Heights Holdings Berhad  
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**INTERNATIONAL  
MALAYSIA  
EDUCATION CENTRE  
(IMEC)**



IMEC is a centre of on-going learning and education offering both professional and personal skills training as well as communication and language programs. We aim to teach crucial skills that will lead towards success and excellence not only in one's career but also in the whole diversity of life experiences. IMEC aims to be an innovative learning centre that is constantly evolving to meet the demand of the market while keeping in line with our founder's mission statement.

The programmes offered are designed to cater for everyone whether professionals, young adults or adults. The classes have an academic focus and a goal to achieve better levels of skills and proficiency for the learners. In 2012, IMEC signed collaboration with British Council to be one of its IELTS Testing sites. We are proud to say that we were selected by British Council for being one of the best English Language centres in Malaysia after a survey they had conducted. 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

In IMEC, we aim to ensure that the level of education given is optimum with our dedicated, caring and attentive high-qualified teachers. The Academic team in IMEC also creatively adapts their teaching methods and resources according to the needs of the students. With the support and dedication from student's affairs and customer services teams, for the past 8 years we have always scored above 80% of student satisfaction survey with no major complaints. With this achievement, IMEC has been appointed as partner school of the London Teaching College, UK in February 2015 to conduct TESOL Courses:

- Certificate in TEFL 120
- Diploma in TESOL
- Graduate Diploma in TESOL
- Certificate in Teaching English for Young Learners and Teenagers
- Diploma in Teaching Business English

Now, IMEC has become UNIMAS first satellite learning centre in Kuala Lumpur which was launched on 15 January 2015 with the collaboration between UNIMAS and Country Heights Education Sdn Bhd. This satellite learning centre is offering four (4) Post Graduate Programmes:

- Corporate Master in Business Administration (CMBA)
- Master of Advance Information Technology (MAIT)
- Master Science in Human Resource Development (HRD)
- Master of Science (Learning)

In addition, on 17 March 2015, UNIMAS officially recognized IMEC's Intensive English Programme Level 8 as proof of English proficiency for UNIMAS programmes.

Recently, IMEC is among the top language centres in Malaysia that were awarded a 5 star (Excellent) rating "Standard Kualiti Institusi Pendidikan Swasta (SKIPS) Pusat Bahasa Tahun 2014 (valid through 2016)" by Ministry of Education Malaysia.

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 strive 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 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.

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 introduces and teaches the Confucius' Eight Virtues. The Eight Virtues are the criteria that Confucius imparted for people to follow which will guide and help children to develop into better persons through the right values. 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

## Unique Selling Points

- Small class and group learning ratio (1:5) with one class teacher and assistant teachers for Playgroup and small ratio (1:10) with one class teacher and assistant teachers for nursery and kindergarten
- Fun skills-based classes (ballet, martial arts) led by industry leaders
- Flexible scheduling with half-day, full-day and extended-day sessions
- Camp available during school holidays
- Creative, accelerated and challenging learning that includes: Inquiry based learning; self-directed independent learning; Project-based learning.
- Qualified, dedicated, and passionate educators.
- Balance goals and objective of Nurturing Positive Personality Development and Leadership Skills
- Expert in Activity Based Teaching-Creative Play and Fun Learning and Practical Approach to achieve and maintain the highest academic standards.
- Balanced curriculum that fulfills the requirements of the Ministry of Education
- Optional language classes offered: Mandarin and Bahasa Malaysia
- Fun skills-based classes (ballet, martial arts) led by industry leaders as well as ICT- Computer class at all levels (Coming soon)
- Top notch amenities - Art & Craft, Computer Lab, Audiovisual (Mini Cinema) and Mini Library.
- Inter Class Competition: Art & Craft Competition, Poetry Recitation, Singing Competition, and Story Telling Competition.
- Free trial and remedial classes.
- Full involvement of parents.
- Teacher Training programmes in collaboration with local and overseas universities.

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

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Country Heights Holdings Berhad  
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Country Heights Holdings Berhad (“CHHB” or “the Company”) and its subsidiaries (“the Group”) remain committed to ensuring that high standards of corporate governance are practiced throughout the Group, with integrity, transparency and professionalism which contribute towards the successful achievement of corporate goals and enhance stakeholders’ value. The Board of the Directors of CHHB (“the Board”) is of the opinion that this is not only fundamental for the protection and enhancement of shareholders’ value but also ensures 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 of its compliance with the recommendations of good governance as set out in the Code for the financial year ended 31 December 2015.

## 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 its current composition 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. The Board is also of the view that 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.

The Board is supportive of gender diversity in the boardroom as recommended by the Code and has developed a Gender Diversity Policy to promote the representation of women in the composition of the Board. For the purpose of the Code, the Gender Diversity Policy will refer principally to gender diversity in the boardroom, but this approach however, in no means limits the Company’s recognition and respect for the value of diversity at all levels of the organisation. A diverse boardroom and workplace include the skills and perspective that people bring to the organisation through, but not limited to, experience, gender, age, culture and beliefs.

The Gender Diversity Policy sets out the approach to diversity on the Board of Directors of CHHB and the Company’s policy and the processes whereby the Company will address, to the extent practicable, the objectives set out in Recommendation 2.2 of the Code. Presently, there is one (1) female Director, representing approximately 17% women participation on the Board.

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.

# STATEMENT ON CORPORATE GOVERNANCE

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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 four (4) 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) (Chairman of the Company, Independent Non-Executive Director)	4/4
Tan Sri Lee Kim Tiong @ Lee Kim Yew (Deputy Chairman of the Company, Non-Independent Non-Executive Director)	2/4
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock (Independent Non-Executive Director)	4/4
Nik Hassan Bin Nik Mohd Amin (Independent Non-Executive Director)	4/4
Chew Chong Eu (Independent Non-Executive Director)	4/4
Lee Cheng Wen (Group Chief Executive Officer, Non-Independent Executive Director)	4/4

At Board meetings, the Chairman encourages constructive, healthy debate, and the 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 the Group CEO, Ms Lee Cheng Wen, are separated with clear division of responsibilities, in line with the recommendations as set out in the Code, to ensure appropriate supervision of the Management and a balance of power and authority. Moreover, General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) 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.

The Group CEO is responsible for the implementation of broad policies approved by the Board and reports all material matters at Board Meetings 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 Directors 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.

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 for the financial year 2015. 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.

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/Re-appointment of Directors

The Articles of Association of the Company require 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 takes place at each Annual General Meeting ("AGM"). Pursuant to Section 129(2) of the Companies Act, 1965, directors over the age of seventy are required to retire annually. All retiring directors shall be eligible for re-election/re-appointment.

The re-election/re-appointment 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.

General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd) and Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock, who are over the age of seventy and will be retiring pursuant to Section 129(2) of the Companies Act, 1965, do not wish to seek re-appointment pursuant to Section 129(6) of the Companies Act, 1965. Hence, they will retire at the conclusion of the 32nd AGM in accordance with Section 129(2) of the Companies Act, 1965.

Particulars of the Director standing for re-election have been provided in the Statement Accompanying the Notice of the 32nd AGM of CHHB scheduled to be held on 2 June 2016.

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

## Directors' Remuneration

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

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

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 proposed Directors' fees for the financial year 2015 will be tabled at the forthcoming 32nd AGM for shareholders' approval.

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The aggregate remuneration of the Directors for the financial year ended 31 December 2015, categorised into the appropriate components, is as follows:-

Description	Executive Director RM'000	Non-Executive Directors RM'000	Total RM'000
Salaries & Other emoluments	473	47	520
Benefit-in-kinds	-	5	5
EPF Contribution	66	-	66
Fees	-	107	107
<b>Total</b>	<b>539</b>	<b>159</b>	<b>698</b>

The number of Directors whose total remuneration fall into the respective bands is 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	-	-
RM451,000 to RM600,000	1	-
<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 authority to examine particular issues within their terms of reference and report back to the Board with their recommendations. The ultimate responsibility for the final decision on most matters remains with the entire Board.

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

The Chairpersons of the various Board Committees report the outcome 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 77 to 81 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);
- Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock; and
- Nik Hassan Bin Nik Mohd Amin.

#### Meeting Attendance:-

The NC met twice during the financial year.

# STATEMENT ON CORPORATE GOVERNANCE

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## *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.
- To review the representation of women in the composition of the Board in support of the Company's Gender Diversity Policy.

## *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 Board for its consideration and approval.

## *Main Activities 2015:-*

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

- Reviewed and approved the performance evaluation form for the independent non-executive directors (self-assessment).
- Evaluated and assessed the performance of the independent non-executive directors (self-assessment) for the year 2014.
- Reviewed the Gender Diversity Policy of the Group and subsequently recommended to the Board for approval.

## **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);
- General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd);
- Tan Sri Lee Kim Tiong @ Lee Kim Yew; and
- Nik Hassan Bin Nik Mohd Amin.

## *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 the 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 Board for its consideration and approval.

## *Main Activities 2015:-*

During the year, the RC has reviewed the salary adjustment of the Group CEO and subsequently recommended to the Board for approval.



## 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. Currently, the EXCO comprises of five (5) senior management and is chaired by the Group CEO.

The EXCO deals with a wide range of matters, including review of 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 will be organised for newly appointed Directors, if any.

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

During the financial year, the Directors have attended, individually and/or collectively, various programmes and briefings, amongst others, as follows:-

- Corporate Governance : Risk, Oversight and Strategy.
- The Board's Response in Light of Rising Shareholder Engagement.
- Future Auditor Reporting – The Game Changer for Boardroom.
- ESG Workshop for FTSE4GOOD Bursa Malaysia Index.
- Sustainability Symposium.
- Risk Management and Internal Control.
- Leadership Excellence from the Chair.
- Tone from the Chair and Establishing Boundaries.
- The Board's Response in Light of Rising Shareholder Engagement.
- Advocacy Session on Management Discussion & Analysis for CEO and CFO.
- Directors & Management Improvement Programme – Current Trends in Preventive Healthcare and Cancer Management in TCM.

The Company will continuously arrange 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.

## 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 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: [groupeco@countryheights.com](mailto:groupeco@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 combines 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 believes 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 on pages 32 to 37 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' Liability Insurance

The Company has in place a liability 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.

## 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). However, 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, customers' interest and the Group's assets are safeguarded.

The Statement on Internal Control as set out on pages 82 to 84 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 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.

## 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, and 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 2015, 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, and is satisfied, that the recommendations as set out in the Code have been substantially implemented accordingly by the Group 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 35 to the Financial Statements.

### Contracts Relating To Loan

There were no contracts relating to any 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 a revenue or trading nature which are necessary for its day-to-day operations shall expire at the conclusion of the forthcoming AGM and is subject to renewal by the shareholders at the said AGM.

Significant related party transactions of the Group are disclosed in Note 35 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 RM2,015,000 imposed by the Inland Revenue Board in respect of outstanding taxes, taken up during the financial year ended 31 December 2015.

### 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 2015 amounted to RM316,035.

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## Variation between Audited and Unaudited Results for the Financial Year Ended 31 December 2015

There was no variance of 10% or more between the audited results for the financial year ended 2015 and the unaudited results previously announced by the Company.

## Profit Guarantees

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

## Share Buy-Back

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

Details of the shares purchased during the financial year ended 31 December 2015 are set out below:-

Month	No. of shares purchased and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average price paid per share (RM)	Total consideration* (RM)
June 2014	100,000	1.44	1.50	1.47	147,430.08
June 2015	2,050,000	1.32	1.35	1.35	2,777,170.98

\* Inclusive of transaction cost

All the shares purchased by the Company were retained as treasury shares as at 31 December 2015. There was no resale of any treasury share during the financial year.

## Utilisation of Proceeds

The Company did not raise any proceeds from corporate proposals during the financial year ended 31 December 2015.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors duly passed on 31 March 2016.



# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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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 2015 and the records of their attendance are as follows:-

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

The Group 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.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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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.

## 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 authorized 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

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## 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.

## 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 2015 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 and discuss with the external auditors without the presence of the Group CEO and management.



# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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## External Audit

- a. The ARMC deliberated the External Auditors' Final Report at its meeting on 23 February 2015 with regard to the relevant disclosures in the annual audited financial statements for the year ended 2014. The ARMC also considered suggestions to improve the accounting procedures and internal control measures.
- b. On 22 April 2015, the External Auditor tabled the Management Letter and also the draft Audit Financial Statements for the year ended 31 December 2014. Group Finance tabled the proposal on the re-appointment of the External Auditors of CHHB and its Group of companies for the ensuing year.

ARMC reviewed the list of services in the Annual Plan 2015 which comprised the audit services as well as non-recurring and recurring non-audit services that may be provided by the External Auditors. The non-recurring non-audit services that were expected to be utilized in 2015 were ad-hoc accounting and tax advisory services including that on Goods and Services Tax (GST) implementation.

In considering the nature and scope of non-audit fees, the ARMC was satisfied that they were not likely to create any conflicts of interest nor impair the independence and objectivity of the External Auditors.

- c. The ARMC carries out an annual review of the performance of the External Auditors, including assessment of their independence in performing their obligations.

Based on the annual evaluation of their performance and audit fees, the ARMC was satisfied with the External Auditors' technical competency and independence for 2015. With that, the ARMC further recommended to the Board the reappointment of the External Auditors for 2015.

- d. On 19 November 2015, the ARMC reviewed the External Auditors' Professional Services Planning Memorandum for the financial year ending 31 December 2015 outlining their scope of work and proposed fees for the statutory audit and review of the Statement on Internal Control for 2015. The ARMC further resolved to recommend the proposed fees to the Board for approval.
- e. The non-audit fees incurred in 2015 amounted to RM316,035, which is approximately 74% of the total remuneration audit fee of RM427,500 + GST to the External Auditors for the 2015 financial year.
- f. On 25 February 2016, the ARMC undertook an annual assessment of the suitability and independence of the External Auditors in accordance with the CHHB Group policy. In its assessment, the ARMC considered several factors including the adequacy of experience and resources of the firm and the professional staff assigned to the audit, and the level of non-audit services to be rendered by the External Auditors to the Group for the 2016 financial year.

The ARMC conducted a further review on Deloitte and assessed the performance of the external audit function, to determine whether to maintain the incumbent audit firm or to appoint a new one. Feedback on the conduct of the external audit was obtained from the Management for assessing the quality of services rendered to the Group.

The External Auditors provided written assurance on 25 February 2016 to the ARMC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2015. The new standard in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants requires External Auditors to communicate in writing to the ARMC all breaches of independence requirements of the IEBSA Code of Ethics.

On 25 February 2016, Deloitte informed the ARMC that as at the date of the Progress Report to the Audit Committee 02/2016, they have not identified any breach of independence. They (Deloitte) are in compliance with the independence requirements set out in the By-Laws (On Professional Ethics, Conduct and Practice) for Professional Accountants of the Malaysian Institute of Accountants.

Being satisfied with Deloitte's performance, technical competency and audit independence as well as fulfillment of the criteria as set out in CHHB's group policy, the ARMC recommended to the Board for approval of the appointment of Deloitte as External Auditors for the financial year ending 31 December 2016.

## 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 function performs internal audits with strict adherence to the Professional Practices Framework of The Institute of Internal Auditors, USA ("IIA") and conformance with the IIA's International Standards for The Professional Practice of Internal Auditing ("Standards") in meeting the responsibilities of internal auditors and the internal audit activity.

# AUDIT & RISK MANAGEMENT COMMITTEE REPORT

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The purpose of the Standards is to:

1. Delineate basic principles that represent the practice of internal auditing.
2. Provide a framework for performing and promoting a broad range of value-added internal auditing.
3. Establish the basis for the evaluation of internal audit performance.
4. Foster improved organisational processes and operations.

The Standards are principles-focused, mandatory requirements consisting of:

- Statements of basic requirements for the professional practice of internal auditing and for evaluating the effectiveness of performance, which are internationally applicable at organisational and individual levels.
- Interpretations, which clarify terms or concepts within the Statements.

