countryview

Building Homes for Generations

ANNUAL REPORT 2017

Dear Valued Shareholders,

On behalf of my colleagues on the Board of Country View Berhad, I am pleased to present the Company's Annual Report and the Financial Statements of the Company and the Group for the financial year ended 30th November 2017.

Tan Sri Datuk Ir. (Dr) Mohamed Al Amin Bin Abdul Majid JP
(Executive Chairman)

Vision

We, the Country View Group aspire to be a premier property developer, ensuring high customer satisfaction by providing quality residences and properties, built in a safe and healthy environment.

Mission

- Providing quality housing and commercial properties that meet the evolving needs of our customers, and thereby contribute towards the development of Malaysia.
- Creating strong returns for our shareholders.
- Keeping a healthy and conducive working environment for our employees to best exert their individual potential and ability.
- Ensuring a safe, healthy and harmonious environment for communities within our developments, where people can feel “at home”.
- Supporting socio-economic development, by building and developing more affordable homes so that more people are able to purchase their own property.
- Committing to an environmentally friendly approach, we aim to develop our properties in the greenest way possible.

CONTENTS

countryview
Building Homes for Generations

Corporate Information	**02**
Group Structure	**03**
Notice of 35th Annual General Meeting	**04**
Management Discussion and Analysis	**06**
Profile of Directors	**10**
Profile of Key Senior Management	**14**
Corporate Governance Statement	**16**
Additional Compliance Information	**29**
Audit Committee Report	**30**
Statement on Risk Management and Internal Control	**33**
Five Years Financial Highlights	**37**
Analysis of Shareholdings	**38**
Group Properties	**40**
Statement of Directors' Responsibilities In Respect of the Audited Financial Statements	**41**
Directors' Report And Audited Financial Statements	**43**
Proxy Form	**113**

CORPORATE INFORMATION

Building Homes for Generations

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Datuk Ir. (Dr) Mohamed Al Amin Bin Abdul Majid JP

Executive Director

Law Kit Tat
Wong Chee Sean @ Wong Sean
Wong Joon Chin

Non-Independent 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

Member

Azhar Bin Azizan @ Harun
Law Kee Kong

NOMINATION COMMITTEE

Chairman

Choong Shiau Yoon

Member

Azhar Bin Azizan @ Harun
Law Kee Kong

REMUNERATION COMMITTEE

Chairman

Azhar Bin Azizan @ Harun

Member

Wong Chee Sean @ Wong Sean
Law Kee Kong

RISK MANAGEMENT WORKING COMMITTEE

Chairman

Choong Shiau Yoon

Member

Azhar Bin Azizan @ Harun
Wong Joon Chin
Yee Gee Min (Group General Manager)
Ong Seng Piow (Chief Financial Officer)

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
Malaysia
Tel: +607-224 2823
Fax: +607-223 0229

PRINCIPAL PLACE OF BUSINESS

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

SHARE REGISTRAR

ShareWorks Sdn Bhd (229948-U)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur, Malaysia
Tel : +603-6201 1120
Fax: +603-6011 3121

AUDITOR

BDO (AF0206)
Suite 18-04, Level 18
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor, Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
RHB Bank Berhad
Public Bank Berhad
CIMB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code: 5049
Stock Name: CVIEW
Listing Date: 29 May 2002

WEBSITE

www.countryview.com.my

Country View Berhad
(78320-K)

100% OWNED SUBSIDIARIES

Country View Resources Sdn. Bhd.
(523855-A)

Country View Construction Sdn. Bhd.
(525891-K)

Country View Equities Sdn. Bhd.
(444790-T)

Country View Properties Sdn. Bhd.
(388490-A)

Country View Avenue Sdn. Bhd.
(704558-W)

Country View Land Sdn. Bhd.
(490265-X)

Country View Property Management Sdn. Bhd.
(609466-K)

Country View Greens Sdn. Bhd.
(627420-K)

Country View Ventures Sdn. Bhd.
(444788-X)

NOTICE OF 35TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of the Company will be held at Ballroom 1, Level 11, DoubleTree by Hilton Johor Bahru, No.12, Jalan Ngee Heng, 80000 Johor Bahru, Johor, Malaysia on Thursday, 26 April 2018 at 10.00 am for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 30 November 2017 together with the Reports of the Directors and Auditors thereon. **[See Explanatory Note 1]**

2. To approve the payment of a sum totalling RM332,000 as Directors' fees for the financial year ended 30 November 2017. (RM314,000 for 30 November 2016) which represents an increase from the previous financial year. **[Resolution1]**

3. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Constitution:

   a) Wong Chee Sean @ Wong Sean **[Resolution 2]**
   b) Azhar Bin Azizan @ Harun **[Resolution 3]**
   c) Law Kee Kong **[Resolution 4]**

4. To re-appoint Messrs BDO as Auditors of the Company for the year ending 30 November 2018 and to authorise the Directors to fix their remuneration. **[Resolution 5]**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

Ordinary Resolution

5. PROPOSED RETENTION OF INDEPENDENT DIRECTORS

   a) "THAT Mr Choong Shiau Yoon who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as an Independent Director of the Company." **[Resolution 6]**

   b) "THAT subject to the passing of Ordinary Resolution 3, En. Azhar Bin Azizan @ Harun who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as an Independent Director of the Company." **[Resolution 7]**

6. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

By Order of the Board

Lee Wee Hee (MAICSA 0773340)
Hung Siow Ping (MAICSA 7039825)
Company Secretaries
30 March 2018

Notes:

1. The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act, 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
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. Where a member of the Company is an Exempt Authorized Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("Omnibus Account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.
4. 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.
5. 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.
6. 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 , or in the case of a poll, not less than twenty-four(24) hours before the time appointed for the taking of poll.
7. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 April 2018 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Statement Regarding Effect of Resolution Under Special Business:

8. Proposed Retention of Independent Directors

   The proposed Ordinary Resolution 6 and 7, if passed, will allow Mr Choong Shiau Yoon and En. Azhar Bin Azizan @ Harun to be retained and continue acting as Independent Directors to fulfil the requirements of Paragraph 3.04 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and in line with the recommendation No. 3.2 of the Malaysian Code of Corporate Governance 2012. The full detail of the Board's justification and recommendations for the retention of Mr Choong Shiau Yoon and En. Azhar Bin Azizan @ Harun are set out on page 26 of the Board's Corporate Governance Statements in the 2017 Annual Report.

Voting by Poll

Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions set out in this notice is to be voted by poll.

MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

This Management Discussion and Analysis ("MD&A") is intended to provide the reader with the highlights of Country View Berhad ("Country View" or "The Group") as we remain committed to be a premier property developer.

OVERVIEW

Country View Berhad was incorporated in 1981 and was successfully listed on the Main Board of Bursa Malaysia in 2002. Country View Berhad and its subsidiaries are principally involved in the business of property development, property investment and investment holding in Malaysia.

Since the inception of its maiden project, Taman Universiti, Johor Bahru in the 1980s, the Group had completed and sold thousands of residential and commercial properties to date. The Group had also contributed significantly to Johor society by providing thousands of low-cost homes for the benefit of the community.

The Group's main focus is on township developments with landed properties. The Group's recent township developments are sited in the area of Iskandar Puteri comprising Taman Nusa Bestari Jaya, Taman Nusa Indah and Taman Nusa Sentral.

The Group's current project, Taman Nusa Sentral is a mixed development project sited on a total of 313.17 acres of prime land in Iskandar Puteri. One Sentral is the first Serviced Residence project of the Group, comprising 2 towers of 20 storeys each.

REVIEW OF OPERATIONS AND HIGHLIGHTS IN 2017

We achieved sales of RM159.3 million in the year under review as compared to RM103.8 million in FY 2016. Our Group launched the second phase of its 3 storey cluster houses under the Spring Meadow series in April 2017 after the successful take up of its first phase that was launched in November 2016. The first phase comprised of 52 units whilst the second phase comprised of 68 units. There are two designs to the 3 storey cluster houses and each has a land area of 32' X 70'. These 3 storey cluster houses are set within a gated and guarded community.

In June 2017, the 3 storey terrace houses (Superlink) under the Spring Grove series were completed with Certificate of Completion and Compliance (CCC). They were previously launched in two phases with the first phase in September 2015 comprising 111 units and the second phase in November 2015 comprising 80 units. These Spring Grove 3 storey Superlink houses were sold with 2 units remaining as at 30 November 2017.

In October 2017, the Group launched its 3 storey terrace houses (Superlink XL) under the *Autumn Breeze series*. The launch registered an overwhelming take-up with all non-bumi units fully taken up during the launch. There are two designs to the 3 storey Superlink XL houses and each has a land area of 25' X 80'. The 3 storey Superlink XL are built within a gated and guarded community.

One cannot deny the pervasive influence and the wide outreach of digital marketing. Our Group has also utilised digital marketing on various social media platforms to garner leads and increase brand awareness. Continued participation in roadshows, property exhibitions and events were actively carried out.

The Group continued to make contributions to charitable causes and sponsorship of events which benefit the local community.

The Group was awarded the Highly Acclaimed Best Affordable Housing Project for its One Sentral Serviced Residence at Taman Nusa Sentral that was organised by iProperty.com.

FINANCIAL PERFORMANCE

For financial year ended 30 November 2017 ("FY2017"), the Group recorded a revenue and profit before tax of RM122.0 million and RM40.0 million respectively as compared to the revenue and profit before tax of RM161.1 million and RM36.1 million respectively in the previous year.

The revenue and profit before tax were mainly derived from property development division. The Group achieved a higher number of units sold for the current year. Of these units sold, the three storey terrace houses (Superlink XL) were at an early stage of construction where the revenue and profit recognized were not significant.

Revenue was higher in the previous year mainly due to advanced stages of completion recognised for the 3 storey terrace houses (Superlink). The increase in the profit before tax for the current year was mainly derived from the fair value gain recognised from additional investment properties together with the sales and progress of work recognised on the three storey cluster houses.

During the financial year, total assets of the Group grew to RM466.4 million from RM431.5 million in FY 2016 with the increase mainly derived from the recognition of investment properties that are measured at fair value. Our management continues to exercise prudence in managing our financial position and as at the end of FY2017, our debt gearing ratio was at 0.25 times (FY2016 : 0.22 times)

Meanwhile, the cash and bank balances of the Group amounted to RM 7.9 million in FY2017 as compared to RM11.7 million in FY2016.

There was no major capital expenditure incurred for FY2017. The Group had on 30 October 2017, via Country View Resources Sdn Bhd, a wholly owned subsidiary entered into a conditional sale and purchase agreement with Bandar Nusajaya Development Sdn Bhd to acquire a piece of land in Iskandar Puteri for a cash consideration of RM310,000,000. Kindly refer to the details as mentioned under prospects below.

DIVIDENDS

The Company does not have any formal dividend policy. The quantum of dividends is determined after taking into account, inter alia, the level of available funds, the amount of retained earnings, capital expenditure commitments and other investment planning requirements.

In respect of financial year ended 30 November 2016, a final single tier dividend of 5 sen per ordinary share was paid on 30 June 2017.

PROSPECTS

The Group had on 30 October 2017, via Country View Resources Sdn Bhd (CVRSB), a wholly-owned subsidiary, entered into a conditional sale and purchase agreement with Bandar Nusajaya Development Sdn Bhd (BNDSB), a wholly-owned subsidiary of UEM Sunrise Berhad, for the proposed acquisition of a piece of land located in Mukim Pulai, District of Johor Bahru, Iskandar Puteri, measuring 163.9205 acres for a total cash consideration of RM310,000,000.

The proposed acquisition is in line with our Group's growth strategy of accumulating new suitable land to be included in our Group's landbank in order to ensure the sustainability of our core business as a property developer as well as enhance future earnings and revenue.

The land in Iskandar Puteri is planned for a mixed commercial development comprising resort linked villas, shop-offices and commercial plots of land. Subject to the approvals of the relevant authorities and based on the proposed preliminary development plan ("Proposed Development Plan"), our Group expects to generate a GDV of approximately RM1.26 billion.

The proposed Development Plan is expected to commence after all necessary approvals from the relevant authorities have been obtained and it is expected that the completion of the entire development will take a period of seven (7) years.

However, it is too preliminary to ascertain the total development cost, the expected commencement and completion dates, number of units in respect of each type of development, as well as the expected profits to be derived from the Proposed Development Plan.

The proposed acquisition represents a strategic purchase as the land is situated in Iskandar Puteri which is in close proximity to the Group's existing on-going development project in Taman Nusa Sentral and will allow the Group to capitalise on its already established presence in Iskandar Puteri and Johor Bahru.

Our Group is expected to benefit from the developments, amenities and infrastructures in close proximity surrounding the proposed acquisition land in Iskandar Puteri, which include the following:-

(i) major highways surrounding the land in Iskandar Puteri such as Lebuhraya Sultan Iskandar and Lebuh Kota Iskandar;
(ii) international schools such as Raffles American School and Marlborough College Malaysia;
(iii) established universities in EduCity Iskandar Malaysia;
(iv) established housing estates;
(v) private hospitals – Gleneagles Medini Hospital and Columbia Asia Private Hospital;
(vi) international theme parks – Legoland Malaysia and Sanrio Hello Kitty Town;
(vii) golf course – Horizon Hills Golf & Country Club;
(viii) Pinewood Iskandar Studios;
(ix) Puteri Harbour;
(x) Kota Iskandar (formerly known as Johor State New Administrative Centre);
(xi) major highway to the proposed High Speed Rail ("Proposed HSR") station in Gerbang, Iskandar Puteri; and
(xii) Medini Iskandar.

The Proposed HSR between Singapore and Kuala Lumpur is expected to have a stopover in Gerbang, Iskandar Puteri. The expected enhancement in connectivity between Malaysia and Singapore may bring about positive spin-off effects translating to increased population and tourist arrivals to Iskandar Puteri. This in turn is expected to drive the demand for properties developed on the land in Iskandar Puteri.

