



Annual Report 2006

country view



Dear Valued Shareholders,

"Once again it gives me great pleasure, on behalf of my colleagues on the Board of Country View Berhad, to present the Company's Annual Report and the Financial Statements of the Company and the Group for the financial year ended 30 November 2006."



our corporate **VISION** and **MISSION**



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.

DATUK Ir. MOHAMED AL AMIN BIN ABDUL MAJID JP
(Executive Chairman)

Country View Berhad (78320-K)
2006 Annual Report

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman
Datuk Ir. 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

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

RISK MANAGEMENT WORKING COMMITTEE

Chairman
Choong Shiau Yoon

Members
Wong Joon Chin
Azhar Bin Azizan @ Harun
Yee Gee Min (Group General Manager)
Long Cheow Siong (Senior Manager, Accounts & Services)

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)
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

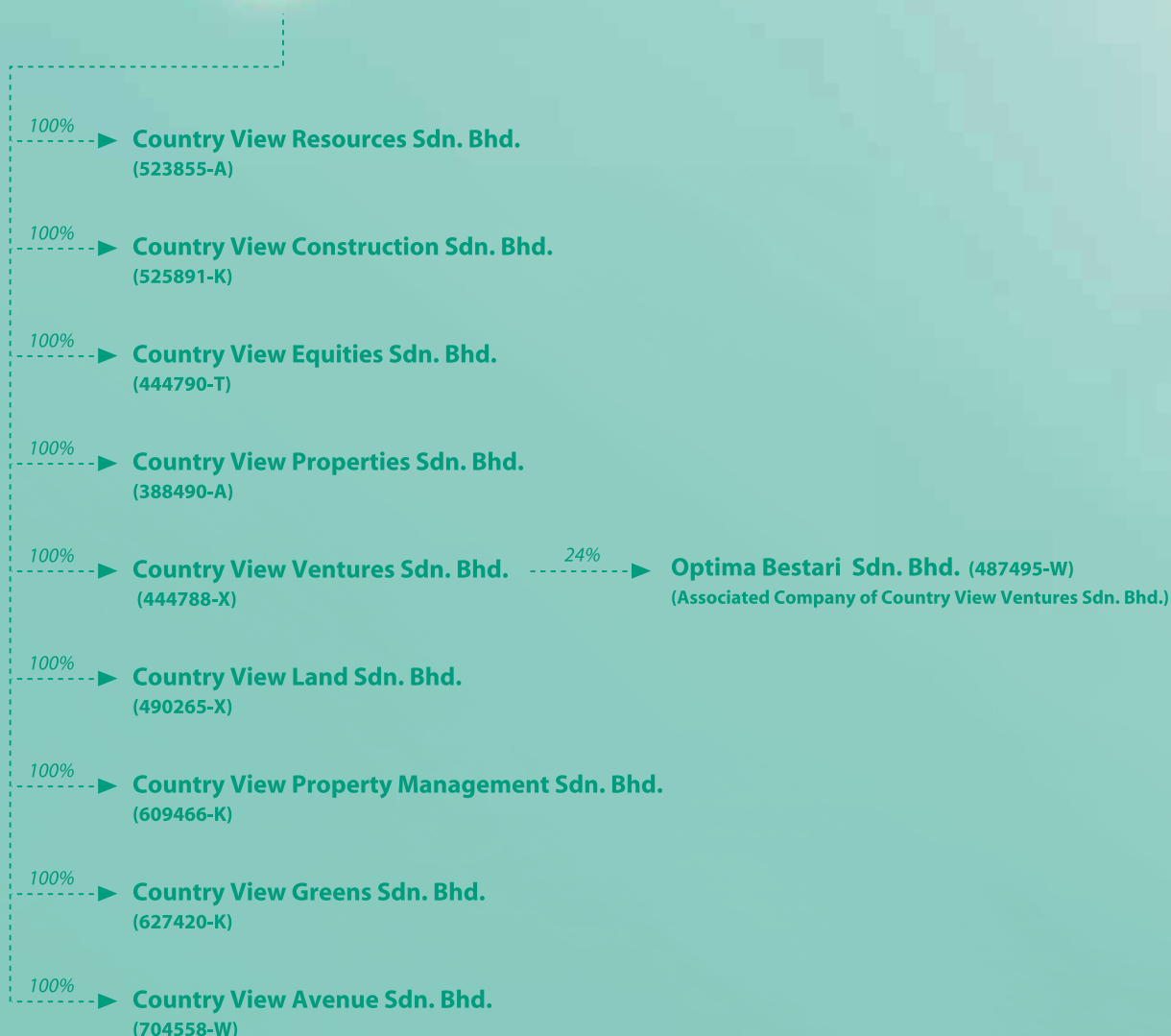
PRINCIPAL BANKERS

AmMerchant Bank Berhad
AmBank Berhad
RHB Bank Berhad
Public Bank Berhad
CIMB Bank Berhad (formerly known as Bumiputra Commerce Bank Berhad)
Malayan Banking Berhad

STOCK EXCHANGE

Main Board of Bursa Malaysia Securities Berhad

COUNTRY VIEW GROUP STRUCTURE



NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 24th 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 on Wednesday, 25 April 2007 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 2006 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees. **(Resolution 2)**
3. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Articles of Association:
 - i. Datuk Ir. Mohamed Al Amin Bin Abdul Majid JP **(Resolution 3)**
 - ii. Mdm. Wong Joon Chin **(Resolution 4)**
4. To re-appoint Messrs K.S Chua & Co. as Auditors of the Company for the year ending 30 November 2007 and to authorise the Directors to fix their remuneration. **(Resolution 5)**

SPECIAL BUSINESS

5. To consider and if thought fit, pass the following resolution as a special resolution:

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION **(Resolution 6)**

"THAT the Company's Articles of Association be and is hereby amended in the manner and to the extent as set out in Appendix A attached together with the 2006 Annual Report."
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.

By Order of the Board

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

30 March 2007

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.
6. Explanatory Note on Special Business:
The Special Resolution in respect of the Proposed Amendments to the Company's Articles of Association, if passed, will result in the Articles of Association of the Company being amended to be in line with Chapter 7 of Bursa Malaysia Securities Berhad's Listing Requirements.

CHAIRMAN'S STATEMENT

PERFORMANCE AND FINANCIAL REVIEW

The performance of the Country View Berhad Group for the financial year ended 30 November 2006 proved to be more difficult than the year before. For the year under review, the Group registered an overall revenue of RM18.7 million which was approximately 66% lower than that achieved in the preceding year of RM55.8 million. The lower revenue reported for the current financial year was mainly due to the slower take-up rates registered for the Amanseri terrace condominiums in Taman Nusa Bestari Jaya as well as the 2-storey terrace houses ("Tropicana" and "Kiara" series) and the 2-storey shopoffices ("Nusa Indah Walk"), both in Taman Nusa Indah and the more competitive business environment in which the Group was operating.

Compared to a pre-tax profit of RM5.1 million achieved in the preceding year, the Group registered a pre-tax loss of RM16.3 million for the current financial year. The current year's pre-tax loss was mainly due to the lower revenue as explained in the foregoing paragraph as well as the impact of the borrowing costs incurred during the current year in respect of borrowings taken up to finance the acquisition of the new landbanks by the Group during the preceding year.

Despite the difficult conditions arising from a rise in interest rate, inflation, higher fuel prices, intense competition and soft demand, the Group persevered.

PROPERTY DEVELOPMENT

During the year under review, the property development industry in Johor Bahru, remained difficult and extremely challenging. The Group's strategy was to focus on introducing innovative and well designed properties to the market at competitive prices to meet the needs of properties buyers.

As at the end of the current financial year, we achieved a take up rate of 32% in respect of the 81 units of Amanseri terrace condominiums in Taman Nusa Bestari Jaya. Further, take up rates of 48% and 34% were registered in respect of the Taman Nusa Indah's 181 units of double storey terrace houses ("Tropicana" and "Kiara" series) and 44 units of double storey shopoffices ("Nusa Indah Walk") which were launched as at 30 November 2006. Construction works were in progress during the financial year and all these properties are expected to be completed and delivered with CFOs during the financial year ending 30 November 2007.

PROSPECTS

The Group expects to continue facing a difficult and challenging period ahead due to the current slow take up rates for the Group's properties coupled with the intense competition. The Group hopes to improve its financial position, re-strategising and repositioning itself where necessary to respond appropriately to the challenges ahead.

The Group views positively the Federal Government's plans revealed under the Ninth Malaysia Plan and in particular the excitement that is being generated by plans for the Iskandar Development Region.

The Group's existing development in Taman Nusa Indah and the 290.32 acres of new land bank acquired in calendar year 2005 is located within Bandar Nusajaya which is the key constituent of the Iskandar Development Region.

In respect of the financial year ending 30 November 2007, the Group expects its revenue to be substantially derived from the 2-storey terrace houses ("Tropicana" and "Kiara" series) and the 2-storey shopoffices ("Nusa Indah Walk") in Taman Nusa Indah as well as the Amanseri terrace condominiums in Taman Nusa Bestari Jaya. The Group is also expected to launch its proposed high-end development comprising 12 units of freehold bungalow in the exclusive residential enclave of "Straits View" in Johor Bahru.

CHAIRMAN'S STATEMENT (Cont'd)

APPRECIATION

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

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

DATUK Ir. MOHAMED AL AMIN BIN ABDUL MAJID JP
Executive Chairman

PROFILE OF DIRECTORS

DATUK Ir. MOHAMED AL AMIN BIN ABDUL MAJID JP

*51 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 a Corporate Member of Institute of Engineers (IEM), Malaysia and a professional engineer (P.Eng).

He began his career as a project engineer with Perak State Development Corporation 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 careers include serving as Chairman for Gabungan Pemborong Bumiputra Perak Berhad since 1988 and Zurich Insurance (M) Berhad since 1989. He is the Chairman of SCAN Associates Berhad, Nylex (Malaysia) Berhad and a Director of Ancom Berhad, all listed on Bursa Malaysia Securities Berhad. He is also the Chairman of Small and Medium Industries Development Corporation (SMIDEC).

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 five (5) board meetings held during the financial year ended 30 November 2006. 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.

LAW KIT TAT

*46 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) in Sunderland, 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 five (5) board meetings held during the financial year ended 30 November 2006. 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.

PROFILE OF DIRECTORS (Cont'd)

WONG CHEE SEAN @ WONG SEAN

37 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 also a member of 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 all the five (5) board meetings held during the financial year ended 30 November 2006. 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.

WONG JOON CHIN

49 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 21 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 Audit Committee and Risk Management Working 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 five (5) board meetings held during the financial year ended 30 November 2006. 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.