The structure of the Standards is divided between Attribute and Performance Standards. Attribute Standards address the attributes of organisations and individuals performing internal auditing. The Performance Standards describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured. The Attribute and Performance Standards are also provided to apply to all internal audit services.

The internal audit activities carried out, under a risk-based approach, 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.

During the year, internal audits performed covered the following areas:

- i) MIECC Review
- ii) Customer Data Management for Property Division
- iii) Mines Wellness Hotel Review
- iv) YGL IT Projects
- v) Mines Waterfront Business Park Review
- vi) Mines Waterfront Business Park - Car Park Audit

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.

This statement is made in accordance with the Board's resolution dated 31 March 2016.

# STATEMENT ON INTERNAL CONTROL

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## 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 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 emphasize ethical behaviors, 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.

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 Head of Group Finance.

## 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 2015, 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 2015 amounted to RM330,477.90.

## 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 grouses 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.

# STATEMENT ON INTERNAL CONTROL

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## 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 31 March 2016.

# REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

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# REPORT OF THE DIRECTORS

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Country Heights Holdings Berhad  
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The directors of **COUNTRY HEIGHTS HOLDINGS BERHAD** hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December, 2015.

## PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and associate are disclosed in Notes 17 and 18 to the financial statements, respectively.

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

## RESULTS OF OPERATIONS

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

	Group RM'000	Company RM'000
(Loss)/Profit before tax	(9,372)	29,683
Income tax credit	141	44
(Loss)/Profit for the year	(9,231)	29,727
(Loss)/Profit attributable to:		
Equity holders of the Company	(8,612)	29,727
Non-controlling interests	(619)	-
	(9,231)	29,727

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

## DIVIDENDS

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

## RESERVES AND PROVISIONS

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

## ISSUE OF SHARES AND DEBENTURES

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

## SHARE OPTIONS

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

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

## OTHER STATUTORY INFORMATION

Before the 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 had been written down to their estimated realisable values.

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

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

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

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

## DIRECTORS

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

Gen. Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)  
Tan Sri Lee Kim Tiong @ Lee Kim Yew  
Lee Cheng Wen  
Academician Tan Sri Emeritus Professor Datuk Dr. Ong Soon Hock  
Nik Hassan Bin Nik Mohd Amin  
Chew Chong Eu

# REPORT OF THE DIRECTORS

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Country Heights Holdings Berhad  
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## DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 each			
	As of 1.1.2015	Bought	Sold	As of 31.12.2015
<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	78,257,131	9,090,910	(2,661,400)	84,686,641
Lee Cheng Wen	152,878,300	-	(152,878,300)*	-

\* Cessation of indirect interest

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

<b>Direct Interest:</b>				
Tan Sri Lee Kim Tiong @ Lee Kim Yew	50,000,000	-	-	50,000,000

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

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

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefits (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 35 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, 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  
31 March, 2016



# INDEPENDENT AUDITORS' REPORT

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TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

## 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, 2015 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 91 to 158.

### *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 about 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, 2015 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;
- (b) we have considered the accounts and auditors' reports of the subsidiaries of which we have not acted as auditors, as mentioned in Note 17 to the financial statements, being accounts that have been included in the financial statements of the Group;
- (c) we are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the 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 pages 159 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.

# INDEPENDENT AUDITORS' REPORT

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Country Heights Holdings Berhad

Annual Report 2015

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TO THE MEMBERS OF COUNTRY HEIGHTS HOLDINGS BERHAD

## Other Matter

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

**SITI HAJAR BINTI OSMAN**  
Partner - 3061/04/17 (J)  
Chartered Accountant

31 March, 2016

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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FOR THE YEAR ENDED 31 DECEMBER, 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	5	126,017	275,165	32,503	10,827
Cost of sales and services	6	(47,326)	(118,617)	(348)	-
<b>Gross profit</b>		<b>78,691</b>	<b>156,548</b>	<b>32,155</b>	<b>10,827</b>
Other operating income		19,634	10,980	-	-
Fair value gain on investment properties	14	16,056	-	-	-
Selling and marketing expenses		(15,798)	(13,575)	(5)	(474)
Administrative expenses		(24,817)	(24,870)	(824)	(6,405)
Other operating expenses		(71,767)	(66,311)	(1,010)	(4,667)
Finance costs	7	(11,185)	(11,074)	(633)	(2,035)
Share of result of associate		(186)	136	-	-
<b>(Loss)/Profit before tax</b>	8	<b>(9,372)</b>	<b>51,834</b>	<b>29,683</b>	<b>(2,754)</b>
Income tax credit/(expense)	9	141	(14,505)	44	(135)
<b>(Loss)/Profit for the year</b>		<b>(9,231)</b>	<b>37,329</b>	<b>29,727</b>	<b>(2,889)</b>
<b>Other comprehensive income/(loss), net of tax</b>					
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Exchange differences on translating foreign operations	25(c)	11	(755)	-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(9,220)</b>	<b>36,574</b>	<b>29,727</b>	<b>(2,889)</b>
<b>(Loss)/Profit attributable to:</b>					
Equity holders of the Company	12(a)	(8,612)	37,851	29,727	(2,889)
Non-controlling interests	17	(619)	(522)	-	-
<b>(Loss)/Profit for the year</b>		<b>(9,231)</b>	<b>37,329</b>	<b>29,727</b>	<b>(2,889)</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Equity holders of the Company		(8,601)	37,096	29,727	(2,889)
Non-controlling interests		(619)	(522)	-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(9,220)</b>	<b>36,574</b>	<b>29,727</b>	<b>(2,889)</b>
<b>(Loss)/Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic	12(a)	(3.15)	13.73		
Diluted	12(b)	NA	NA		

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



# STATEMENTS OF FINANCIAL POSITION

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AS OF 31 DECEMBER, 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	13	330,634	407,654	-	508
Investment properties	14	151,595	62,036	-	-
Prepaid lease payments	15	308,119	313,641	-	-
Land held for property development	16(a)	178,556	174,835	-	-
Investment in subsidiaries	17	-	-	625,855	625,855
Investment in an associate	18	-	227	-	41
Available-for-sale financial assets	19	2,816	2,922	718	718
Trade receivables - non-current portion	20	8,030	12,093	-	-
Deferred tax assets	31	4,633	3,685	-	-
<b>Total Non-Current Assets</b>		<b>984,383</b>	<b>977,093</b>	<b>626,573</b>	<b>627,122</b>
<b>Current Assets</b>					
Property development costs	16(b)	143,280	120,462	-	-
Inventories	21	85,760	86,733	-	-
Trade and other receivables	20	105,836	115,356	72,701	66,034
Tax recoverable		3,888	4,336	3,714	3,714
Cash and cash equivalents	22	20,806	47,547	1,450	68
<b>Total Current Assets</b>		<b>359,570</b>	<b>374,434</b>	<b>77,865</b>	<b>69,816</b>
<b>TOTAL ASSETS</b>		<b>1,343,953</b>	<b>1,351,527</b>	<b>704,438</b>	<b>696,938</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	23	275,707	275,707	275,707	275,707
Treasury shares	24	(2,914)	(146)	(2,914)	(146)
Other reserves	25	213,290	203,706	76,299	76,299
Retained earnings	26	339,540	347,707	88,118	58,391
Equity attributable to equity holders of the Company		825,623	826,974	437,210	410,251
Non-controlling interests	17	25,857	26,476	-	-
<b>Total Equity</b>		<b>851,480</b>	<b>853,450</b>	<b>437,210</b>	<b>410,251</b>
<b>Non-Current Liabilities</b>					
Borrowings	27	101,735	26,465	10,333	35
Deferred income - non-current portion	29	33,905	38,385	-	-
Other payables	30	2,973	3,131	-	-
Deferred tax liabilities	31	79,685	79,321	-	44
<b>Total Non-Current Liabilities</b>		<b>218,298</b>	<b>147,302</b>	<b>10,333</b>	<b>79</b>
<b>Current Liabilities</b>					
Borrowings	27	92,948	181,118	62,775	53,302
Trade and other payables	32	132,924	115,262	194,120	233,306
Deferred income	29	1,453	1,621	-	-
Tax liabilities		46,850	52,774	-	-
<b>Total Current Liabilities</b>		<b>274,175</b>	<b>350,775</b>	<b>256,895</b>	<b>286,608</b>
<b>Total Liabilities</b>		<b>492,473</b>	<b>498,077</b>	<b>267,228</b>	<b>286,687</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,343,953</b>	<b>1,351,527</b>	<b>704,438</b>	<b>696,938</b>

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

# STATEMENTS OF CHANGES IN EQUITY

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Group	Note	Non-distributable Reserves				Distributable Reserves - Retained Earnings RM'000	Attributable to Equity Holders of the Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
		Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000				
<b>As of 1 January, 2014</b>		275,707	-	57,251	149,074	307,992	790,024	26,907	816,931
Profit/(Loss) for the year		-	-	-	-	37,851	37,851	(522)	37,329
Other comprehensive loss		-	-	-	(755)	-	(755)	-	(755)
Total comprehensive income/(loss)		-	-	-	(755)	37,851	37,096	(522)	36,574
Shares bought-back held as treasury shares		-	(146)	-	-	-	(146)	-	(146)
Effect from joint venture recognised as subsidiary		-	-	-	-	-	-	91	91
Transfer to retained earnings	25(b)	-	-	-	(1,864)	1,864	-	-	-
<b>As of 31 December, 2014</b>		275,707	(146)	57,251	146,455	347,707	826,974	26,476	853,450
<b>As of 1 January, 2015</b>		275,707	(146)	57,251	146,455	347,707	826,974	26,476	853,450
Loss for the year		-	-	-	-	(8,612)	(8,612)	(619)	(9,231)
Other comprehensive income		-	-	-	11	-	11	-	11
Total comprehensive income/(loss)		-	-	-	11	(8,612)	(8,601)	(619)	(9,220)
Shares bought-back held as treasury shares		-	(2,768)	-	-	-	(2,768)	-	(2,768)
Revaluation surplus		-	-	-	10,018	-	10,018	-	10,018
Transfer to retained earnings	25(b)	-	-	-	(445)	445	-	-	-
<b>As of 31 December, 2015</b>		275,707	(2,914)	57,251	156,039	339,540	825,623	25,857	851,480

Company	Non-distributable Reserves				Distributable Reserves - Retained Earnings RM'000	Total Equity RM'000
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Other Reserves RM'000		
<b>As of 1 January, 2014</b>	275,707	-	57,251	19,048	61,280	413,286
Total comprehensive loss for the year	-	-	-	-	(2,889)	(2,889)
Shares bought-back held as treasury shares	-	(146)	-	-	-	(146)
<b>As of 31 December, 2014</b>	275,707	(146)	57,251	19,048	58,391	410,251
<b>As of 1 January, 2015</b>	275,707	(146)	57,251	19,048	58,391	410,251
Total comprehensive income for the year	-	-	-	-	29,727	29,727
Shares bought-back held as treasury shares	-	(2,768)	-	-	-	(2,768)
<b>As of 31 December, 2015</b>	275,707	(2,914)	57,251	19,048	88,118	437,210

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

# STATEMENTS OF CASH FLOWS

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FOR THE YEAR ENDED 31 DECEMBER, 2015

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
(Loss)/Profit before tax	(9,372)	51,834	29,683	(2,754)
Adjustments for:				
Depreciation of:				
- Hotel properties, exhibition centre and showroom	4,051	4,111	-	-
- Other properties, plant and equipment	6,246	6,365	-	182
Interest expense	11,185	11,074	633	2,035
Allowance for doubtful debts on trade and other receivables	2,515	3,510	-	-
Bad debts written back	-	(646)	-	-
Amortisation of prepaid lease payments	4,123	4,135	-	-
Imputed interest (income)/expense on receivables	(41)	650	-	-
Fair value gain on investment properties	(16,056)	-	-	-
Gain on disposal of property, plant and equipment	(8)	(22)	-	-
Allowance for impairment losses on available-for-sale financial assets	26	8	-	-
Goodwill on consolidation written off	758	-	-	-
Inventories written down	256	-	-	-
Property, plant and equipment written off	39	4	22	-
Allowance for doubtful debts no longer required for trade receivables	(113)	(230)	-	-
Amortisation of deferred income	(3,475)	(1,322)	-	-
Interest income	(583)	(890)	-	-
Share of results of an associate	186	(136)	-	-
Allowance for impairment losses on investment in associated company	41	-	41	-
Available-for-sale financial assets written off	80	-	-	-
Amortisation of debt issuance costs	473	2	-	-
Net unrealised gain on foreign exchange	(169)	(8)	-	-
Allowance for impairment losses no longer required on investment	-	(270)	-	-
Loss on disposal of joint venture	-	91	-	-
Waiver of debts owing to other payables	(12,450)	-	-	-
Dividend income	-	-	(32,175)	-
Operating (Loss)/Profit Before Working Capital Changes	(12,288)	78,260	(1,796)	(537)
(Increase)/Decrease in:				
Inventories	645	(33,554)	-	-
Property development costs	(18,309)	63,669	-	-
Receivables	11,021	(27,638)	(76)	(49)
Increase/(Decrease) in:				
Deferred income	(1,173)	3,065	-	-
Payables	30,326	(14,153)	(788)	(17)
Subsidiaries	-	-	(33,328)	25,750
Cash Generated From/(Used In) Operations	10,222	69,649	(35,988)	25,147
Income tax paid	(5,937)	(20,819)	-	-
Net Cash From/(Used In) Operating Activities	4,285	48,830	(35,988)	25,147



# STATEMENTS OF CASH FLOWS

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Country Heights Holdings Berhad

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FOR THE YEAR ENDED 31 DECEMBER, 2015

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant and equipment		16	72	-	-
Net cash inflow on acquisition of subsidiary	17	-	40	-	-
Interest received		583	890	-	-
Payment for:					
Other property, plant and equipment		(4,189)	(3,356)	-	(26)
Investment properties		-	(32)	-	-
Dividend received		-	-	21,000	-
Net Cash (Used In)/From Investing Activities		(3,590)	(2,386)	21,000	(26)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Repayment of:					
Revolving credits		(2,400)	(5,600)	-	-
Hire purchase and finance lease		(242)	(117)	(104)	(65)
Term loans		(55,996)	(51,382)	(15,539)	(22,853)
Interest paid		(11,185)	(12,208)	(633)	(2,035)
Payment for buy-back of treasury shares		(2,768)	(146)	(2,768)	(146)
Proceeds from term loans		45,265	30,252	35,414	-
Net Cash (Used In)/From Financing Activities		(27,326)	(39,201)	16,370	(25,099)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(26,631)	7,243	1,382	22
Effects of foreign exchange rate changes		(110)	27	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		47,547	40,277	68	46
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	22	20,806	47,547	1,450	68

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total costs of other property, plant and equipment	4,194	3,443	-	26
Less: Purchase consideration satisfied by other payables	(5)	(87)	-	-
	4,189	3,356	-	26

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

# NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER, 2015

## 1. CORPORATE INFORMATION

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

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

There have been no significant changes in the nature of the principal activities of the Company, its subsidiaries and associate 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, Malaysia.

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 31 March 2016.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

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

On 19 November, 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework, a fully-IFRS compliant framework. Entities other than private entities should 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 was extended for an additional year.

Further on 2 September, 2014, MASB announced that TEs shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January, 2017. MASB has also issued on the same day *MFRS 15 Revenue from Contract with Customers and Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141)*. MFRS 15 is effective for annual periods beginning on or after 1 January, 2017 while the Bearer Plants amendment is effective for annual periods beginning on or after 1 January, 2016. With the issuance of MFRS 15 and the Bearer Plant amendment, all TEs would be required to adopt the MFRS Framework latest by 1 January, 2017.

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 latest by the annual periods beginning on 1 January, 2017.

### New and revised Standards in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards 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 <sup>2</sup>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to FRS 101	Disclosure Initiative <sup>1</sup>
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendment to FRSs	Annual Improvements to FRSs 2012 - 2014 cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January, 2016, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January, 2018, with earlier application permitted.

