

Annual Annual Report 2003 Report

countryview Berhad
(78320-K)





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.



C O N T E N T S

02	Corporate Information
04	Group Structure
06	Notice of 21 st Annual General Meeting
08	Statement Accompanying Notice of 21 st Annual General Meeting of the Company
10	Chairman's Statement
14	Profile of Directors
18	Corporate Governance Statement
23	Additional Compliance Information
24	Audit Committee Report
28	Statement on Internal Control
31	Five Years Financial Highlights
33	Analysis of Shareholdings
36	Statement of Directors' Responsibilities
37	Financial Statements
76	Group Properties
77	Proxy Form

CORPORATE INFORMATION

Board of Directors

Executive Chairman	- Datuk Mohamed Al Amin Bin Abdul Majid JP
Executive Directors	- Law Kit Tat - Wong Chee Sean @ Wong Sean - Wong Joon Chin
Non-Executive Director	- Law Kee Kong
Senior Independent Non-Executive Director	- Choong Shiau Yoon
Independent Non-Executive Director	- Azhar Bin Azizan @ Harun

corporate
information



Audit Committee

Chairman -Choong Shiau Yoon
Members -Azhar Bin Azizan @ Harun
-Wong Joon Chin

Remuneration Committee

Chairman -Azhar Bin Azizan @ Harun
Members -Wong Chee Sean @ Wong Sean
-Law Kee Kong

Nomination Committee

Chairman -Azhar Bin Azizan @ Harun
Members -Law Kee Kong
-Choong Shiau Yoon

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

ShareWorks Sdn. Bhd. (229948-U)
(formely known as Panama Resources Sdn. Bhd.)
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 Malaysia Securities
Exchange Berhad

*A premier property developer
presents a prestigious township for
exceptional resort living.*



COUNTRY VIEW GROUP STRUCTURE



COUNTRY VIEW BERHAD (78320-K)



*Providing quality products and services
in captivating resort homes for endless
relaxation and recreation.*



Actual Picture From Nusavilla

NOTICE OF 21st ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 21st Annual General Meeting of the Company will be held at Sri Mersing M1, Lower Ground Floor, Hyatt Regency, Johor Bahru, Jalan Sungai Chat, 80720 Johor Bahru, Johor on Wednesday, 21 April 2004 at 9:30 am for the following purposes:-



AGENDA

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the year ended 30 November 2003 together with the Reports of the Directors and Auditors thereon. [Resolution 1]
2. To approve the payment of Directors' fees. [Resolution 2]
3. To approve the payment of a Final Dividend of 4.5 sen less income tax of 28% for the year ended 30 November 2003. [Resolution 3]
4. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Articles of Association:
 - i. Datuk Mohamed Al Amin Bin Abdul Majid JP [Resolution 4]
 - ii. Mdm Wong Joon Chin [Resolution 5]
5. To re-appoint Messrs K.S Chua & Co. as Auditors of the Company for the year ending 30 November 2004 and to authorise the Directors to fix their remuneration. [Resolution 6]
6. 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.

NOTICE OF 21st ANNUAL GENERAL MEETING (“AGM”) (cont’d)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT the Final Dividend of 4.5 sen per share less 28% income tax, in respect of the financial year ended 30 November 2003, if so approved at the 21st Annual General Meeting, will be paid on 12 May 2004 to Depositors registered in the Record of Depositors at the close of business on 21 April 2004.

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 21 April 2004 in respect of ordinary transfer; and
- b. Shares bought on the Malaysia Securities Exchange Berhad on a cum entitlement basis according to the Rules of the Malaysia Securities Exchange Berhad.

By Order of the Board

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

30 March 2004

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 21st ANNUAL GENERAL MEETING OF THE COMPANY



*Pursuant to Paragraph 8.28(2) of the Listing
Requirements of
Malaysia Securities Exchange Berhad*

1 Name of individual who are standing for re-election:

- a) Datuk Mohamed Al Amin Bin Abdul Majid JP
- b) Mdm Wong Joon Chin

The abovenamed Directors are retiring 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 18 of this Annual Report.

3 Date, Time and Place of the 21st Annual General Meeting

Date	Time	Place
21 April 2004	9:30 am	Sri Mersing M1, 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 in pages 14 and 16 of this Annual Report.

*Enhancing your lifestyle with
privileged privacy in your luxurious
haven called home.*



Actual Picture From Countryvilla

Chairman's Statement

Dear Valued Shareholders,

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 2003.



DATUK MOHAMED AL AMIN BIN ABDUL MAJID JP
Executive Chairman

CHAIRMAN'S STATEMENT(cont'd)

Performance and Financial Review

The year under review has been no less challenging than the one before. Against an adverse environment affected by geopolitical developments, in particular war in Iraq, sporadic incidences of militancy and outbreak of Severe Acute Respiratory Syndrome, the CVB Group turned in a respectable performance. At Group level, profit before tax rose by approximately 10% to RM25.153 million compared to RM22.783 million in the preceding year on the back of a turnover of RM68.971 million, an increase of approximately 13% from RM61.044 million in the preceding year.



The Group's performance and resilience has been achieved through the efforts of the Board and Management's prudent and realistic approach coupled with a dedicated work force. Of more importance, the CVB Group remained focussed and provided a reasonable return to shareholders given the numerous circumstances that were beyond the Group's control.

The Group's performance was assisted by the Government through its Economic Stimulus Package unveiled in May 2003 which put in place a package of broad based pro-growth measures. The package of new strategies, apart from providing immediate relief for the SARS-affected sectors, was to address structural and organisational issues towards sustaining economic growth in the medium and longer term.

CHAIRMAN'S STATEMENT(cont'd)

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 21 November 2003.

The Board is pleased to recommend the payment of a final dividend of 4.5 sen per share less income tax of 28% for the financial year ended 30 November 2003 for approval of shareholders at the forthcoming Annual General Meeting.



Property Development

I am pleased to report that during the year under review under Nusa Bestari Jaya, we have completed and handed over with Certificate of Fitness for Occupation ("CFO") to our purchasers, 131 units of 2 storey terrace houses and 40 units of 3 storey shop offices ahead of schedule. As for the Group's remaining development of 25 units of 3 storey shop offices located at "Biz-Junction" in our Nusa Bestari Jaya project, we are encouraged by the favourable take up rates of approximately 96% enjoyed, of which delivery of vacant possession with CFO is expected in mid 2004.

We are proud that our foray into the townhouse niche-market through our "Nusavilla" Terrace Condominiums in Nusa Bestari Jaya has proven to be well accepted. Demand for "Nusavilla" has been very encouraging from first time house buyers and the more discerning property purchasers who appreciate this unique resort-style development concept with 24 hours security features. These affordable townhouses are nestled in a gated community equipped with condominium facilities and a clubhouse. This attests to the strong appeal for unique innovative designed homes with a unique living concept in Johor Bahru.

Under the group's existing signature project, Taman Universiti in Skudai, CVB launched 124 units of 2 storey shop offices known as "Northpoint" and we have fully sold all the units by the end of the financial year under review. These units are expected to be completed with CFO by third quarter of 2004. Sales from the "Countryvilla" bungalow development and low medium cost shops remained encouraging. Under the Nusa Indah project, 152 units of double storey terrace houses were launched in October 2003 just before the financial year end.

CHAIRMAN'S STATEMENT(cont'd)

Corporate Governance

Your Board 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 long term shareholders value. The Board is committed to the maintenance of high standards of corporate governance by supporting, reviewing and implementing the principles and best practices prescribed under the Malaysian Code on Corporate Governance.

During the year under review, the Group's external consultant, completed a Corporate Governance Assessment and Risk Management Assessment of the Group's operations, with the view of formalising policies and a framework for risk management. The Board is pleased to report that the findings and recommendations made under the Reports have been addressed.

The Board has outsourced its internal audit function to an external consultant to assist the Audit Committee to discharge its duties and responsibilities more effectively.

Prospects

The year ahead will no doubt be no less challenging for the Group with uncertainties already clouding the horizon with continued sporadic incidences of militancy occurring, fears of the re-emergence of Severe Acute Respiratory Syndrome and the impact of the deadly bird flu outbreak in the region as yet unascertained, weighing on sentiment and confidence in the regional economic outlook. The rising cost of building materials is expected to have an impact on the Group's performance.

The major challenge for the Group will be in delivering outstanding innovative and quality real estate developments while remaining affordable in a highly competitive environment.

To strengthen our capabilities as well as maintaining our competitiveness and market position, the Group is constantly seeking ways to expand its business and reach while emphasising on innovative approaches to development design and market development, to deliver value for money, quality real estate developments which meets end buyers needs.

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

- The ongoing Nusa Indah in Bandar Nusajaya, a mixed-development project consisting of terrace houses, shop offices and low to low-medium cost apartments;
- The ongoing "Nusavilla" Terrace Condominiums in Nusa Bestari Jaya, Bandar Nusajaya comprising of affordable townhouses nestled in a gated community equipped with condominium facilities and a clubhouse; and
- The ongoing "Countryvilla" Bungalows and low-medium cost shops in Taman Universiti.

The Group believes its development projects which is 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.

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 JP
Executive Chairman

PROFILE OF DIRECTORS



Profile of directors

Datuk Mohamed Al Amin Bin Abdul Majid JP

48 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 Ancom Berhad and Nylex (Malaysia) Berhad, both listed on the Malaysia Securities Exchange Berhad.

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 six (6) board meetings held during the financial year ended 30 November 2003. 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

43 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 six (6) board meetings held during the financial year ended 30 November 2003. 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

34 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 5 out of the six(6) board meetings held during the financial year ended 30 November 2003. 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

46 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 18 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.

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 six (6) board meetings held during the financial year ended 30 November 2003. 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

41 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 six (6) board meetings held during the financial year ended 30 November 2003. 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

46 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 Malaysia Securities Exchange Berhad, 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 six (6) board meetings held during the financial year ended 30 November 2003. He has no family relationship with any of the Directors and/or major shareholder 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

41 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 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 six (6) board meetings held during the financial year ended 30 November 2003. He has no family relationship with any of the Directors and/or major shareholder 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 Malaysia Securities Exchange Berhad's Listing Requirements.