The planned development of the resort linked villas will be a relatively new product with a fresh concept in Iskandar Puteri, which may be used for homestays and/or holiday homes. With its close proximity to Singapore via the Second Link Expressway, these resort linked villas will be attractive to both locals and foreigners alike. The shop-offices are expected to be launched after the resort linked villas and due to the close proximity of the land in Iskandar Puteri with many existing developments to be completed over the next few years, the demand for commercial/retail/office space is expected to be on the rise in the Iskandar Puteri region. The commercial plots of land will be reserved for future development.

In the coming financial year, the Group remains cautious in view of the continued stringent lending requirements by the financial institutions, the intense competition among developers and weak market sentiments.

Nevertheless, the Group is confident of improved financial prospects for the financial year ending 30 November 2018 as the Group via its wholly owned subsidiary, Country View Land Sdn Bhd (CVLSB) had on 14 December 2017, entered into a conditional sale and purchase agreement to dispose of the lands in Kulim, Kedah for a total sale consideration of RM119,948,703.70. The proposed disposal is expected to be completed by the 2nd quarter of the financial year ending 30 November 2018 and is expected to realise a net gain of RM74.667 million as per our announcement dated 14 December 2017.

The Proposed Disposal provides an opportunity for our Group to unlock the value of the lands in Kulim, which has increased in value since its acquisition in the year 2000, without having to develop the lands in Kulim and also provides immediate cash flow for our Group. The Proposed Disposal is in line with our Group's strategy and objective to enhance shareholder value.

Furthermore, the Proposed Disposal presents an opportunity and viable option for our Group to raise funds to pay part of the Purchase Consideration for the proposed acquisition of the land in Iskandar Puteri.

The Group expects its revenue and profit to be driven by the three storey cluster houses, three storey terrace houses (Superlink XL), three storey shop offices and One Sentral Serviced Residence at Taman Nusa Sentral, Iskandar Puteri. The Group had launched its affordable homes under the Rumah Mampu Milik Johor (RMMJ) and Perumahan Komuniti Johor (PKJ) schemes in Taman Nusa Sentral on 13 January 2018.

ANTICIPATED OR KNOWN RISKS

Business risk

The Group is subject to risks inherent in the property development industry. Such inherent risks may include, adverse changes in real estate market prices, changes in demand for types of residential, commercial and industrial properties, competition from other property developers, changes in economic, social and political conditions, delay in completion of property development projects against the scheduled completion, risks of purchaser default, the cost of financing, performance of third-party contractors and sub-contractors, labour and material supply shortages, fluctuations in the prices of building materials and costs of labour charges, increase in goods and services tax (GST) and adverse changes in property tax assessments and other statutory charges. Any adverse change in such conditions may have an adverse material effect on our Group.

CONCLUSION

The business environment is expected to remain challenging as we head into the new financial year. Therefore, the timing of further property launches, the type of product and pricing will be executed with careful consideration.

The completion of the proposed acquisition together with the disposal as mentioned above will ensure the sustainability for the Group and bolster us as a developer that will be "Building Homes for Generations".

On behalf of the board, we would like to convey our sincere thanks to all our shareholders, bankers, business partners, associates and our esteemed customers. Our appreciation also goes out to the relevant regulatory authorities, the various government agencies and local authorities. Our success would not have been possible without their continuous support and confidence in 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.

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

PROFILE OF DIRECTORS

TAN SRI DATUK Ir. (Dr) MOHAMED AL AMIN BIN ABDUL MAJID JP
62 years of age – Malaysian, Male
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, United Kingdom from which he was also conferred an Honorary Doctorate Degree – Doctor of Science.

He is also a Corporate Member of Institute of Engineers (IEM), Malaysia and a professional engineer (PE).

He has served Perak State Development Corporation (PSDC) as a Project Engineer in 1979 and was later appointed as Executive Director of Maju Bangun Sdn Bhd, a subsidiary of PSDC.

He currently holds various positions in a few listed and non-listed companies, namely as Executive Chairman of Nylex (M) Berhad and Redberry Sdn Bhd and as Director of Ancom Berhad .

He was appointed Chairman of SME Corporate Malaysia (formally known as Small and Medium Industries Development Corporation), an important government agency in the development and enhancement of small and medium enterprises in Malaysia under the Ministry of International Trade and Industry since October 2006.

In June 2014, he was conferred the "Panglima Setia Mahkota (PSM)" award, which carries the title "Tan Sri" by his Majesty Seri Paduka Yang Di-Pertuan Agong.

He attended all 7 board meetings held during the financial year ended 30 November 2017. 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 other than traffic offences within the past 5 years. He directly holds 626,200 ordinary shares of the Company.

LAW KIT TAT
57 years of age – Malaysian, Male
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.

He has extensive experience in the property development business through his involvement in the industry for the past 31 years.

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 7 board meetings held during the financial year ended 30 November 2017. He is the brother of Mr Law Kee Kong, a Non-Independent Non-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 other than traffic offences within the past 5 years. He directly holds 21,157,800 ordinary shares of the Company.

WONG CHEE SEAN @ WONG SEAN
48 years of age – Malaysian, Male
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. 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.

He has over 24 years of experience in the property development industry and 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 6/7 board meetings held during the financial year ended 30 November 2017. 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 other than traffic offences within the past 5 years. He directly holds 10,608,736 ordinary shares of the Company.

WONG JOON CHIN
60 years of age – Malaysian, Female
Executive Director

She was appointed to the Board of Country View Berhad ("CVB") on 30 May 1986. She has extensive experience in the property development industry and 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 Risk Management Working Committee of the Company.

She also has extensive experience in business and is a director of Target Prestige Berhad, a non-listed public company. She also sits in the board of several other private limited companies.

She attended 6/7 of the board meetings held during the financial year ended 30 November 2017. She is the cousin of Mr Wong Chee Sean @ Wong Sean, an Executive Director and major shareholder of CVB and is the niece of Mdm Hang Ah Jee @ Hung Ah Jee, a 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 other than traffic offences within the past 5 years. She directly holds 2,150,000 ordinary shares of the Company.

PROFILE OF DIRECTORS (Cont'd)

LAW KEE KONG
55 years of age – Malaysian, Male
Non-Independent 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 Audit Committee, 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 7 board meetings held during the financial year ended 30 November 2017. 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 other than traffic offences within the past 5 years. He directly holds 6,250,000 ordinary shares of the Company.

CHOONG SHIAU YOON
60 years of age – Malaysian, Male
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 Chartered Taxation Institute of Malaysia. 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 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. Mr. Choong is also a Certified Internal Auditor and a Chartered Member of the Institute of Internal Auditors of Malaysia and his practice include internal audit assignments of listed and non-listed entities.

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 7 board meetings held during the financial year ended 30 November 2017. 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 other than traffic offences within the past 5 years. He does not hold any shares of the Company.

PROFILE OF DIRECTORS (Cont'd)

AZHAR BIN AZIZAN @ HARUN
55 years of age – Malaysian, Male
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. 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 extensive experience as an Advocate & Solicitor and currently concentrates his practice in litigation matters involving shareholders right and remedies, corporate liquidation and receivership; corporate debts restructuring and building and construction claims.

He is now practising law in Messrs Azhar & Goh. He is also a member of Audit Committee, Nomination Committee and Risk Management Working Committee and also the Chairman of Remuneration Committee of CVB. He does not hold directorship in any other public company.

He attended all 7 board meetings held during the financial year ended 30 November 2017. 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 other than traffic offences within the past 5 years. He does not hold any shares of the Company.

PROFILE OF KEY SENIOR MANAGEMENT

Save as disclosed below, none of the key senior management personnel has:

a) any directorship in public companies and listed issuers;
b) any family relationship with any directors and/or major shareholders of the Company;
c) any conflict of interest with the Company;
d) any conviction of offences (other than traffic offences) within the past 5 years; and
e) any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

YEE GEE MIN
67 years old, Malaysian, Male
Group General Manager

Mr Yee joined the company on 1 December 1985. He is responsible for the overall operations of the company. Throughout his service with the company, he has assisted the Board of Directors in creating an excellent corporate culture by providing immaculate service to customers, and ensuring exceptional quality in all our products. Mr Yee also oversees the development of all employees in the company and ensures that stakeholders' interests are protected at all times.

Mr Yee obtained a Bachelor of Science from the National Taiwan University in 1973. Upon his graduation, he joined his family's business and was involved in numerous housing development projects and oil palm plantations in the state of Sabah. To-date, he has accumulated more than 40 years of hands-on working experience in the property development sector.

ONG SENG PIOW, CA (M), ACMA
50 years old, Malaysian, Male
Chief Financial Officer

Mr Ong joined the Company on 21 June 2007 as the Senior Manager, Account & Services. He is responsible for and oversees the Group's finance and Human Resource Department. He assumed the role of the Chief Financial Officer on 1 February 2013.

Mr Ong graduated with a professional degree in Management Accounting from the Chartered Institute of Management Accountants (CIMA), UK in 1993. He was registered as a Chartered Accountant with the Malaysian Institute of Accountants in 1997 and also a Chartered Global Management Accountant with the Chartered Institute of Management Accountants, UK.

He started his working career in 1990 as an Audit/Tax Assistant with a public accounting firm and later worked in various companies in different industries that included manufacturing, tin mining and quarrying. He began another chapter of his career and joined a subsidiary of IJM Corporation Bhd in September 1994 where he spent an extensive part of his career with the IJM Group till June 2007.

IR HUA KENG TONG
69 years old, Malaysian, Male
Co Head, Project Management

Mr Hua joined the Company on 1 November 1991 as Project Manager and was promoted as Senior Project Manager in 1997. He was re-designated as Co Head, Project Management in 2016.

He is responsible for and oversees the project management and implementation of development, supervises the overall construction process and ensures that the works are in compliance with contract drawings, specification, contract documents, relevant Code of Practices and work schedule.

He was previously an engineer with the Drainage and Irrigation Department (DID) for the Development Authority of Pahang Tenggara (DARA), Pahang and Majlis Perbandaran Pulau Pinang and as a senior project manager in Faber Group Berhad.

He obtained his Bachelor of Civil Engineering from the Royal Melbourne Institute of Technology in Victoria, Australia in 1976. He was subsequently awarded a Certificate in Urban Transport Planning in 1979, upon completing his post-graduate training under the Colombo Plan, which was financed by the Japan International Cooperation Agency. He has been a corporate member of the Institute of Engineers, Malaysia (I.E.M) and also registered as a Professional Engineer with the Board of Engineers, Malaysia since 1986. He served as an interviewer for I.E.M and the Board of Engineers to interview candidates applying for professional interview. He started his career in 1974 with the Country Roads Board of Victoria, Australia and decided to return and further his career in Malaysia in 1978.

RADZUAN CHUA BIN ABDULLAH
58 years old, Malaysian, Male
Co Head, Project Management

Mr Chua joined the Company on 1 September 1987 as Site Engineer. Prior to joining the Company, he served as a Project Engineer for an established property development company based in Seremban for two years. He was promoted as Project Manager in 1997, as Senior Project Manager 2014. He was re-designated as Co Head, Project Management in 2016.

He is responsible for and oversees the project management, implementation of development, supervises the overall construction process and ensure that the works are in compliance with contract drawings, specification, contract documents, relevant Code of Practices and work schedule. Mr Chua is also responsible for the upkeep/maintenance and safety/security of all the project sites and liaising with the authorities in regards to the Group's project developments.

Mr Chua gained his diploma in Civil Engineering from the Federal Institute of Technology in 1980. He furthered his studies in United States and proceeded to obtain his Bachelor of Science in Civil Engineering from the Tri State University Angola, Indiana in 1985.

TAN YEE SEONG
50 years old, Malaysian, Male
Head, Sales

Mr Tan joined the Company on 1 December 2002 as the Marketing Manager. Subsequently he was promoted as Senior Marketing Manager in 2011 and re-designated as Head, Sales in 2016. Prior to joining the Group, he was the Sales and Marketing Manager of a public listed property developer from 1996 to 2002. He has over 26 years of experience in the property development sector and has been involved in the sales and marketing of residential, commercial and industrial projects since 1991.

He is responsible for and supervises the overall sales, marketing and credit control process in regards to the Group's project developments.

Mr Tan gained his Diploma in Commerce at Tunku Abdul Rahman College in 1991 and obtained his Master in Business Administration from Nottingham Trent University, UK in 2003.

The Board of Directors ("the Board") of Country View Berhad ("CVB" or "the Company") recognies that good Corporate Governance practices is importance to protect, enhance and support the business affairs and financial performance of the CVB and its subsidiaries ("the Group") to safeguard shareholders' investment and shareholders' value.

During the year the Board has reviewed its practices and procedures taking into consideration, the principle and recommendations in the Malaysian Code on Corporate Governance 2012 ("the Code"), and Chapter 15 of Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") throughout the financial year ended 30 November 2017. In addition, the Board is also mindful of the recommendations documented in the Malaysian Code of Corporate Governance 2017 in strengthening the sustainability framework for better governance and controls.

The Board will be reviewing and where necessary will enhance its governance practice in line with the new MCCG 2017 taking into consideration the 3rd Edition of the Corporate Governance Guide issued by Bursa Securities on 14 December 2017.

The Board is pleased to set out below, the manner in which the Group has applied the Corporate Governance Principles and Recommendations set out in the Code and the extent to which the Company has complied during the financial year under review.

1. <u>Board's Roles and Responsibilities</u>

The roles and responsibilities of the Board and Management, the Board Committees and the individual Directors are set out in the Board Charter which is accessible through the Company's website at *http://www.countryview.com.my.*

It is the primary governance responsibilities of the Board to lead and control the Group. The Board's responsibilities in respect of the stewardship of the Group includes plans for the strategic direction, development and control of the Group and initiatives to embrace the responsibilities listed in the Code. While the Board sets the strategic plan and policies, the Executive Directors are responsible for making and implementing operational and corporate decisions while the Non-Executive and Independent Directors ensure corporate accountability by providing unbiased and independent views, advice and judgement and challenging the Managements' assumptions and projections in safeguarding the interests of the shareholders.

As explained in the earlier paragraph, the Board has defined the roles and responsibilities for the Board and its Directors. In discharging their fiduciary responsibilities, the Board during its Board meetings focuses on the deliberation and review of the financial performance of the Group, the execution of strategic plan by the Executive Directors, the principal risks faced by the Group and effectiveness of management mitigation plan, the appraisal of executive management and senior management succession plan as well as the integrity of the management information and systems of internal control of the Group.