<sup>3</sup> Effective date deferred to a date to be determined and announced, with earlier application permitted.

The directors anticipate that the abovementioned Standards 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 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 the consolidated financial statements is determined on such a basis, except for 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 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.

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.



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

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

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.

When 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.

When 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.

# NOTES TO THE FINANCIAL STATEMENTS

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

### 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.

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 consolidated financial statements only to the extent of the Group's interest in the associate or joint venture that is not related to the Group.

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

### Goodwill on Consolidation

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

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

If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. 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.

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

#### (i) Sale of Properties

Revenue from sale 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 properties is measured at the fair value of the consideration received or receivable and is recognised when the Group has transferred the significant risks and rewards of ownership of the properties, and when it is probable that the economic benefits associated with the transaction will flow to the Group 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) Initial Membership Fees

##### *Healthcare*

Revenue from initial membership fees (participation fees) is recognised when the membership agreement is signed and a significant amount of the contracted membership fees is received.

##### *Timeshare*

A significant portion of initial membership fees (participation fees) is recognised as revenue when the membership agreement is signed and a significant amount of the contracted membership fees is received. The revenue from the remaining initial membership fees is deferred and recorded as deferred income and amortised on a straight-line basis over the remaining membership period.



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

#### Revenue Recognition (cont'd)

##### (v) Subscription Fees

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

##### (vi) Annual Maintenance Fees

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

##### (vii) Rental Income

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

##### (viii) Revenue from Services

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

##### (ix) Interest Income

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

##### (x) Revenue from Rental of Promotion Spaces

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.

##### (xii) Deferred Income

The portion of the membership fees from timeshare membership sales disclosed under Note 3 (iv) Revenue Recognition above, which is deferred and recorded 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.

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

### Leases (cont'd)

#### (ii) Finance Leases - the Group as Lessee

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

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

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

#### (iii) Operating Leases - the Group as Lessee

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

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

#### (iv) Operating Leases - the Group as Lessor

Assets leased out under operating leases are presented on the statements 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 that date. 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.

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

### Foreign Currencies (cont'd)

#### (ii) Foreign Currency Transactions (cont'd)

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

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in 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 ("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.

### 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.



# NOTES TO THE FINANCIAL STATEMENTS

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

### Borrowing Costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### Taxation

Income tax expense for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantially enacted at 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 sufficient 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 sufficient 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 and the Company intend to settle their current tax assets and liabilities on net basis.

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.

### Property, Plant and Equipment

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 period in which they are incurred.

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

#### *Hotel Properties, Exhibition Centre and Showroom*

Hotel properties, exhibition centre and showroom consist of hotels, an exhibition centre and showroom building. The land on which the properties are situated is leasehold and is classified as prepaid land lease payments. The properties are stated at their deemed cost, which is the revalued amount at the date of the revaluation less accumulated depreciation and any accumulated impairment losses. They, together with certain freehold land and buildings were revalued based on independent valuations on an open market value basis in 1994 and have not been revalued since then. 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 continued to be stated on the basis of their 1994 valuations less accumulated depreciation and any accumulated impairment.

Depreciation of hotel properties, exhibition centre and showroom is provided over the leasehold period of the land of 77 years.

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

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

#### *Other Property, Plant and Equipment*

Freehold land and freehold golf courses included in golf clubs and 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 its estimated useful life at the following annual rates:

Freehold buildings	2%
Leasehold buildings, other than hotel properties, exhibition centre and showroom	2% - 10%
Golf clubhouse	
- Freehold	2% - 20%
- Leasehold	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 estimated residual values, useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

An annual transfer from the asset revaluation reserve presented as other reserve to retained earnings is made for the difference between the depreciation based on the revalued carrying amount of the assets and the depreciation based on the assets' original cost. 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 the 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 lease payments are amortised on a straight-line basis over the remaining lease terms ranging from 74 to 178 years (2014: 75 to 179 years).

### Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. 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.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the period 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 when development activities have commenced and when the development activities can be completed within the normal operating cycle.

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

### 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.

When 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 and included in trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings under trade payables.

### 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.

### Inventories

Inventories, which comprise completed properties held for sales, are measured at the carrying amount of the property at the date of reclassification from properties under development and 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.

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

### 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

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

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

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

#### Effective Interest Method

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

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

#### (i) Financial Assets at FVTPL

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

A financial asset is classified as held for trading if:

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

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

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

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



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

#### Financial Instruments (cont'd)

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

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

##### (iv) Loans and Receivables

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

##### (v) Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at the end of 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, 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.

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

### Financial Instruments (cont'd)

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

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

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

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

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

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

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

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

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and 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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated equity is recognised in profit or loss.

#### (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.

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

### Financial Instruments (cont'd)

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

##### (iv) Other Financial Liabilities

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

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

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

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

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed by the chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

### Financial Guarantee Contracts

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

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

### Statements of Cash Flows

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

Cash and cash equivalents 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

Judgement and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

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

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

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

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately.

If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

#### (ii) Operating Lease Commitments - The Group as Lessor

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

#### (iii) Revenue Recognition

The Group recognised revenue from the sale of membership relating to Golden Horses Health Sanctuary Programme ("GHHS"), Traditional Chinese Medicine Programme ("TCM") and Palace Vacation Club ("PVC"). GHHS, TCM and PVC are membership programmes involving the provision of vacation and preventive healthcare services to its members. The memberships are valid for a duration ranging from 5 to 37 years.



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

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

#### (iii) Revenue Recognition (cont'd)

The membership fees comprise participation and rejoining fees. Participation fees represent upfront payment (which are allowed to be settled by customers by interest-free instalments) upon execution of membership agreements whereas rejoining fees are due and payable on a yearly basis (except for the first year where no rejoining fees are charged) pursuant to the membership agreements. The Group recognises revenue from participation fee, or a portion thereof, upon signing of membership agreement and collectability of the contract sum is reasonably assured. When a significant amount of the contracted participation fee has been collected, and the collectability of the remaining amount is reasonably assured, the Group records the participation fee, or a portion thereof, as revenue and any unsettled sum is recognised as trade receivables.

When determining the point of revenue recognition, the Group exercised significant judgement in evaluating whether revenue recognition criteria were met. In making their judgement, the Group considered the detailed revenue recognition criteria and, in particular, whether it is probable that the economic benefits associated with the transactions will flow to the Group. Following the consideration of the terms and conditions underlying the membership agreements, the fact that all other services in subsequent years are paid for separately through rejoining fees, the limitation on the members' abilities for refund of the participation fees, the requirement for the payment of the rejoining fees for continuation of the membership, the history of membership sales, the historical rate of default on the instalment payments by customers and the possibility of such transaction being terminated due to non-payment, the Group satisfied that when 30% of the participation fees are received, the collectability of the remaining contract sum is reasonably assured and the recognition of the participation fees, or a portion thereof, as revenue is appropriate.

### (b) Key sources of estimation uncertainty

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

#### (i) 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 costs, as well as the outcome of the development projects. In making the judgement, the Group evaluates past experiences and relies on the work of specialists.

#### (ii) 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 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.

#### (iii) 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.

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

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

#### (iv) 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 the reporting period. Fixed assets are depreciated over their useful economic lives. The amount of estimated useful lives is a matter of judgement based on the experience of the Group, taking into account factors such as technological progress, changes in market demand, expected usage and physical wear and tear. Useful lives are periodically reviewed for continued appropriateness. Due to long lives of assets, changes to the estimates used can result in variations in their carrying value.

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

The Group regularly reviews whether there are any indications of impairment and will recognise an impairment loss if the carrying amount of an asset is lower than the recoverable amount which is the greater of its net selling price or its value in use. In determining the value in use, the Group assesses the present value of the estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Estimates and judgements are applied in determining the future cash flows and the discount rate.

#### (vi) Allowance for Doubtful Debts

The Group assesses at the end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

#### (vii) Fair Value of Investment Properties

The fair value of the Group's investment properties as at 31 December, 2015 has been arrived at on the basis of a valuation carried out by an independent valuer not related to the Group, in accordance with Malaysia Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents, Malaysia.

The fair value was determined based on independent professional valuations with reference to direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, investment method, being the projected net income and other benefits that the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property and cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value. The management believes that the chosen valuation techniques and assumptions are appropriate in determining the fair value of the Group's investment properties. Further details are disclosed in Note 14.

## 5. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development and sale of completed properties	41,727	180,689	-	-
Property investment	21,841	23,976	-	-
Hospitality and health	60,429	68,669	-	-
Others	2,020	1,831	-	-
Dividend income from subsidiaries	-	-	32,175	-
Lease rental receivable from subsidiaries	-	-	328	-
Management fees from subsidiaries	-	-	-	10,827
	126,017	275,165	32,503	10,827

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## 6. COST OF SALES AND SERVICES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Property development	20,063	79,675	-	-
Cost of inventories sold	1,026	4,157	-	-
Cost of services rendered	26,237	34,785	348	-
	47,326	118,617	348	-

## 7. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on:				
Term loans, revolving credits, and bank overdrafts	10,735	10,298	633	2,029
Hire purchase and finance lease	30	47	-	6
Others	420	729	-	-
	11,185	11,074	633	2,035

## 8. (LOSS)/PROFIT BEFORE TAX

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

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Employee benefits expense	10	41,892	46,682	162	5,445
Impairment loss recognised on trade and other receivables	20	2,515	3,510	-	-
Depreciation of:					
- hotel properties, exhibition centre and showroom	13	4,051	4,111	-	-
- other property, plant and equipment	13	6,246	6,365	-	182
Amortisation of prepaid lease payments	15	4,123	4,135	-	-
Bad debts written back		-	(646)	-	-
Rental of premises		968	1,160	-	1,174
Lease rental expense		629	636	348	64
Imputed interest expenses/(income) on receivables		(41)	650	-	-
Auditors' remuneration:					
Statutory audit:					
- auditors of the Group		427	427	71	71
- other auditors		56	43	-	-
Non-audit services:					
- auditors of the Group		316	353	-	-
Rental of equipment		188	151	-	-
Non-executive directors' remuneration	11	154	157	154	157
Executive directors' remuneration excluding benefits-in-kind	11	3,165	2,274	-	520
Gain on disposal of property, plant and equipment		(8)	(22)	-	-
Allowance for impairment losses on available-for-sale financial assets		26	8	-	-
Property, plant and equipment written off		39	4	22	-
Rental income		(1,096)	(1,494)	-	-

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

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Allowance for doubtful debts no longer required for trade receivables	20	(113)	(230)	-	-
Amortisation of:					
- deferred income		(3,475)	(1,322)	-	-
- debt issuance costs		473	2	-	-
Interest income on:					
- short-term deposits		(567)	(740)	-	-
- others		(16)	(150)	-	-
Net unrealised gain on foreign exchange		(169)	(8)	-	-
Allowance for impairment losses no longer required for other investment		-	(270)	-	-
Goodwill on consolidation written off	17	758	-	-	-
Inventories written down	21	256	-	-	-
Waiver of debt owing to other payables		(12,450)	-	-	-
Allowance for impairment loss on associate		41	-	41	-
Available-for-sale financial assets written off		80	-	-	-

## 9. INCOME TAX (CREDIT)/EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Estimated tax payable:				
Current year - Malaysia	169	13,543	-	-
Underprovision in prior years	292	2,079	-	135
Tax saving from group relief	-	(906)	-	-
	461	14,716	-	135
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	364	(73)	(44)	-
Reversal of temporary differences in respect of depreciation on revaluation surplus	(986)	(138)	-	-
Underprovision in prior years: Malaysia	20	-	-	-
	(602)	(211)	(44)	-
Tax (credit)/expense for the year	(141)	14,505	(44)	135

Malaysian income tax is calculated at the statutory income tax rate of 25% (2014: 25%) of the estimated taxable profit for the year.

The Finance (No. 2) Act 2014 gazetted on 30 December, 2014 enacts the reduction of corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax for entities in Malaysia will be the expected rates.

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, which were making losses, is 28% (2014: 28%).

The group tax charge in prior year had been reduced by RM906,000 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.



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

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/Profit before tax	(9,372)	51,834	29,683	(2,754)
Taxation at Malaysian statutory income tax rate of 25% (2014: 25%)	(2,343)	12,959	7,421	(689)
Tax effects of:				
Non-deductible expenses	1,458	5,525	579	689
Non-taxable income	-	(2,686)	(8,044)	-
Utilisation of deferred tax assets previously not recognised	-	(2,328)	-	-
Deferred tax assets not recognised	1,480	-	-	-
Reversal of deferred tax liabilities in respect of depreciation transfer on revalued hotel properties, exhibition centre and showroom	(986)	(138)	-	-
Group relief	-	(906)	-	-
Effect of deferred tax due to reduction in tax rate	(62)	-	-	-
Underprovision in prior years in respect of:				
Current tax	292	2,079	-	135
Deferred tax	20	-	-	-
Tax (credit)/expense for the year	(141)	14,505	(44)	135

## 10. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Wages and salaries	33,374	37,534	92	4,456
Social security costs	361	287	-	25
Contribution to defined contribution plans	3,756	4,093	-	541
Other staff related expenses	4,401	4,768	70	423
	41,892	46,682	162	5,445

Included in employee benefits expense of the Group and of the Company are remuneration (excluding benefits-in-kind) of executive director of the Group and of the Company amounting to RM3,165,000 (2014: RM2,274,000) and RMNil (2014: RM520,000), respectively, as further disclosed in Note 11.

## 11. DIRECTORS' REMUNERATION

### Non-Executive Directors:

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

### Executive Director:

- (i) Lee Cheng Wen

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

		Group		Company	
	Note(s)	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Directors of the Company</b>					
<b>Non-Executive Directors</b>					
Fees and other emoluments		154	157	154	157
Benefits-in-kind		12	14	12	14
		166	171	166	171
<b>Executive Director</b>					
Salaries, fee and other emoluments		-	456	-	456
Contribution to defined contribution plans		-	64	-	64
		-	520	-	520
		166	691	166	691
<b>Directors of Subsidiaries</b>					
<b>Executive Directors</b>					
Salaries and other emoluments		2,743	1,572	-	-
Bonus		79	-	-	-
Contribution to defined contribution plans		343	182	-	-
Benefits-in-kind		29	23	-	-
		3,194	1,777	-	-
<b>Analysis excluding benefits-in kind:</b>					
Total non-executive directors' remuneration	8	154	157	154	157
Total executive directors' remuneration excluding benefits-in-kind	8 & 10	3,165	2,274	-	520
Total directors' remuneration excluding benefits-in-kind	35(b)	3,319	2,431	154	677

## 12. (LOSS)/EARNINGS PER SHARE

### (a) Basic

Basic (loss)/earnings per share is calculated by dividing (loss)/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	
	2015	2014
(Loss)/Profit attributable to ordinary equity holders of the Company (RM'000)	(8,612)	37,851
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	273,557	275,607
Basic (loss)/earnings per share (sen)	(3.15)	13.73

### (b) Diluted

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

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## 13. PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Hotel properties, exhibition centre and showroom	258,016	317,961	-	-
Other property, plant and equipment	72,618	89,693	-	508
	330,634	407,654	-	508

### Hotel Properties, Exhibition Centre and Showroom

Group	Note	Hotel Properties RM'000	Exhibition Centre and Showroom RM'000	Total RM'000
<b>At Cost</b>				
As of 1 January, 2014/31 December, 2014/1 January, 2015		306,016	134,840	440,856
Revaluation reserve	25(b)	8,808	-	8,808
Transfer to investment properties	14	(71,689)	-	(71,689)
As of 31 December, 2015		243,135	134,840	377,975
<b>Accumulated Depreciation</b>				
As of 1 January, 2014		26,260	6,817	33,077
Charge for the year	8	3,258	853	4,111
As of 31 December, 2014/1 January, 2015		29,518	7,670	37,188
Charge for the year	8	3,198	853	4,051
Transfer to investment properties	14	(6,987)	-	(6,987)
As of 31 December, 2015		25,729	8,523	34,252
<b>Accumulated Impairment Losses</b>				
As of 31 December, 2014/2015		24,162	61,545	85,707
<b>Net Carrying Amount</b>				
As of 31 December, 2015		193,244	64,772	258,016
As of 31 December, 2014		252,336	65,625	317,961

The hotel properties, exhibition centre and showroom with an aggregate net carrying amount of RM258,016,000 (2014: RM317,961,000) were pledged as security for borrowings as disclosed in Notes 27(b)(vii) and 27(b)(x).