All Directors have attended the Mandatory Accreditation Programme prescribed by the Malaysia Securities Exchange Berhad. Directors will continue to attend training programmes and seminars to keep abreast with relevant developments on a continuous basis in compliance with Malaysia Securities Exchange Berhad's Practice Note 15/2003.

There were 6 Board Meetings held during the financial year ended 30 November 2003. Details of each Director's attendance are given below :

DIRECTORS	TOTAL	PERCENTAGE(%)
1. Datuk Mohamed Al Amin Bin Abdul Majid JP	6/6	100
2. Law Kit Tat	6/6	100
3. Wong Chee Sean @ Wong Sean	5/6	83
4. Wong Joon Chin	6/6	100
5. Law Kee Kong	6/6	100
6. Choong Shiau Yoon	6/6	100
7. Azhar Bin Azizan @ Harun	6/6	100

All the Directors have complied with the minimum 50% attendance requirement at Board Meetings during the financial year as stipulated by the Listing Requirements of Malaysia Securities Exchange Berhad.

The Board has delegated specific responsibilities to other Board Committees, all of which have written constitutions and term of references. Standing committees of the Board include the Audit Committee, the Nomination Committee and the Remuneration Committee.

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 in pages 14 to 17 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 roles 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

CORPORATE GOVERNANCE STATEMENT (cont'd)

Board Nomination Committee (cont'd)

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

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 one-third of the directors are subject to re-election by rotation at each Annual General Meeting provided always that all Directors, including the Managing Director, shall retire from office at least once every three 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 is responsible for the following:

1. reviewing the Company's directors overall performance and the level of remuneration of the member of the Board.
2. recommending policy framework to the Board on all elements of remuneration, terms of employment, reward structure and fringe benefits for Executive Director with the aim to attract, retain and motivate individual of the highest quality.

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 ended 30 November 2003 are summarised below:

Directors	Basic Salary (RM)	Fees and Allowances (RM)	Bonus (RM)	Benefits In-kind (RM)	Total (RM)
EXECUTIVE DIRECTORS	524,292	4,900	43,691	44,521	617,404
NON-EXECUTIVE DIRECTORS	–	108,000	–	–	108,000

The number of directors whose total remuneration fell within the following bands for the financial year ended 30 November 2003 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	0	0
RM250,001-RM300,000	1	0
	4	3

The disclosure of directors' remuneration is made in accordance with Appendix 9C, item 10 of the Malaysia Securities Exchange Berhad's 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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 Malaysia Securities Exchange Berhad which include quarterly financial results, as well as through the 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 for shareholders and public to access corporate information and new events related to the Group.

Annual General Meeting

At the coming Annual General Meeting, the Board encourages 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 has outsourced its internal audit functions with the objective of assisting the Audit Committee to discharge its duties and responsibilities more effectively.

The Statement on Internal Control set out in page 28 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 24 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of proceeds

There were no proceeds raised by the Company during the financial year.

On 15 November 2002, the Company announced to Malaysia Securities Exchange Berhad 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 Malaysia Securities Exchange Berhad 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 2003, non-audit fees paid to Messrs K.S Chua & Co. by the Company and its subsidiaries amounted to RM15,000.

7. Profit estimate, forecast or projection

The Company did not release any profit estimate, forecast or projection during 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 (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year, by the Company and its subsidiaries which involved the interest of the Directors and major shareholders.

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.

AUDIT COMMITTEE REPORT

COMPOSITON AND MEETING

The Audit Committee comprises of two Independent Non-Executive Directors and one Executive Director who are as follows:

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

The Audit Committee convened 5 meetings during the financial year ended 30 November 2003 (i.e 22 January 2003; 25 February 2003, 28 April 2003, 23 July 2003 and 22 October 2003), which were attended by all the members.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were undertaken by the Audit Committee during the financial year ended 30 November 2003:

1. Reviewed and recommended the unaudited interim quarterly financial reports for the Board's approval prior to their release to Malaysia Securities Exchange Berhad.
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. Reviewed the Company's External Auditors' report on the Company's control weaknesses and recommended the necessary actions to the Board for consideration.
6. Reviewed the requirements of an internal audit function and recommended to the Board to outsource the internal audit function to an external consultant.
7. Reviewed and approved the internal audit plan for the financial year ending 30 November 2004.
8. Reviewed related party transactions that arose in the Group.
9. Reviewed the risk management report from the external consultant and reported to the Board on the same issue.
10. Reviewed and recommended the audit fee and appointment of external auditors to the Board.

SUMMARY OF THE ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

An external consultant was appointed on 22 October 2003 to assume the responsibilities of the internal audit function and assist the Audit Committee in ensuring the adequacy and effectiveness of the internal control system of the Group. The activities of the internal audit function subsequent to the appointment of the external consultants are as follows:

- a) developed an internal audit plan taking into consideration on the key risk profile and business processes of the Group which was approved by the Audit Committee.
- b) commenced executing the internal audit plan in December 2003 and presented the first internal audit report to the Audit Committee on 19 January 2004. All the findings have been or are being addressed by the Management.

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 Malaysia Securities Exchange Berhad's 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;

AUDIT COMMITTEE REPORT (cont'd)

- 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).

4. To review:-

- the Annual Financial Statements of the Company and 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.

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.

AUDIT COMMITTEE REPORT (cont'd)

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 the 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.
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:-
 - a) of the names of all committee members and other participants at each meeting of the Committee;
 - b) of all resolutions and proceedings of committee meetings;
 - c) 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.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

This Statement on Internal Control is made pursuant to Para 15.27 (b) of the Malaysia Securities Exchange Berhad ("MSEB") Listing Requirements with regards to the Group's compliance with the Principles and Best Practices provisions relating to internal control as provided in the Malaysian Code on Corporate Governance ("the Code"). The Board of Directors ("the Board") of Country View Berhad ("CVB") is pleased to present below its Statement on Internal Control as a group for the financial year under review, prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance").

Board Responsibility

The Board of Country View Berhad Group ("CVB Group" or "the Group") affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of the Group's internal control system. The Board's responsibility in relation to the systems of internal control extends to all subsidiaries of the Group. However, as there are inherent limitations in any system of internal controls, such system of internal control put into effect by Management can only manage but not eliminate all risks that may impede the achievement of the Group's business objectives. Therefore, the internal control system can only provide reasonable and not absolute assurance against material misstatement or loss.

Management Style & Control Environment

The Group's businesses are divided into two main business activities:

- Property Development; and
- Construction.

The Board's primary objective and direction in managing the Group's principal business risks is to enhance the Group's ability to achieve its business objectives, which is in tandem with the Group's mission. In order to measure the achievement of business objectives, the Board monitors the Group's performance and profitability at its Board meetings and provides feedback to the Executive Directors.

In overseeing the Group's businesses, the Board continually strives for an appropriate balance between control and empowerment. Senior Management, which consists of the Group General Manager and Senior Managers, are assigned with the responsibility of assisting the Executive Directors ("EDs") in managing the Group. They are accountable for the conduct and performance of their businesses within the agreed business strategies. Through their review of performance and operational reports, as well as attending management meetings, Senior Management closely monitors the day-to-day affairs of the Group. Other than through the above meetings and reports, Senior Management also regularly meet to address any matters arising. Significant issues are brought to the attention of the EDs, who in turn, will direct these matters, if necessary, to the Board for its attention.

STATEMENT ON INTERNAL CONTROL (cont'd)

Management Style & Control Environment (Cont'd)

The Group also prides itself with its 'open-door' and 'hands-on' approach, practised by the Executive Directors and Senior Management of the Group. Such a culture allows for the efficient resolution of matters arising and drawing on the experience and knowledge of employees throughout the Group.

The Board does not regularly review the internal control system of its associate company, as the Board does not have any direct control over their operations. Notwithstanding this, the Group's interest is served through representation on the board of its associate company. This representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performance of the associated company.

The above monitoring and reporting processes present the ideal platform for the timely identification of the Group's principal business risks, as well as systems to manage them.

Risk Management

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

During the financial year, facilitated workshop was conducted and attended by EDs and key management personnel for risk assessment purposes. 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 assessment took into account various aspects of the businesses and its internal control procedures. Regular reviews will be conducted to determine existence of new risk and whether the risks previously identified remained relevant as and when required.

The Board had incorporated in the Group a monitoring and reporting process to continuously evaluate and monitor the principal risks in a formalised manner, which would entail establishing procedures for reporting and monitoring of risk and controls. These initiatives would ensure that the Group has in place a formalised ongoing process for identifying, evaluating, monitoring and managing the principal risks that affects the achievement of its business objectives.

Internal Control Mechanism

The responsibility for reviewing the adequacy and integrity of the internal control system has been delegated by the Board to the Audit Committee. In turn, the Audit Committee assesses the adequacy and integrity of the internal control system through independent reviews conducted on reports it received from external auditors, the internal audit function and management.

The external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Further, any areas for improvement identified during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or are articulated at Audit Committee meetings.

STATEMENT ON INTERNAL CONTROL (cont'd)

Internal Control Mechanism (Cont'd)

During the financial year, the Group outsourced its Internal Audit function to an external consultant, whose remit is to the Audit Committee. The Internal Audit function has determined the areas of internal audit focus after considering the principal risks of the Group. The internal audit areas identified was then incorporated into an Internal Audit Plan and the Internal Audit Plan was subsequently tabled and approved by the Audit Committee. Since the establishment of the Internal Audit function, periodic internal audit visits have been and will be carried out to monitor compliance with the Group's procedures and to review on the adequacy and effectiveness of the Group's system of internal control.

