



# Introducing Country Heights Grower Scheme (CHGS)

## 1 Oil Palm Plantation Investment Scheme

**Country Heights Grower Scheme (CHGS)** is Malaysia's first Oil Palm Plantation investment Scheme combining farm estate and investment that provides the opportunity to the investor to participate (save and invest at the same time) in palm oil boom in Malaysia. CHGS will be giving the chance to provide another diversity of financial product for Malaysian consumers.

## 2 Unique investment

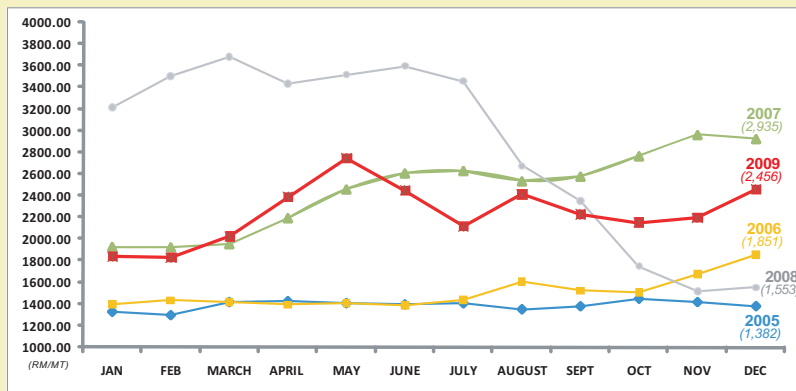
- a. CHGS is an opportunity for discerning investors to participate in Malaysia's fastest growing sector ~ the Palm oil industry that due to :
  - i. Positive demand in bio-diesel
  - ii. The increase of world demand of palm oil especially from China, United States of America, India and Europe
- b. Through investing with CHGS, investors will enjoy the upside exposure of palm oil booms with limited downside.

### Total Export of Oil Palm Products



Source : Malaysian Palm Oil Board (MPOB)

### The 2005 - 2009 Current and Future CPO Price



Source : Malaysian Palm Oil Board (MPOB) as at December 2009

## 3 The return of investment

### 1. Fixed income

- Investors will enjoy a guaranteed return of 8% p.a. during the Planting Phase of year 1 to 3 (2007-2009)

### 2. Annual income

- Investors will enjoy annual incomes during the Harvest Phase of year 4th to 23rd (2010 - 2030)

**The investor returns will be determined by the Crude Palm Oil (CPO) prices movement  
+  
the production yield of the oil palm plantation**

From the 4th year onwards (projected returns) :

1. CPO price from RM1900 to RM2100 : 10% - 12%

+

Bonus

2. FFB Output: 20 MT/HT - above 30 MT/HT : 1% - 5%

**Projected Annual Return on Investment : 11% - 17%**

### 3. Capital appreciation

- Investors will enjoy the "Capital Appreciation" that based on the value of the land at the end of 23 years