The Board maintains specific Board Committees namely Audit Committee, Nomination Committee and Remuneration Committee. These Committees ensure greater attention, objectivity and independence are provided in the deliberations of specific board agenda. The Board has defined the terms of reference for each Committee and the Chairman of these respective committees would report to the Board during the Board meetings on significant matters and salient matters deliberated in the Committees.

- ***Oversight of Group's Business***

  The day-to-day management of the business operations of the Group is led by the Executive Directors and a team of Senior Management Executives. Their performance under the lead of the Executive Directors is assessed by the Board based on the financial and management reports tabled during its quarterly reporting periods. The Board is also kept updated on the Group's strategic direction initiatives, significant operational and regulatory challenges faced by the Group during its meetings.

The Executive Director(s) meets with senior Management on a regular basis where policies, strategies and operational matters are deliberated and brought to the attention of the Board where appropriate during the quarterly Board Meetings.

The Board has reserved specific matters that will require their decision with appropriate authority limits placed. Details of these are set out in the Board Charter and includes:

- Acquisitions of Business/Investments.
- Divestments and Disposals of Business/Investments.
- Overseas Equity Venture.
- Corporate Finance and Proposals.
- Terms of key/main agreements not within the ordinary course of business.
- Acquisition and Disposal of Properties.
- Acquisition and Disposal of Fixed assets, other than Properties, for amounts up to RM200,000 and above.
- Award of Contracts for RM2.0 million and above.
- Bank borrowings and finance arrangements.

• ***Access to Information and Board Effectiveness***

The Board have full and unrestricted access to the information on the Group's business and affairs to enable them to discharge their duties and responsibilities effectively. All Directors have access to the Management and may interact directly with the management or request further explanations, request for information in relation to any areas of the Group's operations or business.

All Directors also have full and unrestricted access to the advice and services of the Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretaries as well as external consultants. The Company Secretaries together with the Executive Directors and Chief Financial Officer assist the Chairman of the Board and Chairmen of Board Committees to deal with the Board agenda and to provide the relevant information and documents to directors on a timely basis. The Board is satisfied with the support and performance provided by the Company Secretaries in assisting the Board to discharge its duties.

In reviewing and analysing the quarterly interim financial results, the Board was provided with various corroborative information and data. This information was circulated to the Board members within seven (7) days prior to the Board meetings so as to provide the Directors with relevant and timely information to enable them to deliberate issues raised during Board meetings more effectively. The key business information and data cover budget, management report on operations, business development, performance of its subsidiaries, the management's risk assessment and its status of action plans undertaken by the Risk Management Working Committee. Additionally, management was also invited to brief and report in meetings of the Board and Board Committees.

The Board was also kept informed progressively of the various requirements and updates issued by the various regulatory authorities. These requirements and updates were provided and briefed by the management, the Company Secretaries, external and internal auditors. The management, external and internal auditors were invited to attend Board and/or Commitee meetings to provide additional insights and professional advice on specific items on the meeting agenda.

Procedurally, when external advice are necessary, the director who intends to seek such consultation or advice shall notify the Chairman for approval. Upon approval, the Chairmanwill facilitate obtaining such advice and, where appropriate, disseminate the advice to all directors. The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the authority to retain at the Company's expense, such as legal, accounting or other services, consultants, advisers or experts as it considers necessary from time to time in the performance of its duties.

- ***Support of Company Secretary***

  CVB's Board is supported by an External Company Secretary and an in-house Company Secretary. Both Company Secretaries of CVB are qualified to act as Company Secretary under Section 235 of the Companies Act, 2016, and are associate members of the Malaysian Institute of Chartered Secretaries & Administrators.

  The Company Secretaries provide the required support to the Board in carrying out its duties and stewardship role, providing the necessary advisory role with regards to the Company's constitution, Board's policies and procedures as well as compliance with regulatory requirements, codes, guidance and legislation.

  The Board are of the view that the Company Secretaries have been competent and kept themselves abreast with the evolving regulatory changes and developments through continuous education programmes and attendance of relevant conferences, seminars and training programmes.

  The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board.

- ***Risk Management System, Integrity of Management Information and Internal Control***

  The Board has an effective risk management system which is overseen by a Risk Management Working Committee that reports directly to the Board. Risk Management is regarded by the Board to be an integral part of the business operations, and good governance practices. Risk is inherent in all business activities, and the Group's objective is not to eliminate risk totally but to provide structural means to identify, prioritise and manage risks involved in all the Group's activities and to balance between the costs and benefits of managing and treating risks, as well as the anticipated returns to be derived therefrom. Key management staff and Heads of Department are responsible for managing the identified risks within defined parameters and standards. In the periodic management meetings, key risks and mitigating controls are deliberated.

  The Board is overall responsible for maintaining and ensuring the integrity of a sound system of Internal Control which supports effective and efficient operations to safeguard shareholders interests and the Group's business and assets.

  Further details of the Group's systems of risk management and internal control and the function of the internal auditors are reported in the Risk Management and Internal Control Statement on pages 33 to 36.

- ***Shareholder Communication Policy***

  The Board recognizes the importance of communications with its shareholders and investors ensuring that they are well informed of the Group's performances and latest developments. As such, the Group disseminates information to its shareholders and investors through its Annual Report, circulars, quarterly financial results, various corporate disclosure and announcements from time to time.Shareholders and investors may obtain the Company's latest announcements via the website of Bursa Malaysia at *www.bursamalaysia.com*. The Company also maintains its website at *www.countryview.com.my* containing business, investor and product information for the access of the general public.

  The Group's Annual General Meeting ('AGM') serves as a principal forum for dialogue with shareholders for which due notice is given. Shareholders are encouraged to raise questions pertaining to the operations and financial of the Group.

  The Board believes that on-going communication with shareholders is vital for shareholders and investors to make informed investment decisions.

- ***CORPORATE SOCIAL RESPONSIBILITY***

  "Corporate Social Responsibility is defined as open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders."

  (Source : Bursa Malaysia Securities Berhad Corporate Social Responsibility Framework For Public Listed Companies Issued on 11th September 2006)

  The principle and practice of corporate social responsibility as envisioned in the above definition has been observed & intertwined to varying degrees since the inception of the Group except that these practices have not been reduced into a written document or framework.

  Elements of the Company's principles and philosophy on corporate social responsibility are already reflected in the Group's mission statement published after the Group's listing on Bursa Malaysia Berhad in 2002, which emphasizes on striving to :

  - Be ethical, efficient and effective in everything we do.
  - Provide excellent products and services to our customers.
  - Enhance shareholders value.
  - Provide a conducive business environment for our employees to maximise their individual potential.
  - Contribute to our community and enhance the quality of our society.
  - Contribute to our country in supporting socio-economic development.

  During the year, the Company made contributions to various charitable causes and sponsorships of various social events which the Group viewed was in line with its policy to enhance the quality of our society and in support of socio-economic developments.

  CVB has and will continue to conduct and enhance its business practices in an open and transparent manner based on good ethical and moral values with due consideration and respect to the community, employees, the environment, shareholders and other stakeholders.

  On 13 January 2018, the Group had launched its affordable homes under the Rumah Mampu Milik Johor (RMMJ) and Perumahan Komuniti Johor Jenis B (PKJB) schemes in Taman Nusa Sentral. The Group is going to build a total 271 units of RMMJ and 66 units of PKJB for the Society of State of Johor.

2. Strengthen Composition

The Code emphasises the importance of right Board composition in enhancing the Board's decision making process and the transparency of policies and procedures in selection and evaluation of Board members. The Board currently comprises of seven (7) members, of which four (4) are Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

In accordance with Paragraph 3.04 and 15.02 of Bursa Securities's MMLR, at least two (2) directors or one-third (1/3) of the Board of Directors, whichever is higher, shall be Independent Directors. If the number of directors is not three (3) or multiple of 3, then the number nearest one-third (1/3) shall be used for purposes of determining the requisite number of Independent Directors.

The current composition of two (2) Independent Non-Executive Directors meets the current requirement for Independent Non-Executive Directors under Bursa Securities's MMLR.

CVB is led and managed by a diverse competent and experienced Board of Directors with a mix of suitably qualified and experienced professionals having wide and varied spectrum of expertise in the fields of business, property development, law, accounting and taxation. This enables the Board to carry out its responsibilities effectively and ensures accountability. The current Board is drawn from different ethnic, cultural and socio-economic background with their age ranging from 48 years to 62 years to ensure that different viewpoints are considered in the decision making process.

- ***Separation of positions of Chairman and Chief Executive Officer***

CVB's Board is led by an Executive Chairman and supported by three (3) Executive Directors, One (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

The roles of the Executive Chairman and Executive Directors are clearly defined and set out in the Board Charter. The Executive Chairman's role includes leading the Board in the oversight of management and is not involved in the day to day management of the Group.

Under CVB's organization and management structure, the roles of the Executive Chairman and Executive Directors are clearly defined and set out in the Board Charter. The roles and functions of a Chief Executive Officer is carried out and performed by the Executive Directors jointly and collectively.

Notwithstanding that the Executive Chairman is not an independent director, the Board is not comprised of a majority of independent directors which is a deviation from recommendation 3.5 of MCCG 2012.

The Board is of the opinion that there is no issue with regards to the balance of power and authority on the Board as the roles of Executive Chairman and the Executive Directors are clearly set out and established while the decision making process of the Board is based on collective decisions without any individual exercising any considerable concentration of power or influence and well balanced by the presence of strong elements of independence in the Board.

All the Independent Directors are independent of Management and have no family or business relationships with the Executive Directors and major shareholders, which would interfere with the execution of their independent judgement.

The Executive Directors are overall responsible for implementing the strategies and decisions of the Board, overseeing the Group's day-to-day operations and businesses, whilst the Independent Non-Executive Directors provide their independent view, unbiased judgment and knowledge to the management as well as safeguarding the interests of the shareholders. Non-Executive Directors do not participate in the day-to-day management of the Group.

2.1 <u>Board Commitment</u>

A policy on time commitment was adopted by the Board following the Board's review of its governance procedures to enhance and affirm the directors' commitment to the Group and ensure their devotion of time towards the affairs of the Group and to continuously improve their knowledge and skillsets.

The Board meets at least every quarter and on other occasions, as and when the need arises, to inter-alia review and approve quarterly financial results, statutory financial statements, the annual report, business ventures as well as to review the performance of the Company and its operating subsidiaries, governance matters and other business development matters.

A corporate calendar of all scheduled meetings and planned events for the financial year are furnished to all Directors and the management by the Company Secretary normally at the 1st quarter Board meeting to aid and facilitate the Directors in scheduling and meeting their time commitments. All Directors are also required to inform the Board before accepting any other directorships in other listed companies or groups.

The Executive Directors are engaged full time in the management and operations while the Non-Executive Directors attend Board Meetings and Committee Meetings as and when required as dictated by circumstances. All Directors commit and devote their time to make themselves available to attend to any matters arising which requires their attention individually or collectively.

The attendance record of the Directors at Board and Committee meetings in respect of the financial year 30 November 2017 is set out below:

Name of Director	Position	Attendance			
		Board	AC	NC	RC
TAN SRI DATUK Ir. (Dr) MOHAMED AL AMIN BIN ABDUL MAJID	Executive Chairman	7/7	-	-	-
LAW KIT TAT	Executive Director	7/7	-	-	-
WONG JOON CHIN (F)	Executive Director	6/7	-	-	-
WONG CHEE SEAN @ WONG SEAN	Executive Director	6/7	-	-	1/1
LAW KEE KONG	Non-Independent Non-Executive Director	7/7	5/5	1/1	1/1
CHOONG SHIAU YOON	Senior Independent Non-Executive Director	7/7	5/5	1/1	-
AZHAR BIN AZIZAN @ HARUN	Independent Non-Executive Director	7/7	5/5	1/1	1/1

Note: AC – Audit Committee; NC – Nomination Committee; RC – Remuneration Committee.

The Board Policy on Time Commitment is available on the Company's official website at *www.countryview.com.my.*

- Directors' Training

The Directors of the Company have attended the Mandatory Accreditation Programme ("MAP") conducted by Bursatra Sdn Bhd in compliance with the Listing Requirements. Although no formal assessment of the training needs of each director was undertaken the Directors were encouraged to attend relevant training programmes/seminars/briefings to further enhance their skills and knowledge in the latest statutory and regulatory requirements as well as to keep abreast with the business development to assist them in discharging their duties as Directors.

Details of the Directors attendance of training programs/seminars/workshops/briefing are as follows:

Date	Topic/Organising Entity	Directors Attended
25 July 2017	Companies Act, 2016 – Heavier Load on Directors (Organised by : Epsilon Advisory Services Sdn Bhd)	All the Directors of the Company
7 August 2017	Latest updates on Practical Tax Issues (Organised by : Malaysian Institute of Accountants)	Choong Shiau Yoon
22 & 23 November 2017	Accounting for Construction Contracts, Property Development and Real Estate Activities and Borrowing Costs (Organised by : Malaysian Institute of Accountants)	
27 November 2017	2018 Budget Seminar (Organised by : Malaysian Institute of Accountants)	
4 December 2017	Understanding the Legal and Practical Aspects on Deductibility of Expenses based on Public Rulings (Organised by : Chartered Tax Institute of Malaysia)	

2.2 Audit Committee

The composition requirement of the Audit Committee ('AC') members is in accordance with the regulatory requirements. The AC Chairman has access to all the Executive Directors, senior management, External and Internal Auditors. On a separate note, the Board is mindful of the MMLR on the review of the terms of office and performance of the AC and each of its members. The review of the terms of office and performance of the AC and each of its members are carried out annually.

The review was carried out in line with the assessment procedures adopted by the Board, by way of peer assessment in the form of evaluation questionnaires. The assessment carried out considered amongst others whether the Committee has met its purpose, whether its composition is appropriate, and whether it has the necessary authority and processes to carry out its functions and fulfil its obligations. Following the latest review, the Nomination Committee and the Board are of the opinion that the performance of the AC has been excellent and each member of the AC has carried out and discharged their responsibilities in accordance with the AC's terms of reference.

