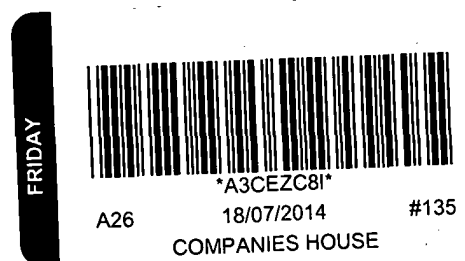


EHC Malaysia Limited

Annual Report and Audited Financial Statements

For the Year Ended 31 October 2013



EHC Malaysia Limited

Directors' Report for the Year Ended 31 October 2013

The directors who held office during the year and up to the date of this report, unless stated otherwise, were as follows:

Lord Rowe-Beddoe (resigned 17 January 2013)

Andrew Bolt (appointed 17 January 2013)

Miles Shelley (appointed 17 January 2013)

Company secretary

Kevin Pearson

The directors present their annual report on the affairs of the company, together with the financial statements and the auditor's report for the year ended 31 October 2013.

As permitted by S.415A of the Companies Act 2006, the directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by S.414A of the Companies Act 2006, in accordance with the provisions applicable to companies subject to the small companies regime, a strategic report has not been prepared by the company.

Results for the year

The result for the year on ordinary activities after taxation amounted to £nil (2012: profit of £53,464).

Principal activity

The company is involved in a hotel development in Malaysia. The development is now operational but the company expects to continue its involvement for the foreseeable future.

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. More information is provided in note 1 to the Financial Statements.

Dividends

The directors do not recommend payment of a final dividend (2012: £nil).

Indemnity Provision

Third party indemnity provisions for the directors were in force for the entire financial year.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

This confirmation is given and should be interpreted in accordance with the provisions of S.418 of the Companies Act 2006.

EHC Malaysia Limited

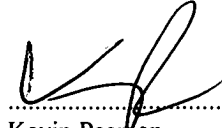
Directors' Report for the Year Ended 31 October 2013

..... continued

Reappointment of auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 7/7/14 and signed on its behalf by:


.....
Kevin Pearson
Company secretary

Registered Office:
Eaton Court
Maylands Avenue
Hemel Hempstead
Hertfordshire
HP2 7TR

EHC Malaysia Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EHC Malaysia Limited

Independent Auditor's Report to the Members of EHC Malaysia Limited

We have audited the financial statements of EHC Malaysia Limited for the year ended 31 October 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2013 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EHC Malaysia Limited

Independent Auditor's Report to the Members of EHC Malaysia Limited

..... continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the directors' report.

Andrew Clark FCA

Andrew Clark (Senior Statutory Auditor)
For and on behalf of Deloitte LLP,
Chartered Accountant and Statutory Auditor
London, United Kingdom

Date: *11 July 2014*

EHC Malaysia Limited**Profit and Loss Account for the Year Ended 31 October 2013**

	Notes	2013 £	2012 £
Turnover		-	46,882
Cost of sales		-	-
Gross profit		-	46,882
Administrative expenses		-	(299)
Operating profit	2	-	46,583
Profit on ordinary activities before taxation		-	46,583
Tax on profit on ordinary activities	3	-	6,881
Profit on ordinary activities after taxation	9	-	53,464

There are no recognised gains or losses for the year (2012: £nil) other than the profit on ordinary activities after taxation and therefore no statement of total recognised gains or losses is given.

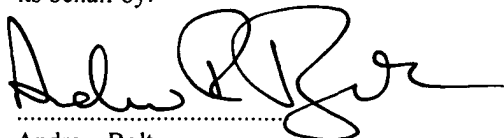
All turnover and operating profit relate to continuing operations and are derived entirely from within the United Kingdom.

EHC Malaysia Limited**Balance Sheet at 31 October 2013**

	Notes	2013 £	2012 £
Fixed assets			
Investments	5	<u>611,662</u>	<u>611,662</u>
Current assets			
Debtors	6	3,909,055	3,986,695
Creditors: Amounts falling due within one year	7	<u>(4,022,805)</u>	<u>(4,100,445)</u>
Net current liabilities		<u>(113,750)</u>	<u>(113,750)</u>
Net assets		<u>497,912</u>	<u>497,912</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	<u>497,812</u>	<u>497,812</u>
Shareholders' Funds		<u>497,912</u>	<u>497,912</u>

Registered in England and Wales No: 6070966

These financial statements were approved by the Board and authorised for issue on 7/7/14 and signed on its behalf by:



Andrew Bolt
Director

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2013

1 Accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular policies adopted, which have been applied consistently in the current and prior years, are described below.