PROFILE OF DIRECTORS (Cont'd)

LAW KEE KONG

*44 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 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 five (5) board meetings held during the financial year ended 30 November 2006. 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.

CHOONG SHIAU YOON

*49 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 Risk Management Working 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 Bursa Malaysia Securities 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 five (5) board meetings held during the financial year ended 30 November 2006. 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.

PROFILE OF DIRECTORS (Cont'd)

AZHAR BIN AZIZAN @ HARUN

44 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, Cheang & Ariff in Kuala Lumpur. He is also a member of Audit Committee and Risk Management Working Committee and also the Chairman of Remuneration and Nomination Committees of CVB. He does not hold directorship in any other public company.

He attended all the five (5) board meetings held during the financial year ended 30 November 2006. 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.

The CVB Group was substantially in compliance with the principles of Corporate Governance and best practices provisions as set out in the Code throughout the financial year ended 30 November 2006.

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 Bursa Malaysia Securities Berhad's Listing Requirements.

All Directors have attended and completed the Mandatory Accreditation Programme conducted by Research Institute of Investment Analysts Malaysia (now known as Bursatra Sdn. Bhd.). Each Director has also accumulated the requisite total of 72 Continuing Education Programmes points for the year 2003, 2004 and 2005 as specified by Bursa Malaysia Securities Berhad.

Under the revised Bursa Malaysia Listing Requirements, the Board has assumed the onus of determining or overseeing the training needs of their Directors from year 2005 onwards. During the financial year ended 30 November 2006, the Company organised an in-house training programme for the Directors and Senior Management of the Company facilitated by an established training provider. Besides, the Directors are also encouraged to attend seminar and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skill and knowledge for the effective discharge of their roles as Directors.

There were 5 Board Meetings held during the financial year ended 30 November 2006. Details of each Director's attendance are given below:

Directors	Total	Percentage of Attendance (%)
1. Datuk Ir. Mohamed Al Amin Bin Abdul Majid JP	5/5	100
2. Law Kit Tat	5/5	100
3. Wong Chee Sean @ Wong Sean	5/5	100
4. Wong Joon Chin	5/5	100
5. Law Kee Kong	5/5	100
6. Choong Shiau Yoon	5/5	100
7. Azhar Bin Azizan @ Harun	5/5	100

CORPORATE GOVERNANCE STATEMENT (Cont'd)

All the Directors have complied with the minimum 50% attendance requirement at Board Meeting during the financial year as stipulated by the Listing Requirements of Bursa Malaysia Securities 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, the Remuneration Committee and the Risk Management Working Committee.

Board Balance

The Board currently has 7 members, comprising of 2 independent non-executive directors, 1 non-executive director and 4 executive directors (including the Chairman). Together, the Directors bring wide business, regulatory, industry and financial experience relevant to the direction of the CVB Group. A brief description of the background of each Director is presented on pages 7 to 10 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

A Board Nomination Committee, with appropriate terms of reference, was set up on 26 February 2003. The committee comprising wholly of non-executive directors, a majority of whom are independent, are as follows:

Board Nomination Committee

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

The Board Nomination Committee is responsible to assist the Board in reviewing its 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.

The process of assessing the effectiveness of the Board as a whole, the Board Committees and the individual contribution of each Board members will be carried out by the Nomination Committee. The ultimate decision for all matters, however lies with the Board as a whole.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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

Re-election

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

Directors' Remuneration

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

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

The Board Remuneration Committee 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 Directors 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.

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

Directors	Salaries and other emoluments (RM)	Fees (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
EXECUTIVE DIRECTORS	777,600.00	-	-	48,886.33	826,486.33
NON-EXECUTIVE DIRECTORS	-	108,000.00	-	-	108,000.00

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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

Range of Remuneration	No. of Directors Executive	No. of Directors Non-Executive
Below RM50,000	0	3
RM50,001-RM100,000	0	0
RM100,001-RM150,000	0	0
RM150,001-RM200,000	2	0
RM200,001-RM250,000	1	0
RM250,001-RM300,000	1	0
	<u>4</u>	<u>3</u>

The disclosure of directors' remuneration is made in accordance with Appendix 9C, item 10 of the Bursa Malaysia Securities 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 director's remuneration. The Board of Directors is of the opinion that separate disclosure will impinge upon the directors' right of privacy.

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 Bursa Malaysia Securities Berhad which include quarterly financial results, as well 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 on page 21 of this Annual Report provides an overview of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

Relationship with the Auditors

Through the Board Audit Committee, the Group has established transparent and appropriate relationship with the Group's Auditors.

A report of the Board Audit Committee is provided in page 17 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.

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. **Impositions of sanctions/penalties**

There were no material sanctions or penalties imposed on the Company and its subsidiaries, Directors, and management by the relevant regulatory bodies during the financial year.

6. **Non-audit fees**

During the financial year ended 30 November 2006, non-audit fees paid to Messrs K.S Chua & Co. by the Company and its subsidiaries amounted to RM 28,000.

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

9. **Material contracts**

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest during the financial year.

10. **Contract relating to loan**

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

11. **Revaluation of landed properties**

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

AUDIT COMMITTEE REPORT

COMPOSITION 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 2006 (i.e. 23 January 2006; 27 February 2006, 26 April 2006, 24 July 2006 and 18 October 2006.), which were attended by all the members.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee during the financial year under review are summarised as follows:

1. Reviewed and recommended the unaudited interim quarterly financial reports and the annual audited financial statements for the Board's approval prior to their release to Bursa Malaysia Securities Berhad.
2. Reviewed the results of the External Auditors' audit report.
3. Reviewed the audit strategy and plan of the external auditors.
4. Discussed the updates of new developments in accounting standards issued by The Malaysian Accounting Standards Board.
5. Reviewed the Company's Internal Auditors' report on the Company's control weaknesses and recommended the necessary actions for the Board's consideration.
6. Reviewed and recommended the appointment and audit fee of the external auditors for the Board's consideration.
7. Reviewed the Audit Committee Report and Statement on Internal Control before recommending for Board approval for the purpose of inclusion in the Annual Report.
8. Reviewed and recommended the re-appointment of Internal Auditors for the Board's consideration.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group was outsourced to a professional services firm to assume the responsibilities of the internal audit function and to assist the Audit Committee in reviewing the adequacy and effectiveness of the internal control system of the Group.

During the financial year, the outsourced internal audit function provided reasonable assurance to the Audit Committee through the effective and efficient execution of an internal audit plan approved by the Audit Committee. Internal audit visits which were scheduled for audit execution during the financial year have been completed according to the approved internal audit plan.

AUDIT COMMITTEE REPORT (Cont'd)

TERMS OF REFERENCE

Composition

1. The Audit Committee shall be appointed by the Board of Directors and shall comprise 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 the Audit Committee must be Independent Directors as defined in the Bursa Malaysia Securities Berhad's Listing Requirements.
3. The members of the Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director; and
4. At least one (1) member of the Audit Committee:-
 - i) must be a member of the Malaysian Institute of Accountants ("MIA"), or
 - ii) if he is not a member of the MIA, he must have at least 3 years' working experience and:-
 - a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967; or
 - b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
5. No Alternate Director shall be appointed as a member of the Audit Committee.

Policy

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

Functions

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

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

AUDIT COMMITTEE REPORT (Cont'd)

4. To review:-

- the 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 reason 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

During the financial year, Country View Berhad ("CVB" or "the Company") continued to progress in enhancing its system of internal control and risk management with the objective of safeguarding its shareholders' investments and the Company's assets. The Bursa Malaysia Listing Requirements mandates directors of listed company to include a statement in the annual report on the state of internal controls as a group. In compliance with this, the Board of Directors ("the Board") of CVB is pleased to provide the following statement which outlines the nature and scope of internal control of CVB Group ("the Group") for the financial year ended 30 November 2006.

BOARD RESPONSIBILITY

The Board recognises the importance of sound internal controls and risk management practices and its contribution to good corporate governance. The Board affirms its overall responsibility for CVB Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of these systems.

Due to inherent limitations in any internal control system, such system is designed to manage rather than eliminate risks that may impede the achievement of CVB Group's business objectives. The systems can therefore only provide reasonable, and not absolute, assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board is dedicated to strengthening the Group's risk management to manage its key business risks within the Group and to implement appropriate controls to manage these risks. To this end, the Group has established a Risk Management Working Committee to review the existence of new risks and to assess the relevance of the Group's existing key risk profile. This initiative would allow the Group's process for identifying, evaluating, monitoring and managing its principal risks to be dynamic and responsive to the changing business environment. Significant risks that may affect the Group's business objectives have continually been monitored and any new significant risk identified are subsequently evaluated and managed.

Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the executive management the implementation of the system of risk management and internal control within an established framework. The responsibility of managing the risks of each department lies with the respective Heads of Department and it is during the periodic management meetings, risk management activities as well as internal controls implemented to manage the significant risks identified are communicated to Executive Directors and Senior Management.

CONTROL STRUCTURE & ENVIRONMENT

The Group's control structure and environment comprises the following key elements:

I. EXECUTIVE MANAGEMENT

The Board is committed towards maintaining an effective control environment and structure to facilitate the proper conduct of the Group's businesses. The Executive Directors ("EDs") are assisted by the line managers in managing the Group. The EDs are responsible for the conduct of daily operations and the performance of their businesses through their review of performance and operational reports, as well as their involvement in the day-to-day affairs of the Group. Other than through the above reports, EDs also informally meet to address any matters arising. Significant issues are brought to the attention of the Board, if necessary.

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 operation. 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 investment based on the performance of the associate company.

STATEMENT ON INTERNAL CONTROL (Cont'd)

II. REPORTING AND REVIEW

An organisational structure with formally defined lines of responsibility and delegation of authority is in place. A review and approval process in accordance with the Group's reporting hierarchy has been established. Clear reporting structure ensures financial and operational reports are periodically prepared and presented to the Executive Directors and Senior Management for discussion and review on a timely basis. Ad-hoc and scheduled meetings are held at operational and management levels to identify, discuss and resolve business and operational issues.

III. MANAGEMENT STRUCTURE

The Board maintains control over appropriate strategic, financial, operational, risk management and compliance issues. The Group's Executive Directors ensures that the Board is involved in approving major decisions.

IV. AUDIT COMMITTEE

The Audit Committee will examine the adequacy and effectiveness of the Company's system of internal control via the review of reports it received from:

- Internal audit function;
- External auditors; and
- Management

The Audit Committee reports to the Board the significant results of their review. The Board then take the necessary actions and mandate changes where necessary.

V. INTERNAL AUDIT

The internal audit function of the Group is presently outsourced to a globally affiliated internal audit service provider firm to review the adequacy and effectiveness of the internal control systems and to monitor compliance with the Group's established policies and procedures of the Group. The internal audit plan is presented to the AC each year for approval.