Other Key Features of Internal Control System

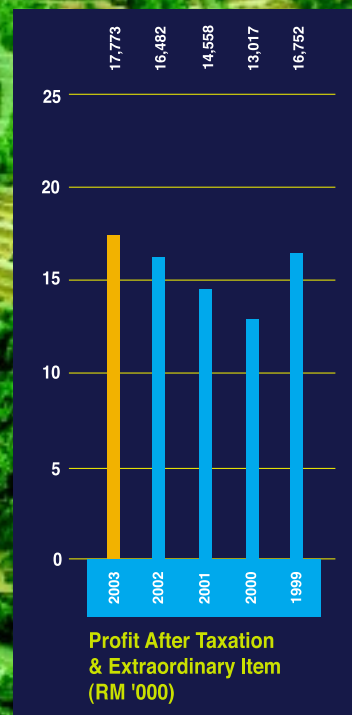
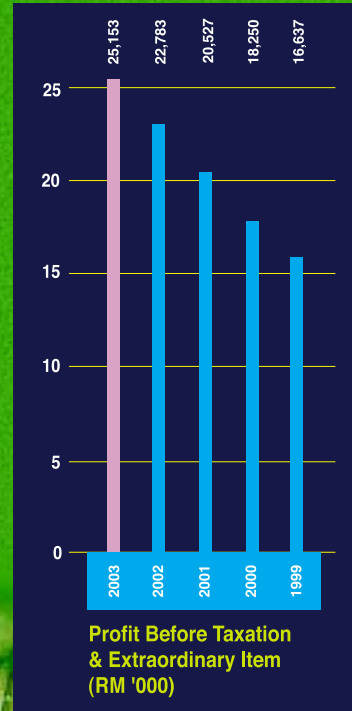
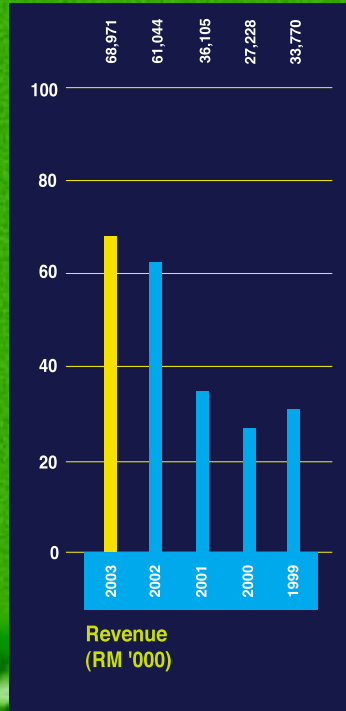
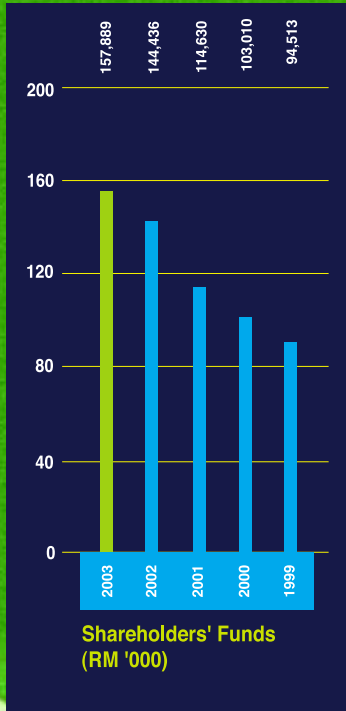
The other key elements of the Group's internal control systems are described below:

- Clear organisation structure with delineated reporting lines
- Scheduled operations and management meetings
- Employment of qualified and capable work force
- Active participation by certain members of the Board in the day-to-day running of the operations and regular dialogues with senior management on operational matters;
- Review and approval of all proposals relating to significant capital and investment acquisition by the Board;
- Quarterly reviews of the performance of business units by the Board
- Assessment on the impact of changes in the business operating environment by the Board and Senior Management;
- Monthly monitoring of actual performances against budgets with major variances being followed-up and management action being taken as and when necessary;
- The Internal Audit Function provides objective and independent periodic reports on the adequacy and effectiveness of the Group's internal control system.

FIVE YEARS FINANCIAL HIGHLIGHTS

	2003	2002	2001	2000	1999
Paid-up capital (RM'000)	100,000	100,000	85,000	6,000	6,000
Shareholders' funds (RM'000)	157,889	144,436	114,630	103,010	94,513
NTA (RM'000)	157,889	144,436	114,630	102,981	94,481
NTA per share (sen)	158	144	135	1,716	1,575
Revenue (RM'000)	68,971	61,044	36,105	27,228	33,770
Profit before taxation & extraordinary item (RM'000)	25,153	22,783	20,527	18,250	16,637
Profit after taxation & extraordinary item (RM'000)	17,773	16,842	14,558	13,017	16,752
Earnings per share (sen)	17.77	18.07	17.28	216.96	279.21
Pretax profit margin (%)	36.5	37.3	56.9	67.0	49.3
Current ratio	3.58	2.85	1.36	14.01	2.71
Return on capital employed (%)	15.9	15.8	17.9	17.7	17.6
Total borrowings (RM'000)	44,289	42,449	59,307	-	-
Gearing (times)	0.28	0.29	0.52	-	-
Gross dividend per share (sen)	7.50	6.00	27.35	75.34	-
Gross dividend cover (number of times)	3.35	3.80	5.87	4.04	-

FIVE YEARS FINANCIAL HIGHLIGHTS (cont'd)



ANALYSIS OF SHAREHOLDINGS

Share Capital as at 27 February 2004

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 27 February 2004

No. of Holders	Size of the Shareholdings	Total Holdings	%
0	Less than 100	0	0.00
1,278	100 to 1,000	1,271,500	1.272
244	1,001 to 10,000	893,300	0.893
39	10,001 to 100,000	1,308,100	1.308
29	100,001 to less than 5% of issued shares	51,922,114	51.922
5	5% and above of issued shares	44,604,986	44.605
1,595	Total	100,000,000	100

ANALYSIS OF SHAREHOLDINGS (cont'd)

List of Thirty Largest Shareholders as at 27 February 2004 (As per Record of Depositors)

No.	Name of Shareholders	No. of Shares Held	%
1	Law Kit Tat	11,625,000	11.625
2	Jalur Bahagia Sdn. Bhd.	10,200,000	10.200
3	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.796
4	Neosas Teknik Sdn. Bhd.	8,500,000	8.500
5	OSK Nominees (Tempatan) Sdn Berhad, EON Finance Berhad for Wong Chee Sean @ Wong Sean	5,483,736	5.484
6.	Law Kee Kong	4,250,000	4.250
7	Khor Hiang Jee	4,250,000	4.250
8	Liu Fah Yam @ Law Fah Yam	4,250,000	4.250
9	CIMSEC Nominees (Tempatan) Sdn. Bhd, EON Finance Berhad for Mohd Adnan Bin Mohd Nor	3,650,000	3.650
10	Wong Chee Sean @ Wong Sean	3,425,000	3.425
11	Tan Chee Kwang	3,400,000	3.400
12	Yee Gee Min	2,320,014	2.320
13	Khiu Kuet-Vin	2,308,300	2.308
14	Wong Joon Chin	2,150,000	2.150
15	MAYFIN Nominees (Tempatan) Sdn. Bhd. pledged securities account for Law Kit Tat (JBUS)	2,000,000	2.000
16.	Lau Eng @ Lam Eng	1,980,000	1.980
17	Sadiyah Binti Suleiman	1,700,000	1.700
18	ALLIANCEGROUP Nominees (Tempatan) Sdn. Bhd. pledged sec a/c for Wong Chee Sean @ Wong Sean	1,700,000	1.700
19	Chan Teng Hon	1,683,534	1.684
20	Jimmy Purwonegoro	1,672,000	1.672
21	Kong Fu Tak	1,567,000	1.567
22	Mohamad Shukri Bin Linjal	1,500,000	1.500
23	ALLIANCEGROUP Nominees (Tempatan) Sdn. Bhd. Pledged sec a/c for Chan Teng Hon (100587)	1,466,666	1.467
24	How Keng Chee	1,205,500	1.205
25	Lee Hin Meng @ Lee Sing Lee	980,000	0.980
26	Syarikat Ajaib Jaya Sdn. Bhd.	951,000	0.951
27	Kenanga Nominees (Tempatan) Sdn. Bhd., EON Finance Berhad for Mohamed Al Amin Bin Abdul Majid	850,000	0.850
28	Lai Boo Luck	740,000	0.740
29	Lau Kang @ Lau Book Swee	537,700	0.538
30	Kenanga Nominees (Tempatan) Sdn. Bhd. pledged securities account for Liew Jiew Liang	431,100	0.431
Total		95,572,800	95.573

ANALYSIS OF SHAREHOLDINGS (cont'd)

Substantial Shareholders as at 27 February 2004
(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 ^a	18.70
7.	Munawir Bin Khadri	-	-	8,500,000 ^b	8.50
8.	Haliah Binti Khadri	-	-	10,200,000 ^c	10.20

Note:

- a 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.
- b Deemed interested by virtue of his substantial shareholdings in Neosas Teknik Sdn. Bhd. by virtue of Section 6A of the Companies Act, 1965.
- c 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 27 February 2004
(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 2003, 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



Directors' Report	38
Income Statements	42
Balance Sheets	43
Statements of Changes in Equity	44
Cash Flow Statements	45
Notes to the Financial Statements	46
Statement by Directors	74
Statutory Declaration	74
Report of the Auditors	75

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2003

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 30 November 2003.

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 15 and 16 respectively to the financial statements. There have been no significant changes in the nature of the activities during the financial year other than as a result of a subsidiary company, Country View Property Management Sdn Bhd, having commenced property management services.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit after taxation	17,773	14,122
Retained profits brought forward	44,312	38,882
	<u>62,085</u>	<u>53,004</u>
Dividends	(4,320)	(4,320)
Retained profits carried forward	<u>57,765</u>	<u>48,684</u>

DIVIDENDS

The amount of dividends paid by the Company during the financial year were as follows :-

	RM'000
Final dividend of 3.00 sen per share less income tax of 28% in respect of the year ended 30 November 2002, paid on 5 June 2003	2,160
Interim dividend of 3.00 sen per share less income tax of 28% in respect of the year ended 30 November 2003, paid on 21 November 2003	2,160
	<u>4,320</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 30 November 2003 of 4.50 sen per share less income tax of 28% on 100,000,000 ordinary shares, amounting to a dividend payable of RM3,240,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 30 November 2004.

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.

DIRECTORS' REPORT (cont'd)

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 that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and that all known bad debts had been written off and adequate provision been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the provisions for doubtful debts, in the Group and the Company inadequate to any substantial extent.

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.

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 financial statements of the Group and of the Company 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

There was no issue of shares or debentures during the financial year.