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

### 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</b>									
As of 1 January, 2015		2,134	19,066	112,329	76,566	51,148	7,306	7,195	275,744
Additions		-	5	3,448	741	-	-	-	4,194
Revaluation reserve	25(b)	-	1,210	-	-	-	-	-	1,210
Transfer to investment properties	14	-	(8,416)	-	-	-	-	-	(8,416)
Transfer to property development costs	16(b)	-	-	-	(21)	-	-	(7,195)	(7,216)
Disposals		-	-	(337)	(1)	-	(673)	-	(1,011)
Write-offs		-	-	(445)	-	-	-	-	(445)
Reclassification		-	-	(5)	5	-	-	-	-
Exchange differences		-	-	(25)	-	(656)	-	-	(681)
As of 31 December, 2015		2,134	11,865	114,965	77,290	50,492	6,633	-	263,379
<b>Accumulated Depreciation</b>									
As of 1 January, 2015		91	3,522	92,100	72,926	11,151	6,261	-	186,051
Charge for the year	8	41	400	3,531	1,489	468	317	-	6,246
Disposals		-	-	(329)	(1)	-	(673)	-	(1,003)
Write-offs		-	-	(406)	-	-	-	-	(406)
Reclassification		59	(59)	(11)	17	(6)	-	-	-
Exchange differences		-	-	(26)	-	(101)	-	-	(127)
As of 31 December, 2015		191	3,863	94,859	74,431	11,512	5,905	-	190,761
<b>Net Carrying Amount</b>		1,943	8,002	20,106	2,859	38,980	728	-	72,618
<b>Cost</b>									
As of 1 January, 2014		2,134	19,065	107,970	75,331	51,498	7,429	9,725	273,152
Additions		-	1	4,458	1,439	1	74	(2,530)	3,443
Acquisition of subsidiary		-	-	28	-	-	159	-	187
Disposals		-	-	(66)	(47)	-	(97)	-	(210)
Write-offs		-	-	(111)	(93)	-	(259)	-	(463)
Reclassifications		-	-	64	(64)	-	-	-	-
Exchange differences		-	-	(14)	-	(351)	-	-	(365)
As of 31 December, 2014		2,134	19,066	112,329	76,566	51,148	7,306	7,195	275,744
<b>Accumulated Depreciation</b>									
As of 1 January, 2014		73	3,083	88,361	71,910	10,650	6,254	-	180,331
Charge for the year	8	18	439	3,843	1,181	547	337	-	6,365
Acquisition of subsidiary		-	-	8	-	-	24	-	32
Disposals		-	-	(17)	(47)	-	(95)	-	(159)
Write-offs		-	-	(111)	(89)	-	(259)	-	(459)
Reclassifications		-	-	29	(29)	-	-	-	-
Exchange differences		-	-	(13)	-	(46)	-	-	(59)
As of 31 December, 2014		91	3,522	92,100	72,926	11,151	6,261	-	186,051
<b>Net Carrying Amount</b>		2,043	15,544	20,229	3,640	39,997	1,045	7,195	89,693



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## 13. 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, 2014	71	510	1,165	129	1,875
Additions	7	13	6	-	26
As of 31 December, 2014/1 January, 2015	78	523	1,171	129	1,901
Transfer to a subsidiary (Note 35)	(74)	(442)	(1,171)	(78)	(1,765)
Write-offs	(4)	(81)	-	(51)	(136)
As of 31 December, 2015	-	-	-	-	-
<b>Accumulated Depreciation</b>					
As of 1 January, 2014	43	275	831	62	1,211
Charge for the year	6	84	81	11	182
As of 31 December, 2014/1 January, 2015	49	359	912	73	1,393
Transfer to a subsidiary (Note 35)	(46)	(281)	(912)	(40)	(1,279)
Write-offs	(3)	(78)	-	(33)	(114)
As of 31 December, 2015	-	-	-	-	-
<b>Net Carrying Amount</b>					
As of 31 December, 2015	-	-	-	-	-
As of 31 December, 2014	29	164	259	56	508

- (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 RM523,000 (2014: RM767,000).
- (b) Other property, plant and equipment of the Group with net carrying amount of RM18,668,000 (2014: RM14,505,000) were charged as security for borrowings as disclosed in Notes 27(a)(i), 27(b)(iv), 27(b)(vii) and 27(b)(x).
- (c) Certain subsidiary 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 RM1,856,000 (2014: RM1,896,000).
- (d) Included in other property, plant and equipment of the Group and of the Company are the following fully depreciated assets which are still in use:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost:				
Office, furniture and fittings	96,248	93,373	-	233
Plant, machinery and equipment	55,442	54,344	-	-
Motor vehicles	4,855	5,306	-	763
	156,545	153,023	-	996

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## 14. INVESTMENT PROPERTIES

		Group	
	Note	2015 RM'000	2014 RM'000
At beginning of year		62,036	62,004
Additions from subsequent expenditure		-	32
Change in fair value of investment properties	8	16,056	-
Transfer from prepaid land lease	15	385	-
Transfer from other property, plant and equipment	13	8,416	-
Transfer from hotel properties, exhibition centre and showroom	13	64,702	-
At end of year		151,595	62,036

The following investment properties are held under lease terms:

	Group	
	2015 RM'000	2014 RM'000
Leasehold land	77,838	25,242
Buildings	50,225	22,360
	128,063	47,602

Certain investment properties with a total carrying amount of RM128,063,000 (2014: RM47,602,000) were charged as security for borrowings as disclosed in Note 27b(iii) and 27(b)(x).

The rental income earned by the Group from its investment properties during the year amounted to RM6,661,000 (2014: RM6,582,000). Direct operating expenses arising from the renting of investment properties during the year amounted to RM2,857,000 (2014: RM2,002,000).

### Fair value information

The fair value of the Group's investment properties as at 31 December, 2015 have been arrived at on the basis of a valuation carried out by independent valuers not related to the Group and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair values were determined in reference to the selling price of recent transactions and asking prices of similar properties of nearby location.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December, 2015 and 31 December, 2014 are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2015</b>				
Investment properties	-	-	151,595	151,595
<b>2014</b>				
Investment properties	-	-	62,036	62,036

### Transfer between Level 1 and Level 2 fair values

There was no transfer between Level 1 and 2 fair values during the financial year.

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## 15. PREPAID LEASE PAYMENTS

		Group	
	Note	2015 RM'000	2014 RM'000
At beginning of year		313,641	317,776
Amortisation for the year	8	(4,123)	(4,135)
Transfer to investment properties	14	(385)	-
Transfer to property development cost	16(b)	(1,014)	-
At end of year		308,119	313,641

The unexpired portions of the leasehold land as at 31 December, 2015 are within the range of 74 to 178 years (2014: 75 to 179 years).

Land held under prepaid lease payments with a carrying amount of RM129,187,000 (2014: RM308,077,000) were charged as security for borrowings as disclosed in Notes 27(a)(i), 27(b)(vii) and (27)(b)(x).

## 16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

### (a) Land Held for Property Development

Group	Note	Freehold Land RM'000	Leasehold Land RM'000	Total RM'000
<b>Cost/Carrying amount</b>				
As of 1 January, 2014		85,327	147,390	232,717
Additions		1,103	1,548	2,651
Transfer to property development costs	16(b)	-	(60,533)	(60,533)
As of 31 December, 2014/1 January, 2015		86,430	88,405	174,835
Addition		5,153	-	5,153
Transfer to property development costs	16(b)	-	(1,432)	(1,432)
As of 31 December, 2015		91,583	86,973	178,556

Included in land held for property development are certain parcels of land with an aggregate carrying value of RM15,312,000 (2014: 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 RM43,686,000 (2014: RM35,110,000) were charged as security for borrowings as disclosed in Notes 27(a)(ii), 27(a)(iii) and 27(b)(vi).

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## 16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

### (b) Property Development Costs

		Group	
	Note	2015 RM'000	2014 RM'000
At beginning of year:			
Freehold land - at cost		130,426	130,426
Leasehold land - at cost		163	163
Development expenditure		411,914	333,781
		542,503	464,370
Costs incurred during the year:			
Development expenditure		44,730	16,034
Cost recognised in profit or loss:			
Previous years		(420,475)	(395,766)
Current year		(33,140)	(24,709)
		(453,615)	(420,475)
Transfers from:			
Land held for property development	16(a)	1,432	60,533
Prepaid lease payments	15	1,014	-
Other property, plant and equipment	13	7,216	-
		9,662	60,533
At end of year		143,280	120,462

Interest on borrowing capitalised for the financial year amounting to RM271,930 (2014: RM365,588).

The property development costs with a carrying amount of RM92,471,000 (2014: RM76,948,000) were charged as security for borrowings as disclosed in Note 27(b)(ix) and 27(b)(x).

## 17. INVESTMENT IN SUBSIDIARIES

		Company	
		2015 RM'000	2014 RM'000
At cost			
Unquoted shares		223,112	223,112
Redeemable cumulative preference shares		414,053	414,053
		637,165	637,165
Less: Accumulated impairment losses		(11,310)	(11,310)
Net		625,855	625,855



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

The details of the subsidiaries are as follows:

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2015 %	2014 %
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	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 Global Ltd	Labuan	Dormant	100	100
Walum Enterprise Sdn Bhd	Malaysia	Ownership of land held for property development	100	100
Hasil Cermat Sdn Bhd	Malaysia	Ownership of land held for property development	100	100
Country Heights Development Sdn Bhd	Malaysia	Property investment	100	100
Country Heights eMarketing Services Sdn Bhd	Malaysia	Provision of marketing services	100	100
Versatile Champion Sdn Bhd	Malaysia	Property trading	100	100
Nasmaya Juara Sdn Bhd	Malaysia	Building and infrastructure contractor	100	100
Golden Horse Palace Berhad	Malaysia	Ownership and operation of a hotel and provision of health programs 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

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2015 %	2014 %
Country Heights Resources Management (M) Sdn Bhd	Malaysia	Provision of management services	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>Subsidiaries 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
<b>Subsidiary of Country Heights Development Melaka Sdn Bhd</b>				
Country Heights Facility Management 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
WIXPO Sdn Bhd	Malaysia	Dormant	100	100

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2015 %	2014 %
Subsidiaries of East Vision Leisure Group Sdn Bhd				
Mines Shopping Fair Sdn Bhd	Malaysia	Letting of promotion space	100	100
Mines Waterfront Business Park Sdn Bhd	Malaysia	Letting of office space	100	100
Mines International Exhibition Centre Sdn Bhd	Malaysia	Investment holding, manager of exhibition centre and conventions and provision of catering services	100	100
Subsidiary of Mines International Exhibition Centre Sdn Bhd				
Mines Events Sdn Bhd	Malaysia	Provision of exhibition space	100	100
Subsidiary of Country Heights Resorts & Leisure Sdn Bhd				
Mines Premium Sdn Bhd	Malaysia	Solutions provider and promotion activities	100	100
Subsidiary of Golden Horse Palace Bhd				
Mines Marketing Sdn Bhd	Malaysia	Marketer in all aspects of health screening, timeshare memberships and palm oil memberships	100	100
Subsidiary of Mines Marketing Sdn Bhd				
Mines Global Holidays Sdn Bhd	Malaysia	Travel agents and tour operators and to provide facilities in travelling and touring to travellers and tourist	50	50
Subsidiary of Country Heights Health Tourism Sdn Bhd				
GHHS Wellness Sdn Bhd	Malaysia	Provision of private medical care facilities and medical related facilities services to the public	100	100
Subsidiaries of Country Heights Property Development Berhad				
Profound Concept Sdn Bhd	Malaysia	Property investment	100	100
Endless Gain Sdn Bhd	Malaysia	Ownership of property held for rental purposes	100	100

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

Names of Subsidiaries	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest	
			2015 %	2014 %
Subsidiary of Endless Gain Sdn Bhd				
Natural Circle (M) Sdn Bhd	Malaysia	Ownership of property held for rental purposes	99.98	-
Subsidiaries of Magnitude Knight (M) Sdn Bhd				
+ Country Heights Pecanwood Golf & Country Club (Pty) Ltd	South Africa	Ownership and operators of golf estate club	100	100
+ Country Heights Pecanwood Boat Club (Pty) Ltd	South Africa	Ownership and operator of boat club	100	100

+ Audited by other firm of auditors.

^ No auditors are required to be appointed for these dormant companies.

### Acquisition of subsidiary company

On 21 May, 2015, a subsidiary of the Company, Endless Gain Sdn Bhd ("EGSB") acquired 99.98% of equity interest in Natural Circle (M) Sdn Bhd ("NCSB") comprising 9,998 ordinary shares for a purchase consideration of RM9,998. Subsequently, NCSB become a subsidiary company of EGSB.

Recognised amounts of identifiable assets acquired and liabilities assumed arising from the acquisition of NCSB are as follows:

	<b>Group 2015 RM'000</b>
Cash and bank balances	10
Other payables	(5)
Tax liabilities	(753)
Group's share of net liabilities	(748)
Goodwill on consolidation	758
Total cost of acquisition, discharged by cash	10

The cash outflow/(inflow) arising from the acquisition is as follows:

	<b>Group 2015 RM'000</b>
Purchase consideration to be satisfied by cash	10
Less: Cash and cash equivalents of subsidiary company acquired	(10)
Net cash outflow on acquisition of subsidiary company	-

Subsequent to the acquisition, the goodwill on consolidation of RM758,000 has been written off.



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## 17. 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	
		2015	2014	2015	2014
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	4	4	1	1
	South Africa	2	2	-	-
Ownership of property, letting of property, office and exhibition spaces	Malaysia	5	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	-	-
Travel agents and tours operator	Malaysia	-	-	1	1
Dormant	Malaysia	9	9	2	1
	Labuan	1	1	1	1
		46	45	7	6

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

	Percentage of effective interests held by non-controlling interests %	Profit/(Loss) allocated to non-controlling interests RM'000	Accumulated non-controlling interests RM'000
<b>2015</b>			
Golden Horse Palace Berhad	19.1%	1,698	37,238
Borneo Highlands Hornbill Golf & Jungle Club Berhad	30.0%	(558)	(9,639)
Mines Marketing Sdn Bhd	19.1%	(69)	(808)
Individually immaterial subsidiaries with non-controlling interests		(1,690)	(934)
		(619)	25,857

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

### Composition of the Group (cont'd)

	Percentage of effective interests held by non- controlling interests %	Profit/(Loss) allocated to non- controlling interests RM'000	Accumulated non- controlling interests RM'000
<b>2014</b>			
Golden Horse Palace Berhad	19.1%	361	35,540
Borneo Highlands Hornbill Golf & Jungle Club Berhad	30.0%	(374)	(9,081)
Mines Marketing Sdn Bhd	19.1%	(29)	(739)
Individually immaterial subsidiaries with non-controlling interests		(480)	756
		(522)	26,476

## 18. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
In Malaysia:				
Unquoted shares, at cost	247	247	247	247
Share of post-acquisition reserves	-	186	-	-
	247	433	247	247
Accumulated impairment losses	(247)	(206)	(247)	(206)
	-	227	-	41

The summarised financial information of the associate is as follows:

	Group	
	2015 RM'000	2014 RM'000
<b>Assets and liabilities</b>		
Current assets	1,847	2,319
Non-current assets	275	227
Total assets	2,122	2,546
Current liabilities	2,479	2,070
Total liabilities	2,479	2,070
<b>Results</b>		
Revenue	3,360	5,326
(Loss)/Profit for the year	(832)	286

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

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

	Group	
	2015 RM'000	2014 RM'000
Net (liabilities)/assets of the associate	(357)	476
Proportion of the Group's ownership interest	47.5%	47.5%
Carrying amount of the Group's interest in the associate	-	227

Details of the associate are as follows:

Names of Associate	Country of Incorporation and Operation	Principal Activities	Proportion of Ownership Interest Equity Interest	
			2015 %	2014 %
+ # 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, 2015 have been used and appropriate adjustments have been made for the effects of significant transactions between 1 July, 2015 and 31 December, 2015.