During the financial year under review, periodic internal audit reviews have been executed based on the Internal Audit Plan approved by the Audit Committee. Based on the results of the reviews, corrective action plans were co-developed with Management to address the internal control weaknesses identified. Although a number of internal control weaknesses were identified during the audit reviews, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

In addition to the above, the Group has the following key elements:

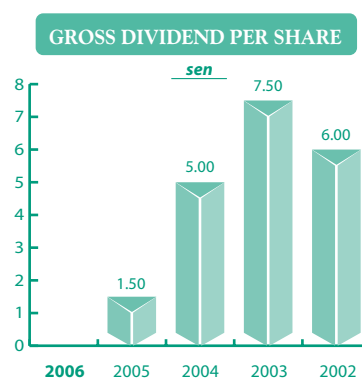
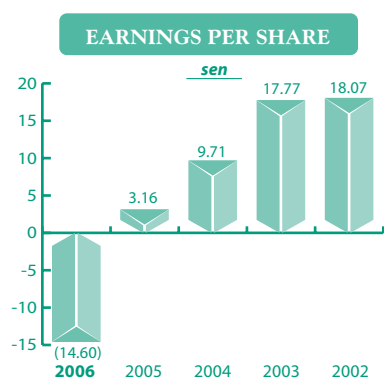
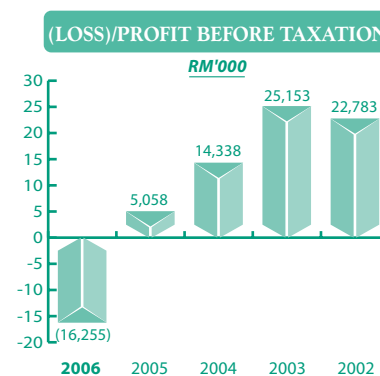
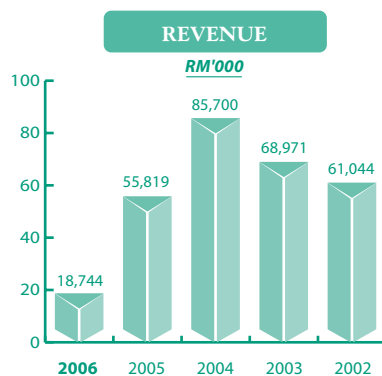
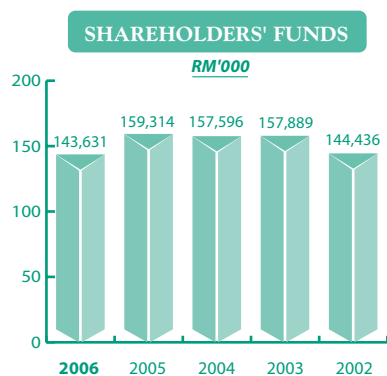
- The Board and Senior Management are provided with up-to-date financial information of the Group to enable timely discussion and resolution of strategic, operational, financial and corporate matters.
- Annual review and assessment of the Group's strategic direction after taking into consideration changes in the market condition and key business risk.
- Regular management meeting were held to discuss the Group's operational, business development, financial performance and risk related matters.
- Annual budgeting and forecasting exercise are performed and deviation from budgets/forecast is reported to the Board on a quarterly basis.
- A formal delegation of authority with clear lines of accountability and responsibility serves as a strategic management tool of the Board.
- Executive Directors and Management practices "open-door" policy and meet with the staff regularly to discuss and resolve matters arising.

CONCLUSION

The Board is of the view that the risks faced by the Group are within tolerable levels in the context of the business environment the Group operates in and the system of internal control that existed throughout the year is sound and adequate to safeguard the interest of the Group and to facilitate the evolution of its businesses.

FIVE-YEARS FINANCIAL HIGHLIGHTS

	2006	2005	2004	2003	2002
Paid-up capital (RM'000)	100,000	100,000	100,000	100,000	100,000
Shareholders' funds (RM'000)	143,631	159,314	157,596	157,889	144,436
NTA (RM'000)	143,631	159,314	157,596	157,889	144,436
NTA per share (sen)	144	159	158	158	144
Revenue (RM'000)	18,744	55,819	85,700	68,971	61,044
(Loss)/Profit before taxation (RM'000)	(16,255)	5,058	14,338	25,153	22,783
(Loss)/Profit after taxation (RM'000)	(14,603)	3,158	9,714	17,773	16,842
Earnings per share (sen)	(14.60)	3.16	9.71	17.77	18.07
Pretax (loss)/profit margin (%)	(86.7)	9.1	16.7	36.5	37.3
Current ratio	2.22	3.79	3.31	3.58	2.85
Return on capital employed (%)	(11.3)	3.2	9.1	15.9	15.8
Total borrowings (RM'000)	124,359	38,923	38,991	44,289	42,449
Gearing (times)	0.87	0.24	0.25	0.28	0.29
Gross dividend per share (sen)	-	1.50	5.00	7.50	6.00
Gross dividend cover (number of times)	-	3.37	2.87	3.35	3.80



ANALYSIS OF SHAREHOLDINGS

Share Capital as at 28 February 2007

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

Distribution of Shareholders as at 28 February 2007

No. of Holders	Size of the Shareholdings	Total Holdings	%
2	Less than 100	100	0.0001
806	100 to 1,000	705,200	0.7052
205	1,001 to 10,000	765,600	0.7656
30	10,001 to 100,000	872,100	0.8721
34	100,001 to less than 5% of issued shares	53,052,014	53.0520
5	5% and above of issued shares	44,604,986	44.6050
1,082	Total	100,000,000	100

Directors' Shareholdings as at 28 February 2007 (As per the Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Datuk Ir. Mohamed Al Amin Bin Abdul Majid JP	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	-	-	-	-

Substantial Shareholders (Excluding Bare Trustees) as at 28 February 2007 (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	18,700,000a	18.70
7.	Munawir Bin Khadri	-	-	8,500,000b	8.50
8.	Haliah Binti Khadri	-	-	10,200,000c	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.

ANALYSIS OF SHAREHOLDINGS

List of Thirty Largest Shareholders as at 28 February 2007
(As per Record of Depositors)

No.	Name of Holders	No. of Shares	%
1.	Law Kit Tat	11,625,000	11.6250
2.	Jalur Bahagia Sdn. Bhd.	10,200,000	10.2000
3.	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.7963
4.	Neosas Teknik Sdn. Bhd.	8,500,000	8.5000
5.	EB Nominees (Tempatan) Sendirian Berhad pledged securities account for Wong Chee Sean @ Wong Sean	5,483,736	5.4837
6.	Law Kee Kong	4,250,000	4.2500
7.	Khor Hiang Jee	4,250,000	4.2500
8.	Liu Fah Yam @ Law Fah Yam	4,250,000	4.2500
9.	Wong Chee Sean @ Wong Sean	3,425,000	3.4250
10.	Tan Chee Kwang	3,400,000	3.4000
11.	Jimmy Purwonegoro	2,571,200	2.5712
12.	Yee Gee Min	2,320,014	2.3200
13.	Wong Joon Chin	2,150,000	2.1500
14.	Bumiputra-Commerce Nominees (Tempatan) Sdn. Bhd. pledged securities account for A.A. Anthony Securities Sdn. Bhd.	2,000,000	2.0000
15.	MAYBAN Nominees (Tempatan) Sdn. Bhd. pledged securities account for Law Kit Tat	2,000,000	2.0000
16.	Lau Eng @ Lam Eng	1,980,000	1.9800
17.	Sadiah Binti Suleiman	1,700,000	1.7000
18.	ALLIANCEGROUP Nominees (Tempatan) Sdn. Bhd. pledged securities account for Wong Chee Sean @ Wong Sean	1,700,000	1.7000
19.	CIMSEC Nominees (Tempatan) Sdn. Bhd. EON Finance Berhad for Mohd Adnan Bin Mohd Nor	1,650,000	1.6500
20.	Lee Hin Meng @ Lee Sing Lee	1,630,000	1.6300
21.	ALLIANCEGROUP Nominees (Tempatan) Sdn. Bhd. pledged securities account for Chan Teng Hon	1,466,666	1.4667
22.	Chan Teng Hon	1,375,434	1.3754
23.	Lai Boo Luck	1,340,000	1.3400
24.	OSK Nominees (Asing) Sdn Berhad pledged securities account for Khiu Kuet-Vin	1,332,800	1.3328
25.	Khiu Kuet-Vin	1,324,000	1.3240
26.	How Keng Chee	1,211,900	1.2119
27.	Syarikat Ajaib Jaya Sdn. Bhd.	1,189,000	1.1890
28.	Mohamed Al Amin Bin Abdul Majid	950,000	0.9500
29.	Lau Kang @ Lau Bok Swee	536,700	0.5367
30.	Employee Provident Fund Board	501,900	0.5019

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 2006, the Directors have:

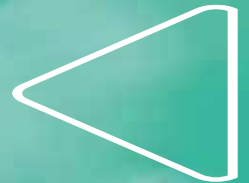
- considered the applicable approved Malaysian Accounting Standards
- adopted and consistently applied appropriate accounting policies
- made judgements and estimates that are prudent and reasonable
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, 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.

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33	Balance Sheets
34	Statements of Changes in Equity
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36 - 64	Notes to the Financial Statements
65	Statement by Directors
65	Statutory Declaration
66	Report of the Auditors



DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2006

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 2006.

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.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss after taxation	(14,603)	(3,328)
Retained profits brought forward	59,190	45,041
	44,587	41,713
Dividends	(1,080)	(1,080)
	43,507	40,633

DIVIDENDS

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

	RM'000
Final dividend of 1.50 sen per share less income tax of 28% in respect of the year ended 30 November 2005, paid on 15 May 2006.	1,080

No dividend in respect of the year ended 30 November 2006 has been proposed for shareholders' approval at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

Save for the provision for doubtful debt by the Group as disclosed in Note 20 to the financial statements, there were no other material transfers to or from reserves or provisions during the financial year.