DIRECTORS' REPORT (cont'd)

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
Azhar Bin Azizan @ Harun
Law Kee Kong

In accordance with Article 84 of the Company's Articles of Association, Datuk Mohamed Al Amin Bin Abdul Majid and Wong Joon Chin retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

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 30.11.2003
	As at 01.12.2002	Addition	Disposal	
Wong Joon Chin (f)	2,150,000	-	-	2,150,000
Law Kit Tat	13,625,000	-	-	13,625,000
Wong Chee Sean @ Wong Sean	10,608,736	-	-	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 Note 5 to the financial statements or the fixed salary of a full-time employee of the Company) 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 as disclosed in Note 32 to the financial statements.

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.

DIRECTORS' REPORT (cont'd)

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 CHEE SEAN

@ WONG SEAN

Director

Johor Bahru

Date: 26 February 2004

INCOME STATEMENTS

INCOME STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	4	<u>68,971</u>	<u>61,044</u>	<u>42,339</u>	<u>27,502</u>
Cost of goods sold	4	<u>(42,188)</u>	<u>(33,511)</u>	<u>(22,020)</u>	<u>(7,570)</u>
Gross profit		26,783	27,533	20,319	19,932
Other operating income		5,128	927	4,645	791
Administrative expenses		(6,701)	(5,578)	(5,107)	(4,974)
Profit from operations		<u>25,210</u>	<u>22,882</u>	<u>19,857</u>	<u>15,749</u>
Finance costs		(44)	(50)	(30)	(50)
Share of losses of an associated company		(13)	(49)	-	-
Profit before taxation	5	<u>25,153</u>	<u>22,783</u>	<u>19,827</u>	<u>15,699</u>
Less: Taxation					
Company and subsidiary companies	6	7,380	5,941	5,705	3,910
Profit after taxation		<u>17,773</u>	<u>16,842</u>	<u>14,122</u>	<u>11,789</u>
Earnings per ordinary share - basic (sen)	7	<u>17.77</u>	<u>18.07</u>		
Gross dividend per share (sen)					
Interim dividend	8	3.00	3.00	3.00	3.00
Final dividend	8	4.50	3.00	4.50	3.00
		<u>7.50</u>	<u>6.00</u>	<u>7.50</u>	<u>6.00</u>

The above income statements are to be read in conjunction with the notes to the financial statements on pages 46 to 73.

BALANCE SHEETS

BALANCE SHEETS AS AT 30 NOVEMBER 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CAPITAL AND RESERVES					
Share capital	9	100,000	100,000	100,000	100,000
Retained profits	10	57,765	44,312	48,684	38,882
Share premium		124	124	124	124
		157,889	144,436	148,808	139,006
DEFERRED AND LONG TERM LIABILITIES					
Term loans	11	17,075	24,841	17,075	24,841
Bridging loans	11	5,745	3,709	5,745	3,709
Revolving credit	11	3,487	-	3,487	-
Hire purchase creditors	11	744	224	108	224
Deferred taxation	12	60	20	-	-
		27,111	28,794	26,415	28,774
		185,000	173,230	175,223	167,780
REPRESENTED BY :-					
LAND HELD FOR DEVELOPMENT	13	88,385	128,698	-	-
PROPERTY, PLANT AND EQUIPMENT	14	2,528	1,312	946	1,101
SUBSIDIARY COMPANIES	15	-	-	160,428	155,891
ASSOCIATED COMPANY	16	516	528	-	-
CURRENT ASSETS					
Land and development expenditure	17	75,401	48,453	3,286	18,711
Inventories	18	12,103	174	12,034	174
Trade receivables	19	31,529	9,060	23,261	3,683
Other receivables, deposits and prepayments	20	3,008	2,669	616	1,661
Deposits with financial institutions	21	142	2,536	142	2,536
Quoted shares	22	6	6	6	6
Cash and bank balances	23	7,653	2,854	2,697	536
		129,842	65,752	42,042	27,307
LESS: CURRENT LIABILITIES					
Trade payables	24	14,968	5,573	8,393	967
Other payables, deposits and accruals	25	1,901	1,592	1,287	613
Provision for liabilities	26	39	787	39	787
Bank overdrafts	11	5,983	3,559	5,983	3,559
Revolving credit	11	10,000	10,000	10,000	10,000
Term loans	11	801	-	801	-
Bridging loans	11	190	-	190	-
Hire purchase creditors	11	264	116	116	116
Tax payable		2,125	1,433	1,384	477
		36,271	23,060	28,193	16,519
NET CURRENT ASSETS		93,571	42,692	13,849	10,788
		185,000	173,230	175,223	167,780

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 46 to 73.

STATEMENTS OF CHANGES IN EQUITY

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2003

Group	Note	Share Capital	Distributable Reserve	Non-distributable Reserve	Total
		Ordinary shares RM'000	Retained profits RM'000	Share premium RM'000	
Balance as at 1 December 2001		85,000	29,630	-	114,630
Net profit for the year		-	16,842	-	16,842
Public issue	9	15,000	-	3,000	18,000
Listing expenses		-	-	(2,876)	(2,876)
Interim dividend :-					
- 3.00 sen per share less income tax in respect of the year ended 30 November 2002	8	-	(2,160)	-	(2,160)
Balance as at 30 November 2002		<u>100,000</u>	<u>44,312</u>	<u>124</u>	<u>144,436</u>
Balance as at 1 December 2002		100,000	44,312	124	144,436
Net profit for the year		-	17,773	-	17,773
Final dividend of 3.00 sen per share less income tax in respect of the year ended 30 November 2002	8	-	(2,160)	-	(2,160)
Interim dividend of 3.00 sen per share less income tax in respect of the year ended 30 November 2003	8	-	(2,160)	-	(2,160)
Balance as at 30 November 2003		<u>100,000</u>	<u>57,765</u>	<u>124</u>	<u>157,889</u>
Company					
Balance as at 1 December 2001		85,000	29,253	-	114,253
Net profit for the year		-	11,789	-	11,789
Public issue	9	15,000	-	3,000	18,000
Listing expenses		-	-	(2,876)	(2,876)
Interim dividend of 3.00 sen per share less income tax in respect of the year ended 30 November 2002	8	-	(2,160)	-	(2,160)
Balance as at 30 November 2002		<u>100,000</u>	<u>38,882</u>	<u>124</u>	<u>139,006</u>
Balance as at 1 December 2002		100,000	38,882	124	139,006
Net profit for the year		-	14,122	-	14,122
Final dividend of 3.00 sen per share less income tax in respect of the year ended 30 November 2002	8	-	(2,160)	-	(2,160)
Interim dividend of 3.00 sen per share less income tax in respect of the year ended 30 November 2003	8	-	(2,160)	-	(2,160)
Balance as at 30 November 2003		<u>100,000</u>	<u>48,684</u>	<u>124</u>	<u>148,808</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 73.

CASH FLOW STATEMENTS

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

		Group		Company	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit before taxation		25,153	22,783	19,827	15,699
Adjustments for :-					
Depreciation of property, plant and equipment	14	582	381	353	359
Dividend from quoted shares in Malaysia		(3)	-	(3)	-
Gain on disposal of property, plant and equipment		(88)	(11)	(88)	(11)
Interest from bank deposits		(12)	(157)	(12)	(157)
Interest receivable from subsidiary companies		-	-	(175)	-
Interest expense		44	50	30	50
Property, plant and equipment written off		-	5	-	5
Share of losses of an associated company		13	49	-	-
Write back of provision for liabilities	26	(748)	(156)	(748)	(156)
Operating profit before changes in working capital		24,941	22,944	19,184	15,789
Decrease/(Increase) in development expenditure		1,436	(11,754)	3,566	3,566
(Increase)/Decrease in trade and other receivables		(22,799)	52	(18,533)	5,414
Increase/(Decrease) in trade and other payables		9,704	1,354	8,101	(3,999)
Cash Generated From Operations		13,282	12,596	12,318	20,770
Tax paid		(6,657)	(5,458)	(4,797)	(4,187)
Net Cash Generated From Operating Activities		6,625	7,138	7,521	16,583
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Advances to subsidiary companies		-	-	(4,388)	(11,688)
Dividend from quoted shares in Malaysia		3	-	3	-
Interest from bank deposits		12	157	12	157
Interest receivable from subsidiary companies		-	-	175	-
Proceeds from disposal of property, plant and equipment		88	14	88	14
Purchase of property, plant and equipment		(1,799)	(412)	(200)	(212)
Purchase of shares in subsidiary companies		-	-	(150)	(250)
Net Cash Used In Investing Activities		(1,696)	(241)	(4,460)	(11,979)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Drawdown of bank borrowings		13,259	2,474	13,259	2,474
Dividend paid	8	(4,320)	(3,598)	(4,320)	(3,598)
Interest expense		(44)	(50)	(30)	(50)
Listing expenses paid		-	(2,876)	-	(2,876)
Proceeds from the public issue		-	18,000	-	18,000
Release from hire purchase loans		858	-	-	-
Repayment of bank borrowings		(14,511)	(18,687)	(14,511)	(18,687)
Repayment of hire purchase loans		(190)	(116)	(116)	(116)
Net Cash Used In Financing Activities		(4,948)	(4,853)	(5,718)	(4,853)
Net (decrease)/increase in cash and cash equivalents		(19)	2,044	(2,657)	(249)
Opening balance of cash and cash equivalents		1,831	(213)	(487)	(238)
Closing balance of cash and cash equivalents	27	1,812	1,831	(3,144)	(487)

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 46 to 73.

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2003

1. Corporate Information

1.1 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 15 and 16 respectively to the financial statements.

There have been no significant changes in the nature of the activities during the year other than as a result of a subsidiary company, Country View Property Management Sdn Bhd, having commenced property management services.

1.2 Legal form and domicile

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

1.3 Registered office and principal place of business

The registered office of the Company is located at Suite 5.11 & 5.12, 5th Floor, Menara TJB, 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru.

The principal place of business of the Company is located at Unit 26-01, Mail Box 261, Menara Landmark, No. 12, Jalan Ngee Heng, 80000 Johor Bahru.

1.4 Authorisation of issue

The financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on 26 February 2004.

2. Financial Risk Management Objectives And Policies

The Group's overall financial risk management objective is to optimise the value creation for shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks.

