

Strength through  
profitable growth



country view

# vision

We, the Country View Group, aspire to be a premier property developer providing excellent products and services that enhance our customers' lifestyle.



# mission

Strive to be ethical, efficient and effective in everything we do.

Strive to provide excellent products and services to our customers.

Strive to enhance shareholders' value.

Strive to provide a conducive business environment for our employees to maximize their individual potential.

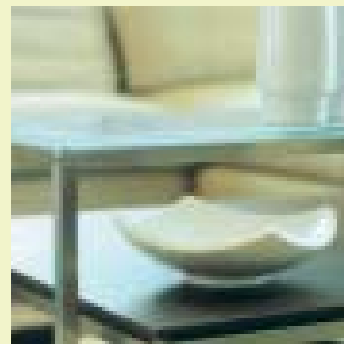
Strive to contribute to our community and enhance the quality of life in our society.

Strive to contribute to our country in supporting socio-economic development.



# CONTENTS

02	Corporate Information
03	Group Structure
04	Notice of Twentieth Annual General Meeting
06	Statement Accompanying Notice of Twentieth Annual General Meeting of the Company
07	Chairman's Statement
12	Profile of Directors
16	Corporate Governance Statement
21	Statement on Internal Control
23	Audit Committee Report
29	Additional Compliance Information
31	Five years Financial Highlights
33	Analysis of Shareholdings
36	Statement of Directors' Responsibilities
37	Financial Statements
62	Group Properties
63	Proxy Form



## Corporate INFORMATION

### BOARD OF DIRECTORS

Datuk Mohamed Al Amin Bin Abdul Majid J.P. - Executive Chairman

Law Kit Tat - Executive Director

Wong Joon Chin (F) - Executive Director

Wong Chee Sean @ Wong Sean - Executive Director

Law Kee Kong - Non-Executive Director

Choong Shiau Yoon - Senior Independent Non-Executive Director

Azhar Bin Azizan @ Harun - Independent Non-Executive Director

### AUDIT COMMITTEE

Choong Shiau Yoon - Chairman

Azhar Bin Azizan @ Harun - Member

Wong Joon Chin - Member

### REMUNERATION COMMITTEE

Azhar Bin Azizan @ Harun - Chairman

Wong Chee Sean @ Wong Sean - Member

Law Kee Kong - Member

### NOMINATION COMMITTEE

Azhar Bin Azizan @ Harun - Chairman

Law Kee Kong - Member

Choong Shiau Yoon - Member

### SECRETARIES

Lee Wee Hee (MAICSA 0773340)

Hung Siow Ping (MAICSA 7039825)

### REGISTERED OFFICE

Suite 5.11 & 5.12

5th Floor Menara TJB

9 Jalan Syed Mohd. Mufti

80000 Johor Bahru, Johor

Tel : 07 - 224 2823

Fax : 07 - 223 0229

### SHARE REGISTRAR

Panama Resources Sdn. Bhd. (229948-U)

No. 23, Jalan Sri Hartamas 7

Sri Hartamas

50480 Kuala Lumpur

Tel : 03 - 6201 1120

Fax : 03 - 6201 3121

### AUDITORS

K. S. Chua & Co. (AF-0255)

Unit 5.10, Level 5

Plaza DNP

No. 59, Jalan Dato' Abdullah Tahir

80250 Johor Bahru, Johor

### PRINCIPAL PLACE OF BUSINESS

Unit 26-01, Mail Box 261

Menara Landmark

No. 12, Jalan Ngee Heng

80000 Johor Bahru

Johor, Malaysia

### PRINCIPAL BANKERS

AmMerchant Bank Berhad

AmBank Berhad

Bumiputra-Commerce Bank Berhad

Malayan Banking Berhad

RHB Bank Berhad

Public Bank Berhad

### STOCK EXCHANGE

Main Board of

Kuala Lumpur Stock Exchange

## Group STRUCTURE



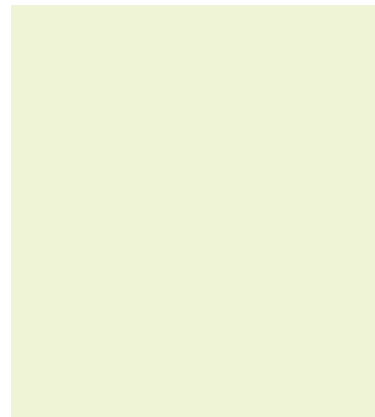
## Notice Of TWENTIETH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twentieth Annual General Meeting of Country View Berhad will be held at Ballroom 3, Lower Ground Floor, Hyatt Regency, Johor Bahru, Jalan Sungai Chat, 80720 Johor Bahru, Johor on Monday, 5 May 2003 at 10.00 am for the following purposes:-

### AGENDA

#### ORDINARY BUSINESS

- |   |  |
|---|--|
| <p>1. To receive and consider the Audited Financial Statements for the year ended 30 November 2002 together with the Reports of the Directors and Auditors thereon.</p> <p style="text-align: right;"><b>[Resolution 1]</b></p> | <p>5. To re-elect the following Directors who retire in accordance with Article 91 of the Company's Articles of Association:</p> <p>i. Law Kee Kong <span style="float: right;"><b>[Resolution 5]</b></span></p> <p>ii. Azhar Bin Azizan @ Harun <span style="float: right;"><b>[Resolution 6]</b></span></p> <p>iii. Choong Shiau Yoon <span style="float: right;"><b>[Resolution 7]</b></span></p> |
| <p>2. To approve the payment of Directors' fees.</p> <p style="text-align: right;"><b>[Resolution 2]</b></p>  | <p>6. To re-appoint Messrs K.S Chua &amp; Co. as Auditors of the Company for the year ended 30 November 2003 and to authorise the Directors to fix their remuneration.</p> <p style="text-align: right;"><b>[Resolution 8]</b></p>   |
| <p>3. To approve the payment of a Final Dividend of 3 sen less income tax of 28% for the year ended 30 November 2002.</p> <p style="text-align: right;"><b>[Resolution 3]</b></p>   | <p>7. To transact any other business of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.</p>   |
| <p>4. To re-elect Mr Wong Chee Sean @ Wong Sean who retires in accordance with Article 84 of the Company's Articles of Association.</p> <p style="text-align: right;"><b>[Resolution 4]</b></p>                                 |  |



Notice Of TWENTIETH ANNUAL GENERAL MEETING (“AGM”) (cont’d)

**NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

**NOTICE IS HEREBY GIVEN THAT** the Final Dividend of 3 sen per share less 28% income tax, in respect of the financial year ended 30 November 2002, if so approved at the Twentieth Annual General Meeting, will be paid on 5 June 2003 to Depositors registered in the Record of Depositors at the close of business on 19 May 2003.

A Depositor shall qualify for entitlement only in respect of:

- a. Shares transferred into the Depositor’s Securities Account before 4.00 p.m. on 19 May 2003 in respect of ordinary transfer; and
- b. Shares bought on the Kuala Lumpur Stock Exchange on a cum entitlement basis according to the Rules of the Kuala Lumpur Stock Exchange.

**By Order of the Board**

Lee Wee Hee (MAICSA 0773340)  
Hung Siow Ping (MAICSA 7039825)  
Company Secretaries

11 April 2003

**Notes:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991 it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the form of proxy must be deposited at the Registered Office of the Company, Suite 5.11 & 5.12, 5th Floor Menara TJB, 9 Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.



**STATEMENT ACCOMPANYING  
Notice of Twentieth Annual General Meeting of The Company**  
Pursuant to Paragraph 8.28(2) of the Listing Requirements of Kuala Lumpur Stock Exchange

**1. Name of individuals who are standing for re-election**

- a) Wong Chee Sean @ Wong Sean
- b) Law Kee Kong
- c) Azhar Bin Azizan @ Harun
- d) Choong Shiau Yoon

All the abovenamed Directors are retiring pursuant to Article 91 of the Company's Articles of Association except for Mr Wong Chee Sean @ Wong Sean who retires by rotation pursuant to Article 84 of the Company's Articles of Association.

**2. Details of Attendance of Directors at Board Meetings**

Please refer to page 16 of this Annual Report

**3. Date, Time and Place of the Twentieth Annual General Meeting**

<b>Date</b>	<b>Time</b>	<b>Place</b>
5 May 2003	10.00 am	Ballroom 3, Lower Ground Floor Hyatt Regency, Johor Bahru Jalan Sungai Chat 80720 Johor Bahru, Johor

**4. Details of individuals who are standing for re-election as Directors**

Please refer to Profile of Directors on pages 13 to 15 of this Annual Report.



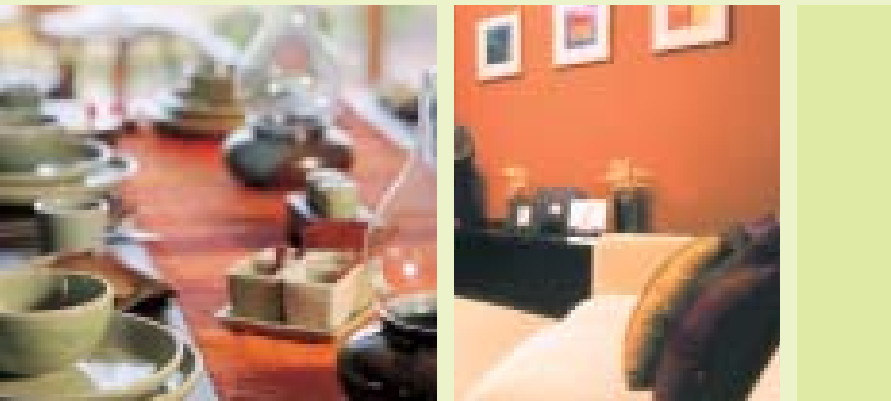
## CHAIRMAN'S Statement

# Strength through profitable growth

On behalf of my colleagues on  
the Board of Country View Berhad ("CVB"),  
I am pleased to present the Company's Annual Report  
and the Financial Statements of the  
Company and the Group for the financial  
year ended 30 November 2002.



DATUK MOHAMED AL AMIN BIN ABDUL MAJID J.P.  
Executive Chairman



## Dear Valued Shareholders,

### Listing and Quotation

The financial year under review marks a major milestone in the development of the Company and Group. The Company undertook an initial public offer which was oversubscribed by 4.98 times in May 2002 culminating in its successful listing and quotation on the Main Board of the Kuala Lumpur Stock Exchange on 29 May 2002.

### Share Capital

On 15 May 2002 in connection with the Company's listing and quotation on the Main Board of the Kuala Lumpur Stock Exchange, the issued and paid up capital of the Company was increased from 85,000,000 ordinary shares of RM1-00 each to 100,000,000 ordinary shares of RM1-00 each.

## CHAIRMAN'S Statement (cont'd)



## Performance and Financial Review

The CVB Group performed in line with the expectations of the Board registering a profit before tax of RM22.8 million, an increase of 11% compared to RM20.5 million registered in the preceding year on the back of a turnover of RM61 million, an increase of approximately 69% from RM36.1 million in the preceding year. The profit after taxation registered of RM16.842 million exceeded the Group's forecast of RM16.035 million in its prospectus dated 22 April 2002.

The performance was commendable given that the Group was operating in a very challenging economic environment against the backdrop of a lethargic global economy. The lackluster performance of the stock market and general market sentiment being depressed, coupled with a labour shortage had added to the uncertainties in the housing industry.

Owing to your Board's prudent approach and foresight to focus on our customers needs, the Group's business remained resilient throughout the year.

The 2-storey shop offices and low-medium cost shops, both in Taman Universiti, and the on-going development in Nusa Bestari Jaya, consisting of 3-storey shop-offices and 2-storey terrace houses launched in the first and second quarter of the financial year 2002 respectively, have been fully taken-up. In addition, the Group's disposal of certain vacant commercial plots also contributed towards the improved performance during the current financial year.

## Dividend

Your Board's dividend policy aims at allowing shareholders to participate in the profits of the Group, whilst ensuring that adequate reserves remains to meet its financial obligations and fund future growth that will ultimately enhance value for all shareholders.

During the financial year, an interim dividend of 3 sen per share less income tax of 28% was paid on 29 November 2002.

The Board is pleased to recommend the payment of a final dividend of 3 sen per share less income tax of 28% for the financial year ended 30 November 2002 for approval of shareholders at the forthcoming Annual General Meeting.

## CHAIRMAN'S Statement (cont'd)



## Property Development

The Group's property development activities remained vibrant but prudent. During the financial year, the Group launched 40 units of 3-storey shop offices and 131 units of 2-storey terrace houses in Nusa Bestari Jaya. As at the end of the financial year, these were all successfully sold generating sales value of RM39 million.

The Group also undertook a unique terrace condominium development concept known as "Nusavilla" comprised of 220 units in an exclusive gated community within Nusa Bestari Jaya. The concept is inspired by Balinese themed landscaping offering a truly unique lifestyle incorporating tropical water gardens, resort-themed recreational pools and outdoor spa facilities. There was a soft launch of 88 units on 18 October 2022.

During the year under review, the Company successfully completed another phase of 65 units of Double Storey Shop-Offices and 36 units of low medium cost shops both located in Taman Universiti, Skudai, Johor and had handed them over to purchasers with the certificate of fitness for occupation.

The Company's 51 units of bungalow lots known as "Countryvilla" at Taman Universiti continued to attract interest with approximately 30% of the non-bumiputra lots sold as at the end of the financial year.