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

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

Save for the increase in the authorised and issued and paid-up share capital of certain subsidiary companies as disclosed in Note 33 to the financial statements, there were no other issues of shares or debentures during the financial year.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2006 (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 Ir. 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 Ir. Mohamed Al Amin Bin Abdul Majid and Wong Joon Chin (F) 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 30.11.2006
	As at 01.12.2005	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 Ir. 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 FOR THE YEAR ENDED 30 NOVEMBER 2006 (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: 15 March 2007

INCOME STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	4	<u>18,744</u>	<u>55,819</u>	<u>1,288</u>	<u>6,927</u>
Cost of goods sold	4	<u>(15,937)</u>	<u>(41,282)</u>	<u>(1,203)</u>	<u>(2,022)</u>
Gross profit		<u>2,807</u>	<u>14,537</u>	<u>85</u>	<u>4,905</u>
Other operating income		675	1,394	237	760
Administrative expenses		(11,683)	(8,857)	(3,622)	(3,589)
(Loss)/Profit from operations		<u>(8,201)</u>	<u>7,074</u>	<u>(3,300)</u>	<u>2,076</u>
Finance costs		(8,037)	(1,938)	(1,103)	(601)
Share of losses of an associated company	16	(17)	(78)	-	-
(Loss)/Profit before taxation	5	<u>(16,255)</u>	<u>5,058</u>	<u>(4,403)</u>	<u>1,475</u>
Less: Taxation					
Company and subsidiary companies	6	(1,652)	1,900	(1,075)	534
(Loss)/Profit after taxation		<u>(14,603)</u>	<u>3,158</u>	<u>(3,328)</u>	<u>941</u>
Earnings per ordinary share - basic (sen)	7	<u>(14.60)</u>	<u>3.16</u>		
Gross dividend per share (sen)					
Final dividend	8	<u>-</u>	<u>1.50</u>	<u>-</u>	<u>1.50</u>

The above income statements are to be read in conjunction with the notes to the financial statements on pages 36 to 64.

BALANCE SHEETS AS AT 30 NOVEMBER 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
CAPITAL AND RESERVES					
Share capital	9	100,000	100,000	100,000	100,000
Retained profits	10	43,507	59,190	40,633	45,041
Share premium		124	124	124	124
		143,631	159,314	140,757	145,165
DEFERRED AND LONG TERM LIABILITIES					
Term loans	11	67,835	9,765	63,200	4,400
Bridging loans	11	16,450	5,539	16,450	5,539
Revolving credits	11	11,083	5,917	11,083	5,917
Hire purchase creditors	11	591	859	-	-
Deferred tax liabilities	12	74	86	-	-
		96,033	22,166	90,733	15,856
		239,664	181,480	231,490	161,021
REPRESENTED BY :-					
LAND HELD FOR PROPERTY DEVELOPMENT	13	184,049	92,941	-	-
PROPERTY, PLANT AND EQUIPMENT	14	1,696	2,405	185	322
SUBSIDIARY COMPANIES	15	-	-	246,363	160,151
ASSOCIATED COMPANY	16	-	17	-	-
DEFERRED TAX ASSETS	12	1,698	-	1,089	-
CURRENT ASSETS					
Property development costs	17	59,788	48,612	-	-
Inventories	18	12,368	15,387	8,226	9,429
Trade receivables	19	12,857	23,058	3,772	8,327
Other receivables, deposits and prepayments	20	6,936	15,109	1,713	1,714
Deposits with financial institutions	21	397	469	186	263
Quoted shares	22	-	6	-	6
Cash and bank balances	23	2,611	14,359	19	70
		94,957	117,000	13,916	19,809
LESS: CURRENT LIABILITIES					
Trade payables	24	8,472	8,115	988	1,319
Other payables, deposits and accruals	25	5,864	4,931	1,712	1,477
Bank overdrafts	11	8,376	2,955	8,376	2,955
Revolving credits	11	12,847	12,546	12,847	12,546
Term loans	11	1,969	610	1,200	500
Bridging loans	11	4,940	445	4,940	445
Hire purchase creditors	11	268	287	-	19
Tax payable		-	994	-	-
		42,736	30,883	30,063	19,261
NET CURRENT ASSETS/(LIABILITIES)		52,221	86,117	(16,147)	548
		239,664	181,480	231,490	161,021

The above balance sheets are to be read in conjunction with the notes to the financial statements on pages 36 to 64.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2006

	Note	Share Capital Ordinary shares RM'000	Distributable Reserve Retained profits RM'000	Non- distributable Reserve Share premium RM'000	Total RM'000
Group					
Balance as at 1 December 2004		100,000	57,472	124	157,596
Net profit for the year		-	3,158	-	3,158
Final dividend of 2.00 sen per share less income tax in respect of the year ended 30 November 2004		-	(1,440)	-	(1,440)
Balance as at 30 November 2005		<u>100,000</u>	<u>59,190</u>	<u>124</u>	<u>159,314</u>
Balance as at 1 December 2005		100,000	59,190	124	159,314
Net loss for the year		-	(14,603)	-	(14,603)
Final dividend of 1.50 sen per share less income tax in respect of the year ended 30 November 2005	8	-	(1,080)	-	(1,080)
Balance as at 30 November 2006		<u>100,000</u>	<u>43,507</u>	<u>124</u>	<u>143,631</u>
Company					
Balance as at 1 December 2004		100,000	45,540	124	145,664
Net profit for the year		-	941	-	941
Final dividend of 2.00 sen per share less income tax in respect of the year ended 30 November 2004		-	(1,440)	-	(1,440)
Balance as at 30 November 2005		<u>100,000</u>	<u>45,041</u>	<u>124</u>	<u>145,165</u>
Balance as at 1 December 2005		100,000	45,041	124	145,165
Net loss for the year		-	(3,328)	-	(3,328)
Final dividend of 1.50 sen per share less income tax in respect of the year ended 30 November 2005	8	-	(1,080)	-	(1,080)
Balance as at 30 November 2006		<u>100,000</u>	<u>40,633</u>	<u>124</u>	<u>140,757</u>

The above statements of changes in equity are to be read in conjunction with the notes to the financial statements on pages 36 to 64.

CASH FLOW STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(16,255)	5,058	(4,403)	1,475
Adjustments for :-					
Depreciation of property, plant and equipment	14	730	756	142	267
Dividend from quoted shares in Malaysia		(1)	(3)	(1)	(3)
Gain on disposal of quoted shares in Malaysia	22	(14)	-	(14)	-
Loss on disposal of property, plant and equipment		-	8	-	8
Interest from bank deposits		(21)	(7)	(15)	(6)
Interest expense		8,037	1,938	1,103	601
Property, plant and equipment written off		-	3	-	3
Provision for doubtful debts	19 & 20	750	49	-	21
Provision for doubtful debts written back	19	(21)	(3)	(21)	-
Share of losses of an associated company	16	17	78	-	-
Operating (loss)/profit before changes in working capital		(6,778)	7,877	(3,209)	2,366
(Increase)/Decrease in development expenditure		(99,265)	12,887	1,203	2,022
Decrease in trade and other receivables		18,480	8,493	4,563	8,215
Increase/(Decrease) in trade and other payables		1,290	(9,586)	(96)	(507)
Cash (Used In)/Generated From Operations		(86,273)	19,671	2,461	12,096
Tax paid		(1,887)	(3,022)	-	(534)
Net Cash (Used In)/Generated From Operating Activities		(88,160)	16,649	2,461	11,562
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Advances to subsidiary companies		-	-	(86,212)	(3,906)
Dividend from quoted shares in Malaysia		1	3	1	3
Interest from bank deposits		21	7	15	6
Proceeds from disposal of property, plant and equipment		2	30	-	30
Proceeds from disposal of quoted shares in Malaysia	22	20	-	20	-
Purchase of property, plant and equipment	14	(23)	(1,008)	(5)	(20)
Net Cash Generated From/(Used In) Investing Activities		21	(968)	(86,181)	(3,887)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES					
Drawdown of bank borrowings		86,566	19,145	86,566	13,670
Dividend paid	8	(1,080)	(1,440)	(1,080)	(1,440)
Interest expense		(8,037)	(1,938)	(1,103)	(601)
Release from hire purchase loans		-	680	-	-
Repayment of bank borrowings		(6,264)	(16,601)	(6,193)	(16,601)
Repayment of hire purchase loans		(287)	(279)	(19)	(89)
Net Cash Generated From/(Used In) Financing Activities		70,898	(433)	78,171	(5,061)
Net (decrease)/increase in cash and cash equivalents		(17,241)	15,248	(5,549)	2,614
Opening balance of cash and cash equivalents		11,873	(3,375)	(2,622)	(5,236)
Closing balance of cash and cash equivalents	26	(5,368)	11,873	(8,171)	(2,622)

The above cash flow statements are to be read in conjunction with the notes to the financial statements on pages 36 to 64.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006

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.

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 Bursa Malaysia Securities 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 15 March 2007.

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 FOR THE YEAR ENDED 30 NOVEMBER 2006 (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 accounting policies adopted by the Group and by the Company are consistent with those adopted in previous years.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

3. Significant Accounting Policies (Cont'd)

3.2 Basis of Consolidation (Cont'd)

(ii) Associated Company (Cont'd)

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 were 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 losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16.

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, site and sport 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 Property Development

Land held for property development consists of land held or such portions on which no development activities have been carried out. It is stated at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.16.

Land held for property development is reclassified as property development costs upon commencement of development work on the said land.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

3. Significant Accounting Policies (Cont'd)

3.6 Property Development Costs

Property development costs consist of land or such portions on which significant development work have been undertaken and are stated at cost. Where losses are expected, full allowance for the losses is made in the financial statement.

Cost includes cost of land, direct costs and appropriate proportion of common costs attributable to developing the properties to completion including interest expenses related to the financing of development.

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings under other receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings under other payables.

3.7 Inventories

Inventories comprised 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.

3.10 Borrowings

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

3.11 Capitalisation of Borrowing Costs

Interest incurred on borrowings related to property development costs 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.

3.12 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 expense 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

3. Significant Accounting Policies (Cont'd)

3.12 Taxation (Cont'd)

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.

3.13 Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, the Group makes contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statements as incurred.

3.14 Revenue Recognition

(i) Revenue from property development

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

(ii) Revenue from sale of commercial land

Revenue from sale of commercial land is recognised upon fulfilment of all terms and conditions under the sale and purchase agreement.

(iii) Revenue from construction contracts

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.

(iv) Dividend income

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

(v) Revenue from property management services

Property maintenance fees are recognised as services are rendered.

(vi) Rental, interest and other operating income

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

3. Significant Accounting Policies (Cont'd)

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 property development costs, inventories, and financial 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.

The 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.