Further information on the constitution and summary of work of the AC are set out on pages 30 to 32 of this Annual Report.

2.3 Nomination Committee

The Board has established a Board Nomination Committee ('BNC') comprised exclusively of Non-Executive Directors a majority of whom are independent as follows:

- Chairman
  Choong Shiau Yoon – Senior Independent Non-Executive Director

- Members
  Azhar Bin Azizan @ Harun –Independent Non-Executive Director
  Law Kee Kong – Non-Independent Non-Executive Director

The Chairman of the BNC is the Senior Independent Non-Executive Director.

The primary responsibilities of the BNC are set out in detail in its Terms of Reference which can be viewed from the Company's website at *www.countryview.com.my*.

During the year the BNC carried out the following activities:

- reviewed the Board's size, composition and balance and concluded that there had not been any significant change in the legislative, business and operational landscape affecting the Group's principal activities. The BNC had concluded that the Board's dynamics are healthy and effective. The present members of the Board possess the appropriate skills, experience and qualities to steer the Company forward. The BNC is also satisfied that the existing structure, size, composition, current mix of skills, competence, knowledge, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibility effectively.

- evaluated and assessed the performance and effectiveness of the Board as a whole, the Board Committees and the Performance of Each Individual Directors in accordance with the process for evaluating and assessment approved and adopted by the Board. The evaluation process amongst others considered whether the Directors had access to all necessary information and appropriate avenues for advice to carry out their responsibilities, whether the Committees had met its purpose, whether its composition was appropriate, and whether it had the necessary authority and processes to carry out its functions and fulfil its obligations. The Board was assessed amongst other criteria, in respect of its composition, and whether the Board had the appropriate vision, mission and strategies, whether processes and procedures were adequate and efficient to enable it to carry out its responsibilities.

Through this process carried out by way of evaluation questionnaires, the BNC concluded that the Board's dynamic were healthy and effective and that no necessary recommendations for actions were needed.

- evaluated and assessed the Independence of the Independent Directors in accordance with the process approved and adopted by the Board. Further details of this assessment is set out on page 26 of this Annual Report.

- reviewed the AC's term of office and performance of AC and each of its members and BNC was of the opinion that audit committee was effective and satisfactory. The AC members do possessed the right mix of relevant experience and knowledge and had effectively discharge their duties and role.

The BNC concluded that:

i) The Board was in a position to draw on the benefits and experience of its Directors' in the core areas of law, accounting and taxation and property development as well as the wide and varied business experience of its Directors.

In areas where the Board may not be technically proficient, the Board would be able to garner advice from its consultants in the required field.

ii) The Board was also sufficiently balanced with the right mix of executive, non-executive and independent non-executive Directors.

iii) The Board was sufficiently diverse with:
   - the age of the directors ranging between 48 years to 62 years;
   - the directors coming from different backgrounds, profession and experience;
   - gender diverse with a member of the female gender represented in the Board.

The BNC was therefore of the opinion that no changes need to be made to the existing structure, size and composition of the present Board and accordingly made its opinion and recommendation to the Board.

Director re-election provides an opportunity for shareholders to renew their mandate conferred to the Directors. The Constitution of the Company provides that all directors shall retire by rotation once in every three (3) years or at least one-third (1/3) of the Board shall retire but shall be eligible to offer themselves for re-election at the AGM.

The above provisions are adhered to by the Board in every AGM. Information of directors standing for re-election are outlined in the Profile of Directors covering their details of profession, directorships in other public companies and shareholdings in the Company and their attendance of the Board meetings are set forth on pages 10 to 13 of this Annual Report.

At the forthcoming 2018 AGM, Mr Wong Chee Sean @ Wong Sean, Encik Azhar Bin Azizan @ Harun and Mr. Law Kee Kong are due to retire by rotation under Article 84 of the Constitution and being eligible have offered themselves for re-election. The BNC following its review on the performance of the three Directors and having noted their significant and valued contributions to the Board had recommended their re-election to the Board and the Board had concurred with such recommendation and are recommending that shareholders re-elect the said Directors at the 2018 AGM.

Separately, the BNC had also reviewed and recommended to the Board to adopt a gender diversity policy, whereby at least one (1) member of the Board should be of the female gender. The BNC also recommended and defined the criteria to be taken into considerations for appointment of new directors. The following are the key criteria for evaluation and selection of new board candidate: -

- Age;
- Industrial/Business experience, skillsets and knowledge;
- Academic qualifications;
- Expected contributions anticipated to be required for any new ventures or business of the Group; and
- Expected enhancement to the Board's strength and network.

Upon appointment, an induction will be provided to any new director in order to enable him/her to fit into the board and to contribute and discharge his/her duties effectively.

2.4 Remuneration Committee

The Board has also established a Board Remuneration Committee ('BRC') comprised of a majority of Non-Executive Directors as follows:

- Chairman
  Azhar Bin Azizan @ Harun – Independent Non-Executive Director

- Members
  Law Kee Kong – Non-Independent Non-Executive Director
  Wong Chee Sean @ Wong Sean – Executive Director

The primary objectives of the BRC are to :-

1. Recommend to the Board the remuneration of the Executive and Non-Executive Directors.
2. Assist the Board in assessing the responsibility and commitment undertaken by the Board membership.
3. Assist the Board in ensuring the remuneration of the Directors reflects the responsibility and commitment of the Director concerned.

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:

Company:

Directors	Salaries and other emoluments (RM)	Fees (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
EXECUTIVE DIRECTORS	1,434,475	80,000	359,760	37,008	1,911,243
NON-EXECUTIVE DIRECTORS	-	252,000	-	-	252,000

Group:

Directors	Salaries and other emoluments (RM)	Fees (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
EXECUTIVE DIRECTORS	1,434,475	80,000	359,760	96,608	1,970,843
NON-EXECUTIVE DIRECTORS	-	252,000	-	-	252,000

The proposed Directors' fees of RM80,000 and RM252,000 for Executive and Non-Executive Directors respectively for the financial year ended 30 November 2017 are subject to shareholders approval at the forthcoming AGM.

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	**Non-Executive**
RM50,001-RM100,000	-	3
RM100,001-RM150,000	-	-
RM150,001-RM200,000	-	-
RM200,001-RM250,000	-	-
RM250,001-RM300,000	-	-
RM300,000-RM350,000	-	-
RM350,001-RM400,000	-	-
RM400,001-RM450,000	1	-
RM450,001-RM500,000	-	-
RM501,001-RM550,000	3	-
	4	3

3. <u>Board Independence</u>

- ***Assessment of Independent Directors***

The Board has adopted a policy and procedures for the assessment of its Independent Directors annually.

The assessment carried out by the Nomination Committee apart from looking at the criteria and definition of an Independent Director set out under the MMLR of Bursa Securities, also considers:

- whether the Independent Directors have developed, established or maintained any significant relationship which would impair their independence as an Independent Directorwith the Executive Directors and Major Shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors, Chairman or member of the Board's Committees;
- whether the Independent Directors have engaged in any transactions with the Group; and
- whether the Independent Directors have devoted sufficient time commitment and desire to serve

Independence is important and crucial for ensuring objectivity and fairness in board's decision making.

The Board has adopted the best practices for assessing the independence of independent directors annually and the tenure of an independent director should not exceed a cumulative term of nine (9) years. When the Board retains an independent director who has served in that capacity for more than nine (9) years, the Board would justify its decision and seek shareholders' approval.

The Board Charter provides that each director is expected to advise the Chairman immediately if he is no longer independent. Any director who have concern about the independence of a director shall immediately raise the issue during a Board meeting. The Company will make an immediate announcement to Bursa Malaysia when an independent director loses his independent status.

As at the reporting date, Mr. Choong Shiau Yoon and Encik Azhar Bin Azizan @ Harun who were appointed as Independent Non-Executive Director since 27 March 2002 will have served for a period of more than a cumulative period of nine years by 26 April 2018, the scheduled date for the 2018 Annual General Meeting.

Pursuant to Recommendation 3.3 of MCCG 2012, and notwithstanding their long tenure in office, the Board based on the review and, recommendations made by the Nomination Committee, is unanimous in its opinion that Mr Choong's and Encik Azhar's independence has not been compromised or impaired in any way after having noted the following considerations during the review and assessment of Mr Choong's and Encik Azhar's independence:

- Both Mr. Choong and Encik Azhar continue to fulfil the criteria and definition of an Independent Director as set out under Paragraph 1.01 of Bursa Malaysia's Main Market Listing Requirement;

- During their tenure in office, both Mr. Choong and Encik Azhar have not developed, established or maintained any significant relationship which would impair their independence as an Independent Director with the Executive Directors and Major shareholders other than normal engagements and interactions on a professional level consistent and expected of them to carry out their duties as Independent Non-Executive Directors, Chairman or member of the Board's Committees;

- During their tenure in office, both Mr. Choong and Encik Azhar have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of Bursa Securities's MMLR;

- During their tenure in office as Independent Non-Executive Directors in the Company, both Mr. Choong and Encik Azhar have not been offered or granted any options by the Company. Other than Director's fees and allowances paid which has been an industry norm and within acceptable market rates, duly disclosed in the Annual Reports, no other incentives or benefits of whatsoever nature had been paid to them by the Company.

Both the BNC and the Board hold the view that a Director's independence should not solely be determined by reference to a set period of time alone and believe that the Group will benefit from long serving independent directors who have proven and demonstrated their commitment, experience and continued independence.

During their tenure in office, Mr. Choong and Encik Azhar have gained significant and detailed understanding and insights into the business operations, and industry sectors in which the Group operates in. This includes an understanding of the peculiarities, strengths and weaknesses of the industry sectors thereby enabling them to offer a different perspective during the decision making process which a fresh appointee or a director holding office for a short length of time would not be able to offer.

Accordingly the Board strongly recommends retaining both Mr. Choong and Encik Azhar as Independent Non-Executive Directors and will be tabling an Ordinary Resolution to shareholders at the forthcoming Annual General Meeting for the said purpose.

4. Code of Business Conduct and Ethics

CVB's Code of Business Conduct and Ethics sets out the standards of ethical behaviour and values expected of Directors and employees and serves as a guide and reference in the course of the performance of their responsibilities.

The Board has implemented appropriate processes and systems to support, promote and ensure its compliance. The Board through the Nomination Committee will periodically review the Code which is available on the Company's corporate website.

The Board has also adopted a Whistle Blowing Policy ('WBP') which sets out the disclosure procedures and protection for whistle blowers to meet the Group's ethical obligations. Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them.

The WBP is available on the Company's official website at http://www.countryview.com.my

5. Uphold Integrity In Financial Reporting

The Board is responsible for ensuring the proper maintenance of the accounting records of the Group. The Group's financial reporting in the form of quarterly and annual financial statements present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring the information disclosed is accurate, adequate and complies with all applicable Financial Reporting standards.

The Board's Audit Committee has adopted a policy and procedure to assess the suitability and independence of its external auditors. As part of these procedures, the external auditors will be required to make a declaration to the Audit Committee and Board to confirm that they are and have been independent throughout the conduct of the audit engagement.

The assessment was carried out in March 2018 in respect of financial year ended 30 November 2017. Following this review the AC and Board were satisfied with the independence of the external auditors and their performance.

6. Statement of Directors' Responsibility in Relation to the Financial Statements

The Directors are responsible for the preparation of the Audited Financial Statements for the financial year ended 30 November 2017 which give a true and fair view of the state of affairs of the Group and will ensure that they are presented in accordance with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia.

The quarterly results and annual financial statements are reviewed by the AC and recommended to the Board for approval before releasing to the public, via the Bursa website.

In the preparation of the financial statements for the year ended 30 November 2017, the Directors are satisfied that the Group had used appropriate accounting policies that were consistently applied and supported by reasonable and prudent judgment and estimates as well as ensures the financial statements comply with accounting standards and other regulatory requirements with the Management and the External Auditors.

The Statement of Directors pursuant to Section 251 of Companies Act, 2016 is set out on page 48 whereas the Statement of Directors' Responsibility pursuant to Paragraph 15.26(a) of the MMLR of Bursa Securities is on page 41 of this Annual Report.

The details of the audited financial statements of the Company are set out on pages 49 to 111 of this Annual Report.

7. **Recognise and Manage Risks**

As mentioned earlier, the Board and Audit Committee is assisted by a Risk Management Working Committee to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders investments and the Group's assets.

The Group's Internal Audit function has been outsourced to an external consultant which reports directly to the Audit Committee.

The Internal Audit function currently reviews and appraises the risk management and internal control processes of the Group and going forward will look into the effectiveness of the Group's governance processes as well. The Risk Management and Internal Control Statement set out on pages 33 to 36 of this Annual Report provides an overview of the Group's approach to ensuring the effectiveness of the risk management and internal processes within the Group.

8. **Ensure Timely and High Quality Disclosure**

The Board acknowledges the importance of ensuring that it has in place, appropriate corporate disclosure policies and procedures which leverages on information technology as recommended by the Code.

The Board's Corporate Disclosure Policy and Procedures which complies with the disclosure requirements as set out in Bursa Securities's MMLR, guided by Bursa's Corporate Disclosure Guide (Issued on 22nd September 2011) can be viewed on the Company's website.

9. **Strengthen Relationship between Company and Shareholders**

As stated earlier, the Board recognizes the importance of communications with its shareholders and will take additional measures to encourage shareholders participation at general meetings as recommended by the Code.

During the year, in line with the Paragraph 8.29A of the MMLR of Bursa Securities, all resolution tabled at the Company's 34th AGM was voted by poll. An independent scrutineer was appointed to validate the poll results and the decision of each resolution put to poll as well as the name of the independent scrutineer was announced to Bursa Securities on the same day of the 34th AGM.

At the last Annual General Meeting, the Executive Chairman encouraged the shareholders to participate in the Questions and Answers session on the resolutions being proposed and on the Group's operations in general. The Directors, Management and External Auditors were in attendance to respond to the shareholders' queries.

10. **Compliance Statement**

The Board recognizes and views that Corporate Governance is an ongoing process and is of the view that the Company has substantially complied with the recommendations of the Code and will take appropriate steps towards embracing the Principles and Recommendations under the Code at a pace and time frame consistent with the size, priority and dynamics of the Group.