The Company disposed of three plots of vacant commercial plots one of which was to Jaya Jusco Stores Bhd. Jaya Jusco Stores Bhd. has since successfully opened its first store in Johor at Country View Berhad's signature project, Taman Universiti, adding vibrance and prestige to the project.

## Corporate Governance

Your Board fully appreciates and recognises that the exercise of good corporate governance in all aspects of its business dealings is vital for the Group's continued progress towards success while safeguarding and enhancing shareholders value.

During the year under review, your Board has engaged an external consultant to conduct both Corporate Governance Assessment and Risk Assessment of the Group's operations and formalise policies and a framework for risk management.

## CHAIRMAN'S Statement (cont'd)

## Prospects

Going forward, the outlook for the property market remains very challenging in view of uncertainties in the global economy coupled with the recent outbreak of war in Iraq.

The Group is operating in a highly competitive environment with consumer spending becoming increasingly selective and cautious. Government's support through pump-priming packages, relaxation of both monetary and fiscal policies, coupled with relaxation for withdrawals from Employees Provident Fund, innovative home-mortgage scheme and easy loan approval process by financial institutions have contributed to boosting consumer spending and continues to contribute and assist the housing industry.

The Group believes its development projects which are well spread in strategic locations will continue to attract favourable demand as evidenced by the take-up rates enjoyed by its developments in Taman Universiti and Nusa Bestari Jaya. The Group also believes that the demand for affordable quality housing will always remain strong and will continue to concentrate its development in this segment and be the main contributor in this segment of the market.



To strengthen our capabilities as well as maintaining our competitiveness and market position, the Group will emphasise on innovative approaches to development design and market development, to deliver value for money, quality affordable homes which meets homebuyers needs.

In the coming financial year, the Group expects to launch the following projects:

- 124 units of commercial shop offices at Taman Universiti Business Centre located next to the Jaya Jusco Stores.
- "Nusa Indah", a freehold mixed development comprised mainly of terrace houses and shop offices in the Nusajaya Township.
- 13 units of low medium cost shops at Taman Universiti.

## CHAIRMAN'S Statement (cont'd)



## Appreciation

On behalf of the Board, I would like to thank all the regulatory authorities for their assistance. My appreciation also goes out to our shareholders, vendors, bankers, business partners, associates and our esteemed customers. Our success would not have been possible without their continuous support and confidence in the Country View Group.

In closing, I would like to record my profound appreciation to my fellow colleagues on the Board for their counsel, and to the management team and all the members of the Country View family for their support, dedication and commitment throughout the year.

**DATUK MOHAMED AL AMIN BIN ABDUL MAJID J.P.**

Executive Chairman

## PROFILE Of Directors

# Datuk Mohamed Al Amin Bin Abdul Majid J.P.

**47 years of age - Malaysian  
Executive Chairman**

He was appointed to the Board of Country View Berhad ("CVB") as the Executive Chairman on 1 February 2001. He qualified with a Diploma in Technology from Oxford College of Further Education and also holds a degree in Bachelor of Science in Civil Engineering from the University of Aston, Birmingham. He is also the Corporate Member of Institute of Engineers (IEM), Malaysia.

He began his career as a project engineer with Perak State Development Corporation in 1979. Barely two years later, he was appointed as the Executive Director of its subsidiary, Maju Bangun Sdn. Bhd. from 1981 to 1982. His distinguished career include serving as Chairman for Gabongan Pemborong Bumiputra Perak Berhad since 1988 and Zurich Insurance (M) Berhad since 1989. He also holds directorship in I Berhad, Ancom Berhad and Kamunting Corporation Berhad, all of which are listed on the Kuala Lumpur Stock Exchange.

Despite his heavy commitment, he is also holding stewardship position in several private companies which are involved in the range of businesses such as construction, investment, distributorship, general trading and project management.

He attended all the three board's meetings held during the financial year ended 30 November 2002. He has no family relationship with any of the Directors and/or major shareholders of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 10 years. He directly holds 950,000 ordinary shares of the Company.

## PROFILE Of Directors (cont'd)

## Law Kit Tat

**42 years of age - Malaysian  
Executive Director**

He was appointed to the Board of Country View Berhad ("CVB") on 2 June 1986. He also holds directorships in all the subsidiaries of CVB. While he was doing his second year in Civil Engineering at the University of Sunderland (then known as Sunderland Polytechnic), United Kingdom, he was requested to return to Malaysia to assist in his family's business.

His career took to new heights when he managed to steer CVB out of the mid 1980s economic recession when the Company started its maiden development project, Taman Universiti Township in Skudai, Johor Bahru. Under his stewardship and foresight, CVB Group sailed through the 1997/8's financial crisis and emerged as a stronger and more consolidated group. Beside property development, he also successfully ventured into other businesses such as construction, property investment and operation of proprietary club.

He is also the advisor for the Johor Bahru's chapter of Malaysian Red Crescent Society since 1 January 1996. He is a director of Target Prestige Berhad, a non-listed public company and he also sits in the board of several other private limited companies.

He attended all the three board's meetings held during the financial year ended 30 November 2002. He is the brother of Mr Law Kee Kong, a Non-Executive Director of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 10 years. He directly holds 13,625,000 ordinary shares of the Company.

## Wong Chee Sean @ Wong Sean

**33 years of age - Malaysian  
Executive Director**

He was appointed to the Board of Country View Berhad ("CVB") on 2 March 1993. He also sits on the Board of all CVB's subsidiaries and associated company. He is a member of the Remuneration Committee.

He graduated with a Bachelor of Science in Business Administration (majoring in International Business Marketing) from the San Francisco State University. Upon his return from the United States, he rose through the ranks while serving at various positions in the Company accumulating with him a wealth of experience. In recognition of his ability, he was appointed as the youngest member of the Board.

He is also actively involved in several other business ventures such as oil palm plantations, timber plantations, investment holding and investment in properties. He is currently a director of several other private limited companies. He does not hold directorship in any other public company.

He attended two out of the three board meetings held during the financial year ended 30 November 2002. He is the son of Mdm Hang Ah Jee @ Hung Ah Jee, a major shareholder of CVB and also the cousin of Mdm Wong Joon Chin, an Executive Director of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 10 years. He directly holds 10,608,736 ordinary shares of the Company.

## PROFILE Of Directors (cont'd)

## Wong Joon Chin

**45 years of age - Malaysian  
Executive Director**

She was appointed to the Board of Country View Berhad ("CVB") on 30 May 1986. She has been in property development business for more than 15 years. She holds directorship in all the subsidiaries of CVB. She holds a Bachelor of Science (Hons) degree in Banking and International Finance from the City University in London, United Kingdom. She is presently a member of the Audit Committee of the Company.

Upon her return to Malaysia, she was involved in her family business before joining CVB and she was one of the key persons instrumental in manoeuvring the Company out of the doldrums during the mid 1980s economic recession.

She also has extensive experience in the running of private companies, which are involved in the businesses of property and share investments. She is a director of Target Prestige Berhad, a non-listed public company and she also sits in the board of several other private limited companies.

She attended all the three board meetings held during the financial year ended 30 November 2002. She is the cousin of Mr Wong Chee Sean @ Wong Sean, an Executive Director and major shareholder of CVB. She has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, she has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. She has no convictions for offences within the past 10 years. She directly holds 2,150,000 ordinary shares of the Company.

## Law Kee Kong

**40 years of age - Malaysian  
Non-Executive Director**

He was appointed to the Board of Country View Berhad ("CVB") on 27 March 2002. He holds a Bachelor of Arts (majoring in Economics) from University of Manitoba, Canada. He is currently involved and sits on the Board of various family-controlled companies which are mainly engaged in the business of property investment and housing development.

He is presently a member of the Remuneration and Nomination Committees of CVB. He is a director of several other private limited companies. He does not hold directorship in any other public company.

He attended all the three board meetings held during the financial year ended 30 November 2002. He is the younger brother of Mr Law Kit Tat, an Executive Director and major shareholder of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 10 years. He directly holds 4,250,000 ordinary shares of the Company.



## PROFILE Of Directors (cont'd)

## Choong Shiau Yoon

45 years of age - Malaysian  
Senior Independent Non-Executive Director

He was appointed to the Board of Country View Berhad ("CVB") on 27 March 2002. He has been a member (Chartered Accountants) of the Malaysian Institute of Accountants since 1985. He is also a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Fellow of the Malaysian Institute of Taxation. He also gained a Master of Science in Business Finance from Brunel University, London. He is presently the Chairman of the Audit Committee and a member of the Nomination Committee of the Company.

He qualified as a member of ACCA in England in 1985, and continued to gain further experience and exposure in auditing and tax in England before enrolling for a Master of Science in Business Finance in September 1989. He returned to Malaysia after completing the Master of Science in October 1990, and joined KPMG in Johor Bahru in January 1991. After more than three years in KPMG, he left in 1994 to start his own practice in Johor Bahru until now.

His experience apart from auditing ranges from involvement in the capacity of reporting accountant for companies seeking listing on the KLSE, restructuring, engaging in mergers and takeovers and various aspects of tax and business consultancy. He is currently a director of several other private limited companies. He does not hold directorship in any other public company.

He attended all the three board meetings held during the financial year ended 30 November 2002. He has no family relationship with any of the Directors and/or major shareholders of CVB. He does not have any conflict of interest with CVB. He has no convictions for offences within the past 10 years. He does not hold any shares of the Company.

## Azhar Bin Azizan @ Harun

40 years of age - Malaysian  
Independent Non-Executive Director

He was appointed to the Board of Country View Berhad ("CVB") on 27 March 2002. He graduated from the University of Malaya with an LLB (Hons) degree in 1986. He was admitted as an Advocate and Solicitor of High Court of Malaya on 27 February 1987. His legal practice began in Messrs Allen & Gledhill where he handled a banking litigation portfolio and a host of general litigation matters. In 1990, he obtained his Master of Law degree with merit from King's College, University of London specialising in Corporate and Commercial Law. He has since concentrated his practice in litigation matters involving shareholders right and remedies, corporate liquidation and receivership; corporate debts restructuring and building and construction claims.

He has, throughout his practice, advised various corporations and professional associations including the Association of Banking and Financial Institutions. In 1998, he was engaged as advisor and counsel by three public listed companies in respect of their scheme of arrangement under the Companies Act, 1965. He has also delivered talks on corporate insolvency, Chapter 11 of the United State Bankruptcy Code and Land Law in various legal seminars. He was also a part time tutor at the University of Malaya. He is presently a partner of a legal firm, Shafee & Co in Kuala Lumpur.

He is also a member of the Audit Committee and the Chairman of the Remuneration and Nomination Committees of CVB. He is currently a director of several other private limited companies. He does not hold directorship in any other public company.

He attended all the three board meetings held during the financial year ended 30 November 2002. He has no family relationship with any of the Directors and/or major shareholders of CVB. He does not have any conflict of interest with CVB. He has no convictions for offences within the past 10 years. He does not hold any shares of the Company.

## Corporate GOVERNANCE STATEMENT

The Board of Country View Berhad subscribes to and supports the Malaysian Code on Corporate Governance ("Code") as a minimum basis for practices on corporate governance. The Board has always supported appropriate standards of corporate governance to be practiced throughout the Group.

### Corporate Governance within Country View Berhad

The Board of Country View Berhad ("CVB") acknowledges that corporate governance is an ongoing process that from time to time requires reassessment and refinement.

Set out below is a statement of how CVB has applied the Principles of the Code and compliance with the Best Practices provisions.

## Directors

### The Board

The Board acknowledges the need for direction and control of the Group being firmly in its own hands, the Board reserves appropriate strategic, financial and organisational matters for its collective decision and monitoring. The Board meets at least 4 times a year, with additional meetings convened as and when necessary. All non-executive directors bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct. 2 out of 7 members of the Board are independent in accordance with the definition provided in the Kuala Lumpur Stock Exchange Listing Requirements.

All Directors have attended the Mandatory Accreditation Programme prescribed by the Kuala Lumpur Stock Exchange.

The Company was listed on 29 May 2002. During the period between 29 May 2002 to the financial year ended 30 November 2002 three Board Meetings were held. The following is the record of attendance of the Board Members:

Directors	Total
1. Datuk Mohamed Al Amin Bin Abdul Majid J.P.	3/3
2. Law Kit Tat	3/3
3. Wong Chee Sean @ Wong Sean	2/3
4. Wong Joon Chin	3/3
5. Law Kee Kong	3/3
6. Choong Shiau Yoon	3/3
7. Azhar Bin Azizan @Harun	3/3

Where appropriate, matters have been delegated to Board Committees, all of which have written constitutions and terms of references.

- Board Audit Committee  
Please refer to the Report of the Board Audit Committee on page 23 of this Annual Report.
- Board Nomination and Remuneration Committee  
Please refer to the section on 'Board Nomination Committee and Board Remuneration Committee' of this document.

The Board is committed to its responsibility for a sound corporate governance in its business practices. Towards this end, the Board is in the midst of developing and formalizing the following Best Practices provisions:

- \* Strategic plan for the Group;
- \* Succession plan for the Board members and senior management personnel; and
- \* Investor relations program.

## Corporate GOVERNANCE STATEMENT (cont'd)

### Board Balance

The Board currently has 7 members, comprising of 2 independent non-executive directors, 1 non-executive director and 4 executive directors (including the Chairman). Together, the Directors bring wide business, regulatory, industry and financial experience relevant to the direction of the CVB Group. A brief description of the background of each Director is presented on pages 12 to 15 of this Annual Report.