## 19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>At cost</b>				
Quoted shares in Malaysia	240	240	-	-
Unquoted shares in Malaysia	2,000	2,000	-	-
Memberships	734	814	718	718
	2,974	3,054	718	718
Less: Accumulated impairment losses:				
Quoted shares in Malaysia	(158)	(132)	-	-
	(158)	(132)	-	-
Net	2,816	2,922	718	718
Market value of quoted shares in Malaysia	82	108	-	-

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## 20. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Current</b>					
<b>Trade receivables</b>					
Amount owing by subsidiaries	(b)	-	-	13,582	13,924
Owing by companies in which certain directors have interest	(e)	311	575	-	-
Third parties	(c)	76,016	107,955	-	-
		76,327	108,530	13,582	13,924
		(22,102)	(21,872)	-	-
Less: Allowance for doubtful debts for third parties					
Trade receivables, net		54,225	86,658	13,582	13,924
<b>Other receivables</b>					
Amount owing by subsidiaries	(b)	-	-	58,909	51,976
Owing by companies in which certain directors have interest	(e)	4,438	3,912	78	88
Sundry receivables		42,676	21,289	487	401
Refundable deposits		4,176	3,700	16	16
Prepayments		2,177	1,562	12	12
		53,467	30,463	59,502	52,493
Less: Allowance for doubtful debts:					
Amount owing by subsidiaries		-	-	(19)	(19)
Sundry receivables		(1,856)	(1,765)	(364)	(364)
		(1,856)	(1,765)	(383)	(383)
Other receivables, net		51,611	28,698	59,119	52,110
Total current receivables		105,836	115,356	72,701	66,034
<b>Non-current</b>					
<b>Trade receivables</b>					
Third parties	(d)	8,030	12,093	-	-

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

		Group	
	Note	2015 RM'000	2014 RM'000
At beginning of year		21,872	23,271
Impairment loss recognised on trade receivables	8	2,424	3,124
Amount written off		(2,081)	(4,293)
Amount no longer required	8	(113)	(230)
At end of year		22,102	21,872



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## 20. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	242	15	-	-
Past due but not impaired:				
30 days and below	7,110	35,115	43	1,710
31 to 60 days	3,414	3,845	43	754
61 to 90 days	2,538	1,926	43	754
91 to 120 days	2,098	3,440	201	1,928
121 days and above	38,823	42,317	13,252	8,778
	53,983	86,643	13,582	13,924
Past due and impaired	54,225	86,658	13,582	13,924
	22,102	21,872	-	-
Total trade receivables	76,327	108,530	13,582	13,924

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

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year		1,765	1,379	364	364
Impairment loss recognised on sundry receivables	8	91	386	-	-
At end of year		1,856	1,765	364	364

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Neither past due nor impaired	33	33	-	-
Past due but not impaired:				
30 days and below	17,905	7,306	5	21
31 to 60 days	130	120	13	-
61 to 90 days	187	146	13	1
91 to 120 days	209	254	1	1
121 days and above	26,794	15,577	169	102
	45,225	23,403	201	125
Past due and impaired	45,258	23,436	201	125
	1,856	1,765	364	364
	47,114	25,201	565	489

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## 20. TRADE AND OTHER RECEIVABLES (cont'd)

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

	Company	
	2015	2014
	RM'000	RM'000
At beginning and end of year	19	19

### (a) Credit risk

The Group's normal trade credit terms range from 14 days to 90 days (2014: 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 36.

### (b) Amount owing by subsidiaries

Amount owing by subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

### (c) Trade receivables - current

Trade receivables, which are non-interest bearing, are due within one year except for those relating to the instalment scheme mentioned in Note 20(d) below.

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

Trade receivables - non-current represent amounts that are expected to be collected after twelve months from the end of the reporting period, pursuant to instalment plans of 12 months to 60 months granted in respect of timeshare program memberships and health program memberships.

### (e) Amount owing by companies in which certain directors have financial interest

Amount owing by companies in which certain directors have financial interest are trade and non-trade in nature, unsecured, non-interest bearing and repayable on demand.

## 21. INVENTORIES

	Group	
	2015	2014
	RM'000	RM'000
<b>At cost</b>		
Completed properties held for sale	48,466	53,453
Consumable materials	5,019	1,012
	53,485	54,465
<b>At net realisable value</b>		
Completed properties held for sale	32,275	32,268
	85,760	86,733

The cost of inventories recognised is after taking into consideration a write down of inventories of RM256,000 (2014: RMNil) to net realisable value.

Inventories with a carrying amount of RM12,343,000 (2014: RM5,374,000) were charged as security for borrowings as disclosed in Notes 27(b)(i) and 27(b)(iii).

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## 22. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks and other financial institutions	(a)	3,857	2,779	-	-
Cash on hand and at banks	(b)	16,949	44,768	1,450	68
		20,806	47,547	1,450	68

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

- (i) A sum of RM3,101,000 (2014: RM2,098,000) pledged for bank guarantee facilities granted to certain subsidiaries;
- (ii) An amount of RM103,000 (2014: RM101,000) pledged for term loan facility granted to a subsidiary as disclosed in Note 27(b)(iii);
- (iii) An amount of RM657,000 (2014: RM509,000) held under a trust account pursuant to a trust deed in relation to a timeshare membership scheme of a subsidiary.

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

- (i) Amounts totalling RM5,742,000 (2014: RM11,354,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 which are restricted from use in other operations; and
- (ii) Amounts totalling RM1,633,000 (2014: RM2,222,000) held under trust accounts pursuant to trust deeds in relation to a timeshare membership scheme of a subsidiary.

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

	2015 %	Group 2014 %
Deposits with licensed banks and other financial institutions	3.15	3.75

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

	2015 Days	Group 2014 Days
Licensed banks and other financial institutions	30 to 365	30 to 365

## 23. SHARE CAPITAL

	Group and Company	
	2015 RM'000	2014 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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## 24. TREASURY SHARES

	Group and Company	
	2015 RM'000	2014 RM'000
At beginning of year	146	-
Addition from acquisition	2,768	146
At end of year	2,914	146

Treasury shares represent ordinary shares of the Company that are held by the Company. The amount consists of the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company repurchased 2,050,000 ordinary shares of its issued share capital from the open market. The total consideration paid for the share buy-back was RM2,768,000.

## 25. OTHER RESERVES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Non-distributable:</b>					
Share premium	(a)	57,251	57,251	57,251	57,251
Revaluation reserve	(b)	149,184	139,611	-	-
Translation reserve	(c)	(12,250)	(12,261)	-	-
Capital redemption reserve	(d)	19,048	19,048	19,048	19,048
Investment revaluation reserve	(e)	57	57	-	-
		213,290	203,706	76,299	76,299

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

### (a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares.

	Group and Company	
	2015 RM'000	2014 RM'000
At beginning and end of year	57,251	57,251

### (b) Revaluation reserve

	Note	Group 2015 RM'000	2014 RM'000
At beginning of year		139,611	141,475
Revaluation surplus	13	10,018	-
Transfer to retained earnings upon depreciation of revalued assets		(445)	(1,864)
At end of year		149,184	139,611



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## 25. OTHER RESERVES (cont'd)

### (c) Translation reserve

	Group	
	2015 RM'000	2014 RM'000
At beginning of year	(12,261)	(11,506)
Exchange differences on translating foreign operations	11	(755)
At end of year	(12,250)	(12,261)

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

### (d) Capital redemption reserve

	Group and Company	
	2015 RM'000	2014 RM'000
At beginning and end of year	19,048	19,048

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

Pursuant to the Asset Based Settlement Exercise, the RCPS I was redeemed on 23 June, 2005. A total of RM19,047,800 constituting the nominal value of the RCPS 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.

### (e) Investment revaluation reserve

	Group	
	2015 RM'000	2014 RM'000
At beginning and end of year	57	57

Investment revaluation reserve represents fair value gain on revaluation of available-for-sale financial assets.

## 26. RETAINED EARNINGS

The Company is currently under the single-tier tax system. The entire retained earnings are available for distribution as single-tier dividend under the single-tier tax system.

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## 27. BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total borrowings - gross	195,994	208,445	73,108	53,337
Less: Debts issuance costs	(1,311)	(862)	-	-
Outstanding borrowings	194,683	207,583	73,108	53,337
Less: Portion due within one year, included under short-term borrowings	(92,948)	(181,118)	(62,775)	(53,302)
Total long-term borrowings	101,735	26,465	10,333	35

Detailed breakdown of borrowings are as follows:

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Short-term Borrowings</b>					
<b>Secured:</b>					
Bank overdrafts	(a)	30,912	10,493	19,914	-
Term loans	(b)	21,211	111,702	5,167	-
		52,123	122,195	25,081	-
<b>Unsecured:</b>					
Term loans	(b)	37,694	53,233	37,694	53,233
Revolving credits	(c)	3,000	5,400	-	-
Hire-purchase and finance lease payables	28	131	290	-	69
		40,825	58,923	37,694	53,302
Total short-term borrowings		92,948	181,118	62,775	53,302
<b>Long-term Borrowings</b>					
<b>Secured:</b>					
Term loans	(b)	101,343	25,988	10,333	-
<b>Unsecured:</b>					
Hire-purchase and finance lease payables	28	392	477	-	35
Total long-term borrowings		101,735	26,465	10,333	35
<b>Total Borrowings</b>					
Bank overdrafts	(a)	30,912	10,493	19,914	-
Term loans	(b)	160,248	190,923	53,194	53,233
Revolving credits	(c)	3,000	5,400	-	-
Hire purchase and finance lease payables	28	523	767	-	104
		194,683	207,583	73,108	53,337

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## 27. BORROWINGS (cont'd)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Within one year	92,816	180,828	62,775	53,233
More than 1 year and less than 2 years	17,166	9,643	5,167	-
More than 2 years and less than 5 years	26,096	15,307	5,166	-
More than 5 years	58,082	1,038	-	-
	194,160	206,816	73,108	53,233

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

		Group		Company	
	Note	2015 %	2014 %	2015 %	2014 %
Bank overdrafts	(a)	8.25	8.00	8.60	-
Term loans	(b)	6.50	5.72	8.40	8.80
Revolving credits	(c)	7.50	7.50	-	-

### (a) Bank overdrafts

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Short-term</b>					
Secured:					
RM2,000,000 facility	(i)	1,688	1,386	-	-
RM10,000,000 facility	(ii)	9,310	9,107	-	-
RM20,000,000 facility	(iii)	19,914	-	19,914	-
Total bank overdrafts		30,912	10,493	19,914	-

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

- (i) Overdraft facility of RM2,000,000 (2014: RM2,000,000) granted to a subsidiary, Country Heights W.T.C. Sdn Bhd, was secured by the following:
  - A lien-holder's caveat over other property, plant and equipment with a carrying value of RM6,049,000 (2014: RM6,131,000) held by Country Heights W.T.C. Sdn Bhd as disclosed in Note 13;
  - A lien-holder's caveat over prepaid land lease payments with a carrying value of RM3,634,000 (2014: RM3,684,000) held by Country Heights W.T.C. Sdn Bhd as disclosed in Note 15;
  - 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
  - Corporate guarantee by the Company.

The overdraft facility bears interest at 2.00% (2014: 1.75%) above the bank's base lending rate.

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## 27. BORROWINGS (cont'd)

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

(ii) Overdraft facility of RM10,000,000 granted to a subsidiary, Mega Palm Sdn Bhd ("MPSB"), was secured by the following:

- First party legal charge over a parcel of residential land located at Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur, with carrying value of RM41,743,000 (2014: RM35,110,000), as disclosed in Note 16(a); and
- Corporate guarantee by the Company.

The overdraft facility bears interest at 1.00% (2014: 1.00%) above the bank's base lending rate on daily basis rests.

(iii) Overdraft facility of RM20,000,000 (2014: RMNil) granted to the Company, was secured by third party legal charge over 18 parcels of freehold land located at Mukim Kajang Daerah Hulu Langat, Negeri Selangor held by a subsidiary company, Country Heights Sdn Bhd, with carrying value of RM1,943,000 (2014: RMNil), as disclosed in Note 16(a).

The overdraft facility bears interest at 2.00% (2014: Nil%) above the bank's base lending rate.

### (b) Term loans

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Short-term</b>					
<b>Secured:</b>					
RM20,000,000 facility	(i)	5,167	-	5,167	-
RM50,000,000 facility	(iii)	8,396	24,750	-	-
RM1,733,000 facility	(iv)	95	94	-	-
RM92,909,260 facility	(v)	-	82,711	-	-
RM15,000,000 facility	(vii)	1,700	2,523	-	-
RM15,000,000 facility	(vi)	2,718	1624	-	-
RM100,000,000 facility	(x)	3,135	-	-	-
		21,211	111,702	5,167	-
<b>Unsecured:</b>					
RM84,452,000 facility	(ii)	37,694	53,233	37,694	53,233
		58,905	164,935	42,861	53,233
<b>Long-term</b>					
<b>Secured:</b>					
RM20,000,000 facility	(i)	10,333	-	10,333	-
RM50,000,000 facility	(iii)	-	5,937	-	-
RM1,733,000 facility	(iv)	1,232	1,329	-	-
RM15,000,000 facility	(vii)	3,644	11,477	-	-
RM15,000,000 facility	(vi)	8,758	5,344	-	-
RM11,000,000 facility	(viii)	-	2,814	-	-
RM29,000,000 facility	(ix)	-	(913)	-	-
RM100,000,000 facility	(x)	77,376	-	-	-
		101,343	25,988	10,333	-
Total term loans		160,248	190,923	53,194	53,233



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## 27. BORROWINGS (cont'd)

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

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

- (i) Islamic financing facility of RM20,000,000 granted to the Company on 23 March, 2015. The facility was secured by:
- First party first legal charge over 15 units of Country Villas bungalow lots with carrying value of RM2,724,000 (2014: RMNil) held by a subsidiary, Country Heights W.T.C Sdn Bhd, located at Country Heights, Kajang held in the Mukim of Kajang in District of Hulu Langat in the State of Selangor, as disclosed in Note 21.
  - First party second legal charge over 16 units of Mines Resort bungalow lots with carrying value of RM4,131,000 (2014: RMNil) held by a subsidiary, Walum Enterprise Sdn Bhd, as disclosed in Note 21.

The facility bears profit at base financing rate plus 1.25% on daily rest until full settlement of financing. The bank's base financing rate in 2015 is 7.15% (2014: Nil%) per annum.

- (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 repayable by 21 December, 2016.

- (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, a subsidiary company, Tindak Murni Sdn Bhd ("TMSB") obtained a drawdown of RM15,000,000 each from TL1 and TL2, respectively. Subsequently on 29 September, 2013, TMSB obtained the remaining drawdown of RM10,000,000 each from TL1 and TL2, respectively.