(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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property development	17,751	55,078	1,288	2,277
Property management services	447	107	-	-
Contract revenue	546	634	-	-
Gross dividend received from a subsidiary company	-	-	-	4,650
	18,744	55,819	1,288	6,927

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

4. Revenue/Cost Of Goods Sold (Cont'd)

Cost of goods sold comprises :-

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property development costs (Note 17)	12,469	30,505	-	(33)
Cost of inventories sold (Note 18)	2,996	10,205	1,203	2,055
Contract cost recognised as an expense	472	572	-	-
	15,937	41,282	1,203	2,022

5. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation is arrived at :-

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
After charging all expenses including :-				
Auditors' remuneration				
- Statutory audit				
* Current year	82	78	32	34
* Under/(Over) provision in prior year	3	6	(3)	1
- Non-audit	28	22	10	11
Depreciation (Note 14)	730	756	142	267
Directors' remuneration				
- Non-executive directors				
* Fees	108	108	108	108
- Executive directors				
* Salaries and other emoluments	778	777	778	777
* Bonus	-	55	-	55
* Benefits-in-kind	49	52	49	52
Interest expense	8,037	1,938	1,103	601
Office rental	284	276	174	92
Provision for doubtful debts (Notes 19 & 20)	750	49	-	21
Sponsorship of the Elite Players Programme	300	300	300	300

And crediting all income including :-

Dividend from quoted shares in Malaysia	1	3	1	3
Gain on disposal of quoted shares in Malaysia (Note 22)	14	-	14	-
Gross dividend received from a subsidiary company	-	-	-	4,650
Interest from bank deposits	21	7	15	6
Interest from housing development accounts	22	79	-	-
Interest on late payments	415	1,123	175	723
Provision for doubtful debts written-back (Note 19)	21	3	21	-
Rental income	16	16	6	6

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

5. (Loss)/Profit Before Taxation (Cont'd)

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	
	2006 No.	2005 No.	2006 No.	2005 No.
< RM50,000	-	-	3	3
RM50,001 - RM100,000	-	-	-	-
RM100,001 - RM150,000	-	-	-	-
RM150,001 - RM200,000	2	1	-	-
RM200,001 - RM250,000	1	2	-	-
RM250,001 - RM300,000	1	1	-	-
	4	4	3	3

6. Taxation

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current taxation				
Domestic				
- Income tax	-	1,948	-	539
Under/(Over) provision for prior years				
Domestic				
- Income tax	58	(61)	14	(5)
Deferred taxation (Note 12)				
Domestic				
- Origination and reversal of temporary differences	(1,710)	13	(1,089)	-
Total tax expense	(1,652)	1,900	(1,075)	534

A reconciliation of income tax expense applicable to (loss)/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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
(Loss)/Profit before taxation	(16,255)	5,058	(4,403)	1,475
Taxation at Malaysian statutory tax rate of 28%	(4,551)	1,416	(1,233)	413
Income subject to lower tax	-	(45)	-	-
Expenses not deductible for tax purpose	530	244	144	126
Utilisation of previously unutilised tax losses	(6)	-	-	-
Utilisation of previously unabsorbed capital allowances	(8)	-	-	-
Utilisation of current year's capital allowances	(7)	(53)	-	-
Under/(Over) provision in prior years	58	(61)	14	(5)
Deferred tax assets not recognised during the years	2,332	399	-	-
Tax expense for the year	(1,652)	1,900	(1,075)	534

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

7. Earnings Per Share

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

	Group	
	2006	2005
Net (loss)/profit attributable to shareholders (RM'000)	(14,603)	3,158
Weighted average number of ordinary shares in issue ('000)	100,000	100,000
Basic earnings per share (sen)	(14.60)	3.16

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

	2006	2005
	RM'000	RM'000
Issued at 1 December	100,000	100,000
Effect of shares issued	-	-
Weighted average at 30 November	100,000	100,000

8. Dividends

	Group & Company			
	Amount		Gross dividend per share	
	2006	2005	2006	2005
	RM'000	RM'000	Sen	Sen
Final dividend of 1.50 sen per share less income tax of 28% paid on 15 May 2006	-	1,080	-	1.50

No dividend in respect of the year ended 30 November 2006 has been proposed for shareholders' approval at the forthcoming Annual General Meeting.

9. Share Capital

	Group & Company	
	2006	2005
	RM'000	RM'000
Authorised :-		
Ordinary shares of RM1 each	500,000	500,000
Issued and fully paid :-		
Ordinary shares of RM1 each	100,000	100,000

10. Retained Profits

As at 30 November 2006, the Company has tax exempt profits available for distribution of RM10,952,000 (2005 - 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 2006.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

11. Borrowings

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<u>Secured</u>				
Short-term borrowings				
Term loans	1,969	610	1,200	500
Bridging loans	4,940	445	4,940	445
Revolving credits	12,847	12,546	12,847	12,546
Bank overdrafts	8,376	2,955	8,376	2,955
Hire purchase creditors	268	287	-	19
Repayable within the next 12 months as shown under Current Liabilities	28,400	16,843	27,363	16,465
Long-term borrowings				
Term loans	67,835	9,765	63,200	4,400
Bridging loans	16,450	5,539	16,450	5,539
Revolving credits	11,083	5,917	11,083	5,917
Hire purchase creditors	591	859	-	-
Repayable after the next 12 months as shown under Long Term Liabilities	95,959	22,080	90,733	15,856
Total borrowings				
Term loans	69,804	10,375	64,400	4,900
Bridging loans	21,390	5,984	21,390	5,984
Revolving credits	23,930	18,463	23,930	18,463
Bank overdrafts	8,376	2,955	8,376	2,955
Hire purchase creditors	859	1,146	-	19
	124,359	38,923	118,096	32,321

11.1 Term Loans

The term loans of the Company are secured by the followings :-

- Legal charges over certain of the Group's freehold land and buildings as referred to in Notes 13, 17 and 18; and
- Debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

The Company's term loans are subject to interest rates of 2.25% per annum (2005 - 2.25% per annum) and 1.50% per annum (2005 - nil) above the lending banks' cost of funds and base lending rate respectively.

The term loans of a subsidiary company is secured by the followings :-

- Legal charges over the subsidiary company's freehold land and buildings as referred to in Note 13;
- Fixed deposit pledged by the subsidiary company as referred to in Note 21; and
- Corporate guarantee of the Company.

The subsidiary company's term loan is subject to interest rate of 1.75% per annum (2005 - 1.50% per annum) above the lending bank's base lending rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

11. Borrowings (Cont'd)

11.1 Term Loans (Cont'd)

These term loans are repayable in various installments or from redemption proceeds of development properties sold, whichever is earlier.

11.2 Bridging Loans

The bridging loans of the Company are secured by the followings:-

- (a) Legal charges over certain of the Group's freehold land and buildings as referred to in Notes 13, 17 and 18; and
- (b) Debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

Interest rate charged is at 2.25% per annum (2005 - 2.25% per annum) above the lending bank's cost of funds.

These bridging loans are repayable in various installments or from redemption proceeds of development properties sold, whichever is earlier.

11.3 Revolving Credits

The revolving credits of the Company are secured by the followings:-

- (a) Legal charges over certain of the Group's freehold land and buildings as referred to in Notes 13, 17 and 18; and
- (b) Debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiary companies.

Interest rate charged is at 2.25% per annum (2005 - 2.25% per annum) above the lending bank's cost of funds.

Certain of these revolving credits are repayable by way of redemption of development properties sold and are further subject to progressive reduction in the limits.

11.4 Bank Overdrafts

The bank overdrafts of the Company are secured by legal charges over certain of the Group's freehold land and buildings as referred to in Note 13 and 18.

The bank overdrafts bear interest at 1.50% to 1.75% per annum (2005 - 1.50% to 1.75% per annum) above the lending banks' base lending rates.

11.5 Hire Purchase Creditors

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Minimum lease payments :-				
Not later than 1 year	314	338	-	24
Later than 1 year and not later than 2 years	243	313	-	-
Later than 2 years and not later than 5 years	438	635	-	-
Later than 5 years	8	55	-	-
	1,003	1,341	-	24
Less : Future finance charges	144	195	-	5
Present value of finance lease liabilities	859	1,146	-	19

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

11. Borrowings (Cont'd)

11.5 Hire Purchase Creditors (Cont'd)

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Present value of finance lease liabilities				
Not later than 1 year	268	287	-	19
Later than 1 year and not later than 2 years	208	268	-	-
Later than 2 years and not later than 5 years	376	544	-	-
Later than 5 years	7	47	-	-
	859	1,146	-	19
Analysed as :-				
Due within 12 months	268	287	-	19
Due after 12 months	591	859	-	-
	859	1,146	-	19

The hire purchase creditors bore interest at the balance sheet date of between 2.28% to 3.50% (2005 - 2.28% to 5.90%) per annum.

12. Deferred Taxation

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
At 1 December	(86)	(73)	-	-
Release from/(charge to) income statements (Note 6)	1,710	(13)	1,089	-
At 30 November	1,624	(86)	1,089	-
Presented in the balance sheet as follows :-				
Deferred tax assets	1,698	-	1,089	-
Deferred tax liabilities	(74)	(86)	-	-
	1,624	(86)	1,089	-
Components of deferred tax assets and liabilities are as follows :-				
Deferred tax assets				
Unutilised tax losses	1,637	-	1,059	-
Unabsorbed capital allowances	61	-	30	-
	1,698	-	1,089	-
Deferred tax liabilities				
Excess of tax allowances over depreciation	74	86	-	-
The amount of deferred tax charge recognised in the income statements are as follows :-				
Release arising from unutilised tax losses and unabsorbed capital allowances	1,710	-	1,089	-
Charge arising from excess of tax allowances over depreciation	-	(13)	-	-
	1,710	(13)	1,089	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

13. Land Held For Property Development

	Freehold land and buildings, at cost RM'000	Long term leasehold land, at cost RM'000	Development expenditure RM'000	Total RM'000
Group				
At 1 December 2004	30,361	53,698	863	84,922
Costs incurred during the year	7,596	-	423	8,019
At 30 November 2005	37,957	53,698	1,286	92,941
Costs incurred during the year	90,721	-	387	91,108
At 30 November 2006	128,678	53,698	1,673	184,049

The freehold land and buildings have been pledged to financial institutions as security for borrowings granted to the Company and a subsidiary company as disclosed in Note 11.