Independence and balance of the Board is ensured through the presence of independent non-executive directors of the caliber necessary to carry sufficient unbiased weight in Board decisions. Although all the Directors have an equal responsibility for the Group's operations, the role of these independent directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and take account of the long term interest of all shareholders, employees, customers, suppliers and the community.

The Board has identified Choong Shiau Yoon as the senior independent non-executive director.

## Supply of information

The management has a responsibility and duty to provide the whole Board with all the information, of which it is aware, to facilitate the discharge of the Board's responsibilities. The Board therefore expects to receive all material information about the Group, its operating units, its activities and performance. As a general rule, papers on specific subjects are sent to the Board in advance so that time at the Board meeting can be conserved and used for focused discussion. All directors have the right and duty to make further enquiries where they consider this necessary.

All Directors have access to the advice and services of the Company Secretary and may take independent advice, at the Group's expense, in the furtherance of their duties if so required.

## Appointments to the Board

The Malaysian Code on Corporate Governance endorses, as good practice, a formal procedure for appointments to the Board, through a Nomination Committee making recommendations to the Board. The Code, however, states that this procedure may also be performed by the Board as a whole, although, as a matter of best practice, it recommends that this responsibility be delegated to the committee.

In previous years, all directors were involved in the process of appointing new directors. Subsequent to the issuance of the Malaysian Code on Corporate Governance, the Board reviewed this procedure and a Board Nomination Committee, with appropriate terms of reference, was set up on 26 February 2003. The committee comprising wholly of non-executive directors, a majority of whom are independent, are as follows:

### Board Nomination Committee

1. Azhar Bin Azizan @ Harun (Chairman)
2. Choong Shiau Yoon
3. Law Kee Kong

The Board Nomination Committee will be responsible for reviewing the Board size and composition, and recommend to the Board, appointment of new Directors of the Company and Board Committees.

**Corporate GOVERNANCE STATEMENT (cont'd)****Board Nomination Committee (cont'd)**

The assessment criteria and processes with regards to board appointment and evaluation are currently being finalised by the Board. All directors will be subjected to the same assessment criteria and process.

The Board, through the Board Nomination Committee will review annually its mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board.

As part of the process in appointing new directors, the Board Nomination Committee will provide for adequate training and orientation of new directors on the business structure and management of the Group as well as the expectations of the Board with regards to their contributions to the Board and the Group.

## Re-election

In accordance with the Company's Articles of Association, all directors are subject to election by shareholders at the first opportunity after their appointment. The Articles provides that one-third or the number nearest to one-third of the directors are subject to re-election by rotation at each Annual General Meeting. In addition, the Articles of Association also provides that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

## Directors' Remuneration

A Board Remuneration Committee with appropriate terms of reference was established by the Board on 26 February 2003. The committee comprising majority of non-executive directors, are as follows:

1. Azhar Bin Azizan @ Harun (Chairman)
2. Law Kee Kong
3. Wong Chee Sean @ Wong Sean

The Board Remuneration Committee will be responsible for the following:

1. Determine the level and make-up of the executive directors' and senior management's remuneration so as to ensure that the Company attracts and retains the directors and senior management of the appropriate calibre, experience and quality needed to run the Group successfully. The level and make-up of the remuneration should be structured so as to link rewards with corporate and individual performance; and
2. Develop policies, practices and recommend proposals appropriate to facilitate the recruitment and retention of directors and senior management of the Company.

In respect of the non-executive directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The non-executive directors shall abstain from discussions pertaining to their own remuneration.

## Corporate GOVERNANCE STATEMENT (cont'd)

## Directors' Remuneration (cont'd)

The details of the directors' remuneration for the financial year are summarised below:

Directors	Basic Salary (RM)	Fees and Allowances (RM)	Bonus (RM)	Benefits in-kind (RM)	Total (RM)
<b>EXECUTIVE DIRECTORS</b>	<b>521,084.00</b>	<b>-</b>	<b>43,691.00</b>	<b>38,064.25</b>	<b>602,839.25</b>
<b>NON-EXECUTIVE DIRECTORS</b>	<b>-</b>	<b>60,000.00</b>	<b>-</b>	<b>-</b>	<b>60,000.00</b>

The number of directors whose total remuneration fell within the following bands for the financial year was as follows:

Range of Remuneration	No. of Directors Executive	No. of Directors Non-Executive
Below RM50,000	-	3
RM50,001 - RM100,000	1	0
RM100,001 - RM150,000	2	0
RM150,001 - RM200,000	0	0
RM200,001 - RM250,000	1	0
	<b>4</b>	<b>3</b>

The disclosure of directors' remuneration is made in accordance with Appendix 9C, item 10 of the KLSE Listing Requirements. This method of disclosure represents a deviation from the Best Practices set out in the Malaysian Code of Corporate Governance, which suggests separate disclosure of each directors' remuneration. The Board of Directors is of the opinion that separate disclosure will impinge upon the directors' right of privacy and would not add significantly to the understanding of shareholders and other interested shareholders in this area.

## Shareholders

### Dialogue between the Company and Investors

The Annual General Meeting will be the principal forum for dialogue with shareholders. To ensure that shareholders and investors are well informed of major developments of the Group, information is disseminated to shareholders and investors through various disclosures and announcements to the KLSE which include quarterly financial results, annual report and where appropriate, circulars and press releases.

The Board will regularly review the above shareholder communications policy to ensure consistent and accurate information is provided to shareholders and fund managers on the Group and to provide prompt feedback to senior management on shareholders and investors' concerns and market perceptions thus ensuring effectiveness of the information dissemination.

The Group also maintains a website [www.countryview.com.my](http://www.countryview.com.my) for shareholders and public to access corporate information and new events related to the group.

**Corporate GOVERNANCE STATEMENT (cont'd)****Annual General Meeting**

At the coming Annual General Meeting, the Board will present the progress and performance of the business and encourage shareholders to participate in the question and answer session. The Board of Directors will be available to respond to shareholders' questions during the meeting.

Each item of special business included in the notice of the meeting will be accompanied by a full explanation of the effects of a proposed resolution.

## Accountability and Audit

**Financial reporting**

In presenting the annual financial statements and quarterly announcements to shareholders, the directors aim to present a balanced and understandable assessment of the Group's position and prospect. This also applies to other price-sensitive public reports and reports to regulators.

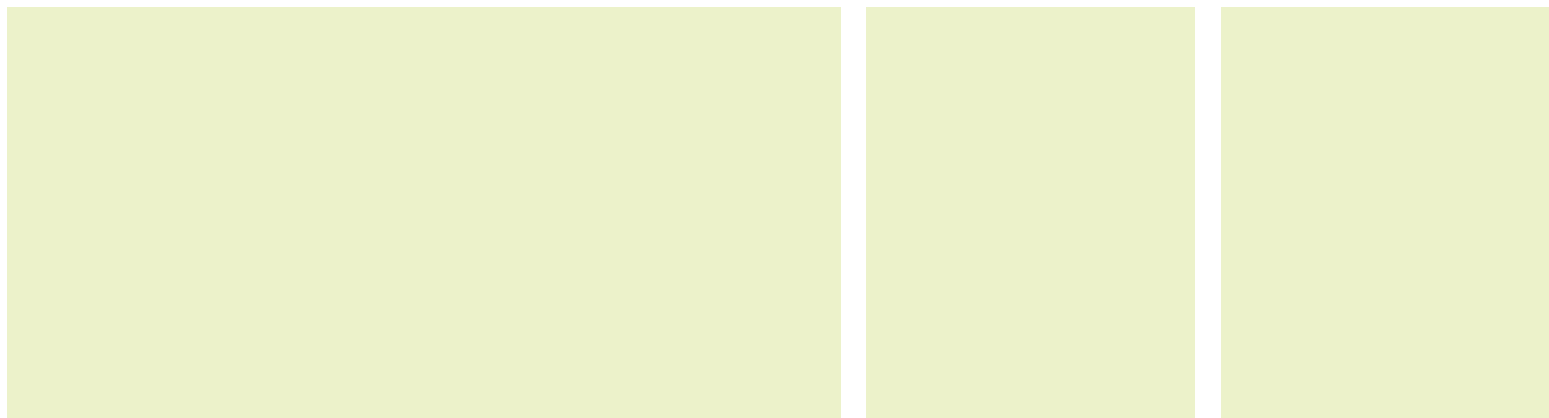
**Internal Control**

The Board is in the process of establishing the internal audit function for the company. The Statement on Internal Control set out on page 21 of this Annual Report provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

**Relationship with the Auditors**

Through the Board Audit Committee, the Group has established transparent and appropriate relationship with the Group's Auditors. The Board Audit Committee meets with the auditors at least once a year.

A report of the Board Audit Committee is provided in page 23 of this Annual Report.



## Statement ON INTERNAL CONTROL

### Preamble

The Malaysian Code on Corporate Governance requires the Board of listed companies to identify significant risk and maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. In addition, the Kuala Lumpur Stock Exchange's ("KLSE") Revamped Listing Requirements require directors of listed companies to include a statement in the annual reports on the state of their internal controls. The KLSE's Statement on Internal Control: Guidance for Directors of Public Companies ("Guidance") provides guidance for compliance with these requirements. Set out below is the Board's Internal Control Statement, which has been prepared in accordance with the Guidance.

### Responsibility

The Board of Directors of Country View Berhad ("CVB") recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of those systems. It should be noted, however, that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. In addition, it should be noted that any system could only provide reasonable and not absolute assurance against material misstatement or loss.

### Internal Control and Risk Management

The Board maintains an ongoing commitment to strengthen the Group's control environment and processes. To this end, the Board had engaged external consultants to assist in the development and assessment of a formalised risk management framework.

The Board is in the process of reviewing the internal controls framework that currently exists within the Group and assessing the applicability of the existing controls with regards to risk and their effectiveness and efficiency.

Facilitated workshop was conducted and attended by key directors and management for risk analysis purposes. The assessment took into account all aspects of an internal control framework, including risk assessment, the control environment and control activities, information and communication and monitoring procedures. Key business risks were categorised to highlight the source of the risk, its scoring to reflect the impact of the risk and the likelihood of its occurrence.

The Board in its efforts to embed the process in the Group, plans to develop a monitoring and reporting process to continuously evaluate and monitor the significant risks in a formalised manner, which would entail establishing procedures for reporting and monitoring of risk and controls. Regular reviews will be conducted with additional reviews as and when required.

These initiatives would ensure that the Group has in place a formalised ongoing process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives.

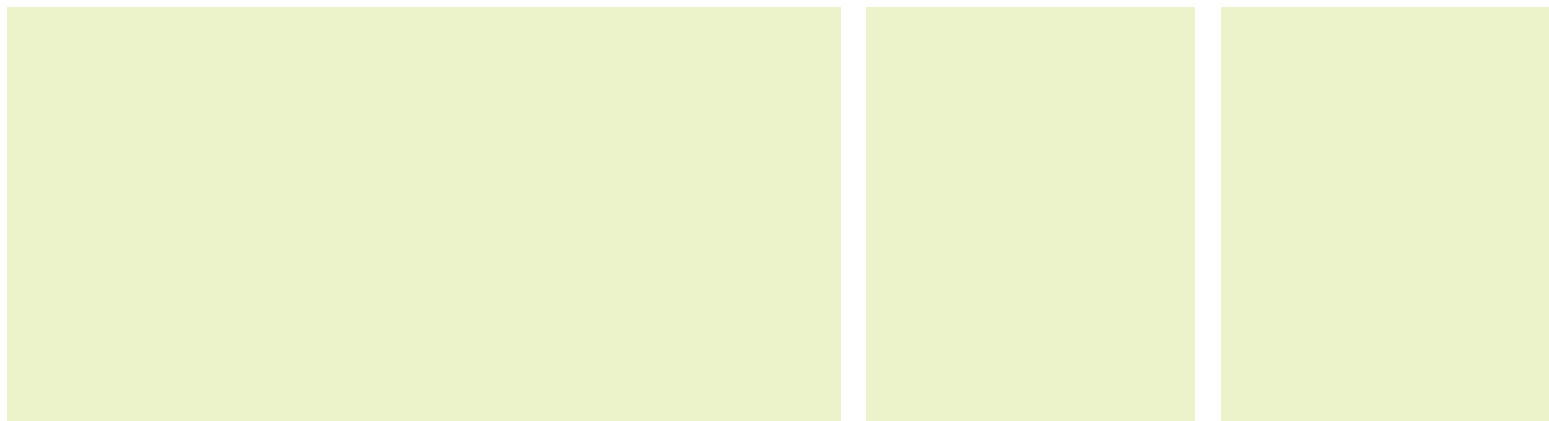
**Statement ON INTERNAL CONTROL (cont'd)****Other key elements of internal control**

The other key elements of the Group's internal control systems that are now in place are described below:

- \* Active participation by certain members of the Board in the day-to-day running of the operations and regular dialogues with senior management on operation matters;
- \* Review and approval of all proposals for material capital and investment acquisition by the Board;
- \* Regular review of the performance of business units by the Board which also assesses the impact on any changes in business and competitive environment;
- \* Monthly monitoring of results against budget, with major variances being followed up and management action taken where necessary;
- \* Appraisals by the Auditors to ensure ongoing compliance with the financial controls;

**Internal Control Issues**

During the year, there were no material losses as a result of any breakdown in internal controls.