The Group operates within clearly defined guidelines that are approved by the Board. Financial risk management is carried out through risk reviews, internal control systems and adherence to the financial risk management policies. The Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policies for the controlling and management of these risks are set out below :-

2.1 Credit Risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures.

The maximum exposure to credit risk for the Group was represented by the carrying amount of each financial asset.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

2. Financial Risk Management Objectives And Policies (Cont'd)

2.2 Liquidity and Cash Flow Risks

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measures and forecasts its cash commitments and to maintain sufficient levels of cash and cash equivalents to meet its working capital requirements. In addition, the Group also maintains available banking facilities sufficient to meet its operational needs.

2.3 Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group does not use derivative financial instruments to hedge its risk.

3. Significant Accounting Policies

3.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies.

The financial statements comply with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

The preparation of financial statements in conformity with applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Group has adopted the following new Malaysian Accounting Standards Board (MASB) Standards in these financial statements :-

(i) Retrospective application

MASB Standard 22 "Segment Reporting"

MASB Standard 25 "Income Taxes"

MASB Standard 27 "Borrowing Costs"

Comparative figures have been adjusted or extended to conform with changes in presentation due to the requirements of the MASB Standards 22 and 25 that have been applied retrospectively.

There is however no changes in accounting policy that affect the net profit for the financial year as a result of the adoption of the above standards in these financial statements as the Group was already following the recognition and measurement principles in those standards.

(ii) Prospective application

MASB Standard 23 "Impairment of Assets"

The Group has adopted the Standard and there are no prior year adjustments made as the standard does not allow retrospective application.

MASB Standard 24 "Financial Instruments: Disclosure and Presentation"

Comparatives are not disclosed upon first application of this standard as permitted.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Significant Accounting Policies (Cont'd)

3.2 Basis of Consolidation

(i) Subsidiary Companies

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 of during the 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 the acquisition is included in the consolidated balance sheets either as goodwill or reserve on consolidation. All intercompany balances, transactions and resulting unrealised gain are eliminated on consolidation and the consolidated financial statements relate to external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

(ii) 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 year is included in the consolidated income statements using the equity method of accounting. Under the equity method of accounting, the Group's share of profits or losses of the associated company during the year is included in the consolidated income statements. The Group's interest in the associated company is carried in the consolidated balance sheets at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves as well as goodwill on acquisition.

Unrealised gains on transactions between the Group and the associated company are eliminated to the extent of the Group's interest in the associated company. Unrealised losses are eliminated unless costs cannot be recovered.

3.3 Investments in Subsidiary Companies, Associated Company and Quoted Shares

Investments in subsidiary and associated companies are stated at cost less impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16.

Investments in quoted shares are stated at the lower of cost and market value, determined on an aggregate basis.

3.4 Property, Plant and Equipment and Depreciation

Measurement Basis And Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation, and if any, impairment loss. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Significant Accounting Policies (Cont'd)

3.4 Property, Plant and Equipment and Depreciation (Cont'd)

Measurement Basis And Depreciation (Cont'd)

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 :-

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

On disposal of an item of property, plant and equipment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statements.

Assets acquired under hire-purchase and lease arrangements

Assets financed by hire-purchase and lease arrangement which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as that of the Group's property, plant and equipment.

Finance charges are allocated to the income statement over the period of the agreement to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

3.5 Land Held For Development

Land held for development consists of land held for future development where no significant development has been undertaken and is stated at cost. Cost 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.

3.6 Land and Development Expenditure

Land and development expenditure 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.

3.7 Inventories

Inventories comprise of properties held for sale are stated at the lower of cost and net realisable value. Cost includes costs of land, construction and appropriate development overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expenses.

3.8 Receivables and payables

Receivables 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.

Payables are stated at cost.

3.9 Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash and bank balances, deposits with financial institutions against which the bank overdrafts, if any are deducted.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Significant Accounting Policies (Cont'd)

3.10 Provision for Liabilities

Provision for liabilities are recognised when the Group has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.11 Borrowings

Term loans, bridging loans, revolving credits, bank overdrafts and hire purchase creditors are recognised at cost, less attributable transaction costs.

3.12 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.

3.13 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

The current tax is the amount of income taxes payable in respect of the taxable profit for the year. Taxable profit differs from net profit as reported in the income statements because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never be taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used on the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited in the income statements, except when it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Significant Accounting Policies (Cont'd)**3.14 Revenue Recognition****(i) Income from property development and construction contracts**

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.

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.

(ii) Dividend income

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

(iii) Rental, interest and other operating income

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

3.15 Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial period in which the obligation to pay is established.

3.16 Impairment of Assets

The carrying amounts of assets except for those classified as land and development expenditure, inventories, financial assets and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of assets exceeds its recoverable amount. Recoverable amount is the higher of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised as an expense in the income statement. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have been decreased.

3.17 Financial Instruments**(i) Financial instruments recognised in the balance sheet**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

The financial instruments, which are recognised in the balance sheets comprise investments, receivables, deposits, cash and bank balances, payables and borrowings. These financial instruments are recognised when a contractual relationship has been established. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cashflows are disclosed separately in the individual policy statements associated with the relevant financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. Significant Accounting Policies (Cont'd)

3.17 Financial Instruments (Cont'd)

(ii) Financial instruments not recognised in the balance sheet

There were no financial instruments not recognised in the balance sheet.

3.18 Share Capital

Ordinary shares are classified as equity.

3.19 Cash Flow Statements

The Group and the Company report the cash flow from operating activities using indirect method.

4. Revenue/Cost Of Goods Sold

Revenue is derived from the following sources :-

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property development	68,938	61,044	42,339	27,502
Contract revenue	33	-	-	-
	<u>68,971</u>	<u>61,044</u>	<u>42,339</u>	<u>27,502</u>

Cost of goods sold comprises :-

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cost of inventories sold	1,164	928	1,164	928
Cost of development properties sold	40,994	28,702	20,856	4,809
Cost of commercial land sold	-	3,881	-	1,833
Contract cost recognised as an expense	30	-	-	-
	<u>42,188</u>	<u>33,511</u>	<u>22,020</u>	<u>7,570</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. Profit Before Taxation

Profit before taxation is arrived at :-

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
After charging all expenses including :-				
Auditors' remuneration				
- Statutory audit				
* Current year	71	73	34	35
* Under/(Over) provision in prior year	(3)	-	(2)	-
- Non-audit	15	57	6	49
Depreciation (Note 14)	582	381	353	359
Directors' remuneration				
- Non-executive directors				
* Fees	108	60	108	60
- Executive directors				
* Basic salary	529	521	529	521
* Bonus	44	44	44	44
* Benefits-in-kind	45	38	45	38
Interest expense	44	50	30	50
Office rental	305	198	223	178
Sponsorship of the Elite Players Programme	300	-	300	-
And crediting all income including :-				
Dividend from quoted shares in Malaysia	3	-	3	-
Interest from bank deposits	12	157	12	157
Interest from housing development accounts	31	4	-	-
Interest on late payments	564	285	126	197
Interest receivable from subsidiary companies	-	-	175	-
Provision for liabilities written-back (Note 26)	748	156	748	156
Payment forfeited from sale of development land	3,391	-	3,391	-
Rental income	62	213	53	203

The number of directors whose total remuneration fell within the following bands during the year is as follows :-

Range of Remuneration	Executive Directors		Non- Executive Directors	
	2003 No.	2002 No.	2003 No.	2002 No.
< RM50,000	-	-	3	3
RM50,001 - RM100,000	1	1	-	-
RM100,001 - RM150,000	2	2	-	-
RM150,001 - RM200,000	-	-	-	-
RM200,001 - RM250,000	-	1	-	-
RM250,001 - RM300,000	1	-	-	-
	4	4	3	3

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

6. Taxation

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current taxation				
Domestic				
- Income tax	7,384	6,611	5,745	4,600
Over provision for prior years				
Domestic				
- Income tax	(44)	(690)	(40)	(690)
Deferred taxation (Note 12)				
Domestic				
- Origination and reversal of temporary differences	40	20	-	-
Total tax expense	7,380	5,941	5,705	3,910

A reconciliation of income tax expense applicable to profit before taxation at the domestic statutory income tax rate of 28% to income tax expense at the effective income tax rate of the Group and of the Company is as follows :-

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Profit before taxation	25,153	22,783	19,827	15,699
Taxation at Malaysian statutory tax rate of 28%	7,043	6,379	5,552	4,396
Income not subject to tax	(25)	-	(25)	(3)
Income subject to lower tax	(10)	-	-	-
Expenses not deductible for tax purpose	491	279	239	249
Utilisation of current year's capital allowances	(84)	(24)	(21)	(42)
Utilisation of previously unabsorbed capital allowance	-	(3)	-	-
Over provision in prior years	(44)	(690)	(40)	(690)
Deferred tax assets not recognised during the year	8	-	-	-
Deferred tax liability not recognised in prior year	1	-	-	-
Tax expense for the year	7,380	5,941	5,705	3,910

7. Earnings Per Share

Basic earnings per ordinary share for the year has been calculated based on the consolidated profit after taxation and on the weighted average number of ordinary shares in issue.

	Group	
	2003	2002
Net profit attributable to shareholders (RM'000)	17,773	16,842
Weighted average number of ordinary shares in issue ('000)	100,000	93,219
Basic earnings per share (sen)	17.77	18.07

The weighted average number of ordinary shares in calculating the basic earnings per ordinary share was arrived at as follows :-

	2003 RM'000	2002 RM'000
Issued at 1 December	100,000	85,000
Effect of shares issued	-	8,219
Weighted average at 30 November	100,000	93,219

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

8. Dividends

	Group & Company			
	Amount		Gross dividend per share	
	2003 RM'000	2002 RM'000	2003 Sen	2002 Sen
Interim dividend of 3.00 sen per share less income tax of 28% paid on 29 November 2002	-	2,160	-	3.00
Final dividend of 3.00 sen per share less income tax of 28% paid on 5 June 2003	-	2,160	-	3.00
Interim dividend of 3.00 sen per share less income tax of 28% paid on 21 November 2003	2,160	-	3.00	-
Proposed final dividend of 4.50 sen per share less income tax of 28%	3,240	-	4.50	-
	5,400	4,320	7.50	6.00

At the forthcoming Annual General Meeting, a final dividend in respect of the year ended 30 November 2003 of 4.50 sen per share less income tax of 28% on 100,000,000 ordinary shares, amounting to a dividend payable of RM3,240,000 will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 30 November 2004.