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. **Audit fees**

   The audit fees paid or payable to Messrs BDO, the external auditors by the Company and its subsidiaries during the financial year ended 30 November 2017 amounted to RM127,500.

4. **Non-audit fees**

   The non-audit fees paid or payable to Messrs BDO, the external auditors by the Company and its subsidiaries during the financial year ended 30 November 2017 amounted to RM46,400.

5. **Material contracts**

   There were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year bythe Company and its subsidiaries which involved the interests of the Directors and major shareholders.

6. **Contract relating to loan**

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

7. **Employee Share Scheme**

   There were no employee share scheme implemented or in operation during the financial year.

AUDIT COMMITTEE REPORT

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee (AC) of CVB is comprised wholly of Non-Executive Directors as follows:

Choong Shiau Yoon - Chairman, Senior Independent Non-Executive Director

Azhar Bin Azizan @ Harun - Member, Independent Non-Executive Director

Law Kee Kong - Member, Non Independent Non-Executive Director

Mr. Choong Shiau Yoon, the Chairman, is a Chartered Accountant of the Malaysian Institute of Accountants while, Encik Azhar Bin Azizan @ Harun is a lawyer by profession and Mr. Law Kee Kong, an Economist by training, is a successful businessman with extensive experience in property investment and housing development. CVB is in compliance with Paragraph 15.09 (1)(c)(i) of the Main Market Listing Requirements ('Listing Requirements').

SECRETARY

The secretary(ies) to the AC are the Company Secretary(ies) of the Company.

TERMS OF REFERENCE

The detailed Terms of Reference of the AC outlining the composition, duties and functions, authority and procedures of the AC are published and available on the Company's website at *www.countryview.com.my*

MEETINGS

The attendance record of all members of the AC in respect of the financial year ended 30th November 2017 at meetings of the AC are as follows: -

Name	For CVB	
	Number of Meetings Attended	Percentage of Attendance (%)
Mr. Choong Shiau Yoon	**5/5**	**100**
Encik Azhar Bin Azizan @ Harun	**5/5**	**100**
Mr. Law Kee Kong	**5/5**	**100**

The Agenda for meetings, the relevant reports and papers were furnished to all AC members by the Secretary after consultation with the AC Chairman in advance to facilitate effective deliberation and decision making at the respective meetings.

During its scheduled quarterly meetings, the AC reviewed the interim and year-end financial report, the internal and external audit plans and reports, Related Party Transaction ('RPT'), if any, and all other areas within the scope of responsibilities of the AC under its Terms of Reference.

The AC also reviewed the risk management and internal control processes (with the assistance of its outsourced Internal Audit Function) twice a year.

All issues and challenges were deliberated during AC meetings before arriving at any decisions, conclusions or recommendations and brought to the attention of the Board where necessary. The minutes of these deliberations and its resultant decisions, conclusions or recommendations at each AC meeting were properly minuted by the Company Secretary and subsequently elevated to the Board for review and notation.

The Chief Financial Officer and the Group General Manager was invited to, and attended all AC meetings to facilitate direct communication and interaction as well as provide clarifications on audit, financial and operational issues.

The representatives of the outsourced Internal Audit Function attended the AC meetings to table their respective Internal Audit reports.

The External Auditors of the Company represented by their Engagement Principal and the Audit Manager leading the Audit attended AC meetings to present their Audit Planing Memorandum and Audit Findings Memorandum.

SUMMARY OF ACTIVITIES

In respect of the financial year ended 30th November 2017, the AC in discharging its duties and functions carried out activities which are summarised broadly as follows: -

a) Internal Audit

The CVB Group has outsourced its internal audit function to a professional internal audit services company. The primary responsibility of this internal audit function is to assist the Board and the AC in reviewing and assessing whether the management systems of internal control procedures are adequate and effective as well as provide recommendations to strengthen these internal control procedures so as to foster a strong control environment.

The Internal Audit Function has organised its work in accordance to the principles of the internal auditing standards covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.

Before the commencement of the internal audit reviews, an internal audit plan over a 2 year cycle is produced and presented to the AC for approval. Upon approval by the AC, internal audit reviews would be carried in accordance with the approved internal audit plan. Thereafter during the quarterly meetings following the presentation of the Internal Audit Report, the AC also reviews with the Internal Auditors, the progress and coverage of the Internal Audit Plan to ensure that the audit direction remains relevant and is in line with the AC's expectations. After considering the changes in the operating environment in the Group, the Internal Audit Plan was developed in consideration of the Group's risk profile and the Board and management concerns.

Prior to the presentation of reports and findings to the AC, comments from the management were obtained and incorporated into the internal audit findings and reports. The internal audit reports also covered the follow-up by the management on the implementation of recommendations in their earlier reports.

The Internal Auditors had attended two (2) AC meetings during the financial year. The functional areas and operating processes reviewed by the Internal Auditors were as follows: -

i. Follow-up on previous Internal Audit Reports;
ii. Project Operation Risk Management and
iii. Project Closure.

The total cost incurred during the current financial year for the internal audit function of the Group was RM47,784.16.

b) Financial Reporting

In overseeing and discharging its responsibilities in respect of financial reporting, the AC:

i. Reviewed the financial positions, quarterly interim financial reports and announcements for the respective financial quarters prior to submission to the Board for consideration and approval. The 1st, 2nd, 3rd and 4th Quarter Unaudited Interim Financial Reports were tabled at the AC meetings held on 25th April 2017, 25th July 2017, 24th October 2017 and 30th January 2018.
ii. The quarterly reports and Audited Financial Statements ('AFS') were prepared in compliance with the Malaysian Financial Reporting Standard ('MFRS') while the quarterly reports took into consideration Paragraph 9.22 including Appendix 9B of Bursa Malaysia's Main Market Listing Requirements;
iii. Reviewed the External Auditors' Audit Planning Memorandum for the financial year ended 30th November 2017;

iv. Reviewed the AFS and the External Auditors' findings and recommendations for the financial year ended 30th November 2017 on 30th January 2018 and 8th March 2018.

v. Conducted independent meeting session with the External Auditors without the presence of executive board members and management personnel on 30th January 2018 and 8th March 2018;

vi. Considered the performance of External Auditors, reviewed the independence of External Auditors and recommended to the Board for re-appointment;

vii. To ensure the integrity of the financial information, received assurance from the Executive Directors and Chief Financial Officer, that: -

- Appropriate accounting policies had been adopted and applied consistently;
- The going concern basis applied in the Annual Consolidated Financial Statements was appropriate;
- Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
- Adequate controls and processes were in place for effective and efficient financial reporting and relevant disclosures under MFRSs and Bursa Malaysia's Main Market Listing Requirements; and
- The consolidated Annual Financial Statements and the Quarterly Condensed Consolidated Financial Statements did not contain material misstatements and gave a true and fair view of the financial position.

viii. Reviewed the Statement of Risk Management and Internal Control together with the Internal Auditors and External Auditors and received assurance from the Executive Directors and Chief Financial Officer that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects before recommending the Statement to the Board of Directors.

c) External Audit

Messrs BDO is the External Auditors for CVB and all its subsidiaries. Messrs BDO led by their engagement partner presented their Audit Planning Memorandum for the financial year ended 30th November 2017 on 24th October 2017 and had declared and confirmed that they were independent and would be independent through their audit engagement.

Subsequent to the financial year end 30th November 2017, the AC met with the External Auditors in the absence of management on two (2) occasions during 30th January 2018 and 8th March 2018. The AC had the opportunity to assess the co-operation extended by the Management to the External Auditors, their attitude and readiness to provide documentation and explanations, as well as the adequacy of resources in the Group's financial department.

The AC carried out an assessment of the performance and suitability of Messrs BDO based on the quality of services, sufficiency of resources, adequate resources and trained professional staff assigned to the audit. The AC has been generally satisfied with the independence, performance and suitability of Messrs BDO based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of Messrs BDO as External Auditors for the financial year ending 30th November 2018.

CORPORATE GOVERNANCE PRACTICES

Apart from discharging its duties with respect to the internal audit, financial reporting and external audit, the AC also reviewed the disclosures made in respect of the financial results and Annual Report of the Company in line with the principles and spirit set out in the Malaysian Code on Corporate Governance 2012, other applicable laws, rules, directives and guidelines.

The Board's Statement of Corporate Governance is set out on pages 16 to 28 of this Annual Report.

In addition, before finalising the various governance disclosures in the Annual Report, the AC together with all other Board Members and management had reviewed the Corporate Governance Statement, AC Report, Statement on Risk Management and Internal Control together with other compliance disclosures.

The Board of Directors ("Board) of Country View Berhad is committed to nurture and preserve throughout the Group a sound system of risk management and internal controls and good corporate governance practices as set out in the Board's Statement on Risk Management and Internal Control, made in compliance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound risk management framework and internal control system to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle 6 of the Malaysian Code on Corporate Governance.

The Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's risk management and internal control system which has been embedded in all aspects of the Group's activities. The Board reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges and to ensure that the system is viable and robust. This ongoing process has been in place for the entire financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Notwithstanding, the Group's system by its nature can only reduce rather than eliminate the risk of failure to achieve the business objectives. Accordingly, such systems can only provide a reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board has received assurance from the *Executive Directors and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

**Under CVB's organisation and management structure, the roles and functions of a Group Chief Executive Officer is carried out and performed by the Executive Directors jointly and collectively.*

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system including the following:

- The Executive Directors manage the operations of the Group in accordance with corporate objectives, strategies, policies and annual budgets as approved by the Board. Further details on the roles of the Executive Directors are set out in the Corporate Governance Statement.

- The Audit Committee of the Group, with the assistance of the Risk Management Working Committee, performs annual risk management assessments and through the Internal Audit function, reviews the internal control processes, and evaluates the adequacy and effectiveness of the internal control system. The committee also seeks the observations of the independent external auditors of the Group. Further details are set out in the Audit Committee Report.

- The Risk Management Working Committee ("RMWC") was established to oversee and perform periodic reviews on the Group's risk management framework and activities.

  The members of the RMWC are as follows : -

1)	Mr Choong Shiau Yoon	Chairman
2)	En. Azhar Bin Azizan @ Harun	Member
3)	Mdm Wong Joon Chin	Member
4)	Mr Yee Gee Min	Member
5)	Mr Ong Seng Piow	Member

The RMWC reports to the Board of Directors regarding the Group's risk exposures, including its review of the risk assessment model used to monitor the risk exposures and the views of Management on the acceptable and appropriate level of risks faced by the Group.

- An outsourced Internal Audit function performs internal audit reviews in accordance with the risk based internal audit plan approved by the Audit Committee. The Internal Audit function checks for compliance with policies and procedures and the effectiveness of the internal control system. The results of the internal audit reviews were discussed with Senior Management and subsequently presented to the Audit Committee at their scheduled meetings. Follow up visits were carried out to ensure that the management action plans in respect of matters highlighted in the internal audit reports have been satisfactorily addressed. Although there were areas identified for improvement, none of these areas have resulted in any material losses that would require separate disclosure in this annual report.

- The Board Nomination Committee ("BNC") assists the Board to review and recommends candidates to the Board of the Company, and evaluates the performance of Directors on an annual basis.

- The Board Remuneration Committee ("BRC") assists the Board to review and recommend appropriate remuneration policies for Directors to ensure that their remuneration commensurate with their performance.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

a) Management Structure

The Group maintains a formal organisation structure with clear lines of accountability and responsibility. The daily running of the businesses is entrusted to the Executive Directors and their Management teams. The heads of each operating subsidiary and department of the Group are empowered with the responsibility of managing their respective operations.

b) Reporting and Review

The Group maintains formal and structured lines of reporting and responsibilities within the Group. A reporting hierarchy has been established to facilitate the review and approval process within the Group.

Information is provided to the Senior Management and the Board via monthly and quarterly management reports respectively. This is to ensure that matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

Ad-hoc and scheduled meetings are held at operational and management levels to identify operational issues, discuss and review the business plans, budgets, financial and operational performances of the Group. Quarterly financial statements containing key financial results and comparisons are tabled to the Board for their review and approval before announcement is made to the public.

c) Internal Policies and Procedures

Policies and procedures, handbook, guidelines and authority limits have been established for employees within the Group in respect of day-to-day operations.

d) External Audit

The external audit engagement and quality reviewing partners are to be subject to a five-year rotation. An annual plan, comprising planned statutory audits by the external auditors, requires prior approval by the Audit Committee.

e) Related Party Transactions

Related party transactions are disclosed, reviewed, and monitored by the Audit Committee and presented to the Board as and when these transactions arise.

f) Insurance

The Group has in place adequate insurance coverage where it is available on economically acceptable terms to mitigate any unexpected financial impact.

RISK MANAGEMENT FRAMEWORK

The Group has established a risk management framework for managing risks affecting its business and operations.

The responsibility for managing risk resides at all levels within the Group. The day-to- day operational risks (such as health and safety, quality, project risks, etc.) are mainly managed by the project team and the respective heads who are guided by the approved standard operating procedures. Key strategic and operational risks that cut across the Group (such as new project investments, finance, contract management, human resources, etc.) are managed at the Group level.

Within the framework, an established and structured process has been put in place for the identification, assessment, communication, monitoring as well as the review of key risks and the effectiveness of key controls implemented. Due to the nature of the operations, the project operation risks are identified on an ongoing basis by the project team and reported to management immediately during the scheduled project and task force meetings with appropriate actions taken to manage and mitigate the project risks in a timely manner.

Key risks and mitigating controls are also highlighted and deliberated during the periodic management meetings. Significant risks affecting the strategic and business plans of the Group are escalated to the RMWC and highlighted to the Audit Committee before reporting to the Board at their scheduled meetings.

The respective heads of department will inform RMWC and update the risk management database as and when new risks are identified together with the associated mitigating factors recorded accordingly. The level of risk tolerance is expressed through the use of a risk impact and likelihood matrix where the ratings are assessed in response to changes in the business environment. The risk management database and profile are submitted to the RMWC for further review and deliberation on an annual basis or when significant risk profile changes occur.