TL1 and TL2 are secured by the following:

- (i) first and/or third party charge over landed properties of:
- 8 lots of Country Heights Kajang Bungalow Lots held by a related company, Country Heights Sdn Bhd, with a carrying value of RM914,000 (2014: RM914,000) as disclosed in Note 21;
  - 1 unit (2014: 1 unit) of Cyber Heights Villa (Phase 1) held by the Company, with a carrying value of RM276,000 (2014: RM276,000) as disclosed in Note 21;
  - 15 lots of Mines Resort bungalow lots held by a related company, Walum Enterprise Sdn Bhd, with a carrying value of RM4,298,000 (2014: RM4,298,000) as disclosed in Note 21; and
  - Mines Wellness Hotel belonging to a related company, Mines Wellness Hotel Berhad, with a carrying value of RM65,087,000 (2014: RM60,592,000) as disclosed in Note 14. In the previous financial year, the said hotel property was classified under property, plant and equipment.
  - First party charge over the land(s) and/or properties to be purchased using proceeds derived from the facilities;
  - Assignment over all rental proceeds from the 24 units of Cyber Heights Villa (Phase 1) held by certain subsidiary;
  - Assignment over the proceeds account;
  - Third party assignment over the proceeds derived from the sales of identified properties located in the Mines Resort bungalow lots and Kolej Heights Utara; and
  - Corporate guarantee by the Company.

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## 27. BORROWINGS (cont'd)

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

- (iii) Syndicated facilities totalling RM50,000,000 granted to a subsidiary, Tindak Murni Sdn Bhd ("TMSB") for a tenure of 5 years, which consist of (cont'd):

TL2 is also secured by fixed deposits, including principal and interest of RM103,000 (2014: RM101,000), as disclosed in Note 22.

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 2.40% flat per annum calculated based on the amount of the SBLC issued and the remaining outstanding amount. 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, 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, with carrying value of RM2,075,000 (2014: RM2,121,000) as disclosed in Note 13.

Principal and interest are repayable by 180 equal monthly instalments of RM13,592 (2014: RM13,081) each 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 2015 is 6.85% (2014: 6.60%) per annum.

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

- First party first legal charge over a leasehold land measuring 15.32 acres held under 16715 HS (D) 59887, Mukim and District Petaling and State of Selangor ("the Project Land") together with the unsold portion of 5 office blocks in Phase 1, 2 blocks of partially completed podium parking together with retail area and vacant commercial land all forming part of the Project Land; and
- Third party first legal charge over a leasehold land and building known as Malaysia International Exhibition & Convention Centre, held under title HSD 59893, P.T. No 16721, Mukim of Petaling, District of Petaling, Selangor

The term loan facility bore interest at cost of fund plus 1.25% on daily rest and the loan was fully settled on 2 April, 2015.

- (vi) A term loan facility of RM15,000,000 granted to MPSB is secured by the following:

- First party legal charge over a parcel of residential land with a total land area of 54,211 square metres (583,522 square feet) held under title no. GRN 72272, Lot 65630 located within Country Heights Damansara, Mukim of Batu, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur as disclosed in Note 16(a); and
- Corporate guarantee by the Company.

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

- First party first legal charge over 20 units of Country Villas located at Country Heights, Kajang held in the Mukim of Kajang in the District of Hulu Langat in the State of Selangor, with carrying value of RM3,520,000 (2014: RM3,600,000) as disclosed in Note 13;
- 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, with carrying value of RM1,155,000 and RM193,244,000 (2014: RM1,171,000 and RM196,017,000) as disclosed in Notes 13 and 15;
- Debenture incorporating first fixed and floating charges over all the assets of GHPB, both movable and immovable;

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## 27. BORROWINGS (cont'd)

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

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

- 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 be repayable within 72 months including grace period of 12 months, from the first disbursement on 16 November, 2013. The term loan bears interest fixed at 4.60% per annum.

(viii) A bridging loan facility of RM11,000,000 granted to a subsidiary, College Heights Utara Sdn Bhd ("CHUSB"), 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, with carrying value of RM5,700,000 in 2014, as disclosed in Note 16(a);
- 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; and
- Corporate guarantee by the Company.

The bridging loan shall be repayable within 36 months from the first disbursement on 9 October, 2014 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. The bridging loan has been fully repaid during the financial year.

(ix) A bridging loan facility of RM29,000,000 granted to TMSB 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, with carrying value of RM27,640,000 (2014: RM20,139,000) as disclosed in Note 16(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; and
- Corporate guarantee by the Company.

The bridging loan shall be repayable within 36 months from the first disbursement on 28 November, 2014 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.

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## 27. BORROWINGS (cont'd)

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

- (x) An Islamic term financing of RM82,700,000 and an Islamic bridging financing of RM17,300,000 granted to a subsidiary, Mines Waterfront Business Park Sdn Bhd ("MWBP"), is secured by the following:
- First party first legal charge over a leasehold land located in Mukim and District Petaling and State of Selangor ("the Project Land") together with the unsold portion of 5 office blocks in Phase 1, 2 blocks of partially completed podium parking together with retail area and vacant commercial land all forming part of the Project Land, with carrying value of RM7,024,000, RM62,976,000 and RM64,831,000 (2014: RM35,700,000) as disclosed in Note 13, 14 and 16(b); and
  - Third party first legal charge over a leasehold land and building known as Malaysia International Exhibition & Convention Centre, held under title HSD 59893, P.T. No 16721, Mukim of Petaling, District of Petaling, Selangor, with carrying value of RM64,772,000 and RM124,398,000 (2014: RM65,625,000 and RM126,034,000) as disclosed in Notes 13 and 15.

The term financing facility bears profit at Islamic cost of fund plus 1.25% per annum until full settlement of financing.

### (c) Revolving credits

	Group	
	2015 RM'000	2014 RM'000
<b>Short-term</b>		
Unsecured:		
RM15,000,000 facility	3,000	5,400

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
- Corporate guarantee by the Company.

The revolving credit facility bears interest at 2.5% (2014: 2.5%) above cost of fund. The short-term revolving credit is repayable on demand.

## 28. HIRE-PURCHASE AND FINANCE LEASE PAYABLES

	Group		Company	
Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Minimum lease payments:</b>				
Not later than 1 year	137	321	-	72
Later than 1 year but not later than 2 years	184	340	-	36
Later than 2 years but not later than 5 years	193	181	-	-
Later than 5 years	54	-	-	-
	568	842	-	108
Less: Future finance charges	(45)	(75)	-	(4)
Present value of finance lease liabilities	523	767	-	104



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## 28. HIRE-PURCHASE AND FINANCE LEASE PAYABLES (cont'd)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Present value of finance lease liabilities:</b>					
Not later than 1 year		131	290	-	69
Later than 1 year but not later than 2 years		167	221	-	35
Later than 2 years but not later than 5 years		173	199	-	-
Later than 5 years		52	57	-	-
		523	767	-	104
<b>Analysed as:</b>					
Due within 12 months	27	131	290	-	69
Due after 12 months	27	392	477	-	35
		523	767	-	104

The hire-purchase and finance lease payables bear interest at rates ranging from 2.20% to 4.95% (2014: 2.20% to 4.95%) per annum.

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

## 29. DEFERRED INCOME

Deferred income represents the deferred portion of membership fees of a timeshare scheme operated by the Group which is recognised over the membership period of the scheme.

## 30. OTHER PAYABLES

Other payables represent loans that are granted by members of a golf club operated by the Group. 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.

## 31. DEFERRED TAX LIABILITIES/(ASSETS)

The following is the deferred tax balances in the statements of financial position:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets	(4,633)	(3,685)	-	-
Deferred tax liabilities	79,685	79,321	-	44
	75,052	75,636	-	44

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

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At beginning of year		75,636	75,840	44	44
(Credit)/Charge to profit or loss for the year:					
Investment properties		408	-	-	-
Revaluation surplus		-	(856)	-	-
Land held for property development		-	(209)	-	-
Property development costs		(966)	854	-	-
Unabsorbed capital allowances		(44)	-	(44)	-
	9	(602)	(211)	(44)	-
Credit to other comprehensive loss:					
Exchange differences		18	7	-	-
At end of year		75,052	75,636	-	44

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Deferred tax assets</b>				
Temporary differences arising from:				
Property development costs	(4,415)	(3,449)	-	-
Others	(154)	(172)	-	-
Unused tax losses	(64)	(64)	-	-
	(4,633)	(3,685)	-	-
<b>Deferred tax liabilities</b>				
Temporary differences arising from:				
Investment properties	481	73	-	-
Revaluation surplus	78,100	78,100	-	-
Land held for property development	1,028	1,028	-	-
Unabsorbed capital allowances	76	120	-	44
	79,685	79,321	-	44

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, 2015, 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	
	2015 RM'000	2014 RM'000
Unused tax losses	143,123	143,812
Unabsorbed capital allowances	147,480	140,624
Unabsorbed investment tax allowances	141,207	141,207
	431,810	425,643

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

The 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.

## 32. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Trade payables</b>					
Third parties	(a)	26,361	18,415	-	-
Due to companies in which certain directors have interest	(b)	1,832	2,375	-	-
Retention sum		6,865	7,485	-	-
Trade accruals		3,365	6,555	-	-
		38,423	34,830	-	-
<b>Other payables</b>					
Amount due to subsidiaries	(b)	-	-	181,824	220,222
Accruals		15,942	20,005	335	995
Sundry payables		29,037	20,511	324	373
Deposits received		18,526	11,044	-	-
Provision for tax penalty		12,416	11,381	-	-
Provision for liquidated ascertained damages		87	100	-	-
Due to companies in which certain directors have interest	(c)	18,493	17,391	11,637	11,716
		94,501	80,432	194,120	233,306
		132,924	115,262	194,120	233,306

(a) The normal credit terms granted to the Group range from 30 to 45 days (2014: 30 to 45 days).

(b) The amounts due to subsidiaries and companies in which certain directors have interest are unsecured, non-interest bearing and are repayable on demand.

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

- Cash payment portion of the purchase consideration amounting to RM11,214,000 (2014: 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;
- An amount of RM590,000 (2014: 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 repayable on demand.

## 33. COMMITMENTS

	Group	
	2015 RM'000	2014 RM'000
<b>Capital commitments:</b>		
Approved and contracted for	-	276

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## 34. CONTINGENT LIABILITIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 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	-	-	152,138	143,154
<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	-	-	3,000	5,400
Lawsuit by Government of Malaysia in relation to real property gains tax for the year of assessment 1993, 1998 and 1999*	11,403	13,215	11,403	11,403
Bank guarantees given to suppliers for the purpose of hotel utilities	979	1,153	-	-
Bank guarantees given to related parties for the purpose of utilities	620	630	-	-
	13,002	14,998	14,403	16,803
	13,002	14,998	166,541	159,957

\* The contingent liability arises from the following lawsuit against the Company:

- (i) On 20 January, 2010, the Government of Malaysia ("Plaintiff") filed a claim against the Company for real property gains tax for the Year of Assessment 1993, 1998 and 1999 amounting to the sum of RM22,617,000 together with interest at 8% thereon. The Plaintiff filed a Summary Judgement towards the main suit and on 12 December, 2012, the Plaintiff's application for Summary Judgement was allowed with cost. The Company appealed against the decision and on 5 December, 2013, the Federal Court dismissed the Plaintiff's appeal with costs of RM10,000 and the matter was reverted back to High Court for full trial. Meanwhile, a reference was made to the Special Commission of income tax against the raising of the said taxes for the Years of Assessment 1993, 1998 and 1999, including penalties. On 21 August, 2013, the Special Commissioners:
- dismissed the Company's appeal on the assessments for the Years of Assessment 1993 and 1998, including penalties, for the sum of RM19,239,000; and
  - allowed the Company's appeal on the assessment for the Year of Assessment 1999, including penalties, for the sum of RM3,378,000.

Both parties on 9 October, 2013 have filed their Appeal to the High Court in relation to the decision rendered by the Special Commissioners. The Appeal was heard on 24 March, 2015 and the Court has fixed to deliver its decision on 11 June, 2015. The High Court has however reserved its decision to 10 July, 2015 and subsequently to 7 August, 2015. The Court allowed the appeal by the Defendant with costs and dismissed the cross appeal by the Plaintiffs. The Plaintiffs have on 7 September, 2015 filed their Notice of Appeal at the Court of Appeal against the decision of the High Court.

As disclosed in Note 32(c)(i), the Company has 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.



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## 35. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the transactions disclosed in the financial statements, the Group and the Company have 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Consultation fees paid/payable</b>				
Mines Wonderland Sdn Bhd	2,862	2,862	-	-
<b>Insurance expenses paid/payable</b>				
CH Property Management Sdn Bhd	831	1,079	-	46
<b>Rental expenses paid/payable</b>				
Heritage Lakeside Sdn Bhd	507	667	-	-
Salient Range Sdn Bhd	97	-	-	-
<b>Rental income received/receivable</b>				
Golden Touch Asset Management Sdn Bhd	(117)	(117)	-	-

(ii) Transactions with subsidiaries

	Company	
	2015 RM'000	2014 RM'000
<b>Management fees received/receivable</b>		
College Heights Utara Sdn Bhd	-	(1,697)
Mega Palm Sdn Bhd	-	(2,219)
Tindak Murni Sdn Bhd	-	(2,876)
Country Heights Sdn Bhd	-	(1,312)
<b>Lease rental received/receivable</b>		
Golden Horse Palace Berhad	(146)	-
Country Heights Health Tourism Sdn Bhd	(75)	-
Country Heights Education Sdn Bhd	(24)	-
<b>Dividend income received/receivable</b>		
Tindak Murni Sdn Bhd	(21,000)	-
Nasmaya Juara Sdn Bhd	(11,175)	-
<b>Rental of premises paid/payable</b>		
Mines Waterfront Business Park Sdn Bhd	-	1,174
<b>Transfer of property, plant and equipment</b>		
Country Heights Resource Management Sdn Bhd	486	-

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

### (b) Compensation of key management personnel

The remuneration of directors and key management personnel for the financial year are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries and other emoluments	2,768	1,976	47	506
Pension costs - defined contribution plans	343	246	-	64
Director fees	208	209	107	107
	3,319	2,431	154	677

Included in the total compensation of key management personnel are:

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors' remuneration	11	3,319	2,431	154	677

## 36. 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, credit risk and liquidity 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 a going-concern 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 27 and 22, respectively) and equity of the Group (comprising issued share capital, other reserves, retained earnings and non-controlling interests as detailed in Notes 23 to 26).

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

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Borrowings	27	194,683	207,583	73,108	53,337
Cash and bank balances	22	(20,806)	(47,547)	(1,450)	(68)
Net debt		173,877	160,036	71,658	53,269
Equity		851,480	853,450	437,210	410,251
Net debt to equity ratio		20.4%	18.8%	16.4%	13.0%

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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Categories of financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Financial Assets</b>				
Available-for-sale financial assets	2,816	2,922	718	718
Loans and receivables:				
Trade receivables - non-current	8,030	12,093	-	-
Trade and other receivables	103,659	113,794	72,689	66,022
Cash and bank balances	20,806	47,547	1,450	68
	135,311	176,356	74,857	66,808
<b>Financial Liabilities</b>				
Other financial liabilities:				
Borrowings	194,683	207,583	73,108	53,337
Other payables - non-current	2,973	3,131	-	-
Trade and other payables	101,114	77,221	193,785	232,311
	298,770	287,935	266,893	285,648

### 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, 2015. 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 lower cost 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.

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 (loss)/profit for the year would decrease or increase by as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Floating rate liabilities</b>				
Bank overdrafts	155	52	100	-
Term loans	613	688	78	-
Revolving credits	15	27	-	-
	783	767	178	-

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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Credit Risk Management

Credit risks or the risk of counterparties defaulting, are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by limiting the Group's and the Company's associations to business partners with high creditworthiness. The Group's and the Company's exposures and the credit ratings of their counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the senior management on a 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount owing by companies in which certain directors have interest:				
Trade receivables	311	575	-	-
Other receivables	4,438	3,912	78	88
	4,749	4,487	78	88
Amount owing by subsidiaries	-	-	72,472	65,881
	4,749	4,487	72,550	65,969
Total receivables	107,513	122,187	72,673	66,006
% over total receivables	4.4%	3.7%	99.8%	99.9%

The Group and the Company define counterparties as having similar characteristics if they are related entities. In the opinion of the Board, 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount due to companies in which certain directors have interest:				
Trade payables	1,832	2,375	-	-
Other payables	18,493	17,391	11,637	11,716
	20,325	19,766	11,637	11,716
Amount due to subsidiaries	-	-	181,824	220,222
	20,325	19,766	193,461	231,938

### 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. 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 balance their portfolio with some short-term funding so as to achieve overall cost effectiveness.