9. Share Capital

	Group & Company	
	2003 RM'000	2002 RM'000
Authorised :-		
Ordinary shares of RM1 each	500,000	500,000
Issued and fully paid :-		
Ordinary shares of RM1 each		
At 1 December	100,000	85,000
Issued and paid up during the year	-	15,000
At 30 November	100,000	100,000

During the year ended 30 November 2002, the Company increased its issued and paid-up share capital from RM85,000,000 to RM100,000,000 by way of the issuance of 15,000,000 ordinary shares of RM1 each through public issue at an issue price of RM1.20 per share for cash.

10. Retained Profits

As at 30 November 2003, the Company has tax exempt profits available for distribution of RM10,952,000 (2002 - RM10,952,000).

The Company has sufficient tax credit under section 108 of the Income Tax Act 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 30 November 2003.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. Borrowings

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
<u>Secured</u>				
Short-term borrowings				
Term loans	801	-	801	-
Bridging loans	190	-	190	-
Revolving credits	10,000	10,000	10,000	10,000
Bank overdrafts	5,983	3,559	5,983	3,559
Hire purchase creditors	264	116	116	116
Repayable within the next 12 months as shown under Current Liabilities	17,238	13,675	17,090	13,675
Long-term borrowings				
Term loans	17,075	24,841	17,075	24,841
Bridging loans	5,745	3,709	5,745	3,709
Revolving credits	3,487	-	3,487	-
Hire purchase creditors	744	224	108	224
Repayable after the next 12 months as shown under Long Term Liabilities	27,051	28,774	26,415	28,774
Total borrowings				
Term loans	17,876	24,841	17,876	24,841
Bridging loans	5,935	3,709	5,935	3,709
Revolving credits	13,487	10,000	13,487	10,000
Bank overdrafts	5,983	3,559	5,983	3,559
Hire purchase creditors	1,008	340	224	340
	44,289	42,449	43,505	42,449

11.1 Term Loans

The term loans 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 installments of between RM160,000 to RM470,000 over 43 to 49 installments whichever is earlier.

Interest rate charged is at 2.25% per annum (2002 - 2.25% per annum) above the lending bank's cost of funds.

11.2 Bridging Loans

The bridging loans, BL1 and BL2 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.

BL1 is for 5 years from the date of first drawdown, inclusive of a grace period of 24 months. BL1 is repayable either by redemption at specified amount for each type of development properties sold or by monthly installments of between RM160,000 to RM170,000 over 37 installments whichever is earlier. Interest rate charged is at 2.25% per annum (2002 - 2.25% per annum) above the lending bank's cost of funds.

BL2 is for 4 years from the date of first drawdown, inclusive of a grace period of 24 months. BL2 is repayable either by redemption at specified amount for each type of development properties sold or by 25 monthly installments of RM600,000 whichever is earlier. Interest rate charged is at 2.25% per annum (2002 - nil) above the lending bank's cost of funds.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. Borrowings (Cont'd)**11.3 Revolving Credits**

The revolving credits, RC1 and RC2 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.

RC1 carries interest at 2.25% per annum (2002 - 2.25% per annum) above the lending bank's cost of funds.

RC2 is for up to a maximum aggregate principal sum of RM7 million only for a period of 24 months from the date of the first drawdown and thereafter, the limit shall be progressively reduced to a maximum aggregate principal sum of RM2,000,000 over a period of 3 years. Repayments are by redemption at specified amount for each type of development properties sold. Interest rate charged is at 2.25% per annum (2002 - nil) above the lending bank's cost of funds.

11.4 Bank Overdrafts

The bank overdrafts are secured by legal charges over certain landed properties of the Company and one of the subsidiary companies.

The bank overdrafts bear interest at 1.5% to 1.75% per annum (2002 - 1.5% to 1.75% per annum) above the banks' base lending rates.

11.5 Hire Purchase Creditors

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Minimum lease payments :-				
Not later than 1 year	323	146	146	146
Later than 1 year and not later than 2 years	291	146	113	146
Later than 2 years and not later than 5 years	488	138	26	138
Later than 5 years	126	-	-	-
	1,228	430	285	430
Less : Future finance charges	(220)	(90)	(61)	(90)
Present value of finance lease liabilities	1,008	340	224	340
Present value of finance lease liabilities				
Not later than 1 year	264	116	116	116
Later than 1 year and not later than 2 years	237	129	89	129
Later than 2 years and not later than 5 years	404	95	19	95
Later than 5 years	103	-	-	-
	1,008	340	224	340
Analysed as :-				
Due within 12 months	264	116	116	116
Due after 12 months	744	224	108	224
	1,008	340	224	340

The hire purchase creditors bore interest at the balance sheet date of between 3.3% to 5.9% (2002 - 5.5% to 5.9%) per annum.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. Deferred Taxation

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 1 December	20	-	-	-
Charge to income statements	40	20	-	-
At 30 November	<u>60</u>	<u>20</u>	<u>-</u>	<u>-</u>
Represented by :-				
Excess of tax allowances over depreciation	<u>60</u>	<u>20</u>	<u>-</u>	<u>-</u>
The amount of the deferred tax charge recognised in the income statements are as follows :-				
Excess of tax allowances over depreciation	<u>40</u>	<u>20</u>	<u>-</u>	<u>-</u>

13. Land Held For Development

	Group	
	2003 RM'000	2002 RM'000
Freehold land, at cost	30,580	68,894
Long term leasehold land, at cost	53,698	53,698
	<u>84,278</u>	<u>122,592</u>
Development expenditure	4,107	6,106
	<u>88,385</u>	<u>128,698</u>

Certain landed properties of the Group amounting to RM33,753,000 (2002 – RM74,143,000) have been pledged to financial institutions as security for borrowings granted to the Company as disclosed in Note 11.

Included in the development expenditure of the Group is interest expense capitalised during the year amounting to RM911,000 (2002 - RM2,684,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Property, Plant And Equipment**Group**

At Cost	At 1.12.2002 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2003 RM'000
Furniture & Fitting	91	249	-	-	340
Office Equipment	618	165	(5)	-	778
Office Renovation	139	243	-	-	382
Motor Vehicles	2,569	1,142	(270)	-	3,441
Site Equipment	34	-	-	-	34
	<u>3,451</u>	<u>1,799</u>	<u>(275)</u>	<u>-</u>	<u>4,975</u>

Accumulated Depreciation	At 1.12.2002 RM'000	Depreciation RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2003 RM'000
Furniture & Fitting	38	46	-	-	84
Office Equipment	290	90	(4)	-	376
Office Renovation	19	53	-	-	72
Motor Vehicles	1,778	389	(270)	-	1,897
Site Equipment	14	4	-	-	18
	<u>2,139</u>	<u>582</u>	<u>(274)</u>	<u>-</u>	<u>2,447</u>

	Net carrying amount		Depreciation charge	
	At 30.11.2003 RM'000	At 30.11.2002 RM'000	2003 RM'000	2002 RM'000
Furniture & Fitting	256	53	46	14
Office Equipment	402	328	90	72
Office Renovation	310	120	53	19
Motor Vehicles	1,544	791	389	273
Site Equipment	16	20	4	3
	<u>2,528</u>	<u>1,312</u>	<u>582</u>	<u>381</u>

Company

At Cost	At 1.12.2002 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2003 RM'000
Furniture & Fitting	73	121	-	-	194
Office Equipment	522	-	(5)	-	517
Office Renovation	130	79	-	-	209
Motor Vehicles	2,464	-	(270)	-	2,194
Site Equipment	28	-	-	-	28
	<u>3,217</u>	<u>200</u>	<u>(275)</u>	<u>-</u>	<u>3,142</u>

Accumulated Depreciation	At 1.12.2002 RM'000	Depreciation RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2003 RM'000
Furniture & Fitting	35	26	-	-	61
Office Equipment	284	58	(4)	-	338
Office Renovation	18	29	-	-	47
Motor Vehicles	1,765	237	(269)	-	1,733
Site Equipment	14	3	-	-	17
	<u>2,116</u>	<u>353</u>	<u>(273)</u>	<u>-</u>	<u>2,196</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. Property, Plant And Equipment (Cont'd)

Company (Cont'd)

	Net carrying amount		Depreciation charge	
	At 30.11.2003	At 30.11.2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Furniture & Fitting	133	38	26	11
Office Equipment	179	238	58	66
Office Renovation	162	112	29	18
Motor Vehicles	461	699	237	261
Site Equipment	11	14	3	3
	946	1,101	353	359

The net carrying amounts of property, plant and equipment pledged for borrowings granted to the Company as referred to in Note 11 are as follows :-

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Furniture & Fitting	162	54	133	38
Office Equipment	335	324	179	238
Office Renovation	187	119	162	112
Motor Vehicles	1,483	791	461	699
Site Equipment	13	16	11	14
	2,180	1,304	946	1,101

The net carrying amounts of property, plant and equipment held under hire purchase arrangement as referred to in Note 11 are as follows :-

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Motor Vehicles	1,248	490	339	490

15. Subsidiary Companies

	Company	
	2003	2002
	RM'000	RM'000
Unquoted shares, at cost	1,000	850
Amounts due from subsidiary companies		
- Interest bearing	43,828	47,619
- Interest free	115,600	107,422
	159,428	155,041
	160,428	155,891

The amounts due from the 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 (2002 - 2.25% per annum) above the lending bank's cost of funds.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows :-

Name of company	Country of incorporation	Effective interest		Principal activities
		2003	2002	
Country View Construction Sdn Bhd	Malaysia	100%	100%	Construction
Country View Equities Sdn Bhd	Malaysia	100%	100%	Property development
Country View Greens Sdn Bhd	Malaysia	100%	-	Dormant
Country View Land Sdn Bhd	Malaysia	100%	100%	Property development
Country View Property Management Sdn Bhd	Malaysia	100%	-	Property management
Country View Properties Sdn Bhd	Malaysia	100%	100%	Property development
Country View Resources Sdn Bhd	Malaysia	100%	100%	Property development
Country View Ventures Sdn Bhd	Malaysia	100%	100%	Investment holding

Acquisition of Subsidiary Companies :-

On 4 April 2003 and 29 September 2003, the Company acquired the entire equity interest in Country View Property Management Sdn Bhd and Country View Greens Sdn Bhd respectively for cash consideration of RM2 each.