Accounting convention

These financial statements have been prepared under the historic cost convention.

Going concern

The company has net current liabilities at 31 October 2013 as a result of amounts owed to its parent company, EHC International Limited. However, the directors consider that the company is an integral part of EHC International Limited's structure and strategy and this is evidenced by confirmation from EHC International Limited which states that it will not call back its loan to the extent that the company is unable to meet its liabilities as they fall due for at least twelve months from the date of signing these financial statements.

Foreign currency

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. The exchange movements are dealt with in the profit and loss account.

Turnover

Turnover consists of fees receivable during the year and is stated net of VAT. Turnover is recognised on an accruals basis.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial Reporting Standard No. 19, Deferred Tax, requires full provision for timing differences which have originated at the balance sheet date and which could give rise to an obligation to pay more or less tax in the future. Deferred tax assets are recognised to the extent that it is regarded more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised), Cash Flow Statements, of not producing a cash flow statement as it qualifies as a small company.

2 Operating profit

The cost of the company audit is £2,000 (2012: £2,000) and has been borne in full by the parent company in the current and prior years.

EHC Malaysia Limited**Notes to the Financial Statements for the Year Ended 31 October 2013***..... continued***3 Tax on profit on ordinary activities**

	2013 £	2012 £
Current tax		
Corporation tax credit	-	(6,881)

Factors affecting current tax charge for the year

	2013 £	2012 £
Profit on ordinary activities before taxation	-	46,583
United Kingdom Corporation Tax at 23.41% (2012: 24.83%)	-	11,567
Tax losses carried forward	24,819	6,880
Transfer pricing adjustment	(24,819)	(25,328)
Total current tax	-	(6,881)

Factors that may affect future tax charges

A deferred tax asset has not been recognised in respect of losses since there is insufficient evidence that the asset will be recovered. The asset would be recovered if there are sufficient taxable profits in future years. The amount not recognised at 31 October 2013 was £107,591 (2012: £93,458).

There were no unrecognised deferred tax liabilities (2012: £nil).

The United Kingdom Corporation Tax rate was reduced from 24% to 23% with effect from 1 April 2013 and will fall to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015.

4 Information regarding directors and employees

The company had no employees during the year (2012: none) and therefore no staff costs (2012: £nil). No emoluments were paid to the directors in respect of their services to the company (2012: £nil).

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2013

..... *continued*

5 Investments held as fixed assets

Unlisted Investments

Cost

As at 1 November 2012 and at 31 October 2013 £
611,662

Net book value

As at 1 November 2012 and at 31 October 2013 611,662

The shares in unlisted investments consist of a 10% holding in Kingdom Langkawi B.V., a company incorporated in the Netherlands which is involved in a Malaysian hotel development project.

In the directors' opinion, the value of the shares in unlisted investments is not less than the amount at which they are stated in the balance sheet.

6 Debtors

	2013	2012
	£	£
Other debtors	3,714,956	3,792,596
Prepayments and accrued income	<u>194,099</u>	<u>194,099</u>
	<u><u>3,909,055</u></u>	<u><u>3,986,695</u></u>

7 Creditors: Amounts falling due within one year

	2013	2012
	£	£
Amounts owed to parent company	<u>4,022,805</u>	<u>4,100,445</u>

Amounts owed to parent company are interest free and repayable on demand.

8 Called up share capital

	2013	2012
	£	£
Allotted, called up and fully paid:		
100 Ordinary Shares of £1.00 each	<u>100</u>	<u>100</u>

EHC Malaysia Limited

Notes to the Financial Statements for the Year Ended 31 October 2013

..... continued

9 Reconciliation of movement in shareholders' funds

	2013	2012
	£	£
Profit on ordinary activities after taxation	-	53,464
Opening shareholders' funds	<u>497,912</u>	<u>444,448</u>
Closing shareholders' funds	<u><u>497,912</u></u>	<u><u>497,912</u></u>

10 Related party transactions

The company is a wholly-owned subsidiary of EHC International Limited group of companies and has taken advantage of the exemption which is conferred by Financial Reporting Standard No.8, Related Party Disclosures, which allows it not to disclose transactions with other wholly-owned group undertakings.

11 Control

The company is controlled by EHC International Limited, which is incorporated in Great Britain and registered in England and Wales. This is the only company to prepare consolidated accounts which include the results of this entity. Copies of the group accounts can be obtained from EHC International Limited, Eaton Court, Maylands Avenue, Hemel Hempstead, Hertfordshire, HP2 7TR.

EHC International Limited is jointly owned and controlled by Sir Robert McAlpine Enterprises Limited and Emarel Services (Overseas) S.A..