## Audit COMMITTEE REPORT

The Audit Committee comprises of two independent non-executive directors and one executive director who are as follows:

1. Choong Shiau Yoon ~ Senior Independent Non-Executive Director
2. Azhar Bin Azizian @ Harun ~ Independent Non-Executive Director
3. Wong Joon Chin ~ Executive Director

Mr Choong Shiau Yoon is the Chairman of the Audit Committee.

The Audit Committee was set up on 28 March 2002 and held three meetings during the financial year ended 30 November 2002 (i.e 21 May 2002; 23 July 2002 and 22 October 2002.) The attendance of the members of the Audit Committee is set out below:

Name	Total Meetings Attended
Choong Shiau Yoon	3
Azhar Bin Azizian @ Harun	3
Wong Joon Chin	3

### Summary of Activities

The Audit Committee carried out its duty in accordance with its Terms of Reference.

During the financial year, the Audit Committee:

1. Reviewed and recommended the unaudited quarterly report for the Board's approval prior to their release to the Kuala Lumpur Stock Exchange.
2. Reviewed with the External Auditors the results of the audit and recommendations.
3. Reviewed the audit strategy and plan of the external auditors.
4. Discussed on updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board.
5. Made recommendations to the Board on the engagement of external advisers to assist the Board in assessing and identifying gaps between the Group's existing corporate governance practices and the prescribed corporate governance principles and best practices under the Malaysian Code on Corporate Governance.
6. Reviewed the Company's External Auditors' report on the Company's control weaknesses and recommended the necessary actions to the Board for consideration.

**Audit COMMITTEE REPORT (cont'd)****Terms of Reference****Composition**

1. The Audit Committee shall be appointed by the Board of Directors and shall be comprised of a minimum of three (3) Directors subject to a maximum of five (5) Directors or such number as may be determined by the Board of Directors from time to time.
2. The majority of Audit Committee must be Independent Directors as defined in the Kuala Lumpur Stock Exchange Listing Requirements.
3. The members of Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director; and
4. At least one (1) member of the Audit Committee:-
  - i) must be a member of the Malaysian Institute of Accountants ("MIA"), or
  - ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:-
    - a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
    - 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.
5. No Alternate Director shall be appointed as a member of the Audit Committee.

**Policy**

It is the policy of Country View Berhad ("CVB") to establish an Audit Committee to provide assistance to the Board in relation to fulfilment of the Board's statutory as well as fiduciary responsibilities and ensure that the internal and external audit functions of the CVB Group are being carried out adequately and effectively.

**Functions**

The Audit Committee shall review, report and make recommendations to the Board on the following matters:

1. The appointment of the external auditors, the audit fee and any questions of re-appointment, resignation or dismissal.
2. To discuss with the external auditors before the audit commences, the nature and scope of the audit.
3. To review with the external auditors:-
  - \* the audit plan;
  - \* his evaluation of the system of internal controls;
  - \* his audit report;
  - \* his management letter and management's response;
  - \* the assistance given by the Company's employees to the external auditors;
  - \* to discuss problems and reservations arising from the interim and final audit, and any matter the auditors may wish to discuss (in the absence of management where necessary).

## Audit COMMITTEE REPORT (cont'd)

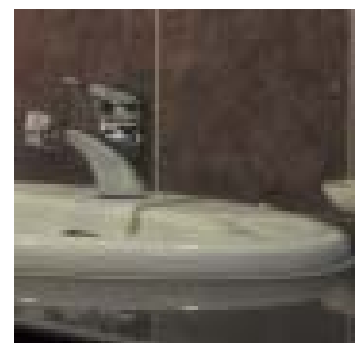
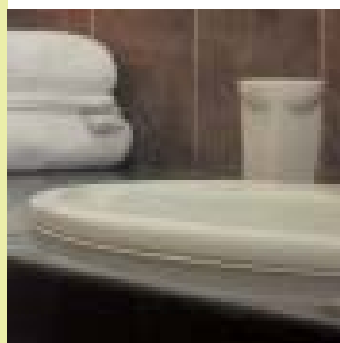
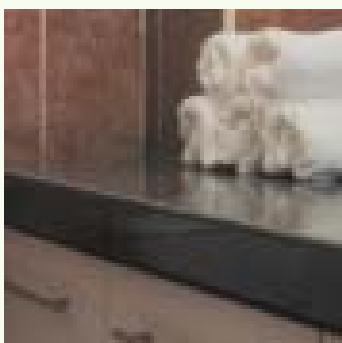
## 4. To review:-

- \* the Balance Sheet and Profit and Loss Accounts of the Company and the Consolidated Balance Sheet and Profit and Loss Accounts of the Group and thereafter to submit them to the Directors of the Company;
- \* the quarterly and year-end financial statements of the Company and Group prior to the approval of the Board of Directors, focusing particularly on:-
  - i) changes in or implementation of major accounting policies and practices;
  - ii) significant adjustments arising from the audit;
  - iii) the going concern assumption;
  - iv) compliance with accounting standards and other legal requirements.
- \* any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

## 5. In relation to the internal audit function where it exists:-

- \* review the adequacy of the scope, functions and resources of the internal audit functions and that it has the necessary authority to carry out its works;
- \* review the internal audit programme, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- \* review any appraisal or assessment of the performance of members of the internal audit function;
- \* approve any appointment or termination of senior staff members of the internal audit function;
- \* inform itself of changes in personnel of the internal audit staff members and make available the opportunity for resigning staff members to submit his reasons for resigning.

## 6. To propose best practices on disclosure in financial results and annual reports of the Company in line with the principles and spirit set out in the Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines.



**Audit COMMITTEE REPORT (cont'd)****Authority**

The Audit Committee is authorised by the Board to:-

- a) investigate any matter or activity within its terms of reference;
- b) have the resources which are required to perform its duties;
- c) have full and unrestricted access to any information pertaining to the Company and Group;
- d) have direct communication channels with the external auditors, and person(s) carrying out the internal audit function or activity (if any);
- e) obtain independent professional or other advice when needed and to secure the attendance of third parties with relevant experience and expertise if it considers this necessary; and
- f) convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

**Procedure of audit Committee**

1. The Committee may meet together for the despatch of business, adjourn and subject to Articles 121 to 123 otherwise regulate their meetings as they think fit, provided that the Committee shall meet at least four (4) times in a calendar year.
2. Any member of the Committee may at any time and the Secretary shall on such request summon a meeting of the Committee.
3. At least seven (7) days notice of a meeting of the Committee shall be given to all Committee Members in writing at his last known address or other address given by him for purpose. The Committee Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all Committee Members.

The quorum necessary for the transaction of business shall be two (2) comprised of a majority of Independent Directors.

4. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the Chairman shall have a second or casting vote.



**Audit COMMITTEE REPORT (cont'd)**

5. The external auditors may request a meeting if they consider that one is necessary and the Chairman upon such request will convene a meeting for the purpose.

The external auditors are entitled to written notice of any meetings of the Committee at the same time as members of the Committee and shall have the right to appear and be heard at any meetings of the Committee.

The Committee shall meet with the external auditors at least once a year and if deemed necessary without the presence of any executive Board member.

6. The Financial Controller/ Head of Finance, the Head of Internal Audit (where such function exists) shall normally attend meetings or be excluded at the discretion of the Chairman. The Chairman shall, where he deems appropriate, invite any other Board members, employees, third party professionals and/or any person(s) with the relevant experience and expertise to attend any meetings of the Committee.
7. The Committee shall cause minutes to be duly entered into books provided for the purposes:-
- of the names of all committee members and other participants at each meeting of the Committee;
  - of all resolutions and proceedings of committee meetings;
  - of all orders, recommendations and reports made by the Committee.

Such minutes shall be signed by the Chairman of the Committee 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 therein stated.

8. The books containing the Minutes of proceedings of the Committee shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act, 1965, relating to keeping of Minutes of the Board of Directors and any Committee of the Board of Directors.





### Internal Audit Function

An internal Audit Function has yet to be established by the Company. The Audit Committee endorses the importance of the internal audit function to provide an independent and objective report on the effectiveness of the system of internal control within the Group in protecting the shareholders' investment and the Group's assets.

The Audit Committee is in the process of establishing an internal audit department in the Company.

The Audit Committee also endorses the importance of the development and formalisation of a risk management framework within the Group to enhance the risk and control awareness within the Group. For this purpose, during the financial year under review, the Audit Committee had proposed and the Board had approved the appointment of the external adviser to assist in developing and formalising the risk management framework for the Group including an assessment of the risks and controls applicable to its business activities.

The assessment will take into account all aspects of an internal control framework, including the control environment and control activities, information and communication and monitoring procedures. Key business risks will be categorised to highlight the source of the risk, its scoring to reflect the impact of the risk and the likelihood of its occurrence.

Overview of the Group's approach in maintaining a sound system of internal control is stated in the Statement on Internal Control on page 21 of this Annual Report.

## Additional COMPLIANCE INFORMATION



To comply with the Listing Requirements, the following additional information is provided:

### 1. Utilisation of proceeds

On 15 November 2002, the Company announced to the Kuala Lumpur Stock Exchange on the extension of the time frame for the utilisation of the unutilised portion of the listing proceeds totalling RM3.28 million for another six months from 30 November 2002 to 29 May 2003.

The proceeds arising from the Public Issue pursuant to the listing of the Company on the Main Board of the Kuala Lumpur Stock Exchange amounting to RM18 million were fully utilised in January 2003.

### 2. Share buybacks

During the financial year, there were no share buybacks by the Company.

### 3. Options, warrant or convertible securities

There were no options, warrants or convertible securities issued during the financial year.

### 4. American Depository Receipt (ADR) or Global Depository Receipt (GDR) programme

During the financial year under review, the Company did not sponsor any ADR or GDR programme.

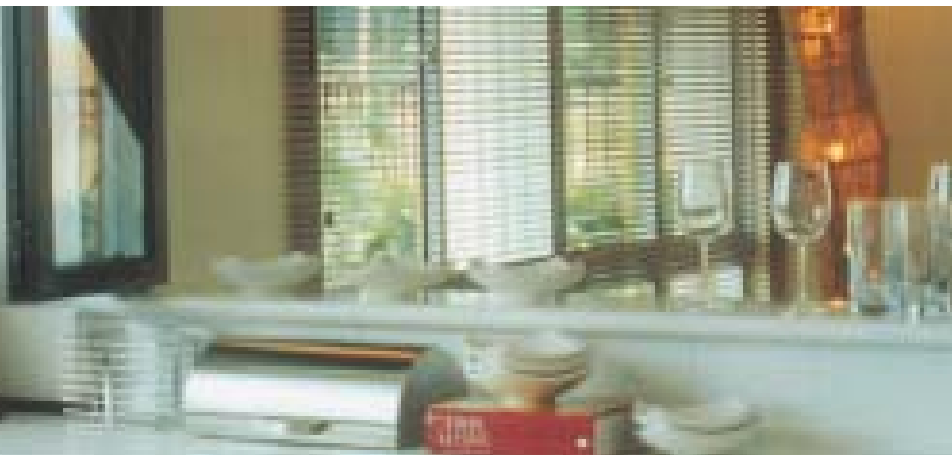
### 5. Imposition of sanctions/penalties

There were no sanctions/penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies.

### 6. Non-audit fees

During the financial year ended 30 November 2002, non-audit fees paid to Messrs K.S Chua & Co. by the Company and its subsidiaries amounted to RM57,000.

## Additional COMPLIANCE INFORMATION (cont'd)

**7. Profit estimate, forecast or projection**

On 22 April 2002, the Company issued a Prospectus for a Public Issue of 15,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share ("Public Issue") payable in full on application pursuant to its listing on the Main Board of the Kuala Lumpur Stock Exchange which was completed on 29 May 2002.

In the said prospectus, the Company forecasted a profit after tax of RM16.035 million for the financial year 2002. There is no material variance between the actual and forecast results for the financial year.

**8. Profit guarantee**

There were no profit guarantee given by the Company in respect of the financial year.

**9. Material contracts**

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest either subsisting at the end of the financial year or entered into during the financial year.

**10. Contract relating to loan**

There were no contracts relating to loan by the Company and its subsidiaries in respect of the preceding item.