14. Property, Plant And Equipment

Group					
At Cost	At 1.12.2005 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2006 RM'000
Furniture & Fitting	394	2	-	-	396
Office Equipment	973	11	(3)	-	981
Office Renovation	603	1	-	-	604
Motor Vehicles	3,315	9	-	-	3,324
Site and Sport Equipment	44	-	-	-	44
	5,329	23	(3)	-	5,349
Accumulated Depreciation	At 1.12.2005 RM'000	Depreciation RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2006 RM'000
Furniture & Fitting	197	51	-	-	248
Office Equipment	548	121	(1)	-	668
Office Renovation	244	90	-	-	334
Motor Vehicles	1,908	463	-	-	2,371
Site and Sport Equipment	27	5	-	-	32
	2,924	730	(1)	-	3,653
	Net carrying amount		Depreciation charge		
	At 30.11.2006 RM'000	At 30.11.2005 RM'000	2006 RM'000	2005 RM'000	
Furniture & Fitting	148	197	51	58	
Office Equipment	313	425	121	117	
Office Renovation	270	359	90	90	
Motor Vehicles	953	1,407	463	486	
Site and Sport Equipment	12	17	5	5	
	1,696	2,405	730	756	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

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

Company

At Cost	At 1.12.2005 RM'000	Additions RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2006 RM'000
Furniture & Fitting	196	-	-	-	196
Office Equipment	485	5	-	-	490
Office Renovation	217	-	-	-	217
Motor Vehicles	1,200	-	-	-	1,200
Site and Sport Equipment	28	-	-	-	28
	<u>2,126</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>2,131</u>

Accumulated Depreciation	At 1.12.2005 RM'000	Depreciation RM'000	Disposals RM'000	Write-offs RM'000	At 30.11.2006 RM'000
Furniture & Fitting	119	19	-	-	138
Office Equipment	392	47	-	-	439
Office Renovation	110	33	-	-	143
Motor Vehicles	1,160	40	-	-	1,200
Site and Sport Equipment	23	3	-	-	26
	<u>1,804</u>	<u>142</u>	<u>-</u>	<u>-</u>	<u>1,946</u>

	Net carrying amount		Depreciation charge	
	At 30.11.2006 RM'000	At 30.11.2005 RM'000	2006 RM'000	2005 RM'000
Furniture & Fitting	58	77	19	29
Office Equipment	51	93	47	51
Office Renovation	74	107	33	32
Motor Vehicles	-	40	40	152
Site and Sport Equipment	2	5	3	3
	<u>185</u>	<u>322</u>	<u>142</u>	<u>267</u>

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Furniture & Fitting	98	130	58	77
Office Equipment	261	357	51	93
Office Renovation	210	278	74	107
Motor Vehicles	928	1,375	-	40
Site and Sport Equipment	4	7	2	5
	<u>1,501</u>	<u>2,147</u>	<u>185</u>	<u>322</u>

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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Motor Vehicles	886	1,284	-	27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

15. Subsidiary Companies

	Company	
	2006 RM'000	2005 RM'000
Unquoted shares, at cost	12,650	2,000
Amounts due from subsidiary companies		
- Interest bearing	101,986	26,726
- Interest free	131,727	131,425
	233,713	158,151
	246,363	160,151

During the year, the Company subscribed additional ordinary shares, representing the increase in the issued and paid-up share capital of certain wholly owned subsidiary companies as disclosed in Note 33 to the financial statements.

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 (2005 - 2.25% per annum) and 1.50% per annum (2005 - nil) above the lending banks' cost of funds and base lending rate respectively.

Details of the subsidiary companies are as follows :-

Name of company	Country of incorporation	Effective interest		Principal activities
		2006	2005	
Country View Avenue Sdn Bhd	Malaysia	100%	100%	Dormant
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%	100%	Property development
Country View Land Sdn Bhd	Malaysia	100%	100%	Property development
Country View Property Management Sdn Bhd	Malaysia	100%	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

16. Associated Company

	Group	
	2006 RM'000	2005 RM'000
Unquoted shares, at cost	720	720
Less : Share of accumulated losses		
At 1 December	703	625
Additions	17	78
At 30 November	720	703
	-	17
Represented by :-		
Share of net assets of the associated company	-	17

Details of the associated company are as follows:-

Name of company	Country of incorporation	Effective interest		Principal activity
		2006	2005	
Optima Bestari Sdn Bhd #	Malaysia	24%	24%	Property development

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

Optima Bestari Sdn Bhd was established as the joint venture company in respect of the joint venture for the future development of Pantai Lido, Johor Bahru. The abovesaid development has been cancelled vide a letter received from Pentadbir Tanah Johor Bahru subsequent to the balance sheet date as disclosed in Note 33 to the financial statements.

17. Property Development Costs

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Freehold land and buildings, at cost	28,540	46,881	-	142
Development expenditure	20,703	87,075	-	1,106
At 1 December	49,243	133,956	-	1,248
Add: Development expenditure incurred during the year	23,645	19,803	-	-
	72,888	153,759	-	1,248
Less: Costs recognised as an expense				
- Previous years	631	62,404	-	-
- Current year (Note 4)	12,469	30,505	-	(33)
	13,100	92,909	-	(33)
	59,788	60,850	-	1,281
Less: Transfer to inventories	-	12,238	-	1,281
At 30 November	59,788	48,612	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

17. Property Development Costs (Cont'd)

Freehold land and buildings of the Group amounting to RM59,788,000 (2005 – RM48,612,000) 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 RM738,000 (2005 – RM893,000).

18. Inventories

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property held for sale, at cost	12,368	15,387	8,226	9,429

Inventories of the Group and of the Company amounting to RM12,260,000 (2005 – RM15,279,000) and RM8,118,000 (2005 – RM9,321,000) respectively have been pledged to financial institutions 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 and the Company amounted to RM2,996,000 (2005 - RM10,205,000) and RM1,203,000 (2005 - RM2,055,000) respectively.

19. Trade Receivables

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Trade receivables	12,942	23,164	3,790	8,366
Less: Provision for doubtful debts				
At 1 December	106	60	39	18
Additions	-	49	-	21
	106	109	39	39
Write backs	(21)	(3)	(21)	-
At 30 November	85	106	18	39
	12,857	23,058	3,772	8,327

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

20. Other Receivables, Deposits And Prepayments

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Accrued billings in respect of property development costs	3,134	554	-	-
Other receivables	159	2,415	4	5
Deposits and prepayments	1,353	9,935	298	284
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	2,296	1,461	1,411	1,425
	7,692	15,115	1,713	1,714
Less: Provision for doubtful debts				
At 1 December	6	6	-	-
Addition	750	-	-	-
	756	6	-	-
Write-back	-	-	-	-
At 30 November	756	6	-	-
	6,936	15,109	1,713	1,714

Included in the deposits and prepayments of the Group of the previous year was a deposit of RM8,599,499 paid by a subsidiary company for the acquisition of freehold agricultural land which was completed on 30 December 2005 as referred to in Note 33.

21. Deposits With Financial Institutions

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deposits with licensed banks	397	469	186	263

Deposits with licensed banks of the Company amounting to RM186,000 (2005 – RM263,000) are pledged as security for bank guarantees in favour of third parties as referred to in Note 30.

Deposit with a licensed bank of a subsidiary company amounting to RM211,000 (2005 – RM206,000) is pledged as security for borrowing granted to the subsidiary company as disclosed in Note 11.

22. Quoted Shares

	Group & Company	
	2006 RM'000	2005 RM'000
Quoted shares in Malaysia, at cost	-	6
Market value of quoted shares	-	20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

22. Quoted Shares (Cont'd)

The Company's entire investments in quoted shares were disposed off during the year as follows :-

	2006	2005
	RM'000	RM'000
Sale proceeds	20	-
Less: Cost of investments	6	-
Gain on disposal	14	-

23. Cash and Bank Balances

Included in the cash and bank balances of the Group and of the Company are amounts of RM2,086,000 (2005 - RM2,972,000) and RM2,000 (2005 - RM2,000) 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.

Cash at bank of the Group amounting to RM73,000 (2005 - RM73,000) has been earmarked as security for performance guarantee given to a third party as referred to in Note 30.

24. Trade Payables

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Trade payables	8,351	8,096	659	963
Due to customers on contracts	121	19	-	-
Amounts payable to a subsidiary company - trade	-	-	329	356
	8,472	8,115	988	1,319

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

25. Other Payables, Deposits And Accruals

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Other payables	4,417	4,176	1,564	1,121
Deposits and accruals	1,447	755	148	356
	5,864	4,931	1,712	1,477

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

26. Cash And Cash Equivalents

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances	2,611	14,359	19	70
Deposits with financial institutions (Note 21)	397	469	186	263
	3,008	14,828	205	333
Bank overdrafts (Note 11)	(8,376)	(2,955)	(8,376)	(2,955)
	(5,368)	11,873	(8,171)	(2,622)

27. 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. 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 maintenance and safety services, project management and property maintenance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

27. Segment Information (Cont'd)

Group	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Elimination RM'000	Consolidated RM'000
2006						
Revenue						
External sales	17,751	546	-	447	-	18,744
Inter-segment sales	-	-	-	304	(304)	-
Total revenue	<u>17,751</u>	<u>546</u>	<u>-</u>	<u>751</u>	<u>(304)</u>	<u>18,744</u>
Results						
Segment results	(7,429)	(4)	(755)	51	(64)	(8,201)
Share of losses of an associated company	-	-	(17)	-	-	(17)
						<u>(8,218)</u>
Finance costs						(8,037)
Loss before taxation						<u>(16,255)</u>
Taxation						1,652
Loss after taxation						<u><u>(14,603)</u></u>
Other Information						
Segment assets	524,661	669	-	433	(247,357)	278,406
Associated company	-	-	-	-	-	-
Unallocated corporate assets						3,994
Total assets						<u><u>282,400</u></u>
Segment liabilities	370,736	311	1,518	466	(234,336)	138,695
Unallocated corporate liabilities						74
Total liabilities						<u><u>138,769</u></u>
Capital expenditure	<u>14</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>23</u>
Depreciation	<u>707</u>	<u>14</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>730</u>
Non-cash expenses other than depreciation	<u>-</u>	<u>-</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>750</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

27. Segment Information (Cont'd)

Group	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Elimination RM'000	Consolidated RM'000
2005						
Revenue						
External sales	55,077	634	-	108	-	55,819
Inter-segment sales	-	130	4,650	355	(5,135)	-
Total revenue	<u>55,077</u>	<u>764</u>	<u>4,650</u>	<u>463</u>	<u>(5,135)</u>	<u>55,819</u>
Results						
Segment results	6,772	60	4,645	(49)	(4,354)	7,074
Share of losses of an associated company	-	-	(78)	-	-	(78)
Finance costs						<u>6,996</u> (1,938)
Profit before taxation						<u>5,058</u>
Taxation						<u>(1,900)</u>
Profit after taxation						<u><u>3,158</u></u>
Other Information						
Segment assets	<u>370,190</u>	<u>491</u>	<u>750</u>	<u>339</u>	<u>(160,885)</u>	<u>210,885</u>
Associated company	-	-	17	-	-	17
Unallocated corporate assets						1,461
Total assets						<u><u>212,363</u></u>
Segment liabilities	<u>208,493</u>	<u>117</u>	<u>1,513</u>	<u>423</u>	<u>(158,577)</u>	<u>51,969</u>
Unallocated corporate liabilities						1,080
Total liabilities						<u><u>53,049</u></u>
Capital expenditure	<u>977</u>	<u>-</u>	<u>-</u>	<u>31</u>	<u>-</u>	<u>1,008</u>
Depreciation	<u>736</u>	<u>14</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>756</u>
Non-cash expenses other than depreciation	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