As of 31 December, 2015, the current liabilities exceeded the current assets of the Company by RM179,030,000. The current liabilities of the Company arose mainly from borrowing totaling RM62,775,000, which comprise a short-term interest-free loan from the major shareholders of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew of RM37,694,000, bank overdrafts of RM19,914,000 and term loans of RM5,167,000 and amount due to subsidiaries of RM181,824,000.



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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Liquidity Risk Management (cont'd)

Notwithstanding that the Group has net current assets of RM85,395,000 as of 31 December, 2015, the current assets of the Group which mainly consist of property development costs of RM143,280,000 and inventories of RM85,760,000, are not readily convertible to cash. However, the directors believe that the Group will meet its short-term obligation as they fall due based on the assumptions that the Group will continue receiving financial support from the bankers and the major shareholders and the successful implementation of the plan to monetise and unlock the value of some of its assets. In this connection, the Group is currently in the process of obtaining new long-term financing to refinance the existing term loans; as of 31 December, 2015, the Group was able to secure a long-term loan facilities from a foreign bank which is pending finalisation on the securities to be pledged. Furthermore, subsequent to the financial year end, the major shareholders of the Company, Tan Sri Lee Kim Tiong @ Lee Kim Yew has provided additional short-term interest-free loans to the Group for full settlement of term loans granted from two local financial institutions and has also issued a letter of undertaking not to recall the short-term interest-free loan of RM37,694,000 due from the Company in the next twelve months from the reporting date.

In managing the Group's liquidity risk, the management has also taken steps to manage its working capital by revising its pricing strategy and portfolio of products, improving efficiency and carrying out a cost reduction plan.

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.

		2015			Total RM'000
	Contractual interest rate %	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		101,114	-	-	101,114
Term loans		-	37,694	-	37,694
Long-term liabilities		-	-	2,973	2,973
		101,114	37,694	2,973	141,781
Interest bearing:					
Term loans	6.50%	9,271	14,346	103,836	127,453
Revolving credits	7.50%	600	1,800	600	3,000
Hire-purchase and finance lease payables	2.20%-4.95%	34	103	431	568
Bank overdrafts	8.25%	30,912	-	-	30,912
		40,817	16,249	104,867	161,933
<b>Total financial liabilities</b>		141,931	53,943	107,840	303,714
<b>Company</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables		193,785	-	-	193,785
Term loans		-	37,694	-	37,694
		193,785	37,694	-	231,479
Interest bearing:					
Term loans	8.40%	1,504	4,730	11,164	17,398
Bank overdrafts	8.60%	19,914	-	-	19,914
		21,418	4,730	11,164	37,312
<b>Total financial liabilities</b>		215,203	42,424	11,164	268,791

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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Liquidity Risk Management (cont'd)

		2014			
	Contractual interest rate %	Less than 3 months RM'000	3 to 12 months RM'000	More than 12 months RM'000	Total RM'000
<b>Group</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables		77,221	-	-	77,221
Term loans		-	53,233	-	53,233
Long-term liabilities		-	-	3,131	3,131
		77,221	53,233	3,131	133,585
Interest bearing:					
Term loans	5.72%	97,751	17,666	29,620	145,037
Revolving credits	7.50%	-	5,400	-	5,400
Hire-purchase and finance lease payables	2.20%-4.90%	80	241	521	842
Bank overdrafts	7.10%	10,493	-	-	10,493
		108,324	23,307	30,141	161,772
<b>Total financial liabilities</b>		<b>185,545</b>	<b>76,540</b>	<b>33,272</b>	<b>295,357</b>
<b>Company</b>					
<b>Financial liabilities</b>					
Non-interest bearing:					
Trade and other payables		232,311	-	-	232,311
Term loans		-	53,233	-	53,233
		232,311	53,233	-	285,544
Interest bearing:					
Hire-purchase and finance lease payables	2.20%-4.90%	18	54	36	108
		18	54	36	108
<b>Total financial liabilities</b>		<b>232,329</b>	<b>53,287</b>	<b>36</b>	<b>285,652</b>

### Fair Values

The directors consider that the carrying amounts of the financial assets and the financial liabilities carried at amortised cost in the financial statements approximate their fair values, except as detailed in the following table:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>2015</b>				
<b>Financial assets</b>				
Available-for-sale financial assets:				
Unquoted shares	2,000	2,000	#	-
Memberships	734	734	#	718
Trade receivables - non-current	8,030	8,030	^	-

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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Fair Values (cont'd)

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial liabilities</b>				
Hire-purchase obligations	523	523 *	-	-
Borrowings	194,160	194,160 *	73,108	73,108 *
Other payables - non-current	2,973	2,973 ^	-	-
<b>2014</b>				
<b>Financial assets</b>				
Available-for-sale financial assets:				
Unquoted shares	2,000	2,000 #	-	-
Memberships	814	814 #	718	718 #
Trade receivables - non-current	12,093	12,093 ^	-	-
<b>Financial liabilities</b>				
Hire-purchase obligations	767	767 *	104	104 *
Borrowings	206,816	206,816 *	53,233	53,233 *
Other payables - non-current	3,131	3,131 ^	-	-

# It is not practical to determine the fair value of these unquoted shares and memberships due to the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

\* The fair value of these financial instruments are estimated using discounted cash flow analysis based on current borrowing rates for similar types of borrowing arrangements.

^ The fair value of these financial instruments are estimated using discounted cash flow analysis based on average cost of funds of the Group.

### Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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## 36. FINANCIAL INSTRUMENTS (cont'd)

### Fair Value Hierarchy (cont'd)

*Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:*

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2015</b>				
<b>Financial Assets</b>				
Available-for-sale financial assets				
Quoted shares	82	-	-	82

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2014</b>				
<b>Financial Assets</b>				
Available-for-sale financial assets				
Quoted shares	108	-	-	108

*Fair value of financial instruments that are not measured at fair value in the statements of financial position at the end of the reporting period (but fair value disclosures are required) are as follows:*

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2015</b>				
<b>Financial Assets</b>				
Trade receivables - non-current	-	-	8,030	8,030
<b>Financial Liabilities</b>				
Hire-purchase obligations	-	-	523	523
Borrowings	-	-	194,160	194,160

<b>2014</b>				
<b>Financial Assets</b>				
Trade receivables - non-current	-	-	12,093	12,093
<b>Financial Liabilities</b>				
Hire-purchase obligations	-	-	767	767
Borrowings	-	-	206,816	206,816

### Company

<b>2015</b>				
<b>Financial Liabilities</b>				
Borrowings	-	-	73,108	73,108

<b>2014</b>				
<b>Financial Liabilities</b>				
Hire-purchase obligations	-	-	104	104
Borrowings	-	-	53,233	53,233

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## 37. SEGMENT INFORMATION

Information reported to the Executive Director, being the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance is based on the following reportable and operating segments identified under FRS 8:

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

The accounting policies of the operating segments are the same as the Group's accounting policy described in Note 3.

### (a) Business Segments

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Consolidated RM'000
<b>2015</b>						
<b>Revenue</b>						
External sales	41,727	21,841	60,429	2,020	-	126,017
Inter-segment sales	87	3,189	16,707	43,765	(63,748)	-
Total revenue	41,814	25,030	77,136	45,785	(63,748)	126,017
<b>Results</b>						
Segment results	(6,187)	21,252	2,248	28,422	(43,736)	1,999
Profit from operations						1,999
Finance costs						(11,185)
Share of results of associate						(186)
Loss before tax						(9,372)
Income tax credit						141
Loss for the year						(9,231)
<b>2015</b>						
<b>Assets</b>						
Segment assets	497,790	263,219	568,745	5,678	-	1,335,432
Tax recoverable	174	-	-	3,714	-	3,888
Deferred tax assets	4,633	-	-	-	-	4,633
Consolidated total assets						1,343,953
<b>Liabilities</b>						
Segment liabilities	100,481	88,570	88,085	88,802	-	365,938
Deferred tax liabilities	4,214	27,243	48,228	-	-	79,685
Tax liabilities	42,596	1,050	(616)	3,820	-	46,850
Consolidated total liabilities						492,473



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## 37. SEGMENT INFORMATION (cont'd)

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

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Consolidated RM'000
<b>2015</b>						
<b>Other Information</b>						
Capital expenditure	33	1,276	2,819	66	-	4,194
Depreciation/Amortisation	492	3,424	10,235	269	-	14,420
Allowance for doubtful debts	-	91	2,424	-	-	2,515
Allowance for doubtful debts no longer required	-	(72)	(41)	-	-	(113)
Gain on disposal of property, plant and equipment	-	(1)	(7)	-	-	(8)
Inventories written down	256	-	-	-	-	256
Fair value gain on investment properties	(8,224)	(7,832)	-	-	-	(16,056)
Property, plant and equipment written off	-	-	-	39	-	39
Goodwill on consolidation written off	-	758	-	-	-	758
Amortisation of deferred income	-	-	(3,475)	-	-	(3,475)
Waiver of debt owing to other payable	-	-	(12,450)	-	-	(12,450)
Available-for-sale financial assets written off	80	-	-	-	-	80
<b>2014</b>						
<b>Revenue</b>						
External sales	180,689	23,976	69,101	1,831	(432)	275,165
Inter-segment sales	717	4,326	14,717	10,827	(30,587)	-
Total revenue	181,406	28,302	83,818	12,658	(31,019)	275,165
<b>Results</b>						
Segment results	62,296	5,819	(1,643)	(1,816)	(1,884)	62,772
Profit from operations						62,772
Finance costs						(11,074)
Share of results of associate						136
Profit before tax						51,834
Income tax expense						(14,505)
Profit for the year						37,329
<b>2014</b>						
<b>Assets</b>						
Segment assets	513,447	273,111	554,150	2,571	-	1,343,279
Tax recoverable	666	-	-	3,713	(43)	4,336
Deferred tax assets	3,685	-	-	-	-	3,685
Investment in an associate	-	-	-	227	-	227
Consolidated total assets						1,351,527
<b>Liabilities</b>						
Segment liabilities	127,942	91,712	78,378	67,950	-	365,982
Deferred tax liabilities	2,820	27,601	48,856	44	-	79,321
Tax liabilities	52,281	1,111	-	-	(618)	52,774
Consolidated total liabilities						498,077

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## 37. SEGMENT INFORMATION (cont'd)

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

	Property Development RM'000	Property Investment RM'000	Hospitality & Health RM'000	Others RM'000	Elimination RM'000	Total Consolidated RM'000
<b>Other Information</b>						
Capital expenditure	59	215	3,350	38	-	3,662
Depreciation/Amortisation	550	3,533	10,268	260	-	14,611
Allowance for doubtful debts	416	341	2,753	-	-	3,510
Bad debts written back	-	-	(646)	-	-	(646)
Allowance for impairment losses on available-for-sale financial assets	-	8	-	-	-	8
Allowance for impairment losses no longer required for other investment	(270)	-	-	-	-	(270)
Allowance for doubtful debts no longer required	-	-	(230)	-	-	(230)

### (b) Geographical Information

Although the Group's four major business segments are managed internationally, its operations are conducted 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>2015</b>			
Malaysia	122,087	1,334,837	4,190
South Africa	3,930	9,116	4
	126,017	1,343,953	4,194
<b>2014</b>			
Malaysia	271,226	1,341,447	3,654
South Africa	3,939	10,080	8
	275,165	1,351,527	3,662

## 38. SUBSEQUENT EVENTS

- On 9 December, 2015, the Company entered into a Joint Venture Agreement with Galaxus Corp Sdn Bhd and Tan Sri Lee Kim Tiong @ Lee Kim Yew, for the purpose of revamping the management and business of the Palace of the Golden Horses through a newly incorporated company, Stallion Management Sdn Bhd ("Stallion"). Subsequently, on 31 March, 2016, the Company subscribed 690,000 ordinary shares of RM1.00 each in Stallion and Stallion is now a 69% owned subsidiary of the Company.
- On 16 February, 2016, Mines Holdings Sdn Bhd, a subsidiary of the Company, disposed of its entire interest in Timbang Makmur Sdn Bhd ("TMSB") to a third party, Malaysian Reservation System Sdn Bhd, a company domiciled and incorporated in Malaysia for a total cash consideration of RM15,000. Accordingly, TMSB has ceased to be a subsidiary of the Company. The disposal will not have any material effect on the earnings, gearing and net assets of the Group for the financial year ended 31 December, 2016.
- On 16 March 2016, the Company disposed of its entire interest in Nasmaya Juara Sdn Bhd ("NJSB") to a third party, Malaysian Reservation System Sdn Bhd, a company domiciled and incorporated in Malaysia for a total cash consideration of RM15,000. Accordingly, NJSB has ceased to be a subsidiary of the Company. The disposal will not have any material effect on the earnings, gearing and net assets of the Group for the financial year ended 31 December, 2016.

# SUPPLEMENTARY INFORMATION

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## DISCLOSURE OF 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	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
<b>The share of retained earnings of the Company and its subsidiaries:</b>				
Realised	538,457	540,574	88,118	58,391
Unrealised	(80,386)	(82,598)	-	-
	458,071	457,976	88,118	58,391
<b>Total share of retained earnings from associate:</b>				
Realised	-	186	-	-
	458,071	458,162	88,118	58,391
Less: Consolidation adjustments	(118,531)	(110,455)	-	-
<b>Total retained earnings as per statements of financial position</b>	<b>339,540</b>	<b>347,707</b>	<b>88,118</b>	<b>58,391</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

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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, 2015 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 159 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  
31 March, 2016

## DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LEE CHENG WEN**, being the director 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.

**LEE CHENG WEN**

Subscribed and solemnly declared by  
the abovenamed **LEE CHENG WEN**  
at **KUALA LUMPUR** in Federal Territory,  
on this 31st day of March, 2016.