**11. Revaluation of landed properties**

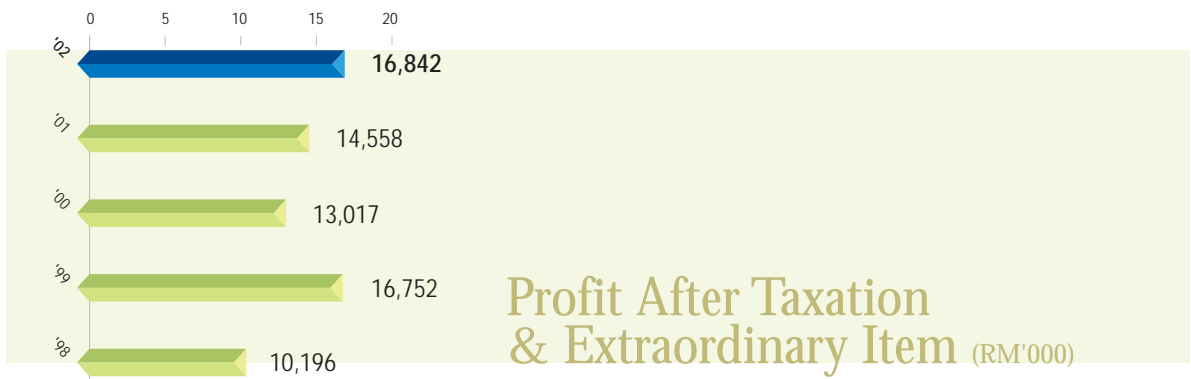
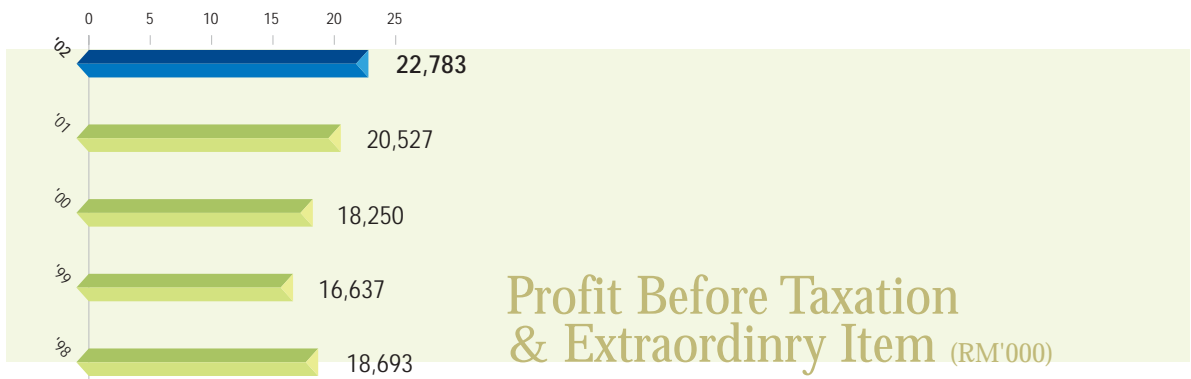
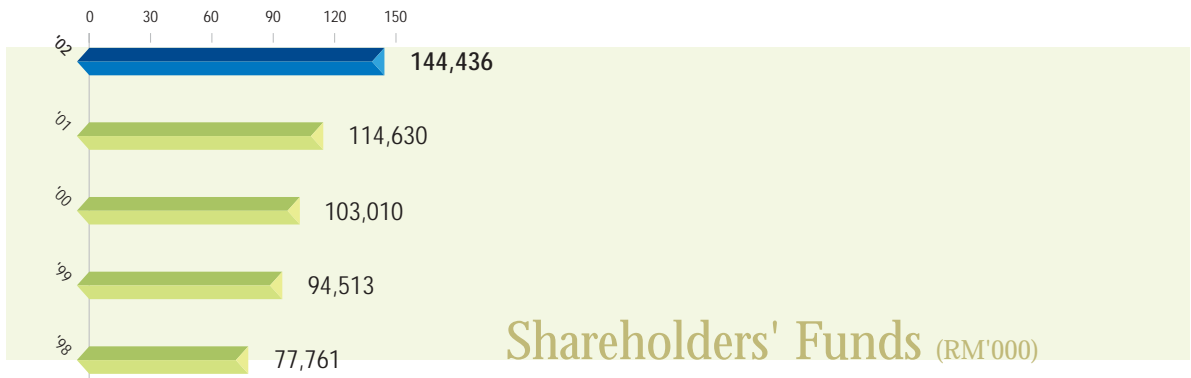
The Group does not adopt any revaluation policy on the landed properties.



## Five Years FINANCIAL HIGHLIGHTS

	2002	2001	2000	1999	1998
Paid-up capital (RM'000)	100,000	85,000	6,000	6,000	6,000
Shareholders' funds (RM'000)	144,436	114,630	103,010	94,513	77,761
NTA (RM'000)	144,436	114,630	102,981	94,481	77,734
NTA per share (sen)	144	135	1,716	1,575	1,296
Revenue (RM'000)	61,044	36,105	27,228	33,770	40,516
Profit before taxation & extraordinary item (RM'000)	22,783	20,527	18,250	16,637	18,693
Profit after taxation & extraordinary item (RM'000)	16,842	14,558	13,017	16,752	10,196
Earnings per share (sen)	18.07	17.28	216.96	279.21	169.93
Pretax profit margin (%)	37.3	56.9	67.0	49.3	46.1
Current ratio	2.85	1.36	14.01	2.71	1.62
Return on capital employed (%)	15.8	17.9	17.7	17.6	24.0
Total borrowings (RM'000)	42,449	59,307	-	-	-
Gearing (times)	0.29	0.52	-	-	-
Gross dividend per share (sen)	6.00	27.35	75.34	-	256.00
Gross dividend cover (number of times)	3.80	5.87	4.04	-	1.22

Five Years FINANCIAL HIGHLIGHTS (cont'd)



## ANALYSIS of Shareholdings

### Share Capital as at 28 February 2003

Authorised Capital	:	RM500,000,000.00
Issued and Fully Paid up Capital	:	RM100,000,000.00
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One (1) vote per Ordinary Share

### Distribution of Shareholders as at 28 February 2003

No. of Holders	Size of the Shareholdings	Total Holdings	%
0	Less than 100	0	0.00
3,031	100 to 1,000	3,031,000	3.03
441	1,001 to 10,000	1,316,000	1.32
44	10,001 to 100,000	1,320,000	1.32
27	100,001 to less than 5% of issued shares	42,603,014	42.60
6	5% and above of issued shares	51,729,986	51.73
<b>3,519</b>	<b>Total</b>	<b>100,000,000</b>	<b>100.00</b>

## ANALYSIS of Shareholdings (cont'd)

**List of Thirty Largest Shareholders as at 28 February 2003**  
*(As per Record of Depositors)*

No.	Name of shareholders	No. of Shares held	%
1.	Law Kit Tat	13,625,000	13.62
2.	Jalur Bahagia Sdn. Bhd.	10,200,000	10.20
3.	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.80
4.	Neosas Teknik Sdn. Bhd.	8,500,000	8.50
5.	OSK Nominees (Tempatan) Sdn Berhad, EON Finance Berhad for Wong Chee Sean @ Wong Sean	5,483,736	5.48
6.	Wong Chee Sean @ Wong Sean	5,125,000	5.12
7.	Khor Hiang Jee	4,250,000	4.25
8.	Liu Fah Yam @ Law Fah Yam	4,250,000	4.25
9.	Law Kee Kong	4,250,000	4.25
10.	CIMSEC Nominees (Tempatan) Sdn. Bhd., EON Finance Berhad for Mohd Adnan Bin Mohd Nor	3,650,000	3.65
11.	Chan Teng Hon	3,400,000	3.40
12.	Tan Chee Kwang	3,400,000	3.40
13.	Lau Kang @ Lau Bok Swee	2,537,000	2.54
14.	Yee Gee Min	2,320,014	2.32
15.	Mohamad Shukri Bin Linjal	2,250,000	2.25
16.	Wong Joon Chin	2,150,000	2.15
17.	Khiu Kuet-Vin	1,883,000	1.88
18.	Sadiyah Binti Suleiman	1,700,000	1.70
19.	Kong Fu Tak	1,560,000	1.56
20.	Lee Hin Ming @ Lee Sing Lee	1,000,000	1.00
21.	Kenanga Nominees (Tempatan) Sdn. Bhd., EON Finance Berhad for Mohamed Al Amin Bin Abdul Majid	850,000	0.85
22.	JB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Kwong Wai Ling	546,000	0.55
23.	Lai Boo Luck	500,000	0.50
24.	Jimmy Purwonegoro	477,000	0.48
25.	Syarikat Ajaib Jaya Sdn. Bhd.	467,000	0.47
26.	Kenanga Nominees (Tempatan) Sdn. Bhd. pledged securities account for Liew Jiew Liong	210,000	0.21
27.	Liew Tze Min	180,000	0.18
28.	Sim Chung Mine	179,000	0.18
29.	Liew Kui Ann	150,000	0.15
30.	Lo Kean Kwong	123,000	0.12
<b>Total</b>		<b>94,012,000</b>	<b>94.01</b>

## ANALYSIS of Shareholdings (cont'd)

## Substantial Shareholders as at 28 February 2003

(As per the Register of Substantial Shareholders)

No.	Name of Shareholders	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Law Kit Tat	13,625,000	13.62	-	-
2.	Wong Chee Sean @ Wong Sean	10,608,736	10.61	-	-
3.	Jalur Bahagia Sdn. Bhd.	10,200,000	10.20	-	-
4.	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.80	-	-
5.	Neosas Teknik Sdn. Bhd.	8,500,000	8.50	-	-
6.	Sadiyah Binti Suleiman	1,700,000	1.70	18,700,000 <sup>a</sup>	18.70
7.	Munawir Bin Khadri	-	-	8,500,000 <sup>b</sup>	8.50
8.	Haliah Binti Khadri	-	-	10,200,000 <sup>c</sup>	10.20

## Note:

- Deemed interested by virtue of her substantial shareholdings in Jalur Bahagia Sdn. Bhd. and Neosas Teknik Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- Deemed interested by virtue of his substantial shareholdings in Neosas Teknik Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- Deemed interested by virtue of her substantial shareholdings in Jalur Bahagia Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.

## Directors' Shareholdings as at 28 February 2003

(As per the Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Datuk Mohamed Al Amin Bin Abdul Majid	950,000	0.95	-	-
2.	Law Kit Tat	13,625,000	13.62	-	-
3.	Wong Chee Sean @ Wong Sean	10,608,736	10.61	-	-
4.	Wong Joon Chin	2,150,000	2.15	-	-
5.	Law Kee Kong	4,250,000	4.25	-	-
6.	Choong Shiau Yoon	-	-	-	-
7.	Azhar Bin Azizan @ Harun	-	-	-	-

## Statement OF DIRECTORS' RESPONSIBILITIES

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS.

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and of the results and cash flows of the Company and the Group for the financial year.

In preparing the financial statements for the year ended 30 November 2002, the Directors have:

- \* considered the applicable approved Malaysian Accounting Standards
- \* adopted and consistently applied appropriate accounting policies
- \* made judgements and estimates that are prudent and reasonable
- \* Prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.



# FINANCIAL STATEMENTS

38	Directors' Report
41	Income Statements
42	Balance Sheets
43	Statements of Changes in Equity
44	Consolidated Cash Flow Statement
45	Cash Flow Statement
46	Notes to the Financial Statements
59	Statement by Directors
59	Statutory Declaration
60	Report of the Auditors

## Directors' REPORT FOR THE YEAR ENDED 30TH NOVEMBER 2002

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30th November 2002.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property development, investment holding and property investment.

The principal activities of the subsidiary and associated companies are described in Notes 20 and 21 respectively to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

### FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after taxation	16,842	11,789
Retained profits brought forward	29,630	29,253
	<u>46,472</u>	<u>41,042</u>
Dividends	(2,160)	(2,160)
Retained profits carried forward	<u>44,312</u>	<u>38,882</u>

### DIVIDENDS

During the financial year, the Company declared and paid an interim dividend of 3 sen per share less income tax of 28% which amounted to RM2,160,000.

The Directors recommend a final dividend of 3 sen per share less income tax of 28% amounting to RM2,160,000 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.

### BAD AND DOUBTFUL DEBTS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain whether it is necessary to write off bad debts or to make provision for doubtful debts. At the date of this report, the Directors are of the opinion that no provisions for doubtful debts or the writing off of bad debts was necessary.

### CURRENT ASSETS

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.



**Directors' REPORT (cont'd)****VALUATION METHODS**

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the Group and in the Company's financial statements misleading or inappropriate.

**CONTINGENT AND OTHER LIABILITIES**

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

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

No contingent or other liability of the Group or of the Company 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.

**CHANGE OF CIRCUMSTANCES**

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

**ISSUE OF SHARES OR DEBENTURES**

During the financial year, the Company increased its issued and paid-up capital from RM85,000,000 to RM100,000,000 by way of public issue of 15,000,000 ordinary shares of RM1 each. There was no issue of debentures.

**DIRECTORS**

The Directors who served since the date of the last report are as follows :-

Wong Joon Chin (f)

Law Kit Tat

Wong Chee Sean @ Wong Sean

Datuk Mohamed Al Amin Bin Abdul Majid

Choong Shiau Yoon

(appointed on 27.03.2002)

Azhar Bin Azizan @ Harun

(appointed on 27.03.2002)

Law Kee Kong

(appointed on 27.03.2002)

In accordance with Article 84 of the Company's Articles of Association, Wong Chee Sean @ Wong Sean retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Article 91 of the Company's Articles of Association, Choong Shiau Yoon, Azhar Bin Azizan @ Harun and Law Kee Kong, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

**Directors' REPORT (cont'd)****DIRECTORS' INTERESTS**

According to the Register of Directors' Shareholdings, none of the Directors in office at the end of the financial year have any interest in the shares of the Company other than as follows :-

Name of Directors	Number of ordinary shares of RM1 each			As at 30.11.2002
	As at 01.12.2001	Addition	Disposal	
Wong Joon Chin (f)	2,125,000	25,000	-	2,150,000
Law Kit Tat	13,600,000	25,000	-	13,625,000
Wong Chee Sean @ Wong Sean	5,100,000	5,508,736	-	10,608,736
Datuk Mohamed Al Amin Bin Abdul Majid	-	950,000	-	950,000
Law Kee Kong	-	4,250,000	-	4,250,000

By virtue of their interest in the shares of the Company, the above Directors are deemed interested in the shares of the subsidiary companies to the extent that the Company has an interest.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors, as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the 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 for those benefits which may be deemed to have arisen by virtue of those contracts, agreements and transactions entered into in the ordinary course of business between the Company or its subsidiary companies and companies in which the Directors are deemed to have a substantial financial interest.