The effect of the acquisitions on the financial results of the Group from the date of the acquisition to 30 November 2003 is as follows :-

	RM'000
Revenue	-
Operating costs	80
Loss before tax	(80)
Tax expenses	-
Decrease in Group's net profit	(80)

The effect of the acquisitions on the financial position of the Group as at 30 November 2003 is as follows :-

	RM'000
Property, plant and equipment	15
Cash and bank balances	1
Other payables and accruals	(6)
Increase in Group's net assets	10

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. Associated Company

	Group	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	720	720
Share of accumulated losses	(204)	(192)
	<u>516</u>	<u>528</u>
Represented by :-		
Share of net assets of the associated company	<u>516</u>	<u>528</u>

Details of the associated company are as follows :-

Name of company	Country of incorporation	Effective interest		Principal activity
		2003	2002	
Optima Bestari Sdn Bhd #	Malaysia	24%	24%	Property development

- Not audited by Messrs. K. S. Chua & Co.

17. Land And Development Expenditure

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land, at cost	67,835	30,346	13,768	14,535
Development expenditure, at cost	84,839	33,841	23,595	9,268
	<u>152,674</u>	<u>64,187</u>	<u>37,363</u>	<u>23,803</u>
Add: Attributable profits	33,637	10,817	20,693	4,363
	<u>186,311</u>	<u>75,004</u>	<u>58,056</u>	<u>28,166</u>
Transferred to inventories	(12,850)	-	(12,850)	-
Progress billings	(98,060)	(26,551)	(41,920)	(9,455)
	<u>(110,910)</u>	<u>(26,551)</u>	<u>(54,770)</u>	<u>(9,455)</u>
	<u>75,401</u>	<u>48,453</u>	<u>3,286</u>	<u>18,711</u>

Certain landed properties of the Group and of the Company amounting to RM75,006,000 (2002 – RM48,096,000) and RM2,888,000 (2002 - RM18,355,000) respectively have been pledged to financial institutions as security for borrowings granted to the Company as disclosed in Note 11.

Included in the development expenditure of the Group is interest expense capitalised during the year amounting to RM2,430,000 (2002 – RM1,096,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. Inventories

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property held for sale, at cost	12,103	174	12,034	174

Inventories of the Group and of the Company amounting to RM11,854,000 (2002 – RM nil) and RM11,785,000 (2002 – RM nil) respectively have been pledged to a financial institution as security for borrowings granted to the Company as disclosed in Note 11.

The cost of inventories recognised as an expense during the year in the Group amounted to RM1,239,000 (2002 - RM nil).

19. Trade Receivables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	31,537	9,060	23,279	3,683
Due from customers on contracts	10	-	-	-
	31,547	9,060	23,279	3,683
Less: Provision for doubtful debts	(18)	-	(18)	-
	31,529	9,060	23,261	3,683

The Group's normal trade credit term ranges from 14 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

20. Other Receivables, Deposits And Prepayments

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Sundry debtors	1,420	76	353	69
Deposits and prepayments	817	537	263	305
Advances to a shareholder of an associated company, which is interest free, unsecured and have no fixed term of repayment	750	750	-	-
Tax refund receivable	27	19	-	-
Balance receivable from disposal of development land	-	1,287	-	1,287
	3,014	2,669	616	1,661
Less: Provision for doubtful debt	(6)	-	-	-
	3,008	2,669	616	1,661

21. Deposits With Financial Institutions

	Group & Company	
	2003 RM'000	2002 RM'000
Fixed deposits with licensed banks	142	136
Short-term money market deposits	-	2,400
	142	2,536

Fixed deposits with licensed banks of the Group and of the Company amounting to RM142,000 (2002 – RM136,000) are pledged as security for bank guarantees in favour of third parties.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

22. Quoted Shares

	Group & Company	
	2003	2002
	RM'000	RM'000
Quoted shares in Malaysia, at cost	<u>6</u>	<u>6</u>
Market value of quoted shares	<u>13</u>	<u>12</u>

23. Cash and Bank Balances

Included in the cash and bank balances of the Group and of the Company are amounts of RM4,832,000 (2002 - RM999,000) and RM2,000 (2002 - RM3,000) respectively held under Housing Development Accounts pursuant to section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use in other operations.

24. Trade Payables

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Trade payables	14,968	5,573	8,090	855
Amounts payable to a subsidiary company - trade	-	-	303	112
	<u>14,968</u>	<u>5,573</u>	<u>8,393</u>	<u>967</u>

The normal trade credit terms granted to the Group range from 30 to 90 days.

25. Other Payables, Deposits And Accruals

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Sundry creditors	1,309	1,125	758	188
Sundry deposits and accruals	592	467	529	425
	<u>1,901</u>	<u>1,592</u>	<u>1,287</u>	<u>613</u>

26. Provision For Liabilities

	Group & Company	
	2003	2002
	RM'000	RM'000
Liquidated and ascertained damages on late delivery of development properties		
Balance at 1 December	787	943
Less: Write-back during the year	(748)	(156)
Balance at 30 November	<u>39</u>	<u>787</u>

27. Cash And Cash Equivalents

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	7,653	2,854	2,697	536
Fixed deposits with licensed banks (Note 21)	142	136	142	136
Short-term money market deposits (Note 21)	-	2,400	-	2,400
	<u>7,795</u>	<u>5,390</u>	<u>2,839</u>	<u>3,072</u>
Bank overdrafts (Note 11)	(5,983)	(3,559)	(5,983)	(3,559)
	<u>1,812</u>	<u>1,831</u>	<u>(3,144)</u>	<u>(487)</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. Segment Information

The Group adopts business segments analysis as its primary reporting format. No geographical segment analysis is reported as the Group operates in Malaysia. Inter-segment pricing is determined based on terms mutually agreed between the respective companies. Segment revenues, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax recoverable, income tax liabilities, deferred tax assets and liabilities and dividend payable. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one period.

The Group's major business segments are as follows :-

- (a) Property development
 - development of residential and commercial properties;
- (b) Construction
 - building and infrastructure construction works;
- (c) Investment holding
 - investing in subsidiary and associated companies which are long term in nature; and
- (d) Property management
 - provision of safety and property maintenance services.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. Segment Information (Cont'd)

Group

2003	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	68,938	33	-	-	-	68,971
Inter-segment sales	-	2,005	-	44	(2,049)	-
Total revenue	<u>68,938</u>	<u>2,038</u>	<u>-</u>	<u>44</u>	<u>(2,049)</u>	<u>68,971</u>
Results						
Segment results	25,504	2	(5)	(14)	(277)	25,210
Share of losses of an associated company	-	-	(13)	-	-	(13)
						<u>25,197</u>
Finance costs						(44)
Profit before taxation						<u>25,153</u>
Taxation						<u>(7,380)</u>
Profit after taxation						<u><u>17,773</u></u>
Other Information						
Segment assets	<u>380,455</u>	<u>809</u>	<u>751</u>	<u>34</u>	<u>(161,321)</u>	220,728
Associated company	-	-	516	-	-	516
Unallocated corporate assets						<u>27</u>
Total assets						<u><u>221,271</u></u>
Segment liabilities	<u>219,143</u>	<u>487</u>	<u>1,503</u>	<u>49</u>	<u>(159,985)</u>	61,197
Unallocated corporate liabilities						<u>2,185</u>
Total liabilities						<u><u>63,382</u></u>
Capital expenditure	<u>1,724</u>	<u>59</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>1,799</u>
Depreciation	<u>570</u>	<u>11</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>582</u>
Non-cash expenses other than depreciation	<u>24</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24</u>

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. Segment Information (Cont'd)

2002	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Elimination RM'000	Consolidated RM'000
Revenue						
External sales	61,044	-	-	-	-	61,044
Inter-segment sales	-	643	-	-	(643)	-
Total revenue	61,044	643	-	-	(643)	61,044
Results						
Segment results	22,917	29	(5)	-	(59)	22,882
Share of losses of an associated company	-	-	(49)	-	-	(49)
						22,833
Finance costs						(50)
Profit before taxation						22,783
Taxation						(5,941)
Profit after taxation						16,842
Other Information						
Segment assets	194,831	162	750	-	-	195,743
Associated company	-	-	528	-	-	528
Unallocated corporate assets						19
Total assets						196,290
Segment liabilities	50,120	278	3	-	-	50,401
Unallocated corporate liabilities						1,453
Total liabilities						51,854
Capital expenditure	405	7	-	-	-	412
Depreciation	381	-	-	-	-	381
Non-cash expenses other than depreciation	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. Financial Instruments

29.1 Interest rate risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates, and effective weighted average interest rates on classes of financial assets and financial liabilities are as follows :-

2003	Within 1 year RM'000	1 to 2 years RM'000	3 to 5 years RM'000	More than 5 years RM'000	Total RM'000	Effective interest rate during the year %
Group						
Financial Assets :-						
Deposits with financial institutions	142	-	-	-	142	3.99
Financial Liabilities :-						
Term loans	801	11,460	5,615	-	17,876	7.41
Bridging loans	190	4,843	902	-	5,935	7.41
Revolving credits	10,000	2,500	987	-	13,487	7.41
Bank overdrafts	5,983	-	-	-	5,983	7.69 to 7.80
Hire purchase creditors	116	89	19	-	224	3.30 to 5.90
Company						
Financial Assets :-						
Amount due from subsidiary companies - interest bearing	43,828	-	-	-	43,828	7.41
Deposits with financial institutions	142	-	-	-	142	3.99
Financial Liabilities :-						
Term loans	801	11,460	5,615	-	17,876	7.41
Bridging loans	190	4,843	902	-	5,935	7.41
Revolving credits	10,000	2,500	987	-	13,487	7.41
Bank overdrafts	5,983	-	-	-	5,983	7.69 to 7.80
Hire purchase creditors	264	237	404	103	1,008	5.50 to 5.90

Except as disclosed above, all other financial assets and financial liabilities are not exposed to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. Financial Instruments (Cont'd)**29.2 Credit risk**

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheets.

The Group is exposed to credit related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given the Group's policy of selecting only counterparties with high credit ratings.

Due to these factors, the management believes that no credit risk is inherent in the Group's receivables.