The RMWC has conducted the following: -

- Identified risks and corresponding controls in place to mitigate these risks for each significant business process; and

- Assessed and reviewed the Risk Management profile for the Group and compiled the report for review and recommendation to the Audit Committee before approval by the Board

The RMWC assessed risks identified within the Group by referring to risk categorisation laid down in the Risk Management Framework.

The key risk areas for financial year ended 30 November 2017 included the following:

- Market/economic risk

- Liquidity and cash flow risk

- Operational risk

To minimise the various risks faced by the group, various mitigating actions were implemented to address them.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Recommended Practice Guide 5 (Revised 2015) ["RPG 5 (Revised 2015)"] issued by the Malaysian Institute of Accountants. Their review has been conducted to assess whether the Statement on Risk Management and Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process the Directors have adopted in reviewing the adequacy and integrity of risk management and the system of internal control for the Group.

RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement has not been prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

CONCLUSION

The Board is of the view that the risk management and internal control systems are adequate and satisfactory for the year under review and up to the date of approval of this statement, there were no material losses, contingencies or uncertainties that would require a separate disclosure in the Group's annual report.

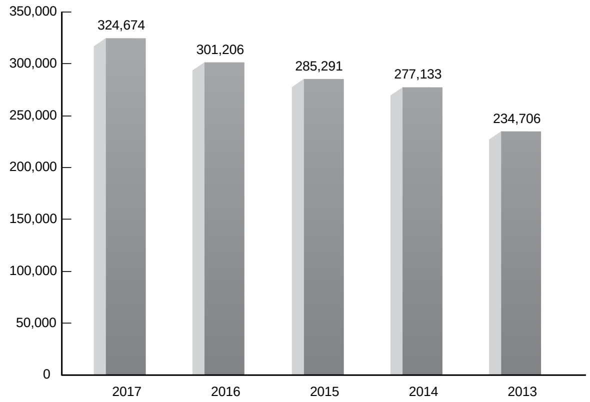
The Board recognises the necessity to continuously improve the Group's system of internal control and risk management practices to safeguard shareholders' investments and the Group's assets. Therefore, the Board will continuously evolve the Group's system of internal control and risk management to meet the changing and challenging business environment and put in place appropriate action plans to further enhance the system of internal control and risk management if necessary.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 8th March 2018.

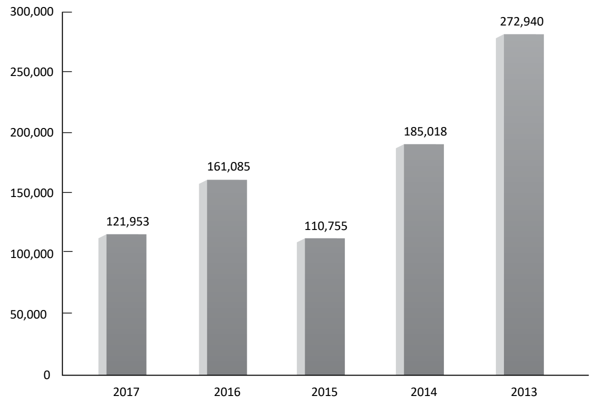
FIVE YEARS FINANCIAL HIGHLIGHTS

	2017	2016	2015	2014	2013
Paid-up capital (RM'000)	100,124	100,000	100,000	100,000	100,000
Shareholders' funds (RM'000)	324,674	301,206	285,291	277,133	234,706
NTA (RM'000)	324,674	301,206	285,291	277,133	234,706
NTA per share (sen)	325	301	285	277	235
Revenue (RM'000)	121,953	161,085	110,755	185,018	272,940
Profit/(loss) before taxation (RM'000)	40,014	36,107	29,546	95,703	104,342
Profit/(loss) after taxation (RM'000)	28,468	25,916	21,158	70,427	77,794
Earning per share (sen)	28.47	25.92	21.16	70.43	77.79
Pretax profit/(loss) margin (%)	32.81	22.41	26.68	51.73	38.23
Current ratio	4.02	3.24	2.94	3.06	2.26
Return on capital employed (%)	12.32	11.99	10.36	34.53	44.46
Total borrowings (RM'000)	79,853	66,785	61,511	32,593	83,867
Gearing (times)	0.25	0.22	0.22	0.12	0.36
Gross dividend per share (sen)	5	10	6	28	27
Gross dividend cover (number of times)	5.69	2.59	3.53	2.52	2.88

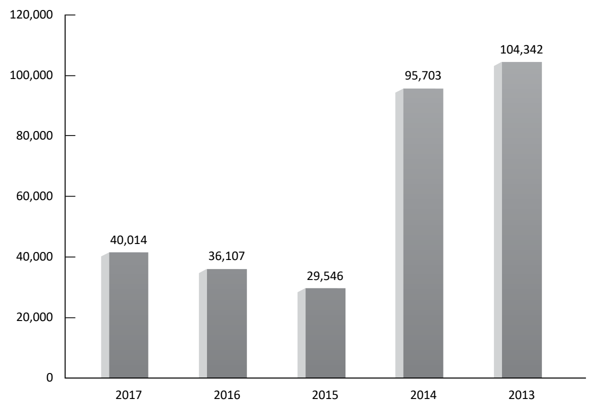
Shareholders' funds (RM'000)



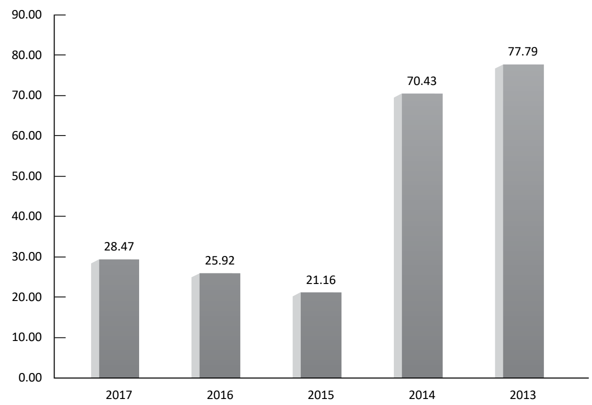
Revenue (RM'000)



Profit/(loss) before taxation (RM'000)



Earning per share (sen)



ANALYSIS OF SHAREHOLDINGS
as at 28 February 2018

The total number of issued shares of the Company stands at 100,000,000 ordinary shares, with voting right of one vote per ordinary share.

Distribution of Shareholders

No. of Holders	Size of the Shareholdings	Total Holdings	%
8	Less than 100	199	0.0002
584	100 to 1,000	438,400	0.4384
452	1,001 to 10,000	1,950,801	1.9508
132	10,001 to 100,000	3,571,000	3.5710
30	100,001 to less than 5% of issued shares	34,726,814	34.7268
6	5% and above of issued shares	59,312,786	59.3128
1,212	Total	100,000,000	100

List of Thirty Largest Shareholders as at 28 February 2018
(As per Record of Depositors)

No.	Name of Holders	No. of Shares	%
1	AMSEC Nominees (Tempatan) Sdn Bhd pledged securities account – AMBank (M) Berhad for Law Kit Tat	17,507,800	17.5078
2.	Jalur Bahagia Sdn. Bhd.	9,350,000	9.3500
3.	Wong Chee Sean @ Wong Sean	8,908,736	8.9087
4.	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.7963
5.	Neoasas Teknik Sdn. Bhd.	8,500,000	8.5000
6.	Law Kee Kong	6,250,000	6.2500
7.	Tan Chee Kwang	3,400,000	3.4000
8.	Jimmy Purwonegoro	2,571,200	2.5712
9.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. for Kong Fu Tak	2,157,600	2.1576
10.	Wong Joon Chin	2,150,000	2.1500
11.	Maybank Nominees (Tempatan) Sdn. Bhd. pledged securities account for Law Kit Tat	2,000,000	2.0000
12.	Lau Eng @ Lam Eng	1,957,000	1.9570
13.	Chan Teng Hon	1,919,000	1.9190
14.	Kho Kwok, Kwan Ying	1,710,000	1.7100
15.	Public Nominees (Tempatan) Sdn Bhd pledged securities account for Wong Chee Sean @ Wong Sean	1,700,000	1.7000
16.	Mohd Adnan Bin Mohd Nor	1,650,000	1.6500
17.	Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Law Kit Tat	1,650,000	1.6500
18.	Lee Hin Meng @ Lee Sing Lee	1,630,000	1.6300
19.	Lai Boo Luck	1,340,000	1.3400
20.	How Keng Chee	1,211,900	1.2119
21.	Syarikat Ajaib Jaya Sdn. Bhd.	1,200,000	1.2000
22.	Yee Gee Min	1,070,014	1.0700
23.	Public Nominees (Tempatan) Sdn Bhd. pledged securities account for Lee Kin Kheong	777,700	0.7777

No.	Name of Holders	No. of Shares	%
24.	Sadiah Binti Suleiman	744,000	0.7440
25.	Kong Fu Tak	654,000	0.6540
26.	Mohamed Al Amin Bin Abdul Majid	626,200	0.6262
27.	Public Nominees (Tempatan) Sdn Bhd. pledged securities account for Wong Chee Hao	516,000	0.5160
28	Lim Ming Lang @ Lim Ming Ann	481,700	0.4817
29.	HLB Nominees (Tempatan) Sdn Bhd pledged securities account for Chiat Moh Sdn Bhd	266,300	0.2663
30	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Lee Siaw Hua	258,000	0.2580

Substantial Shareholders (Excluding Bare Trustees) as at 28 February 2018
(As per the Register of Substantial Shareholders)

No.	Name of Shareholders	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Law Kit Tat	21,157,800	21.1578	-	-
2.	Wong Chee Sean @ Wong Sean	10,608,736	10.6087	-	-
3.	Jalur Bahagia Sdn. Bhd.	9,350,000	9.3500	-	-
4.	Hang Ah Jee @ Hung Ah Jee	8,796,250	8.7963	-	-
5.	Neoasas Teknik Sdn. Bhd.	8,500,000	8.5000	-	-
6.	Law Kee Kong	6,250,000	6.2500	-	-
7.	Sadiah Binti Suleiman	744,000	0.7440	17,850,000[a]	17.85
8.	Munawir Bin Khadri	-	-	8,500,000[b]	8.50
9.	Haliah Binti Khadri	-	-	9,350,000[c]	9.35

Note:

a Deemed interested by virtue of her substantial shareholdings in Jalur Bahagia Sdn. Bhd. and Neosas Teknik Sdn. Bhd. by virtue of Section 8 of the Companies Act, 2016.

b Deemed interested by virtue of his substantial shareholdings in Neosas Teknik Sdn. Bhd. by virtue of Section 8 of the Companies Act, 2016.

c Deemed interested by virtue of her substantial shareholdings in Jalur Bahagia Sdn. Bhd. by virtue of Section 8 of the Companies Act, 2016.

Directors' Shareholdings as at 28 February 2018
(As per the Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1	Tan Sri Datuk Ir. (Dr) Mohamed Al Amin Bin Abdul Majid	626,200	0.6262	-	-
2.	Law Kit Tat	21,157,800	21.1578	-	-
3.	Wong Chee Sean @ Wong Sean	10,608,736	10.6087	-	-
4.	Wong Joon Chin	2,150,000	2.1500	-	-
5.	Law Kee Kong	6,250,000	6.2500	-	-
6.	Choong Shiau Yoon	-	-	-	-
7.	Azhar Bin Azizan @ Harun	-	-	-	-

GROUP PROPERTIES AS AT 30 NOVEMBER 2017

The following are the properties of Company and its subsidiary which net book value is 5% or more of the consolidated total assets of the listed issuer:

Location	Tenure	Land area	Usage	Net book value as at 30 November 2017 (RM'000)	Year of acquisition
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	54,221	1997
HS(D) 1875/97 and 1876/97 PT Nos. 4182 & 4183, Mukim of Padang Meha, Daerah Kulim, Kedah Darul Aman	Freehold	550.73 acres	Development land held for sale	28,962	2000
Plot E-2, comprising whole of HS(D) 317247 PTD116774 and part of HS(D) 317251 PTD 116778; Plot E-4, forming part of HS(D) 317216 PTD 116768; and HSD (D) 317215 PTD 116767, all in Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	165.986 acres *	On-going mixed development project	104,878	2005

* Originally Plot E-2 held under HS(D) 317247 PTD116774 and part of HS(D) 317251 PTD 116778 together with Plot E-4, forming part of HS(D) 317216 PTD 116768; and HSD (D) 317215 PTD 116767, all in Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim was comprised of 313.17 acres. As at 30th November 2017, there is a remaining balance of 165.986 acres which has not been fully developed under the Taman Nusa Sentral project.

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

The Directors are required by the Companies Act, 2016 ("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 2017, 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.


DO NOT TOUCH

countryview
Building Homes for Generations

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS 30 NOVEMBER 2017

DIRECTORS' REPORT	44
STATEMENT BY DIRECTORS	48
STATUTORY DECLARATION	48
INDEPENDENT AUDITORS' REPORT	49
STATEMENTS OF FINANCIAL POSITION	53
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	54
STATEMENTS OF CHANGES IN EQUITY	55
STATEMENTS OF CASH FLOWS	57
NOTES TO THE FINANCIAL STATEMENTS	59

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 November 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property development, investment holding and property investment. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	**28,468**	**14,078**

DIVIDENDS

Dividends paid, declared and proposed by the Company since the end of previous financial year were as follows:

	RM'000
In respect of financial year ended 30 November 2016:	
Final single tier dividend of 5 sen per ordinary share, paid on 30 June 2017	**5,000**
	5,000

The Directors do not recommend the payment of any final dividend in respect of the current financial year ended 30 November 2017.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than the effects of adoption of Companies Act, 2016 as disclosed in Note 17 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office since the date of the last report are:

Tan Sri Datuk Ir. (Dr) Mohamed Al Amin Bin Abdul Majid
Law Kit Tat*
Wong Chee Sean @ Wong Sean*
Wong Joon Chin (F)*
Law Kee Kong
Choong Shiau Yoon
Azhar Bin Azizan @ Harun

*These Directors of the Company are also the Directors of all subsidiaries of the Company.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 November 2017 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	<---------------- Number of ordinary shares ---------------->			
	Balance as at 1.12.2016	Bought	Sold	Balance as at 30.11.2017
Shares in the Company				
Direct interests:				
Tan Sri Datuk Ir. (Dr) Mohamed Al Amin Bin Abdul Majid	**626,200**	**-**	**-**	**626,200**
Law Kit Tat	**21,157,800**	**-**	**-**	**21,157,800**
Wong Chee Sean @ Wong Sean	**10,608,736**	**-**	**-**	**10,608,736**
Wong Joon Chin (F)	**2,150,000**	**-**	**-**	**2,150,000**
Law Kee Kong	**6,250,000**	**-**	**-**	**6,250,000**

By virtue of their interests in the ordinary shares of the Company, the above Directors are also deemed to have interests in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than the following:

(a) certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests as disclosed in Note 37 to the financial statements; and

(b) Directors who received remuneration from the subsidiaries as Directors of the subsidiaries as disclosed in Note 36 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of Directors' remuneration are disclosed in Note 36 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for the Directors or officers and the auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(i) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(ii) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(iii) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts inadequate to any material extent in the financial statements of the Group and of the Company;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(iv) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(v) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(vi) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(vii) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Auditors’ remuneration of the Company and its subsidiaries for the financial year ended 30 November 2017 amounted to RM53,500 and RM74,000 respectively.