Neither during nor at the end of the financial year, was the Company or any of its subsidiary companies a party to any arrangements whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**AUDITORS**

The auditors, Messrs. K. S. Chua & Co., Chartered Accountants, have indicated their willingness to continue in office.

On behalf of the Board of Directors,

**LAW KIT TAT**

Director

**WONG JOON CHIN (f)**

Director

Johor Bahru

Date: 26 February 2003

## Income STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2002

	NOTE	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Revenue	5	<u>61,044</u>	<u>36,105</u>	<u>27,502</u>	<u>36,022</u>
Cost of goods sold		<u>(33,511)</u>	<u>(11,558)</u>	<u>(7,570)</u>	<u>(11,739)</u>
Gross profit		27,533	24,547	19,932	24,283
Other operating income		927	1,251	791	547
Administrative expenses		<u>(5,578)</u>	<u>(4,927)</u>	<u>(4,974)</u>	<u>(4,783)</u>
Profit from operations		22,882	20,871	15,749	20,047
Finance costs		(50)	(258)	(50)	(258)
Share of losses of an associated company		<u>(49)</u>	<u>(86)</u>	<u>-</u>	<u>-</u>
Profit before taxation & extraordinary item	6	22,783	20,527	15,699	19,789
Less: Taxation	7	<u>5,941</u>	<u>5,836</u>	<u>3,910</u>	<u>5,583</u>
Profit after taxation but before extraordinary item		16,842	14,691	11,789	14,206
Extraordinary item					
(Loss)/Gain on disposal of subsidiary company	8	<u>-</u>	<u>(133)</u>	<u>-</u>	<u>42</u>
Profit after taxation and extraordinary item		<u>16,842</u>	<u>14,558</u>	<u>11,789</u>	<u>14,248</u>
Earnings per ordinary share (sen)	9	<u>18.07</u>	<u>17.28</u>		
Gross dividend per share (sen)	10				
First interim dividend		3.00	25.00	3.00	25.00
Second interim dividend		-	2.35	-	2.35
Final dividend		<u>3.00</u>	<u>-</u>	<u>3.00</u>	<u>-</u>
		<u>6.00</u>	<u>27.35</u>	<u>6.00</u>	<u>27.35</u>

The above income statements are to be read in conjunction with the notes to the financial statements on pages 46 to 58.

## Balance SHEETS AS AT 30TH NOVEMBER 2002

	NOTE	Group		Company	
		2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
<b>CAPITAL AND RESERVES</b>					
Share capital	11	100,000	85,000	100,000	85,000
Reserves	12	44,312	29,630	38,882	29,253
Share premium		124	-	124	-
		<u>144,436</u>	<u>114,630</u>	<u>139,006</u>	<u>114,253</u>
<b>DEFERRED AND LONG TERM LIABILITIES</b>					
Term loans	13	24,841	38,621	24,841	38,621
Bridging loans	14	3,709	1,417	3,709	1,417
Hire purchase creditors	15	224	340	224	340
Deferred taxation	16	20	-	-	-
		<u>28,794</u>	<u>40,378</u>	<u>28,774</u>	<u>40,378</u>
		<u>173,230</u>	<u>155,008</u>	<u>167,780</u>	<u>154,631</u>
<b>REPRESENTED BY :-</b>					
LAND HELD FOR DEVELOPMENT	18	128,698	143,157	-	-
PROPERTY, PLANT AND EQUIPMENT	19	1,312	1,290	1,101	1,257
INTERESTS IN SUBSIDIARY COMPANIES ASSOCIATED COMPANY	20 21	- 528	- 577	155,891 -	143,953 -
<b>CURRENT ASSETS</b>					
Land & development expenditure	22	48,627	22,413	18,885	22,451
Trade debtors		9,060	8,082	3,683	8,082
Other debtors, deposits and prepayments	23	2,669	3,335	1,661	2,676
Fixed deposits	24	136	603	136	603
Short-term money market deposits		2,400	-	2,400	-
Quoted shares	25	6	6	6	6
Cash and bank balances	26	2,854	3,272	536	3,247
		<u>65,752</u>	<u>37,711</u>	<u>27,307</u>	<u>37,065</u>
<b>LESS: CURRENT LIABILITIES</b>					
Trade creditors	27	5,573	2,303	967	2,505
Other creditors, deposits & accruals		2,379	4,087	1,400	4,017
Short term borrowings	28	13,559	14,088	13,559	14,088
Term loans	13	-	4,725	-	4,725
Hire purchase creditors	15	116	116	116	116
Proposed dividends		-	1,438	-	1,438
Provision for taxation		1,433	970	477	755
		<u>23,060</u>	<u>27,727</u>	<u>16,519</u>	<u>27,644</u>
<b>NET CURRENT ASSETS</b>		<u>42,692</u>	<u>9,984</u>	<u>10,788</u>	<u>9,421</u>
		<u>173,230</u>	<u>155,008</u>	<u>167,780</u>	<u>154,631</u>

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 46 to 58.

## Statements of CHANGES IN EQUITY AS AT 30TH NOVEMBER 2002

	NOTE	Share Capital Ordinary shares RM'000	Distribu- table Reserve Retained profits RM'000	Non- distribu- table Reserve Share premium RM'000	Total RM'000
<b>Group</b>					
Balance as at 01.12.00		6,000	97,010	-	103,010
Net profit for the year			14,558		14,558
Bonus issue	12	79,000	(79,000)		-
Interim dividends :-	10				
- 25 sen per share (tax exempt)			(1,500)		(1,500)
- 2.35 sen per share less tax			(1,438)		(1,438)
Balance as at 30.11.01		<u>85,000</u>	<u>29,630</u>	<u>-</u>	<u>114,630</u>
Balance as at 01.12.01		85,000	29,630	-	114,630
Net profit for the year			16,842		16,842
Public issue	11	15,000	-	3,000	18,000
Listing expenses				(2,876)	(2,876)
Interim dividend :-	10				
- 3 sen per share less tax			(2,160)		(2,160)
Balance as at 30.11.02		<u>100,000</u>	<u>44,312</u>	<u>124</u>	<u>144,436</u>
<b>Company</b>					
Balance as at 01.12.00		6,000	96,943	-	102,943
Net profit for the year			14,248		14,248
Bonus issue	12	79,000	(79,000)		-
Interim dividends :-	10				
- 25 sen per share (tax exempt)			(1,500)		(1,500)
- 2.35 sen per share less tax			(1,438)		(1,438)
Balance as at 30.11.01		<u>85,000</u>	<u>29,253</u>	<u>-</u>	<u>114,253</u>
Balance as at 01.12.01		85,000	29,253	-	114,253
Net profit for the year			11,789		11,789
Public issue	11	15,000	-	3,000	18,000
Listing expenses				(2,876)	(2,876)
Interim dividend :-	10				
- 3 sen per share less tax			(2,160)		(2,160)
Balance as at 30.11.02		<u>100,000</u>	<u>38,882</u>	<u>124</u>	<u>139,006</u>

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 46 to 58.

## Consolidated CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH NOVEMBER 2002

	NOTE	2002 RM'000	2001 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Profit before taxation		22,783	20,527
Adjustments for:-			
Deferred expenditure written off		-	29
Depreciation	19	381	321
Interest from bank deposits		(157)	(76)
Interest received		(4)	-
Interest paid		50	258
Gain on disposal of property, plant and equipment		(11)	(1)
Property, plant and equipment written off		5	-
Share of losses of an associated company		49	86
Operating profit before working capital changes		23,096	21,144
Increase in development expenditure		(11,754)	(99,208)
Decrease in trade and other receivables		52	2,429
Increase in trade and other payables		1,198	3,896
Cash Generated From/(Used In) Operations		12,592	(71,739)
Interest received		4	-
Tax paid		(5,458)	(5,485)
<i>Net Cash Generated From/(Used In) Operating Activities</i>		<u>7,138</u>	<u>(77,224)</u>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Interest from bank deposits		157	76
Investment in an associated company		-	(240)
Proceeds from disposal of property, plant and equipment		14	1
Net proceeds from disposal of subsidiary company	8	-	(5)
Purchase of property, plant and equipment		(412)	(997)
<i>Net Cash Used In Investing Activities</i>		<u>(241)</u>	<u>(1,165)</u>
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Drawdown of bank borrowings		2,474	46,417
Interest paid		(50)	(258)
Listing expenses paid		(2,876)	-
Proceeds from the public issue		18,000	-
Release of hire purchase loans		-	540
Repayment of bank borrowings		(18,687)	(1,655)
Repayment of hire purchase loans		(116)	(84)
Dividends paid		(3,598)	(1,500)
<i>Net Cash (Used In)/Generated From Financing Activities</i>		<u>(4,853)</u>	<u>43,460</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,044	(34,929)
<b>Opening balance of cash and cash equivalents</b>		(10,213)	24,716
<b>Closing balance of cash and cash equivalents</b>	29	<u>(8,169)</u>	<u>(10,213)</u>

The above consolidated cash flow statement is to be read in conjunction with the notes to the financial statements on pages 46 to 58.

## Cash FLOW STATEMENT FOR THE YEAR ENDED 30TH NOVEMBER 2002

	NOTE	2002 RM'000	2001 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>			
Profit before taxation		15,699	19,789
Adjustments for:-			
Depreciation	19	359	320
Interest from bank deposits		(157)	(76)
Interest paid		50	258
Gain on disposal of property, plant and equipment		(11)	(1)
Property, plant and equipment written off		5	-
Operating profit before working capital changes		15,945	20,290
Decrease/(Increase) in land & development expenditure		3,566	(14,651)
Decrease/(Increase) in trade and other receivables		5,414	(9,250)
(Decrease)/Increase in trade and other payables		(4,155)	3,987
Cash Generated From Operations		20,770	376
Tax paid		(4,187)	(5,436)
<i>Net Cash Generated From/(Used In) Operating Activities</i>		16,583	(5,060)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>			
Advances to subsidiary companies		(11,688)	(72,170)
Interest from bank deposits		157	76
Proceeds from disposal of property, plant and equipment		14	1
Proceeds from disposal of subsidiary company	8	-	52
Purchase of property, plant and equipment		(212)	(963)
Purchase of shares in subsidiary companies		(250)	(300)
<i>Net Cash Used In Investing Activities</i>		(11,979)	(73,304)
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>			
Drawdown of bank borrowings		2,474	46,417
Interest paid		(50)	(258)
Listing expenses paid		(2,876)	-
Proceeds from the public issue		18,000	-
Release of hire purchase loans		-	540
Repayment of bank borrowings		(18,687)	(1,655)
Repayment of hire purchase loans		(116)	(84)
Dividends paid		(3,598)	(1,500)
<i>Net Cash (Used In)/Generated From Financing Activities</i>		(4,853)	43,460
<b>Net decrease in cash and cash equivalents</b>		(249)	(34,904)
<b>Opening balance of cash and cash equivalents</b>		(10,238)	24,666
<b>Closing balance of cash and cash equivalents</b>	29	(10,487)	(10,238)

The above cash flow statement is to be read in conjunction with the notes to the financial statements on pages 46 to 58.

## Notes To THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH NOVEMBER 2002

### 1. CORPORATE INFORMATION

The principal activities of the Company are those of property development, investment holding and property investment. The principal activities of the subsidiary and associated companies are described in Notes 20 and 21 respectively to the financial statements. There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The Company is a limited liability company incorporated and domiciled in Malaysia. The principal place of business of the Company is located at Unit 26-01, Menara Landmark, No.12, Jalan Ngee Heng, 80000 Johor Bahru, Johor Darul Takzim. The Company is quoted on the Main Board of the Kuala Lumpur Stock Exchange.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2003.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Accounting Convention

The financial statements are prepared under the historical cost convention.

#### 3.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to the end of the financial year. Subsidiary companies are those companies in which the Group has a long term equity interest and where it has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. All the subsidiary companies are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of the subsidiary companies acquired or disposed during the financial year are included in the consolidated income statements from the date of acquisition or up to the date of disposal. Where applicable, the difference between the purchase price and the fair value of the underlying net assets of the subsidiary companies at the date of acquisition is included in the consolidated balance sheets either as goodwill or reserve on consolidation. All the intercompany balances and transactions are eliminated on consolidation and the consolidated financial statements relate to external transactions only.

#### 3.3 Associated Company

An associated company is an investee company that is not a subsidiary company and in which the Group has long term interest and exercises significant influence over the financial and commercial policies of the investee through Board representation.

The Group's share of the results of the associated company for the financial year is included in the consolidated income statements using the equity method of accounting.

Investment in associated company is stated at cost. Provision is made for any diminution in value which is considered by the Directors to be permanent in nature.



## Notes To THE FINANCIAL STATEMENTS (cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****3.4 Investments**

Investment in subsidiary companies are stated at cost less provision for diminution in value. Investment is only written down when the Directors are of the opinion that there is a permanent diminution in its value.

Investments in quoted shares are stated at the lower of cost and market value.

**3.5 Property, Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation, and if any, impairment loss.

Depreciation is calculated on the straight-line method so as to write off the cost of the assets over their estimated useful lives. The principal annual depreciation rates are as follows:-

	Rates
Furniture & fitting, office equipment, office renovation and site equipment	15%
Motor vehicles	20%

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

**3.6 Debtors**

Debtors are carried at anticipated realisable values. Bad debts are written off when identified. An estimate of doubtful debts is made when collection of the full amounts is no longer probable.