29.3 Disclosure of fair values

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheets of the Group and of the Company as at the end of the financial year are represented as follows :-

2003	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Assets				
Subsidiary companies	-	-	160,428	Note (i)
Associated company	516	Note (i)	-	-
Quoted shares	<u>6</u>	<u>13</u>	<u>6</u>	<u>13</u>
Financial Liabilities				
Term loans	17,075	16,431	17,075	16,431
Bridging loans	5,745	5,512	5,745	5,512
Revolving credits	3,487	3,327	3,487	3,327
Hire purchase creditors	<u>744</u>	<u>809</u>	<u>108</u>	<u>129</u>

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments :-

(i) Interests in subsidiary and associated companies

It is not practical to estimate the fair values of the interests in the subsidiary and associated companies principally due to the :-

- Lack of quoted market prices and the inability to estimate fair value for the unquoted investments without incurring excessive costs; and
- Impracticability to estimate the fair values of amounts due from/to the subsidiary and associated companies due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs.

However, the Group does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the values that would eventually be received or settled.

(ii) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The fair values of cash and cash equivalents, trade and other receivables/payables and short term borrowings are estimated at their carrying amounts due to the relatively short term maturity of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

29. Financial Instruments (Cont'd)

29.3 Disclosure of fair values (Cont'd)

(iii) Quoted Shares

The fair values of quoted shares are determined by reference to stock exchange quoted market bid prices at the close of the business on the balance sheet date.

(iv) Long Term Borrowings

The fair values of the long term borrowings are estimated by discounting the expected future cash flows using the current interest rates offered for liabilities with similar risk profiles.

30. Contingent Liabilities

	Group & Company	
	2003	2002
	RM'000	RM'000
Performance guarantees given to third parties, which are secured by :-		
- Fixed deposits with licensed banks of the Company	110	133
- 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	1,849	2,782
	1,959	2,915

31. Capital Commitments

Capital commitments not provided for in the financial statements are as follows :-

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for :-				
Outstanding advance to a shareholder of an associated company	1,750	1,750	-	-
For development project to be undertaken by an associated company upon the execution of the agreement with the State Government	10,000	10,000	-	-
Contracts awarded for development projects of the Company and certain of its subsidiary and associated companies	67,099	21,770	4,706	2,794
Purchase of property, plant and equipment	-	141	-	-
Sponsorship of the Elite Players Programme in accordance to the agreement entered into by the Company with the National Sports Council of Malaysia and the National Squash Rackets Association of Malaysia	900	-	900	-
	79,749	33,661	5,606	2,794
Approved but not contracted for :-				
Purchase of property, plant and equipment	500	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Significant Related Party Transactions

	2003 RM'000	2002 RM'000
Group		
With Substantial Shareholders of the Company/Directors of the Company and its subsidiary companies :-		
Sales of development properties to Wong Chee Sean @ Wong Sean & others	675	-
Sales of development property to Wong Joon Chin	349	-
Sales of development property to Wong Chee Sean @ Wong Sean & Hang Ah Jee	583	-
Sales of development property to Hang Ah Jee & persons connected to her	349	-
Sales of development properties to Neoasas Teknik Sdn Bhd	3,248	-
Sales of development properties to Jalur Bahagia Sdn Bhd	3,308	-
With companies in which Yee Gee Min, a key management personnel of the Company has an interest :-		
Sales of development properties to G. M. Yee Sdn Bhd	349	399
Sales of development property to Gallant Supplies (M) Sdn Bhd	349	-
With key management personnel of the Company and one of its subsidiary company :-		
Sales of development property to Long Cheow Siong & others	-	652
Sales of development property to Long Cheow Siong	339	-
Sales of development property to Lee Wai Hin & other	-	419
Sales of development property to Hua Keng Tong	339	-
Sales of development property to Radzuan Chua Bin Abdullah	339	-
Sales of development property to Tan Yee Seong & other	363	-
Company		
With Substantial Shareholders/Directors :-		
Sales of development properties to Wong Chee Sean @ Wong Sean & others	675	-
Sales of development property to Wong Joon Chin	349	-
Sales of development property to Wong Chee Sean @ Wong Sean & Hang Ah Jee	583	-
Sales of development property to Hang Ah Jee & persons connected to her	349	-
Sales of development properties to Neoasas Teknik Sdn Bhd	3,248	-
Sales of development properties to Jalur Bahagia Sdn Bhd	3,308	-
With companies in which Yee Gee Min, a key management personnel has an interest :-		
Sales of development property to G.M. Yee Sdn Bhd	349	-
Sales of development property to Gallant Supplies (M) Sdn Bhd	349	-
With key management personnel :-		
Sales of development property to Long Cheow Siong	339	-
Sales of development property to Hua Keng Tong	339	-
Sales of development property to Radzuan Chua Bin Abdullah	339	-
With subsidiary companies :-		
Progress claims on construction works by Country View Construction Sdn Bhd	902	336
Property management services rendered by Country View Property Management Sdn Bhd	34	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. Significant Related Party Transactions (Cont'd)

The Directors and/or Substantial Shareholders of the Company and the Directors of the subsidiary companies are as follows :-

Name	Interests in the Company and its subsidiary companies
Wong Chee Sean @ Wong Sean	Director of the Company and its subsidiary companies; and a substantial shareholder of the Company
Wong Joon Chin	Director of the Company and its subsidiary companies
Hang Ah Jee	Substantial Shareholder of the Company and a person connected to Wong Chee Sean @ Wong Sean
Neoasas Teknik Sdn Bhd	Substantial Shareholder of the Company
Jalur Bahagia Sdn Bhd	Substantial Shareholder of the Company

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 business of the Group and of the Company.

33. Significant Events

a) Corporate proposal

During the year :-

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

b) Acquisition of investments

During the year :-

On 4 April 2003 and 29 September 2003 respectively, the Company acquired the entire issued and paid-up share capital of two new subsidiary companies, Country View Property Management Sdn Bhd and Country View Greens Sdn Bhd for cash consideration of RM2 each.

On 11 November 2003, the Company subscribed 149,998 ordinary shares of RM1 each at par for cash, representing the increase in the issued and paid-up share capital of a wholly-owned subsidiary company, Country View Construction Sdn Bhd from the present RM2 comprised of 2 ordinary shares of RM1 each to RM150,000 comprised of 150,000 ordinary shares of RM1 each. The authorised share capital of Country View Construction Sdn Bhd was also increased from the present RM100,000 comprised of 100,000 ordinary shares of RM1 each to RM500,000 comprised of 500,000 ordinary shares of RM1 each.

c) Others

During the year :-

On 22 January 2003, a subsidiary company approved the purchase of motor vehicles for the use of certain executive directors and a key management personnel of the Company for the total sum not exceeding RM2,000,000. The proposal has not been fully exercised yet.

On 29 January 2003, the Company entered into an agreement with the National Sports Council of Malaysia and the Squash Rackets Association of 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. As at the date of the balance sheet, a sum of RM300,000 had been paid.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34. Employee Information

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Staff costs	<u>3,255</u>	<u>2,866</u>	<u>2,377</u>	<u>2,581</u>

The number of employees in the Group and in the Company (including Executive Directors) as at the end of the financial year were 89 (2002 - 68) and 47 (2002 - 49) respectively.

35. Comparatives

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".

The following comparatives have been restated to conform with the current year's presentation :-

	As previously reported		Change in disclosure and presentation		As restated	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Balance Sheets items :-						
Land and development expenditure	48,627	18,885	(174)	(174)	48,453	18,711
Inventories	-	-	174	174	174	174
Deposits with financial institutions	-	-	2,536	2,536	2,536	2,536
Fixed deposits	136	136	(136)	(136)	-	-
Short-term money market deposits	2,400	2,400	(2,400)	(2,400)	-	-
Other payables, deposits and accruals	2,379	1,400	(787)	(787)	1,592	613
Provision for liabilities	-	-	787	787	787	787
Short term borrowings	13,559	13,559	(13,559)	(13,559)	-	-
Bank overdrafts	-	-	3,559	3,559	3,559	3,559
Revolving credit	-	-	10,000	10,000	10,000	10,000
Cash Flow Statements items :-						
Write back of provision for liabilities	-	-	(156)	(156)	(156)	(156)
Increase/(Decrease) in trade and other payables	1,198	(4,155)	156	156	1,354	(3,999)
Opening balance of cash and cash equivalents	(10,213)	(10,238)	10,000	10,000	(213)	(238)
Closing balance of cash and cash equivalents	<u>(8,169)</u>	<u>(10,487)</u>	<u>10,000</u>	<u>10,000</u>	<u>1,831</u>	<u>(487)</u>

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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 42 to 73 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 30 November 2003 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 CHEE SEAN

@ **WONG SEAN**

Director

Johor Bahru

Dated: 26 February 2004

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 42 to 73 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 2004

Before me

RUSLY B. MOHD. YUNUS P.I.S.

J112

Commissioner for Oaths

REPORT OF THE AUDITORS

REPORT OF THE AUDITORS TO THE MEMBERS OF COUNTRY VIEW BERHAD (Company No.078320-K)

We have audited the accompanying balance sheets of COUNTRY VIEW BERHAD as at 30 November 2003 and the related income statements and cash flows for the year then ended as set out on pages 42 to 73. 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 30 November 2003 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. 416/03/05 (J/PH)
PROPRIETOR

Johor Bahru

Date: 26 February 2004

GROUP PROPERTIES As At 30 November 2003

Location	Tenure	Land area	Usage	Net book value as at 30 November 2003 (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	25.00 acres	On-going mix development project	15,386	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	54,632	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	4,377	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	29,376	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	14.524 acres	On-going mixed development project	19,311	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	On-going mixed development project	52,807	2001



PROXY FORM

I/We (fill 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 **21st Annual General Meeting** of the Company, to be held at Sri Mersing M1, Lower Ground Floor, Hyatt Regency, Johor Bahru, Jalan Sungai Chat, 80720 Johor Bahru, Johor on Wednesday, 21 April 2004 at 9:30 am and, at every adjournment thereof to vote as indicated below in respect of the following Resolutions:

		For	Against
Ordinary Resolution 1	Receive and Consider the Audited Financial Statements & Reports		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Approval of final dividend		
Ordinary Resolution 4	Re-election of Datuk Mohamed Al Amin Bin Abdul Majid JP		
Ordinary Resolution 5	Re-election of Mdm Wong Joon Chin		
Ordinary Resolution 6	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 2004

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 proportions 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.countryview.com.my