28. Financial Instruments

28.1 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 :-

2006	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	397	-	-	-	397	2.61 to 3.70
Financial Liabilities :-						
Term loans	1,969	9,518	54,817	3,500	69,804	7.77 to 8.09
Bridging loans	4,940	9,094	7,356	-	21,390	7.84
Revolving credits	12,847	3,000	8,083	-	23,930	7.77
Bank overdrafts	8,376	-	-	-	8,376	8.10 to 8.35
Hire purchase creditors	268	208	376	7	859	2.28 to 3.50
Company						
Financial Assets :-						
Amount due from subsidiary companies - interest bearing	101,986	-	-	-	101,986	7.41 to 8.25
Deposits with financial institutions	186	-	-	-	186	3.70
Financial Liabilities :-						
Term loans	1,200	8,200	51,500	3,500	64,400	7.77 to 8.08
Bridging loans	4,940	9,094	7,356	-	21,390	7.84
Revolving credits	12,847	3,000	8,083	-	23,930	7.77
Bank overdrafts	8,376	-	-	-	8,376	8.10 to 8.35

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

28. Financial Instruments (Cont'd)

28.1 Interest rate risk (Cont'd)

2005	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	469	-	-	-	469	2.55 to 3.70
Financial Liabilities :-						
Term loans	610	2,518	7,153	94	10,375	7.41 to 7.50
Bridging loans	445	5,539	-	-	5,984	7.41
Revolving credits	12,546	1,000	2,917	2,000	18,463	7.41
Bank overdrafts	2,955	-	-	-	2,955	7.50 to 7.75
Hire purchase creditors	287	268	584	7	1,146	2.28 to 5.90
Company						
Financial Assets :-						
Amount due from subsidiary companies - interest bearing	26,726	-	-	-	26,726	7.41
Deposits with financial institutions	263	-	-	-	263	3.70
Financial Liabilities :-						
Term loans	500	1,200	3,200	-	4,900	7.41
Bridging loans	445	5,539	-	-	5,984	7.41
Revolving credits	12,546	1,000	2,917	2,000	18,463	7.41
Bank overdrafts	2,955	-	-	-	2,955	7.50 to 7.75
Hire purchase creditors	19	-	-	-	19	5.50 to 5.90

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

28.2 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

28. Financial Instruments (Cont'd)

28.3 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 :-

	Group		Company	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
2006				
Financial Assets				
Subsidiary companies	-	-	233,713	Note (i)
Financial Liabilities				
Term loans	67,835	61,559	63,200	57,184
Bridging loans	16,450	14,744	16,450	14,744
Revolving credits	11,083	10,280	11,083	10,280
Hire purchase creditors	591	630	-	-
2005				
Financial Assets				
Subsidiary companies	-	-	158,151	Note (i)
Associated company	17	Note (i)	-	-
Quoted shares	6	20	6	20
Financial Liabilities				
Term loans	9,765	9,022	4,400	4,049
Bridging loans	5,539	5,090	5,539	5,090
Revolving credits	5,917	5,603	5,917	5,603
Hire purchase creditors	859	906	-	-

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 FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

28. Financial Instruments (Cont'd)

28.3 Disclosure of fair values (Cont'd)

(iii) Quoted Shares

The fair values of quoted shares were 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.

29. Contingent Asset

Contingent asset of the Group arose from a guarantee issued in favour of a subsidiary company by a third party for due performance of the development project amounting to RM nil (2005 - RM50,000).

30. Contingent Liabilities

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Performance guarantees given to third parties, which are secured by :-				
- Fixed deposits of the Company with a licensed bank	60	110	60	110
- Marginal deposit of the Company with a licenced bank	110	110	110	110
- Earmark of cash at bank of a subsidiary company (Note 23)	73	73	-	-
	<u>243</u>	<u>293</u>	<u>170</u>	<u>220</u>
Corporate guarantee given to a licensed bank for a term loan granted to a subsidiary company (unsecured)	<u>5,475</u>	<u>5,475</u>	<u>5,475</u>	<u>5,475</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

31. Capital Commitments

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Approved and contracted for :-				
Outstanding advance to a shareholder of an associated company	-	1,750	-	-
For development project to be undertaken by an associated company upon the execution of the agreement with the State Government	-	10,000	-	-
Contracts awarded for development projects of the Company and certain of its subsidiary and associated companies	30,696	19,299	63	63
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	-	300	-	300
Acquisition of freehold agricultural land for future development by a subsidiary company	-	77,395	-	-
	30,696	108,744	63	363

32. Significant Related Party Transactions

	Company	
	2006 RM'000	2005 RM'000
With subsidiary companies:-		
Gross dividend received from Country View Resources Sdn Bhd	-	4,650
Property management services rendered by Country View Property Management Sdn Bhd	67	81

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) Acquisition of investments

During the year:-

On 27 November 2006, the Company subscribed 2,250,000 ordinary shares of RM1 each, representing the increase in the issued and paid-up share capital of a wholly owned subsidiary company, Country View Equities Sdn Bhd from the present RM250,000 comprised of 250,000 ordinary shares of RM1 each to RM2,500,000 comprised of 2,500,000 ordinary shares of RM1 each. The authorised share capital of Country View Equities Sdn Bhd was also increased from the present RM500,000 comprised of 500,000 ordinary shares of RM1 each to RM5,000,000 comprised of 5,000,000 ordinary shares of RM1 each.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

33. Significant Events (Cont'd)

(a) Acquisition of investments (Cont'd)

During the year:- (Cont'd)

On 27 November 2006, the Company subscribed 1,500,000 ordinary shares of RM1 each, representing the increase in the issued and paid-up share capital of a wholly owned subsidiary company, Country View Greens Sdn Bhd from the present RM1,000,000 comprised of 1,000,000 ordinary shares of RM1 each to RM2,500,000 comprised of 2,500,000 ordinary shares of RM1 each. The authorised share capital of Country View Greens Sdn Bhd was also increased from the present RM1,000,000 comprised of 1,000,000 ordinary shares of RM1 each to RM5,000,000 comprised of 5,000,000 ordinary shares of RM1 each.

On 27 November 2006, the Company subscribed 2,200,000 ordinary shares of RM1 each, representing the increase in the issued and paid-up share capital of a wholly owned subsidiary company, Country View Land Sdn Bhd from the present RM300,000 comprised of 300,000 ordinary shares of RM1 each to RM2,500,000 comprised of 2,500,000 ordinary shares of RM1 each. The authorised share capital of Country View Land Sdn Bhd was also increased from the present RM500,000 comprised of 500,000 ordinary shares of RM1 each to RM5,000,000 comprised of 5,000,000 ordinary shares of RM1 each.

On 27 November 2006, the Company subscribed 2,499,998 ordinary shares of RM1 each, representing the increase in the issued and paid-up share capital of a wholly owned subsidiary company, Country View Properties Sdn Bhd from the present RM2 comprised of 2 ordinary shares of RM1 each to RM2,500,000 comprised of 2,500,000 ordinary shares of RM1 each. The authorised share capital of Country View Properties Sdn Bhd was also increased from the present RM100,000 comprised of 100,000 ordinary shares of RM1 each to RM5,000,000 comprised of 5,000,000 ordinary shares of RM1 each.

On 27 November 2006, the Company subscribed 2,200,000 ordinary shares of RM1 each, representing the increase in the issued and paid-up share capital of a wholly owned subsidiary company, Country View Resources Sdn Bhd from the present RM300,000 comprised of 300,000 ordinary shares of RM1 each to RM2,500,000 comprised of 2,500,000 ordinary shares of RM1 each. The authorised share capital of Country View Resources Sdn Bhd was also increased from the present RM500,000 comprised of 500,000 ordinary shares of RM1 each to RM5,000,000 comprised of 5,000,000 ordinary shares of RM1 each.

(b) Acquisition of freehold agricultural land

During the year:-

On 30 December 2005, Country View Resources Sdn Bhd, a wholly owned subsidiary company completed its acquisition of two parcels of freehold agricultural land measuring 290.3196 acres for a total cash purchase price of RM85,994,989 vide a Conditional Sale and Purchase Agreement entered into on 9 June 2005.

(c) Cancellation of development

Subsequent to balance sheet date:-

On 15 February 2007, the Company's wholly owned subsidiary company, Country View Ventures Sdn Bhd was notified by its associated company, Optima Bestari Sdn Bhd which was the joint venture company established in respect of the joint venture for the future development of Pantai Lido, Johor Bahru that Optima Bestari Sdn Bhd has received a letter from Pentadbir Tanah Johor Bahru cancelling the abovesaid development. Optima Bestari Sdn Bhd has also informed Country View Ventures Sdn Bhd that the future of the Optima Bestari Sdn Bhd will be decided by the joint venture partners in due course.

The financial and legal effects, if any, arising from the cancellation of the said development will be looked into after consultation with its joint venture partners.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006 (Cont'd)

34. Employee Information

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Staff costs	<u>3,875</u>	<u>4,008</u>	<u>1,352</u>	<u>1,453</u>

The number of employees in the Group and in the Company (including Executive Directors) as at the end of the financial year were 100 (2005 - 102) and 11 (2005 - 11) respectively.

35. Comparatives

The presentation and classification of items in the current year financial statements have been consistent with the previous financial year.