Before me,

**W668 LAI DIN**  
**COMMISSIONER FOR OATHS**  
Kuala Lumpur

# ANALYSIS OF SHAREHOLDINGS

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Authorised Share Capital	:	RM5,050,000,000 divided into 5,050,000,000 ordinary shares of RM1.00 each
Paid-up Share Capital	:	273,557,403 ordinary shares of RM1.00 each (excluding Treasury Shares of 2,150,000)
Class of Share	:	Ordinary Share of RM1.00 each
Voting Rights	:	One Vote per Ordinary Share

## Distribution of Shareholders

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	113	2.22	1,714	0.00
100 - 1,000	1,606	31.55	1,456,578	0.53
1,001 - 10,000	2,899	56.94	10,321,837	3.77
10,001 - 100,000	417	8.19	11,972,170	4.38
100,001 to less than 5% of issued shares	49	0.96	44,539,204	16.28
5% and above of issued shares	7	0.14	205,265,900	75.04
<b>Total</b>	<b>5,091</b>	<b>100.00</b>	<b>273,557,403</b>	<b>100.00</b>

## Statement of Directors' Shareholdings

No.	Name of Directors	Direct	%	No. of Shares	
				Indirect	%
1	General Tan Sri (Dr) Mohamed Hashim Bin Mohd Ali (Rtd)	1,480,842	0.54	-	-
2	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.75	84,686,641 <sup>(1)</sup>	30.96
3	Lee Cheng Wen	14,978,831	5.48	-	-
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	-	-	-	-

## Substantial Shareholders

No.	Name of Shareholders	Direct	%	No. of Shares	
				Indirect	%
1	Tan Sri Lee Kim Tiong @ Lee Kim Yew	89,600,000	32.75	68,804,810 <sup>(2)</sup>	25.15
2	Country Heights Venture Sdn Bhd	39,425,000	14.41	-	-
3	Country Heights International Sdn Bhd	29,379,810	10.74	-	-
4	Joint Win Investments Limited	16,939,300	6.19	-	-
5	Lim Wee Hang	15,521,790	5.67	-	-
6	Lee Cheng Wen	14,978,831	5.48	-	-

Notes :

- (1) Deemed interested by virtue of his substantial interests in Country Heights Venture Sdn Bhd and Country Heights International Sdn Bhd pursuant to Section 6A of the Companies Act, 1965, and his spouse's and child's interests in Country Heights Holdings Berhad pursuant to Section 134(12)(c) of the Companies Act, 1965
- (2) Deemed interested by virtue of his substantial interests in Country Heights Venture Sdn Bhd and Country Heights International Sdn Bhd pursuant to Section 6A of the Companies Act, 1965



# LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

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Name of Shareholders	No. of Shares	Percentage*
1. Lee Kim Tiong @ Lee Kim Yew	89,021,169	32.54
2. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>HDM Capital Sdn Bhd for Country Heights International Sdn Bhd</i>	29,379,810	10.74
3. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Country Heights Venture Sdn Bhd</i>	23,675,000	8.66
4. Joint Win Investments Limited	16,939,300	6.19
5. Country Heights Venture Sdn Bhd	15,750,000	5.76
6. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Lim Wee Hang</i>	15,521,790	5.67
7. Lee Cheng Wen	14,978,831	5.48
8. Kensington Group Management Limited	13,624,000	4.98
9. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Siva Kumar a/l M Jeyapalan</i>	8,000,000	2.92
10. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB for Siva Kumar a/l M Jeyapalan</i>	5,613,000	2.05
11. Sim Teck Seng	2,000,000	0.73
12. Muthukumar a/l Jeyapalan	1,606,400	0.59
13. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Wong Hai Ong</i>	1,068,000	0.39
14. CIMSEC Nominees (Tempatan) Sdn Bhd <i>CIMB Bank for Lim Wee Chai</i>	1,000,000	0.37
15. Affin Hwang Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Bee Garden Holdings Sdn Bhd</i>	900,000	0.33
16. Mohamed Hashim Bin Mohd Ali (Gen Rtd Tan Sri)	811,200	0.30
17. Citigroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kian Aik</i>	699,900	0.26
18. Mohamed Hashim Bin Mohd Ali (Gen Rtd Tan Sri)	669,642	0.25
19. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kian Chuan</i>	580,600	0.21
20. UOBM Nominees (Tempatan) Sdn Bhd <i>Golden Touch Asset Management Sdn Bhd for Lee Kim Tiong @ Lee Kim Yew</i>	555,461	0.20
21. Anchor Point Sdn Bhd	480,000	0.18
22. Public Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Ng Faai @ Ng Yoke Pei</i>	478,400	0.18
23. Malpac Capital Sdn Bhd	468,500	0.17
24. Tan Eng Hock	446,400	0.16
25. Liew Sui Kum	444,700	0.16
26. Lim Hong Liang	312,200	0.11
27. Lock Kai Sang	304,800	0.11
28. AllianceGroup Nominees (Tempatan) Sdn Bhd <i>Pledged securities account for Tan Kian Aik</i>	283,900	0.10
29. Tan Aik Choon	255,400	0.09
30. EB Nominees (Tempatan) Sendirian Berhad <i>Pledged securities account for Chong Kim Chan</i>	250,000	0.09
Total	246,118,403	89.97

\* Paid-up share capital of 273,557,403 ordinary shares of RM1.00 each (excluding Treasury Shares of 2,150,000).

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
	Pioneer Project Country Heights 43000 Kajang Selangor Darul Ehsan	25	Freehold	Residential - bungalow land	11.39		2,023	13/7/87
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	27	1,700	31/12/15*
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			2,900	31/12/15*
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			1,600	31/12/15*
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			1,100	31/12/15*
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	27	33,937	1/12/10*
HSD 52968 P.T.No. 40835 Mukim of Kajang District of Ulu Langat Selangor	Limited Additions Country Heights 43000 Kajang Selangor Darul Ehsan	1	Freehold	Residential - bungalow land	0.38		199	21/4/89
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	22	726	24/8/88
						19	1,998	24/8/88
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	21	11,008	24/8/88
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		1,135	15/6/93*

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
PN 11297 Lot 1591 Mukim of Petaling District of Petaling Selangor	The Mines Resort City	31	Leasehold (expiring 1.12.2107)	Residential - bungalow land	7.70		8,429	15/6/93*
	College Valley Industrial Park	61	Freehold	Industrial land	4.60		2,439	31/3/95
Lot 27 HSD 105214 P.T. No. 12274 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	19	28,054	1/6/94
Lot 28 HSD 104395 P.T. No. 12273 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	19		1/6/94
Lot 397 HSD 104778 P.T. No. 12656 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	19		1/6/94
Lot 890 HSD 105017 P.T. No. 12895 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.23	19		1/6/94
Lot 963 HSD 105344 P.T. No. 13222 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	19		1/6/94
Lot 972 HSD 105335 P.T. No. 13213 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.16	19		1/6/94
Lot 973 HSD 105241 P.T. No. 13212 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	19		1/6/94
Lot 1038 HSD 105294 P.T. No. 13173 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	19		1/6/94
Lot 1323 HSD 105606 P.T. No. 13485 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.18	8		1/6/94
Lot 1324 HSD 105607 P.T. No. 13486 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	8		
Lot 1325 HSD 105608 P.T. No. 13487 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.17	8		

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Country Heights Holdings Berhad

Annual Report 2015

AS AT 31 DECEMBER 2015

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Lot 1327 HSD 105610 P.T. No. 13489 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Freehold	Bungalow	0.19	8	9,671	1/6/94
	College Heights Garden Resort	7	Freehold	Bungalow	5.19	19		
	College Heights Garden Resort	194	Freehold	Residential - bungalow land	42.35			
	College Heights Garden Resort	7	Freehold	2-storey shop-office	0.41	14		
	College Heights Garden Resort	27	Freehold	3-storey shop-office	1.17	14		
Lot 23560 HM 132798 Mukim of Setul District of Seremban	College Heights Garden Resort	225	Freehold	Low cost flat/shop	22.08	12	8,097	1/6/94
	College Heights Garden Resort	7	Freehold	Institutional land	80.17	}	12,324	1/6/94
	College Heights Garden Resort	2	Freehold	EQ/Clubhouse land	14.56			
	College Heights Garden Resort	154	Freehold	Commercial Development	12.87		2,630	1/6/94
	College Heights Garden Resort	2	Freehold	Residential future	4.13	}	1,789	1/6/94
	College Heights Garden Resort	4	Freehold	Hotel, Medical, Petrol Station & Gerai	5.58			
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	6/8/01
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			6/8/01
Lot 9226 PM 332 Mukim of Setul District of Seremban	College Heights Garden Resort	1	Leasehold (Expiring 23/08/2095)	Agriculture Land	1.47			6/8/01
CT 8095 - 8098 Lot 4129 - 4132 Mukim of Setul District of Seremban Negeri Sembilan	College Heights Garden Resort	90	Freehold	Residential - bungalow land	13.48		5,644	1/3/95

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
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	10	8,381	27/2/90
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		350	31/12/15
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	}	48,443	20/9/94
				Future Development	4,803.92			20/9/94
	The Hornbill Golf & Jungle Club			Golf Course & Golf Hotel	162.60	15	29,629	27/6/00
Lot 4 (Lot 4756) Geran No. 44342 Lot 7 Geran No. 7062 Lot 6534 Geran No. 25870 Lot 1818 HM 1820 Lot 1962 HM 1819 Lot 503 HM 614 Lot 1710 HM 1833 Lot 11 HM 1672 Jenan, Kedah	Jenan Estate, Kubang Pasu, Kedah	255	Freehold	Bungalow Lots	41.52		14,496	8/11/95
		7	Freehold	Bungalow House	1.64		3,891	
		5	Freehold	Commercial Lots	6.32		1,201	8/11/95
		8	Freehold	Super Linked House	0.89		2,063	
		1	Freehold	Future Development	185.10		17,958	
		48	Freehold	Shop Office	2.10		2,795	
		1	Freehold	Club House	6.48	11	15,000	31/12/15
HSD 34515 P.T. No. 48505 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Cyber Heights Villas	0.04	11	393	11/2/99
		6	Freehold	Cyber Residency	0.35		1,989	11/2/99
		128	Freehold	Sawtelle Suites	1.65		10,852	11/2/99
HSD 34516 P.T. No. 48506 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Proposed Mixed Development (488 Condo + 45 Double Storey)	9.27		12,322	11/2/99
HSD 34517 P.T. No. 48507 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	72	Freehold	Signature Villa - Mansion Park	8.63		27,641	11/2/99



# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Country Heights Holdings Berhad

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AS AT 31 DECEMBER 2015

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
HSD 220869 P.T. No. 27695 Mukim Dengkil 01 Daerah Sepang Selangor	Cyber Heights	1	Freehold	Club House	3.66	11	7,116	11/2/99
		1		Future Development	3.59		1,817	11/2/99
Geran No. 37112 Lot 826 Mukim of Batu District of Kuala Lumpur 52000 Kuala Lumpur	CH Damansara	1	Freehold	Bungalow House	0.25	7	6,799	
		1	Freehold	Cluster Bungalow	13.40	7	41,743	14/11/00
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		10,546	14/4/04
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	25/9/98
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	18	366,901	20/5/04*
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	23	69,017	29/2/08*
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	18	189,176	1/7/03*
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	18	70,000	31/12/15*
				Proposed commercial building	5.75		58,012	
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	}	13,423	25/9/98
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			25/9/98

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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AS AT 31 DECEMBER 2015

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Pajakan Negeri 7212 No Lot 24732 HSD 22919 P.T.No. 14194 Mukim of Kajang District of Ulu Langat Selangor	Country Villas Country Heights 43000 Kajang Selangor Darul Ehsan	20 villas	Leasehold (expiring 12.11.2088)	Palace Vacation Club	28.66	20	3,520	1/3/10
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	18	721	12/11/01
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	4	1,134	12/11/01
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	16	774	21/5/02
NGL886853 City Road London	Bezier Apartment London	1	Leasehold	Apartments	0.01	3	2,076	28/4/11
Erf 910	Extension 11 482 JQ North West Province South Africa	1	Freehold	Corporate Lodge	0.13	15	521	31/12/99
Erf 470	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Clubhouse	8.37	17	23	1/6/03
Portion 124	Extension 13 482 JQ North West Province South Africa	1	Freehold	Boat Club Marina	9.87			1/6/03
Erf 1083	Extension 10 482 JQ North West Province South Africa	1	Freehold	Clubhouse	3.93	17	2,437	1/6/03
Erf 876	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	18.03			1/6/03
Erf 877	Extension 12 482 JQ North West Province South Africa	1	Freehold	Golf course	176.65			1/6/03

# LIST OF LANDED PROPERTIES HELD BY THE GROUP

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Country Heights Holdings Berhad

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AS AT 31 DECEMBER 2015

Title	Location/Address	No. of lots/ units	Tenure	Existing Use	Land Area (Acres)	Approximate Age of Building (Years)	2015 Net Book Value (RM'000)	Revaluation*/ Acquisition Date
Erf 1084	Extension 10 482 JQ North West Province South Africa	1	Freehold	Recreation facilities	5.86	17	516	1/6/03
Erf 1205	Extension 14 482 JQ North West Province South Africa	1	Freehold	Public Open Space	0.29			1/6/03
Erf 1269	Extension 16 482 JQ North West Province South Africa	1	Freehold	Parking	0.52			1/6/03
Portion 73	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	10.74		516	1/6/03
Remaining extent of portion 77	Extension 17 482 JQ North West Province South Africa	1	Freehold	None	17.66			1/6/03
					6,094.21		1,208,600	

# NOTICE OF ANNUAL GENERAL MEETING

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NOTICE IS HEREBY GIVEN THAT the Thirty-Second 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 Thursday, 2 June 2016 at 11.00 a.m. to transact the following business:-

## AGENDA

### As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 and the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees in respect of the financial year ended 31 December 2015. *(Resolution 1)*
3. To re-elect Ms. Lee Cheng Wen, who is retiring pursuant to Article 102 of the Company's Articles of Association, as Director of the Company, and being eligible, has offered herself for re-election. *(Resolution 2)*
4. To re-appoint Messrs. Deloitte as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Resolution 3)*

### As Special Business

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

#### 5. 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 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 4)*

#### 6. Proposed Renewal of General Mandate for Recurrent Related Party Transactions and Proposed New Mandate for Additional Recurrent Related Party Transaction 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 and additional Recurrent Related Party Transaction of a Revenue or Trading Nature with the Related Parties as specified in Section 3.1 of the Circular to Shareholders dated 27 April 2016 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

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Country Heights Holdings Berhad

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AND THAT such approval shall continue to be in force 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 such approval shall lapse unless by ordinary resolution passed at a general meeting, the approval 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 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 5)*

## 7. 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 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.

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.



# NOTICE OF ANNUAL GENERAL MEETING

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Country Heights Holdings Berhad  
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**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.”

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

*(Resolution 6)*

By Order of the Board

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

Seri Kembangan, Selangor Darul Ehsan  
27 April 2016

## Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than 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 a 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 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 26 May 2016 shall be eligible to attend the Thirty-Second 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

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## Explanatory Notes:

1. The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 169(1) and (3) of the Companies Act, 1965. Hence, it will not be put for voting.
2. The proposed Ordinary Resolution 4 is to renew the authority granted by the Shareholders of the Company at the Thirty-First Annual General Meeting ("AGM") held on 17 June 2015. 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 of Directors decides to allot the shares.

The Board of Directors did not issue any shares pursuant to the mandate obtained at the Thirty-First AGM held on 17 June 2015.

The 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).

3. The proposed Ordinary Resolution 5, 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 27 April 2016 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.
4. The proposed Ordinary Resolution 6, if passed, will empower the Directors of the Company to purchase the Company's shares of up to 10% 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.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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Country Heights Holdings Berhad

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

## Details of Director standing for re-election are as follows:

The Director, Ms. Lee Cheng Wen, is standing for re-election at the Thirty-Second Annual General Meeting.

The details of Ms. Lee Cheng Wen and interests in the securities of the Company are set out on pages 10 and 161 of the Annual Report.



## PROXY FORM

No. of ordinary shares held

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

being a member/members of Country Heights Holdings Berhad (119416-K) 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 Thirty-Second 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 Thursday, 2 June 2016 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 or abstain from voting at \*his/her discretion.

Ordinary Resolution	Agenda	For	Against
1.	To approve the payment of Directors' fees		
2.	To re-elect Ms. Lee Cheng Wen as Director		
3.	To re-appoint Messrs. Deloitte as Auditors and to authorise the Directors to fix their remuneration		
4.	To authorise the issue of shares pursuant to Section 132D of the Companies Act, 1965		
5.	To approve the Proposed Renewal of General Mandate for Recurrent Related Party Transactions and Proposed New Mandate for Additional Recurrent Related Party Transaction of a Revenue or Trading Nature		
6.	To approve the Proposed Renewal of Authority for the Purchase of its Own Shares by the Company		

\* Strike out whichever not applicable

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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

### Notes:

- A member entitled to attend and vote at the Meeting is entitled to appoint not more than 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 a 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 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 26 May 2016 shall be eligible to attend the Thirty-Second 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 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.

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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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*Ever-Searching for Better Living*



PALACE VACATION CLUB



*Country Heights Kajang*  
*Country living at its best*

**COUNTRY VILLAS**  
*The Ultimate Haven For Country Living*

**THE MINES BUNGALOW LOTS**  
*Fine Living At The Mines*



**CYBER RESIDENCY**  
*the epitome of privacy at Cyberjaya*




**COUNTRY HEIGHTS DAMANSARA**  
*A little Forest in Kuala Lumpur*



**KOLEJ HEIGHTS UTARA KUBANG PASU**  
*A Paradise For Country-Style Living*

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





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

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

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

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