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
8 March 2018

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 53 to 111 have been drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Law Kit Tat
Director

Wong Chee Sean @ Wong Sean
Director

Johor Bahru
8 March 2018

STATUTORY DECLARATION

I, Ong Seng Piow, being the officer primarily responsible for the financial management of Country View Berhad, do solemnly and sincerely declare that the financial statements set out on pages 53 to 111 are, to the best of my knowledge and belief, 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.

Subscribed and solemnly)
declared by the abovenamed at)
Johor Bahru, Johor this)
8 March 2018) **Ong Seng Piow**

Before me:

COMMISSIONER FOR OATHS

SERENA KAUR A/P GUBACHEN SINGH
NO. J252

Johor Bahru

BDO

Tel : +607 331 9815
Fax : +607 331 9817
www.bdo.my

Suite 18-04, Level 18 Menara Zurich
15 Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Ta'zim
Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY VIEW BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Country View Berhad, which comprise the statements of financial position as at 30 November 2017 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 53 to 111.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2017, and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue and cost of sales recognition for property development

Revenue from property development for the financial year ended 30 November 2017 amounted to RM121.8 million as disclosed in Note 28 to the financial statements. Cost of sales from property development for the financial year ended 30 November 2017 amounted to RM76.5 million as disclosed in Note 29 to the financial statements.

The Group recognised revenue and costs from property development based on the stage of completion determined by reference to the proportion of property development costs incurred for work performed to date.

Significant management judgement and estimates are involved in estimating the total property development costs.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY VIEW BERHAD (Cont'd)
(Incorporated in Malaysia)

Key Audit Matters (Cont'd)

Audit response

Our audit procedures included the following:

(i) Obtained an understanding of the related controls over the revenue process in relation to the recognition of revenue and costs;

(ii) Compared the stage of completion to architect's certifications and progress billings issued to ascertain the reasonableness of the revenue and costs recognised; and

(iii) Compared prior budgets to actual outcomes to assess reliability of management's budgeting process.

(b) Recoverability of trade receivables

As at 30 November 2017, trade receivables that were past due and not impaired amounted to RM9.9 million. The details of trade receivables and credit risk have been disclosed in Note 14 and Note 40 respectively to the financial statements.

The determination of whether the trade receivables are recoverable involves significant management judgement and inherent subjectivity given uncertainty regarding the ability of the trade receivables to settle their debts. We focused on the risk that the trade receivables may be overstated and hence, further impairment losses may be required.

Audit response

Our audit procedures included the following:

(i) Inquired from management regarding action plans to recover overdue amounts; and

(ii) Verified the level of cash received subsequent to the end of the reporting period for its effect in reducing amounts outstanding as at the end of the reporting period.

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance or conclusion thereon.

BDO
Tel : +607 331 9815
Fax : +607 331 9817
www.bdo.my

Suite 18-04, Level 18 Menara Zurich
15 Jalan Dato' Abdullah Tahir
80300 Johor Bahru
Johor Darul Ta'zim
Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY VIEW BERHAD (Cont'd)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with FRSs and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTRY VIEW BERHAD (Cont'd)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO	**Ng Soe Kei**
AF : 0206	02982/08/2019 J
Chartered Accountants	Chartered Accountant

Johor Bahru
8 March 2018

STATEMENTS OF FINANCIAL POSITION AS AT 30 NOVEMBER 2017

	Note	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**3,790**	4,274	**74**	169
Investment properties	8	**52,867**	20,075	**-**	-
Land held for property development	9	**54,221**	83,183	**-**	-
Investments in subsidiaries	10	**-**	-	**12,460**	12,476
Deferred tax assets	11	**646**	908	**-**	-
		111,524	108,440	**12,534**	12,645
Current assets					
Property development costs	12	**104,878**	100,784	**-**	-
Inventories	13	**108,038**	135,199	**24**	60
Trade and other receivables	14	**105,030**	74,823	**124,662**	135,308
Current tax assets		**12**	583	**12**	14
Cash and bank balances	15	**7,908**	11,693	**1,625**	33
		325,866	323,082	**126,323**	135,415
Non-current assets held for sale	16	**28,962**	-	**-**	-
TOTAL ASSETS		**466,352**	431,522	**138,857**	148,060
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	17	**100,124**	100,000	**100,124**	100,000
Reserves	18	**224,550**	201,206	**23,537**	14,583
TOTAL EQUITY		**324,674**	301,206	**123,661**	114,583
LIABILITIES					
Non-current liabilities					
Borrowings	19	**53,445**	30,690	**-**	29
Current liabilities					
Trade and other payables	24	**58,692**	61,945	**3,152**	3,082
Provision for liabilities	25	**374**	374	**-**	-
Borrowings	19	**26,408**	36,095	**12,044**	30,366
Current tax liabilities		**2,759**	1,212	**-**	-
		88,233	99,626	**15,196**	33,448
TOTAL LIABILITIES		**141,678**	130,316	**15,196**	33,477
TOTAL EQUITY AND LIABILITIES		**466,352**	431,522	**138,857**	148,060

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Revenue	28	**121,953**	161,085	**15,883**	-
Cost of sales	29	**(76,521)**	(99,618)	**(37)**	-
Gross profit		**45,432**	61,467	**15,846**	-
Other income		**22,149**	5,025	**920**	941
Marketing and promotion expenses		**(4,693)**	(9,170)	**-**	-
Administrative expenses		**(20,115)**	(18,437)	**(1,675)**	(3,803)
Finance costs	30	**(2,759)**	(2,778)	**(1,013)**	(953)
Profit/(Loss) before tax	31	**40,014**	36,107	**14,078**	(3,815)
Tax expense	32	**(11,546)**	(10,192)	**-**	-
Profit/(Loss) for the financial year		**28,468**	25,915	**14,078**	(3,815)
Other comprehensive income, net of tax		**-**	-	**-**	-
Total comprehensive income/(loss)		**28,468**	25,915	**14,078**	(3,815)
Profit/(Loss) attributable to: Owners of the parent		**28,468**	25,915	**14,078**	(3,815)
Total comprehensive income/(loss) attributable to: Owners of the parent		**28,468**	25,915	**14,078**	(3,815)

Earnings per ordinary share attributable to equity holders of the Company (sen):

Basic and diluted:			
Profit for the financial year	33	**28.47**	25.92

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

	Note	Share capital RM'000	Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Group					
Balance as at 1 December 2015		100,000	124	185,167	285,291
Profit for the financial year		-	-	25,915	25,915
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	25,915	25,915
Transactions with owners					
Dividends paid	34	-	-	(10,000)	(10,000)
Total transactions with owners		-	-	(10,000)	(10,000)
Balance as at 30 November 2016		100,000	124	201,082	301,206
Balance as at 1 December 2016		**100,000**	**124**	**201,082**	**301,206**
Profit for the financial year		**-**	**-**	**28,468**	**28,468**
Other comprehensive income, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**28,468**	**28,468**
Transactions with owners					
Dividends paid	**34**	**-**	**-**	**(5,000)**	**(5,000)**
Total transactions with owners		**-**	**-**	**(5,000)**	**(5,000)**
Transfer pursuant to Companies Act, 2016*	**17**	**124**	**(124)**	**-**	**-**
Balance as at 30 November 2017		**100,124**	**-**	**224,550**	**324,674**

**Pursuant to the Companies Act, 2016, the credit balance in the share premium account has been transferred to the share capital account.*

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017 (Cont'd)

	Note	Share capital RM'000	Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company					
Balance as at 1 December 2015		100,000	124	28,274	128,398
Loss for the financial year		-	-	(3,815)	(3,815)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive loss		-	-	(3,815)	(3,815)
Transactions with owners: Dividends paid	34	-	-	(10,000)	(10,000)
Total transaction with owners		-	-	(10,000)	(10,000)
Balance as at 30 November 2016		100,000	124	14,459	114,583
Balance as at 1 December 2016		**100,000**	**124**	**14,459**	**114,583**
Profit for the financial year		**-**	**-**	**14,078**	**14,078**
Other comprehensive income, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**14,078**	**14,078**
Transactions with owners: Dividends paid	**34**	**-**	**-**	**(5,000)**	**(5,000)**
Total transactions with owners		**-**	**-**	**(5,000)**	**(5,000)**
Transfer pursuant to Companies Act, 2016*	**17**	**124**	**(124)**	**-**	**-**
Balance as at 30 November 2017		**100,124**	**-**	**23,537**	**123,661**

*Pursuant to the Companies Act, 2016, the credit balance in the share premium account has been transferred to the share capital account.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**RM'000**	RM'000	**RM'000**	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		**40,014**	36,107	**14,078**	(3,815)
Adjustments for:					
Fair value gain on investment properties	8	**(20,694)**	(4,026)	**-**	-
Depreciation of property, plant and equipment	7	**1,438**	1,354	**95**	95
Gain on disposal of property, plant and equipment		**(28)**	-	**-**	-
Impairment losses on:					
- amounts owing by subsidiaries	14	**-**	-	**127**	2,349
- investment in subsidiaries	10	**-**	-	**16**	16
Dividend income	28	**-**	-	**(15,688)**	-
Interest income		**(503)**	(595)	**(919)**	(941)
Interest expense	30	**2,759**	2,778	**1,013**	953
Operating profit/(loss) before changes in working capital		**22,986**	35,618	**(1,278)**	(1,343)
Changes in working capital:					
Land held for property development		**-**	(237)	**-**	-
Property development costs		**(4,094)**	62,618	**-**	-
Inventories		**15,063**	(79,184)	**36**	-
Trade and other receivables		**(30,092)**	(13,150)	**(14)**	8
Trade and other payables		**(3,253)**	8,032	**82**	(40)
Cash generated from/(used in) operations		**610**	13,697	**(1,174)**	(1,375)
Tax paid		**(10,516)**	(6,300)	**(14)**	(14)
Tax refunded		**1,350**	803	**16**	18
Net cash (used in)/from operating Activities		**(8,556)**	8,200	**(1,172)**	(1,371)
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayments from subsidiaries		**-**	-	**10,521**	37,727
Dividend received from a subsidiary		**-**	-	**15,688**	-
Interest received		**388**	396	**919**	941
Proceeds from disposal of property, plant and equipment		**28**	-	**-**	-
Purchase of property, plant and equipment	7(a)	**(517)**	(132)	**-**	-
Net cash (used in)/from investing activities		**(101)**	264	**27,128**	38,668

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017 (Cont'd)

		Group		Company	
		2017	2016	**2017**	2016
	Note	**RM'000**	RM'000	**RM'000**	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings		**30,900**	54,741	**-**	4,932
Interest paid		**(2,759)**	(2,778)	**(1,013)**	(953)
Repayments of borrowings		**(23,468)**	(49,654)	**(17,494)**	(34,080)
Repayments of finance lease creditors		**(849)**	(768)	**(67)**	(64)
Dividends paid	34	**(5,000)**	(10,000)	**(5,000)**	(10,000)
Net cash used in financing activities		**(1,176)**	(8,459)	**(23,574)**	(40,165)
Net (decrease)/increase in cash and cash equivalents		**(9,833)**	5	**2,382**	(2,868)
Cash and cash equivalents at beginning of financial year		**10,888**	10,883	**(772)**	2,096
Cash and cash equivalents at end of financial year	15	**1,055**	10,888	**1,610**	(772)

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

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

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, Johor.

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, Johor.

The consolidated financial statements for the financial year ended 30 November 2017 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (‘RM’), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 8 March 2018.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are property development, investment holding and property investment. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (‘FRSs’) and the provisions of the Companies Act, 2016 in Malaysia.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with FRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors’ best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation (Cont'd)

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with FRS 2 *Share-based Payment* at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of FRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with FRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquirer's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair value, unless another measurement basis is required by FRSs. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the costs of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Furniture and fittings	15%
Office equipment	15%
Renovation	15%
Motor vehicles	20%
Site and sport equipment	15%

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amounts is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets 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 owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to give a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.6 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.6 Property development activities (Cont'd)

(b) Property development costs (Cont'd)

When revenue recognised in profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in profit or loss, the balance is classified as progress billings under current liabilities.

4.7 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

When the total costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

4.8 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

Fair values of investment properties are based on reference to market evidence of transaction prices for similar properties.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss in the period of the retirement or disposal.

4.9 Investments

<u>Subsidiaries</u>

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Investments accounted for at cost shall be accounted for in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Investments (Cont'd)

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.10 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories, property development costs, investment properties measured at fair value and deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal 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 for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro- rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.11 Inventories

Inventories of completed development properties are stated at the lower of cost and net realisable value.

Cost is determined on a specific identification basis and includes land, all direct building costs and other related development costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments

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

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Held-to-maturity investments (Cont'd)

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances with banks which have an insignificant risk of changes in fair value, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Before 31 January 2017
Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

After 31 January 2017
Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.13 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Provision for liquidated ascertained damages

The provision is recognised for expected liquidated ascertained damages claims based on the applicable sale and purchase agreements.