## 4 The key information

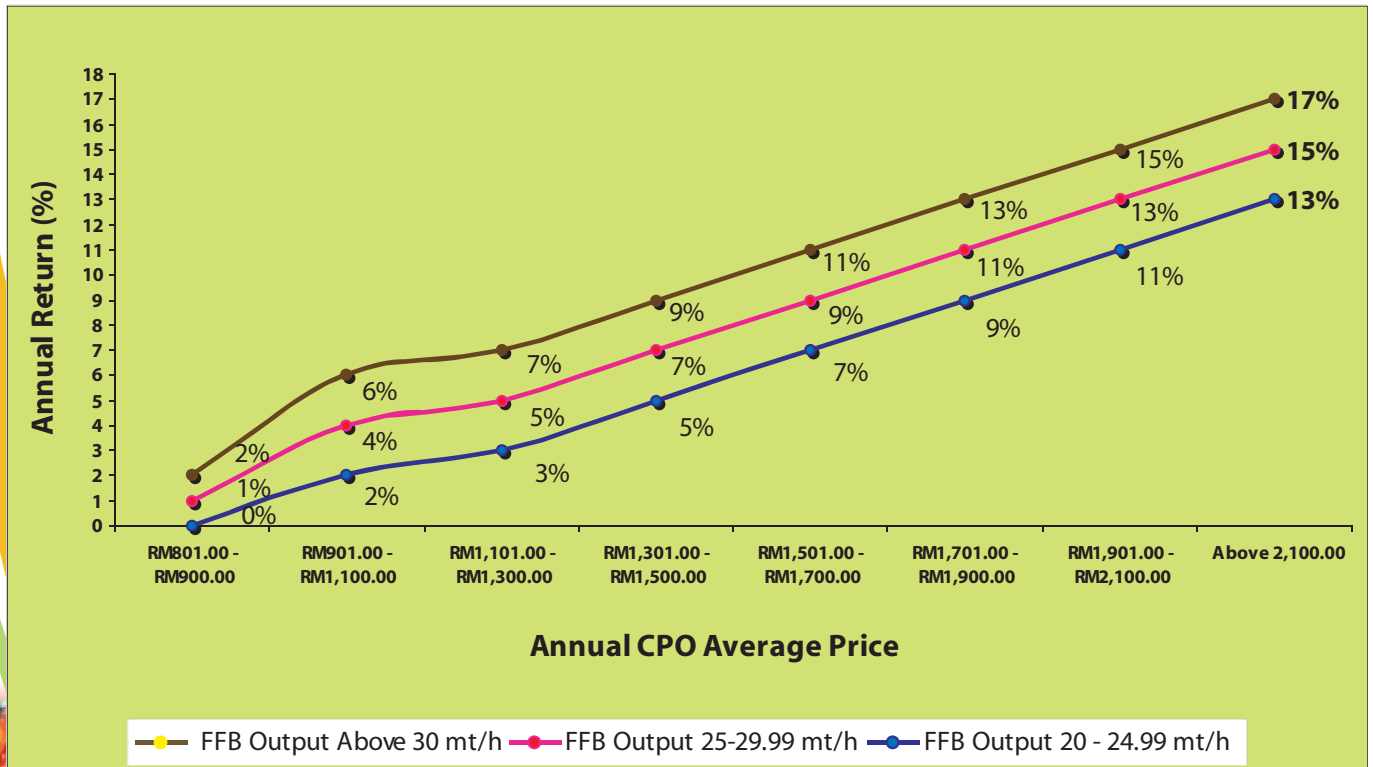
| Type of Product                          | Grower Scheme  |
|--|--|
| <b>Objective</b>                         | Take advantages on the rise of oil palm industry through participating in the oil palm plantation  |
| <b>Risk</b>                              | <ol style="list-style-type: none"> <li>1. Risks inherent in the Plantation industry such as changes in world demand for edible oil and fats</li> <li>2. Commodity price fluctuations</li> </ol>  |
| <b>Maximum Grower's Plot for sale</b>    | 36,000   |
| <b>Grower Fees</b>                       | RM8,000 per plot (¼ acre)  |
| <b>Annual Management Fees</b>            | 0.1% (4th year onward)   |
| <b>Transfer fees / Stamp Duty</b>        | RM100 / RM20   |
| <b>Minimum Initial Purchase</b>          | RM8,000 or one (1) Grower's Plot   |
| <b>Maximum purchase of Grower's Plot</b> | Unlimited (subject to availability)  |
| <b>Foreign Ownership</b>                 | No Restrictions  |
| <b>Cooling off Period</b>                | Ten (10) working days  |
| <b>Taxation</b>                          | Personal Income Tax  |
| <b>Income Distribution</b>               | <p>The return for Grower will be paid annually. (The Nett Yield will be paid based on the annual financial benefit in each calendar year commencing on 1st Jan and ending on 31st December to be received by each Grower. 1st year payout is prorated from month of purchase till Dec 31.</p> <p>Payout Period : February</p>  |
| <b>Grower Scheme's Maturity</b>          | 23 years   |
| <b>Grower profile</b>                    | <p>For individual who seeks;</p> <ul style="list-style-type: none"> <li>• Long term saving objective with annual returns</li> <li>• Returns growth through exposure to Palm oil industry</li> <li>• Lower risk investment when comparing to equity investment</li> <li>• Higher return than the Fixed Deposit rate, bond and money market</li> </ul>   |
| <b>Security for investors</b>            | <p>Trustee to ensure the following :</p> <ol style="list-style-type: none"> <li>(a) 10 days cooling off period and Trust Account in the name of Trustee for holding on Fund of Growers' Fee.</li> <li>(b) Reserve Fund to hold on 29% of total Grower's fee paid by Growers. (24% for the purpose of 3 years 8% guarantee return p.a. and 5% for the duration of the scheme)</li> <li>(c) Register of Growers must be maintained</li> <li>(d) Adequate insurance for the Oil Palm Plantation</li> <li>(e) Appointment of independent consultant to conduct semi annual review and inspection of Plantation Operation.</li> <li>(f) Land title is free from encumbrances.</li> <li>(g) Land title is held in custodian of Trustee and cannot be charged without the consent of both Trustee and Yayasan Kelantan Darul Naim.</li> <li>(h) 10% of the unsold Reserved Growers' Plots yield from the management company is to ensure the payout for every year</li> </ol> |
| <b>R.O.I</b>                             | Mainly based on CPO price and bonus on yield of plantation   |
| <b>Resale</b>                            | Management company reserves the rights of 1st option to buyback. No obligation by the management company to buy back. Free listing for sellers to resale on CHGS website, open to all investors and public.  |