**3.7 Deferred Taxation**

Provision is made using the liability method for taxation which is deferred due to timing differences except those which are not expected to reverse in the foreseeable future. Deferred tax benefits are recognised only if there is a reasonable expectation of realisation.

**3.8 Leases**

Lease rental applicable to operating lease is charged to the income statement as and when incurred.

**3.9 Hire Purchase**

Assets acquired under hire purchase contracts are capitalised as property, plant and equipment and depreciated accordingly.

Outstanding obligations due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. The finance expenses of the hire purchase instalments are dealt with through the income statement over the periods of the respective agreements.

**3.10 Revenue Recognition**

Revenue from sale of development properties is recognised based on the 'percentage of completion' method. The stage of completion is determined based on the proportion of project cost incurred for work performed up to the balance sheet date over the estimated total project costs. Foreseeable losses, if any, are recognised immediately in the income statement.

## Notes To THE FINANCIAL STATEMENTS (cont'd)

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

## 3.10 Revenue Recognition (cont'd)

Revenue from work done on construction contracts is recognised based on the 'percentage of completion' method. The stage of completion is determined based on the proportion of contract costs incurred for work performed up to the balance sheet date over the estimated total contract costs. Foreseeable losses, if any, are recognised immediately in the income statement.

Dividend income is recognised when the shareholder's right to receive payment is established.

Rental income, interest income and other operating income are recognised based on the accrual basis.

## 3.11 Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, fixed deposits, short-term money market deposits against which the revolving credit and bank overdrafts, if any are deducted.

## 3.12 Intangible Asset

This was carried forward at cost previously but written off in previous financial year.

## 3.13 Land Held for Development

Land held for development is stated at cost and includes land cost and all expenditure incurred to put the land in a condition ready for development and is reclassified as land and development expenditure upon commencement of development work on the said land.

## 3.14 Land and Development Expenditure

These are stated at cost, and where appropriate, include profit accrued to the properties sold at their relevant stage of completion less progress billings and foreseeable losses. Cost includes cost of land and development expenditure, interest charges related to the financing of development and an allocation of overhead.

## 3.15 Capitalisation of Borrowing Costs

Interest incurred on borrowings related to land and development expenditure and land held for development are capitalised during the period when planning for the development and construction of the assets are undertaken. Capitalisation of borrowing costs ceases when the assets are ready for their intended use.

## 4. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2002 RM'000	2001 RM'000
<b>Group</b>		
<b>With companies in which certain Shareholders of the holding company and/or Directors of the holding company and its subsidiaries have an interest:-</b>		
Sale of development land	-	8,532
Sales of development properties	-	4,272
Purchase of development land	-	12,805
<b>With a company in which a Shareholder/key management personnel of the holding company has an interest :-</b>		
Purchase of building materials	-	679
Sales of development properties	399	302
<b>With key management personnel of the holding company and one of its subsidiaries :-</b>		
Sales of development properties	<u>1,071</u>	<u>-</u>

## Notes To THE FINANCIAL STATEMENTS (cont'd)

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

	2002 RM'000	2001 RM'000
<b>Company</b>		
<b>With companies in which certain Shareholders/Directors have an interest :-</b>		
Sale of development land	-	8,532
Sales of development properties	-	4,272
Purchase of development land	-	12,805
<b>With a company in which a Shareholder/key management personnel has an interest :-</b>		
Sale of development property	-	302

The above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the normal course of businesses of the Group and of the Company.

## 5. REVENUE

Revenue of the Group and of the Company comprises the following :-

- sales value of completed development properties sold and proportionate sales value attributable to stages of completion of uncompleted development properties which have been sold as well as the proceeds from sales of commercial land, and
- service charges received and receivable.

## 6. PROFIT/(LOSS) BEFORE TAXATION &amp; EXTRAORDINARY ITEM

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
<b>Profit before taxation &amp; extraordinary item is stated after charging :-</b>				
Auditors' remuneration				
- Statutory audit	73	51	35	36
- Special audit	-	22	-	13
- Non-audit	57	9	49	8
Bad debts	-	45	-	45
Deferred expenditure written off	-	29	-	-
Depreciation	381	321	359	320
Directors' remuneration				
- Fees	60	-	60	-
- Other emoluments	565	527	565	527
- Benefits-in-kind	38	39	38	39
Hire purchase interest	29	22	29	22
Lease rental	-	70	-	70
Office rental	198	179	178	179
Overdraft/Loan interest	21	236	21	236
<b>and crediting :-</b>				
Interest from bank deposits	157	76	157	76
Interest on late payments	285	117	197	114
Rental income	213	313	203	303
Sale of rubberwood	-	675	-	-

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 7. TAXATION

Taxation is provided on the amount of tax estimated to be payable on the profit adjusted for tax purposes and is subject to agreement with the Tax Authorities :-

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Estimated tax for the year	6,611	5,903	4,600	5,650
Under/(Over)-provision in prior years	(690)	(57)	(690)	(57)
	<u>5,921</u>	<u>5,846</u>	<u>3,910</u>	<u>5,593</u>
Deferred taxation	20	(10)	-	(10)
	<u>5,941</u>	<u>5,836</u>	<u>3,910</u>	<u>5,583</u>

The effective tax rate of the Group and of the Company in the current year is higher than the statutory rate principally due to certain disallowed expenditure for taxation purpose.

## 8. GAIN/(LOSS) ON DISPOSAL OF SUBSIDIARY COMPANY

Country View Management Sdn. Bhd., a subsidiary company operating in property management in Malaysia, was disposed off on 31st January 2001 for cash consideration of RM52,320. The effect of the disposal is as follows :-

	At date of disposal RM'000
<b>Group</b>	
Property, plant and equipment	3
Trade debtors	292
Other debtors, deposit & prepayment	63
Cash and bank balances	58
Other creditors, deposit & accruals	(205)
Provision for taxation and service tax	(26)
Net assets	<u>185</u>
Proceeds from disposal	<u>(52)</u>
Loss on disposal	<u>133</u>
Total proceeds from disposal	52
Cash and cash equivalents in subsidiary disposed	<u>(57)</u>
Net cash outflow on disposal	<u>(5)</u>
<b>Company</b>	
Disposal price	52
Less: Cost of investment	(10)
Gain on disposal	<u>42</u>

## 9. EARNINGS PER ORDINARY SHARE

Earnings per ordinary share for the year has been calculated based on the consolidated profit after taxation but before extraordinary item of RM16,841,975 (2001 - RM14,690,845) and on the weighted average number of ordinary shares of 93,219,178 (2001 - 85,000,000) in issue.

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 10. DIVIDENDS

	Group & Company	
	2002	2001
	RM'000	RM'000
First interim dividend declared and paid		
- 3.00 sen per share less income tax of 28%	2,160	-
- 25.00 sen per share (tax exempt)	-	1,500
Second interim dividend declared and paid		
- 2.35 sen per share less income tax of 28%	-	1,438
Final dividend proposed		
- 3.00 sen per share less income tax of 28%	2,160	-
	<u>4,320</u>	<u>2,938</u>

The final gross dividend in respect of the year ended 30th November 2002 of 3.00 sen (2001 - Nil) per share less income tax of 28% amounting to RM2,160,000 will be proposed for the Shareholders' approval at the forthcoming Annual General Meeting of the Company.

## 11. SHARE CAPITAL

	Group & Company	
	2002	2001
	RM'000	RM'000
<b>Authorised :-</b>		
Ordinary shares of RM1 each	<u>500,000</u>	<u>500,000</u>
<b>Issued and fully paid :-</b>		
Ordinary shares of RM1 each	<u>100,000</u>	<u>85,000</u>

The Company increased its issued and fully paid capital from RM85,000,000 to RM100,000,000 by way of public issue of 15,000,000 ordinary shares of RM1 each in 2002.

## 12. RESERVES

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
<b>Retained profits :-</b>				
Balance brought forward	29,630	97,010	29,253	96,943
Add: Profit after taxation	16,842	14,558	11,789	14,248
	46,472	111,568	41,042	111,191
Less: Dividends	(2,160)	(2,938)	(2,160)	(2,938)
Less: Bonus issue	-	(79,000)	-	(79,000)
Balance carried forward	<u>44,312</u>	<u>29,630</u>	<u>38,882</u>	<u>29,253</u>

The Company has sufficient tax credits available under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account available to distribute the entire retained profits without incurring additional tax liability. The balance in the Company's tax exempt income account is RM10,952,388 (2001 - RM10,952,404).

## 13. TERM LOANS

	Group & Company	
	2002	2001
	RM'000	RM'000
Term loans (secured)	24,841	43,346
Portion repayable within the next 12 months shown under current liabilities	-	(4,725)
Portion repayable after the next 12 months	<u>24,841</u>	<u>38,621</u>

## Notes To THE FINANCIAL STATEMENTS (cont'd)

**13. TERM LOANS (cont'd)**

The above banking facilities are secured by way of legal charges on the Group's certain landed properties and by debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

The term loans are for 5 years. Repayments are either by redemption at specified amount for each type of development properties sold or by monthly instalments of between RM160,000 to RM470,000 over 43 to 49 instalments whichever is earlier.

Interest rate charged is at 2.25% per annum (2001 - 2.25% per annum) above the lending bank's cost of funds.

**14. BRIDGING LOANS**

	Group & Company	
	2002	2001
	RM'000	RM'000
Bridging loans (secured)	3,709	1,417
Portion repayable within the next 12 months shown under current liabilities	-	-
Portion repayable after the next 12 months	<u>3,709</u>	<u>1,417</u>

The above banking facilities are secured by way of legal charges on the Group's certain landed properties and by debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

The bridging loans are for 5 years from the date of first drawdown inclusive of a grace period of 24 months. Repayments are either by redemption at specific amount for each type of development properties sold or by monthly instalments of between RM160,000 to RM170,000 over 37 instalments whichever is earlier.

Interest rate charged is at 2.25% per annum (2001 - 2.25% per annum) above the lending bank's cost of funds.

**15. HIRE PURCHASE CREDITORS**

	Group & Company	
	2002	2001
	RM'000	RM'000
Gross amount payable	430	576
Less: Unexpired term charges	<u>(90)</u>	<u>(120)</u>
	340	456
Less: Portion repayable within the next 12 months shown under current liabilities	<u>(116)</u>	<u>(116)</u>
Portion repayable after the next 12 months	<u>224</u>	<u>340</u>

**16. DEFERRED TAXATION**

	Group		Company	
	2002	2001	2002	2001
	RM'000	RM'000	RM'000	RM'000
Balance brought forward	-	10	-	10
Charge/(Release) for the year	<u>20</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>
Balance carried forward	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 17. DEFERRED EXPENDITURE

	Group	
	2002 RM'000	2001 RM'000
Balance brought forward :-		
Incorporation expenses, at cost	-	17
Pre-operation expenses, at cost	-	12
	-	29
Less: Amount written off	-	(29)
Balance carried forward	-	-

## 18. LAND HELD FOR DEVELOPMENT

	Group	
	2002 RM'000	2001 RM'000
Freehold land, at cost	68,894	85,633
Long term leasehold land, at cost	53,698	53,698
	122,592	139,331
Development expenditure	6,106	3,826
	128,698	143,157

Certain landed properties of the Group have been charged to a banking institution as security for borrowings granted to the Company. Included in the development expenditure is interest expense of RM2,683,608 (2001 - RM2,104,981) incurred during the financial year.

## 19. PROPERTY, PLANT AND EQUIPMENT

	Furniture & fitting RM'000	Office equipment RM'000	Office renovation RM'000	Site equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Group</b>						
<b>Cost</b>						
At 01.12.2001	66	525	-	51	2,558	3,200
Additions	31	161	139	6	75	412
Disposals/Write-offs	(6)	(68)	-	(23)	(64)	(161)
At 30.11.2002	91	618	139	34	2,569	3,451
<b>Accumulated Depreciation</b>						
At 01.12.2001	27	281	-	33	1,569	1,910
Additions	14	72	19	3	273	381
Disposals/Write-offs	(3)	(63)	-	(22)	(64)	(152)
At 30.11.2002	38	290	19	14	1,778	2,139
<b>Net Book Value</b>						
At 30.11.2002	53	328	120	20	791	1,312
At 30.11.2001	39	244	-	18	989	1,290

## Notes To THE FINANCIAL STATEMENTS (cont'd)

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

	Furniture & fitting RM'000	Office equipment RM'000	Office renovation RM'000	Site equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>						
<b>Cost</b>						
At 01.12.2001	66	521	-	51	2,528	3,166
Additions	13	69	130	-	-	212
Disposals/Write-offs	(6)	(68)	-	(23)	(64)	(161)
At 30.11.2002	<u>73</u>	<u>522</u>	<u>130</u>	<u>28</u>	<u>2,464</u>	<u>3,217</u>
<b>Accumulated Depreciation</b>						
At 01.12.2001	27	281	-	33	1,568	1,909
Additions	11	66	18	3	261	359
Disposals/Write-offs	(3)	(63)	-	(22)	(64)	(152)
At 30.11.2002	<u>35</u>	<u>284</u>	<u>18</u>	<u>14</u>	<u>1,765</u>	<u>2,116</u>
<b>Net Book Value</b>						
At 30.11.2002	<u>38</u>	<u>238</u>	<u>112</u>	<u>14</u>	<u>699</u>	<u>1,101</u>
At 30.11.2001	<u>39</u>	<u>240</u>	<u>-</u>	<u>18</u>	<u>960</u>	<u>1,257</u>

The property, plant and equipment of the Company and certain subsidiary companies have been charged to a banking institution as security for borrowings granted to the Company.