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 32 to 64 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 2006 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: 15 March 2007

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 32 to 64 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 15 March 2007

Before me

HJ. BAHARI HJ. MAHADI
(No: J075)

Commissioner for Oaths

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

We have audited the accompanying financial statements set out on pages 32 to 64. These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 presentation of the financial statements. 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 provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of :
 - (i) the financial position of the Group and of the Company as at 30 November 2006 and of their results and cash flows for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries 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 subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for these purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

K. S. CHUA & CO.
NO. AF-0255
CHARTERED ACCOUNTANTS

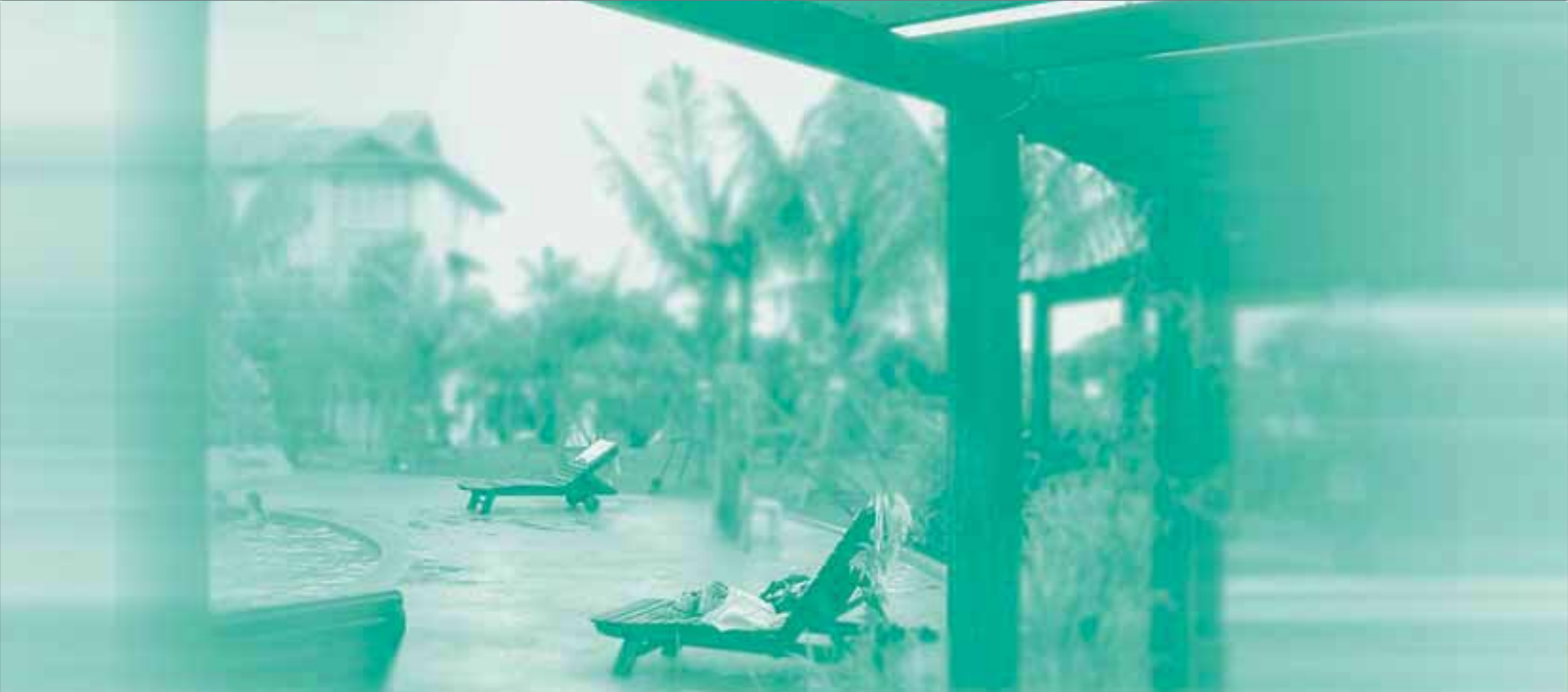
Johor Bahru
Date: 15 March 2007

CHUA KON SING
NO. 416/03/07 (J/PH)
PROPRIETOR

GROUP PROPERTIES

As At 30 November 2006

Location	Tenure	Land area	Usage	Net book value as at 30 November 2006 (RM'000)	Year of acquisition
Taman Universiti, Skudai, Johor Lots 244, 1050 and 3056 to 3058 in Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	6.86 acres	On-going mix development project	8,199	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	54,170	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	4,626	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	26,629	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	5.23 acres	On-going mixed development project	10,000	2001
Nusa Indah, Bandar Nusajaya, Johor Bahru HS(D) 317215 & 317217 PTD 116767 & 116769, Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	50.27 acres	On-going mixed development project	53,957	2001
HS(D) 21525 PTB 11080 and HS(D) 21516 PTB 11081, Bandar Johor Bahru, Daerah Johor Bahru, Johor Darul Takzim	Freehold	100,077 sq. ft.	Future development land	7,629	2005
Plot E-2, comprising whole of HS(D) 317248 PTD 116775, part of HS(D) 317247 PTD 116774 and part of HS(D) 317251 PTD 116778; and Plot E-4, forming part of HS(D) 317216 PTD 116768, all in Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	290.3196 acres	Future development land	90,995	2005



Comforting Tranquility...



APPENDIX A

PROPOSED AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION



In Harmony With Nature...

This is the Appendix A referred to in the Special Resolution set out in the Notice of the Twenty Fourth Annual General Meeting of Country View Berhad.

APPENDIX A

DETAILS OF THE PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

(i) Article 2 - Interpretation

THAT the interpretation of the following words in Article 2 of the Company's Articles of Association be deleted in its entirety and replaced with the following new interpretation :

New Interpretation

- "Approved Market Place" - A stock exchange which is specified to be an approved market place pursuant to an exemption order made under section 62A of the Securities Industry (Central Depositories) Act 1991.
- "Central Depository" - Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W) including any further change to its name.
- "Depositor" - A holder of a securities account established by the Central Depository.
- "Deposited Security" - Shall have the meaning given in section 2 of the Securities Industry (Central Depositories) Act 1991.
- "the Exchange" - Bursa Malaysia Securities Berhad (Company No. 635998-W) including any further change to its name.
- "Market Day" - A day on which the stock market of the Exchange is open for trading in securities.
- "Rules" - Shall have the meaning given in section 2 of the Securities Industry (Central Depositories) Act 1991.
- "securities" - Shall have the meaning given in section 2 of the Securities Commission Act 1993.

AND THAT all the references to the above words throughout the Articles of Association of the Company be changed accordingly.

(ii) Article 6 - Allotment and despatch of notices of allotment for an issue

THAT the existing Article 6 shall be deleted in its entirety and replaced with the following new Article 6:

New Article 6

Subject to the provision of the Act, the Central Depositories Act, the Listing Requirements and the Rules, the Company shall within the following period, allot and issue shares or securities, despatch notices of allotment to the allottees and make an application for the quotation of such shares or securities;

- a) within fifteen (15) Market Days of the final applications closing date for, an issue of securities or such other period as may be prescribed by the Exchange for issue of securities to the public issue;
- b) within eight (8) Market Days after the final applications closing date for a rights issue or such other period as may be prescribed or allowed by the Exchange;
- c) within eight (8) Market Days after the books closing date for a bonus issue or such other period as may be prescribed or allowed by the Exchange;

APPENDIX A (Cont'd)

- d) within eight (8) Market Days after the date of receipt of a notice of the exercise of an employee share option together with the requisite payment or such other period as may be prescribed or allowed by the Exchange;
- e) within eight (8) Market Days after the date of the receipt of a subscription form together with the requisite payment or such other period as may be prescribed or allowed by the Exchange;

(iii) Article 8 - Rights of Holders of Preferences Shares

The existing Article 8 be deleted in its entirety and replaced with the following new Article 8:-

New Article 8

Without prejudice to any special rights previously conferred on the Holders of any shares or class of shares already issued but subject to the provisions of the Act, the Central Depositories Act and the Rules and these Articles, any preference shares may with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed. The Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. The Holder of a preference share shall have the same rights as a Holder of ordinary share as regards receiving notices, reports and audited accounts, and attending General Meetings of the Company. The Holder of a preference share shall also have the right to vote at any General Meeting convened for each of the following purposes:-

- a) when the dividend or part of the dividend on the preference shares is in arrears for more than six (6) months;
- b) on a proposal to reduce the Company's share capital;
- c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
- d) on a proposal that affects rights and privileges attaching to the preference shares;
- e) on a proposal to wind up the Company; and
- f) during the winding up of the Company.

(iv) Article 62 (2) - Records of Depositors

THAT the existing Article 62 (2) shall be deleted in its entirety and replaced with the following new Article 62 (2):-

New Article 62 (2)

The Company shall also request the Central Depository in accordance with the Rules to issue a Record of Depositors as at the latest date which is reasonably practicable which shall in any event be not less than three (3) market days before the General Meeting (hereinafter referred to as "the General Meeting Record of Depositors").

APPENDIX A (Cont'd)

(v) Article 76

THAT the existing Article 76 be deleted in its entirety and replaced with the following new Article 76:-

New Article 76

Subject to Article 62 and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, at meetings of members or classes of members, every member shall be entitled to be present and vote at any general meeting in respect of any share or shares upon which all calls to the Company have been paid. Such member shall be entitled to vote in person or by proxy or represented by attorney or other duly authorised representative and on a show of hands, every person who is a member or proxy or attorney of a member or other duly authorised representative shall have one (1) vote and upon a poll every such member present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for every share held by him.

(vi) Article 79 - Form of Proxy

THAT the existing Article 79 shall be deleted in its entirety and replaced with the following new Article 79:-

New Article 79

The instrument appointing a proxy shall be in the following form or in such other form as the Directors may from time to time prescribe or approve subject to the Act and the Listing Requirements:-

COUNTRY VIEW BERHAD

I/We, of being a member/members of Country View Berhad, hereby appoint of or failing whom, of as my/our proxy to vote for me/us and on my/our behalf at the (Annual or Extraordinary as the case may be) General Meeting of the Company, to be held at (place of meeting) on the day of at (time of meeting) and, at every adjournment thereof to vote as indicated below in respect of the following Resolutions:

		FOR	AGAINST
Ordinary Resolution / Special Resolution			

(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 day of,

No. of Shares Held :

Signature of Member(s)

APPENDIX A (Cont'd)

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 not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

(vii) Article 95 - When Offices of Director deemed vacant

THAT the existing Article 95 (e), (f) and (g) shall be deleted in its entirety and replaced with the following new Article 95 (e) and (f):-

New Article 95 (e) and (f)

- e) resigns his office by notice in writing to the Company and deposited at the Office; or
- f) is removed from his office of Director by resolution of the Company in General Meeting of which special notice has been given.

(viii) Article 161 - Alteration of Articles

THAT the existing Article 161 shall be deleted in its entirety.

Existing Article 161

The Company shall not delete, amend or add to any of its existing Articles of Association which have been previously approved by the Exchange, unless prior written approval has been sought and obtained from the Exchange for such deletion, amendment or addition.

PROXY FORM

I/We (full name in block letters).....
of (address).....
being a member/members of Country View Berhad, hereby appoint (full name).....
.....
of (address).....
or failing whom (full name).....
of (address).....
as my/our proxy to vote for me/us and on my/our behalf at the 24th 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 on Wednesday, 25 April 2007 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 the Audited Financial Statements and Reports		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Re-election of Datuk Ir. Mohamed Al Amin Bin Abdul Majid JP		
Ordinary Resolution 4	Re-election of Mdm Wong Joon Chin		
Ordinary Resolution 5	Re-appointment of Auditors		
Special Resolution 6	Proposed Amendments to the Company's Articles of Association		

(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 _____ 2007

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.



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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

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COUNTRY VIEW BERHAD

78320-K

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