## The **Annual Nett Yield** and **CPO Payment Chart** during the Harvest Phase (4th to 23rd year)

| Average Annual CPO Price | Between RM801-00 and RM900-00 | Between RM901-00 and RM1,100-00 | Between RM1,101-00 and RM1,300-00 | Between RM1,301-00 and RM1,500-00 | Between RM1,501-00 and RM1,700-00 | Between RM1,701-00 and RM1,900-00 | Between RM1,901-00 and RM2,100-00 | Above RM2,100-00    |
|--------------------------|-------------------------------|---------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|---------------------|
| CPO Price Payment        | NIL                           | 1% of Grower's Fee              | 2% of Grower's Fee                | 4% of Grower's Fee                | 6% of Grower's Fee                | 8% of Grower's Fee                | 10% of Grower's Fee               | 12% of Grower's Fee |
| +                        |                               |                                 |                                   |                                   |                                   |                                   |                                   |                     |
| FFB Output (Mt/Hectare)  | Between 20 – 24.99            | Between 20 – 24.99              | Between 20 – 24.99                | Between 20- 24.99                 | Between 20 – 24.99                | Between 20 – 24.99                | Between 20 – 24.99                | Between 20 – 24.99  |
| FFB Payment              | NIL                           | 1% of Grower's Fee              | 1% of Grower's Fee                | 1% of Grower's Fee                | 1% of Grower's Fee                | 1% of Grower's Fee                | 1% of Grower's Fee                | 1% of Grower's Fee  |
| FFB Output (Mt/Hectare)  | Between 25 - 29.99            | Between 25 – 29.99              | Between 25 – 29.99                | Between 25 – 29.99                | Between 25 – 29.99                | Between 25 – 29.99                | Between 25 – 29.99                | Between 25 – 29.99  |
| FFB Payment              | 1% of Grower's Fee            | 3% of Grower's Fee              | 3% of Grower's Fee                | 3% of Grower's Fee                | 3% of Grower's                    | 3% of Grower's Fee                | 3% of Grower's Fee                | 3% of Grower's Fee  |
| FFB Output (Mt/Hectare)  | 30 and Above                  | 30 and Above                    | 30 and Above                      | 30 and Above                      | 30 and Above                      | 30 and Above                      | 30 and Above                      | 30 and Above        |
| FFB Payment              | 2% of Grower's Fee            | 5% of Grower's Fee              | 5% of Grower's Fee                | 5% of Grower's Fee                | 5% of Grower's Fee                | 5% of Grower's Fee                | 5% of Grower's Fee                | 5% of Grower's Fee  |

## Annual Nett Yield Chart



FFB output is the total average production of Fresh Fruit Bunch (FFB) of oil palm from the 10,000 acres Gua Musang, Kelantan plantation owned by Plentiful Gold-Class Berhad



# FAQ

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FREQUENTLY  
ASKED QUESTIONS

## 1) What is Country Heights Grower Scheme (CHGS)?

CHGS is an opportunity for retail investor to participate in the oil palm boom in Malaysia. It allows investors to own a piece of land from 1/4 acre per plot and reap the profits by investing in the oil palm plantation. It will not be economical to invest in small plantation with high start up cost incurred and continued maintenance of the plantation. Therefore this is an alternative to owning a plantation but allowing professionals to run it.

## 2) What are the income streams for CHGS?

### a. Fixed Income:

Growers will be getting a fixed rate of return of 8% p.a. for three (3) consecutive years (2007-2009).

### b. Annual Income:

Growers will be getting a projected rate of return on annual basis from the 4th investment years onwards. The projected annual return should range between 13% to 17% from the 4th financial year onwards (based on Year 2007 August CPO price of above RM2100 and min. 21 mt/h to above 30mt/h FFB output).

### c. Capital Appreciation:

After the 23rd years of tenure ship, Growers will obtain capital return appreciation through the sale of the land based on the market valuation of the entire oil palm plantation estate land.

## 3) Will Investors be getting the land title?

No. Growers will not receive the land title upon investment. However, Growers will be given Grower's Certificate and Grower's Management Agreement. The master title is free from encumbrances and held by the Trustee whom also keeps a registration of all Growers.

## 4) What is the Return on Investment?

CHGS return on investment is mainly based on CPO price and bonus on yield of plantation. Therefore, management company must ensure good production from plantation as CPO price is determined by demand and supply factor. Furthermore, there is a mandatory backup of 10% land owned by the management company to ensure the payout to investors.

## 5) What is the risk profile that Grower will exposed to when investing in CHGS?

Risk of zero (0) return should the CPO price falls below RM800/MT during the period of 23 years.

## 6) Is there any transfer option and how much is the transfer fees?

Growers are allowed to make transfers to a third party and the transfer fee is RM100 per transaction. The management company has the first right to buyback should the investor wants to sell or if not taken up by management company, they can post it onto our website for sale to other investors or public.

## 7) What happens after I have completed the 23 years tenure ship?

After the 23rd years of tenure ship, the oil palm plantation land will be put up on sale. The sales proceed will be equally divided to Growers based on the number of plot owned.

## 8) What happens if the management company winds up?

Trustee can then appoint another management company and CHGS shall continue to subsist for so long as there shall be a valid Grower's Management Agreement and Grower's Certificate.