Net book values of property, plant and equipment held under hire purchase arrangement are as follows :-

	Group & Company	
	2002	2001
	RM'000	RM'000
Motor vehicles	<u>490</u>	<u>640</u>

## 20. INTERESTS IN SUBSIDIARY COMPANIES

	Company	
	2002	2001
	RM'000	RM'000
Unquoted shares, at cost	850	600
Amounts due from subsidiary companies :-		
- Interest bearing	47,619	51,023
- Interest free	<u>107,422</u>	<u>92,330</u>
	<u>155,891</u>	<u>143,953</u>

Amounts owing from subsidiary companies are unsecured and have no fixed terms of repayment.

The indebtedness arose out of advances granted by the Company to mainly finance the acquisition of land and related development expenditure of certain subsidiary companies. The interest bearing advances relate to those which are financed by the Company's bank borrowings and interest incurred by the Company are absorbed by these subsidiary companies on these advances at interest rate of 2.25% per annum (2001 - 2.25% per annum) above the lending bank's cost of funds.



## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 20. INTERESTS IN SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies, which are incorporated in Malaysia, are :-

Name of Companies	Effective Interest		Principal Activities
	2002	2001	
Country View Construction Sdn. Bhd.	100%	100%	Construction
Country View Equities Sdn. Bhd.	100%	100%	Property development
Country View Land Sdn. Bhd.	100%	100%	Property development
Country View Properties Sdn. Bhd.	100%	100%	Property development
Country View Resources Sdn. Bhd.	100%	100%	Property development
Country View Ventures Sdn. Bhd.	100%	100%	Investment holding

## 21. ASSOCIATED COMPANY

	Group	
	2002 RM'000	2001 RM'000
Unquoted shares, at cost	720	600
Share application monies	-	120
	<u>720</u>	<u>720</u>
Share of accumulated losses	(192)	(143)
	<u>528</u>	<u>577</u>
Represented by :-		
Share of net assets of associated company	<u>528</u>	<u>577</u>

The associated company, which is incorporated in Malaysia, is Optima Bestari Sdn. Bhd. in which the Group has a 24% equity interest.

The principal activity of the associated company is that of property development.

## 22. LAND &amp; DEVELOPMENT EXPENDITURE

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Balance brought forward	22,413	7,801	22,451	7,801
Add: Additions during the year	46,885	25,184	4,286	23,803
	<u>69,298</u>	<u>32,985</u>	<u>26,737</u>	<u>31,604</u>
Add: Attributable profit	11,963	12,626	4,363	12,443
	<u>81,261</u>	<u>45,611</u>	<u>31,100</u>	<u>44,047</u>
Less: Costs of properties and land sold	(2,760)	(2,463)	(2,760)	(2,463)
	<u>78,501</u>	<u>43,148</u>	<u>28,340</u>	<u>41,584</u>
Less: Progress billing	(29,874)	(20,735)	(9,455)	(19,133)
Balance carried forward	<u>48,627</u>	<u>22,413</u>	<u>18,885</u>	<u>22,451</u>

Included in the Group's development expenditure is interest expense of RM1,096,120 (2001 - RM NIL) incurred during the financial year.

Certain landed properties of the Group have been charged to a banking institution as security for borrowings granted to the Company.

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 23. OTHER DEBTORS, DEPOSITS &amp; PREPAYMENTS

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Included under these are :-				
- advance granted to one of the shareholders of the associated company, which is interest free, unsecured and have no fixed terms of repayment	750	649	-	-
- balance of consideration receivable from the sale of development land	<u>1,287</u>	<u>1,321</u>	<u>1,287</u>	<u>1,321</u>

## 24. FIXED DEPOSITS

	Group & Company	
	2002 RM'000	2001 RM'000
Deposits with licensed financial institution	<u>136</u>	<u>603</u>
These have been pledged as security for bank guarantees in favour of third parties.		

## 25. QUOTED SHARES

**Group & Company**

The shares, which are quoted in Malaysia are stated at cost. Their market value is approximately RM12,085 (2001 - RM7,102).

## 26. CASH AND BANK BALANCES

Included in the Group's cash and bank balances is an amount of RM998,805 (2001 - RM3,291) held under Housing Development Account which is in accordance with the provisions of the Housing Developers (Housing Development Account) Regulations, 1991.

## 27. TRADE CREDITORS

**Company**

These include a sum of RM111,731 (2001 - RM364,441) owing to a subsidiary company, Country View Construction Sdn. Bhd.

## 28. SHORT TERM BORROWINGS

	Group & Company	
	2002 RM'000	2001 RM'000
Bank overdrafts (secured)	3,559	4,088
Revolving credit (secured)	<u>10,000</u>	<u>10,000</u>
	<u>13,559</u>	<u>14,088</u>

The bank overdrafts bear interest at 1.50% to 1.75% per annum (2001 - 1.50% per annum) above the banks' base lending rate. They are secured by legal charges over certain landed properties of the Group.

The revolving credit carries interest at 2.25% per annum (2001 - 2.25% per annum) above the bank's cost of funds and is secured by way of legal charges on the Group's certain landed properties and by debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of :-

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Cash and bank balances	2,854	3,272	536	3,247
Deposits with licensed financial institution (pledged)	136	603	136	603
Short-term money market deposits	2,400	-	2,400	-
Revolving credit and bank overdrafts	(13,559)	(14,088)	(13,559)	(14,088)
	<u>(8,169)</u>	<u>(10,213)</u>	<u>(10,487)</u>	<u>(10,238)</u>

## 30. CAPITAL COMMITMENTS

Approved capital commitments not provided for in the financial statements are :-

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
<b>Contracted</b>				
(i) Contracts awarded for development projects	21,770	12,848	2,794	3,649
(ii) Outstanding advance to a shareholder of the associated company	1,750	1,851	-	-
(iii) For development project to be undertaken by an associated company upon the execution of the agreement with the State Government	10,000	10,000	-	-
(iv) Purchase of property, plant and equipment	141	-	-	-
(v) Expenses relating to the proposed listing on the Kuala Lumpur Stock Exchange	-	1,596	-	1,596
	<u>33,661</u>	<u>26,295</u>	<u>2,794</u>	<u>5,245</u>

## 31. CONTINGENT LIABILITIES

Bank guarantees of RM2,915,030 (2001 - RM3,127,030) granted by banks. These are secured by :-

- fixed deposits in the name of the Company/one of the Company's Shareholders,
- legal charges on certain landed properties of the Group, and
- debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

## 32. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

- On 22nd January 2003, a subsidiary company approved the purchase of motor vehicles for the use by certain executive directors and a key management personnel of the Company for the total sum not exceeding RM2,000,000.
- On 29th January 2003, the Company entered into an agreement with the National Sports Council Malaysia and the Squash Rackets Association Malaysia to sponsor the Elite Players Programme for the sum of RM300,000 per annum for a period of 4 years beginning from the year 2003.

## Notes To THE FINANCIAL STATEMENTS (cont'd)

## 33. EMPLOYEE INFORMATION

	Group		Company	
	2002 RM'000	2001 RM'000	2002 RM'000	2001 RM'000
Staff costs	<u>2,866</u>	<u>2,566</u>	<u>2,581</u>	<u>2,566</u>

The number of employees in the Group and in the Company (including Executive Directors) at the end of the financial year were 68 (2001 - 56) and 49 (2001 - 56) respectively.

## 34. SEGMENT INFORMATION

	Revenue RM'000	Profit/(Loss) before taxation RM'000	Total assets employed RM'000
2002			
By industry :-			
Property development	61,044	22,836	195,011
Investment holding	-	(53)	1,279
	<u>61,044</u>	<u>22,783</u>	<u>196,290</u>
2001			
By industry :-			
Property development	36,105	20,624	181,509
Investment holding	-	(97)	1,226
	<u>36,105</u>	<u>20,527</u>	<u>182,735</u>

## 35. COMPARATIVE FIGURES

The presentation of the financial statements for the current financial year is presented in accordance with the requirements of Malaysian Accounting Standards Board ('MASB') Standard 1 - Presentation of Financial Statements. Certain comparative figures have been reclassified to be in line with current year's presentation.

**Statement BY DIRECTORS PURSUANT TO** SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 41 to 58 are drawn up in accordance with the provisions of Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to exhibit a true and fair view of the state of affairs of the Group and of the Company as at 30th November 2002 and of the results and cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors,

**LAW KIT TAT**

Director

**WONG JOON CHIN (f)**

Director

Johor Bahru

Dated: 26 February 2003

**Statutory DECLARATION**

I, LONG CHEOW SIONG, being the officer primarily responsible for the financial management of COUNTRY VIEW BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 41 to 58 are 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.

**LONG CHEOW SIONG**

Subscribed and solemnly declared at Johor Bahru on 26 February 2003

Before me

K. Govindan (P.J.K)

(No: J 072)

Commissioner for Oaths

## Report OF THE AUDITORS TO THE MEMBERS OF COUNTRY VIEW BERHAD (78320-K)

We have audited the accompanying balance sheets of COUNTRY VIEW BERHAD as at 30th November 2002 and the related income statements and cash flows for the year then ended as set out on pages 41 to 58 . These financial statements are the responsibility of the Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion :-

- (a) the financial statements have been properly drawn up in accordance with applicable approved accounting standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 30th November 2002 and of their results and cash flows for the year then ended; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements 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 required by us for these purposes.

Our audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Subsection (3) of Section 174 of the Act.

**K. S. CHUA & CO.**

NO. AF-0255

CHARTERED ACCOUNTANTS

**CHUA KON SING**

NO. 416/03/03 (J/PH)

PROPRIETOR

Johor Bahru

Date: 26 February 2003

## Note

This page has been intentionally left blank

## Group PROPERTIES As At 30 November 2002

Location	Tenure	Land area	Usage	Net book value as at 30 November 2002 (RM'000)	Year of acquisition
Taman Universiti, Skudai, Johor Lots 244, 1050 and 3056 to 3058 Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	29.44 acres	On-going mix development project	18,929	1984
HS(D) 10783 PT 10457, Mukim of Serendah, Daerah Hulu Selangor, Selangor Darul Ehsan	99 years leasehold interest expiring on 4 January 2095	364.80 acres	Future development land	54,555	1997
Mayang Residences, Jalan Mayang, Off Jalan Yap Kwan Seng, Kuala Lumpur Geran 29246 Lot 192, Section 43, Bandar Kuala Lumpur, Daerah Kuala Lumpur	Freehold	11,854 sq ft	Future development land	4,262	1999
HS(D) 1875/97 and 1876/97 PT Nos. 4182 & 4183, Mukim of Padang Meha, Daerah Kulim, Kedah Darul Aman	Freehold	550.73 acres	Future development land	28,307	2000
Nusa Bestari Jaya, Bandar Nusajaya, Johor Bahru HS(D) 257246 & 257247 PTD 71043 & 71044, Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	41.475 acres	On-going mixed development project	29,698	2001
Nusa Indah, Bandar Nusajaya, Johor Bahru HS(D) 317215 & 317217 PTD 116767 & 116769, Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	132.317 acres	Future development land	41,574	2001





# Proxy FORM

I/We (full name in block letters) .....

of (address) .....

being a member/members of Country View Berhad, hereby appoint (full name) .....

of (address) .....

or failing him, (full name) .....

of (address) .....

as my/our proxy to vote for me/us and on my/our behalf at the **Twentieth Annual General Meeting** of the Company, to be held at **Ballroom 3, Lower Ground Floor, Hyatt Regency, Johor Bahru, Jalan Sungai Chat, 80720, Johor Bahru, Johor** on **Monday, 5 May 2003 at 10.00 am** and, at every adjournment thereof to vote as indicated below in respect of the following Resolutions:

RESOLUTION	FOR	AGAINST
<b>Ordinary Resolution 1</b> Receive and consider the Audited Financial Statements and Reports		
<b>Ordinary Resolution 2</b> Approval of Directors' Fees		
<b>Ordinary Resolution 3</b> Approval of final dividend		
<b>Ordinary Resolution 4</b> Re-election of Mr Wong Chee Sean @ Wong Sean		
<b>Ordinary Resolution 5</b> Re-election of Mr Law Kee Kong		
<b>Ordinary Resolution 6</b> Re-election of Encik Azhar Bin Azizan @ Harun		
<b>Ordinary Resolution 7</b> Re-election of Mr Choong Shiau Yoon		
<b>Ordinary Resolution 8</b> Re-appointment of Auditors		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

Dated this ..... day of .....2003

No. of Shares held

Signature of Member (s)

### Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under The Securities Industry (Central Depositories) Act, 1991 it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, If the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. To be valid, the form of proxy must be deposited at the Registered Office of the Company, Suite 5.11 & 5.12, 5th Floor Menara TJB, 9 Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

fold



stamp

The Company Secretary

**COUNTRY VIEW BERHAD (78320-K)**

Suite 5.11 & 5.12

5th Floor Menara TJB

9 Jalan Syed Mohd. Mufti

80000 Johor Bahru, Johor

fold



Unit 26-01, Mail Box 261  
Menara Landmark, No. 12, Jalan Ngee Heng  
80000 Johor Bahru, Johor, Malaysia  
Tel : (607) 223 6799  
Fax: (607) 224 6557

[www.ffcm.com.my](http://www.ffcm.com.my) tel: 03-2161 4482



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