4.16 Income taxes

Income taxes include all taxes on taxable profit. Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Group operates and include all taxes based upon the taxable profits, and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.16 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the announcement of tax rates by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for the activities as follow:

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.18 Revenue recognition (Cont'd)

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of each reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(b) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to date against total estimated costs where the outcome of the project can be estimated reliably.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract cost are recognised as an expense in the period in which they are incurred.

(c) Dividend income

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

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.20 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decision about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

  (i) the combined reported profit of all operating segments that did not report a loss; and
  (ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.21 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.22 Fair value measurement

The fair value of an asset or a liability, (except for lease transactions) is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the non-current assets shall be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such non-current assets and its sale must be highly probable. The probability of shareholders' approval is considered as part of the assessment of whether the sale is highly probable.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.23 Non-current assets held for sale (Cont'd)

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the non-current assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the non-current assets.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. On initial classification as held for sale, non-current assets (other than investment properties, deferred tax assets, employee benefits assets, and financial assets carried at fair value) are measured at the lower of its carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified as current assets in the statements of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current assets classified as held for sale is presented separately.

If the Group has classified non-current assets as held for sale but subsequently, the criteria for classification is no longer met, the Group ceases to classify the non-current assets as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

(a) Its carrying amount before the non-current assets was classified as held for sale, adjusted for any depreciation and amortisation that would have been recognised had the non-current assets not been classified as held for sale; and

(b) Its recoverable amount at the date of the subsequent decision not to sell.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs

5.1 New FRSs adopted during the current financial year

The Group and the Company adopted the following Standards and Amendments of the FRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	**Effective Date**
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 101 *Disclosure Initiative*	1 January 2016
Amendments to FRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Cont'd)

5.2 New FRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2017

The following are Standards and Amendments of the FRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to FRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to FRS 107 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2017
FRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014*)	1 January 2018
Amendments to FRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to FRS 1 *Annual Improvements to FRS Standards 2014 - 2016 Cycle*	See FRS 1 Paragraphs 39AD and 39ADAA
Amendments to FRS 128 *Annual Improvements to FRS Standards 2014 - 2016 Cycle*	See FRS 128 Paragraphs 45E and 45EAA
Amendments to FRS 140 *Transfers of Investment Property*	See FRS 140 Paragraphs 85G and 85GAA
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	See IC Interpretation 22 Paragraphs A1 and A1AA
Amendments to FRS 4 *Applying FRS 9* Financial Instruments *with FRS 4* Insurance Contracts	See FRS 4 Paragraphs 46, 47AA and 48
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	See IC Interpretation 23 Paragraphs B1 and B1AA
Amendments to FRS 10 and FRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The above standards shall be superseded upon adoption of the MFRS Framework on 1 January 2018.

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but only effective for annual periods beginning on or after 1 January 2018

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* (MFRS 141) and IC Interpretation 15 *Agreements for Construction of Real Estate* (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRSs (Cont'd)

5.3 New Malaysian Financial Reporting Standards ('MFRSs') that have been issued, but only effective for annual periods beginning on or after 1 January 2018 (Cont'd)

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. Consequently, adoption of the MFRS Framework by Transitioning Entities would be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, would be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 30 November 2019. In presenting its first MFRS financial statements, the Group would be required to adjust the comparative financial statements prepared under the FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition would be made, retrospectively, against opening retained earnings. The Group has opted to defer the adoption of the MFRS Framework to the financial period beginning 1 December 2018.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) <u>Revenue and cost of sales recognition for property development</u>

Management recognised revenue and costs from property development based on the stage of completion determined by reference to the proportion of property development costs incurred for work performed to date.

Significant management judgement and estimates are involved in estimating the total property development costs.

(b) <u>Recoverability of trade receivables</u>

The determination of whether the trade receivables are recoverable involves significant management judgement and inherent subjectivity given uncertainty regarding the ability of the trade receivables to settle their debts. Management focused on the risk that the trade receivables may be overstated and hence, further impairment losses may be required.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.12.2016 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2017 RM'000
Carrying amount				
Furniture and fittings	**363**	**129**	**(85)**	**407**
Office equipment	**765**	**51**	**(166)**	**650**
Renovation	**465**	**205**	**(125)**	**545**
Motor vehicles	**2,674**	**569**	**(1,060)**	**2,183**
Site and sports equipment	**7**	**-**	**(2)**	**5**
	4,274	**954**	**(1,438)**	**3,790**

Group	[------------------- At 30.11.2017 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000 ---------------------]
Furniture and fittings	**837**	**(430)**	**407**
Office equipment	**1,664**	**(1,014)**	**650**
Renovation	**1,353**	**(808)**	**545**
Motor vehicles	**6,567**	**(4,384)**	**2,183**
Site and sports equipment	**32**	**(27)**	**5**
	10,453	**(6,663)**	**3,790**

Group	Balance as at 1.12.2015 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2016 RM'000
Carrying amount				
Furniture and fittings	417	22	(76)	363
Office equipment	861	67	(163)	765
Renovation	578	-	(113)	465
Motor vehicles	3,481	193	(1,000)	2,674
Site and sports equipment	9	-	(2)	7
	5,346	282	(1,354)	4,274

Group	[------------------- At 30.11.2016 Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000 ---------------------]
Furniture and fittings	708	(345)	363
Office equipment	1,613	(848)	765
Renovation	1,148	(683)	465
Motor vehicles	6,393	(3,719)	2,674
Site and sports equipment	32	(25)	7
	9,894	(5,620)	4,274

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Balance as at 1.12.2016 RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2017 RM'000
Carrying amount			
Furniture and fittings	**2**	**(1)**	**1**
Renovation	**70**	**(22)**	**48**
Motor vehicles	**97**	**(72)**	**25**
	169	**(95)**	**74**

	[---------- At 30.11.2017 ----------]		
Company	Cost RM'000	Accumulated depreciation RM'000	Carrying Amount RM'000
Furniture and fittings	**30**	**(29)**	**1**
Office equipment	**245**	**(245)**	**-**
Renovation	**168**	**(120)**	**48**
Motor vehicles	**543**	**(518)**	**25**
	986	**(912)**	**74**

Company	Balance as at 1.12.2015 RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2016 RM'000
Carrying amount			
Furniture and fittings	3	(1)	2
Office equipment	1	(1)	-
Renovation	91	(21)	70
Motor vehicles	169	(72)	97
	264	(95)	169

	[---------- At 30.11.2016 ----------]		
Company	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Furniture and fittings	30	(28)	2
Office equipment	245	(245)	-
Renovation	168	(98)	70
Motor vehicles	605	(508)	97
	1,048	(879)	169

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) The Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Purchase of property, plant and equipment	**954**	282	**-**	-
Financed by finance lease creditors	**(437)**	(150)	**-**	-
Cash payments on purchase of property, plant and equipment	**517**	132	**-**	-

(b) As at 30 November 2017, the carrying amount of the property, plant and equipment of the Group and of the Company under finance lease arrangements were as follows:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Motor vehicles	**2,117**	2,640	**25**	97

Details of the terms and conditions of the finance lease arrangements are disclosed in Note 21 to the financial statements.

8. INVESTMENT PROPERTIES

	2017	2016
Group	**RM'000**	RM'000
At the beginning of the financial year	**20,075**	13,677
Transferred from inventories	**12,098**	2,372
Fair value adjustments	**20,694**	4,026
At end of the financial year	**52,867**	20,075

(a) Quit rent and assessment arising from investment properties generating rental income during the financial year are RM59,000 (2016: RM23,000).

(b) The fair value of investment properties of the Group are categorised as follows:

Group	**Level 1**	**Level 2**	**Level 3**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**
2017				
Buildings	**-**	**-**	**52,867**	**52,867**
2016				
Buildings	-	-	20,075	20,075

8. INVESTMENT PROPERTIES (Cont'd)

(b) The fair value of investment properties of the Group are categorised as follows: (Cont'd)

(i) The fair value of investment properties at level 3 are referenced to previous sales of similar properties in the vicinity on a price per square feet basis. Any changes in the price per square feet would result in a reasonable change in the fair value of the investment properties.

(ii) As at 30 November 2017, the carrying amount of the investment properties of the Group of RM46,558,450 (2016: RM18,475,000) have been pledged to financial institutions for borrowings granted to the Group as disclosed in Notes 19, 22 and 23 to the financial statements.

9. LAND HELD FOR PROPERTY DEVELOPMENT

Group	**Balance as at 1.12.2016 RM'000**	**Reclassified as non-current assets held for sale (Note 16) RM'000**	**Balance as at 30.11.2017 RM'000**
Carrying amount			
Freehold land, at cost	**26,317**	**(26,317)**	**-**
Leasehold land, at cost	**53,698**	**-**	**53,698**
Development costs	**3,168**	**(2,645)**	**523**
	83,183	**(28,962)**	**54,221**

Group	Balance as at 1.12.2015 RM'000	Additions RM'000	Balance as at 30.11.2016 RM'000
Carrying amount			
Freehold land, at cost	26,317	-	26,317
Leasehold land, at cost	53,698	-	53,698
Development costs	2,931	237	3,168
	82,946	237	83,183

10. INVESTMENTS IN SUBSIDIARIES

	Company 2017 RM'000	Company 2016 RM'000
Unquoted equity shares, at cost	**12,690**	12,690
Less: Impairment loss	**(230)**	(214)
	12,460	12,476

10. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) Reconciliation of movements in impairment on investments in subsidiaries are as follows:

	Company	
	2017	2016
	RM'000	RM'000
At beginning of year	**214**	198
Charge for the financial year	**16**	16
At end of year	**230**	214

Impairment loss on investments in subsidiaries relating to Country View Ventures Sdn. Bhd., Country View Equities Sdn. Bhd., Country View Construction Sdn. Bhd. and Country View Avenue Sdn. Bhd. have been recognised due to declining operations of the subsidiaries.

(b) The details of the subsidiaries, which are all incorporated in Malaysia, are as follows:

Name of company	Interest in equity held by Company **2017**	2016	Principal activities
Country View Avenue Sdn. Bhd.	**100%**	100%	Dormant
Country View Construction Sdn. Bhd.	**100%**	100%	Construction
Country View Equities Sdn. Bhd.	**100%**	100%	Property development
Country View Greens Sdn. Bhd.	**100%**	100%	Property development
Country View Land Sdn. Bhd.	**100%**	100%	Property development
Country View Property Management Sdn. Bhd.	**100%**	100%	Property management
Country View Properties Sdn. Bhd.	**100%**	100%	Property development
Country View Resources Sdn. Bhd.	**100%**	100%	Property development
Country View Ventures Sdn. Bhd.	**100%**	100%	Investment holding

11. DEFERRED TAX ASSETS

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
At beginning of year	**908**	1,451	**-**	-
Recognised in profit or loss (Note 32)	**(262)**	(543)	**-**	-
At end of year	**646**	908	**-**	-
Presented after appropriate offsetting:				
Deferred tax assets, net	**982**	1,130	**-**	-
Deferred tax liabilities, net	**(336)**	(222)	**-**	-
	646	908	**-**	-

11. DEFERRED TAX ASSETS (Cont'd)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Property, plant and equipment RM'000	Other deductible temporary differences RM'000	Total RM'000
At 1 December 2016	**-**	**1,130**	**1,130**
Recognised in profit or loss	**-**	**(148)**	**(148)**
At 30 November 2017	**-**	**982**	**982**
At 1 December 2015	33	1,418	1,451
Recognised in profit or loss	(33)	(288)	(321)
At 30 November 2016	-	1,130	1,130

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000
At 1 December 2016	**(222)**
Recognised in profit or loss	**(114)**
At 30 November 2017	**(336)**
At 1 December 2015	-
Recognised in profit or loss	(222)
At 30 November 2016	(222)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	**2017 RM'000**	2016 RM'000
Unused tax losses	**29,412**	29,304	**16,555**	16,440
Unabsorbed capital allowance	**202**	145	**48**	35
	29,614	29,449	**16,603**	16,475

11. DEFERRED TAX ASSETS (Cont'd)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows: (Cont'd)

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The unused tax losses and unabsorbed capital allowances do not expire under the current tax legislation.

12. PROPERTY DEVELOPMENT COSTS

Group	Freehold land, at cost RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs			
Balance as at 1 December 2016	51,384	133,831	185,215
Incurred during the financial year	-	61,100	61,100
Reversal of completed projects	(5,708)	(93,474)	(99,182)
Transfer to inventories	-	(1,546)	(1,546)
Balance as at 30 November 2017	45,676	99,911	145,587
Cumulative cost recognised in the statements of profit or loss and other comprehensive income			
Balance as at 1 December 2016	(4,921)	(79,510)	(84,431)
Recognised during the financial year	(3,320)	(52,140)	(55,460)
Reversal of completed projects	5,708	93,474	99,182
Balance as at 30 November 2017	(2,533)	(38,176)	(40,709)
Property development costs as at 30 November 2017	43,143	61,735	104,878

12. PROPERTY DEVELOPMENT COSTS (Cont'd)

Group	Freehold land, at cost RM'000	Development costs RM'000	Total RM'000
Cumulative property development costs			
Balance as at 1 December 2015	54,885	162,348	217,233
Incurred during the financial year	-	115,550	115,550
Reversal of completed projects	(1,620)	(67,444)	(69,064)
Transfer to inventories	(1,881)	(76,623)	(78,504)
Balance as at 30 November 2016	51,384	133,831	185,215
Cumulative cost recognised in the statements of profit or loss and other comprehensive income			
Balance as at 1 December 2015	(1,587)	(52,244)	(53,831)
Recognised during the financial year	(4,954)	(94,710)	(99,664)
Reversal of completed projects	1,620	67,444	69,064
Balance as at 30 November 2016	(4,921)	(79,510)	(84,431)
Property development costs as at 30 November 2016	46,463	54,321	100,784

Included in the property development costs are the following charges incurred during the financial year:

	Group	
	2017	2016
	RM'000	RM'000
Interest expense	**445**	3,571

Interest is capitalised in property development cost at rates ranging from 4.76% to 8.34% (2016: 7.36% to 7.56%) per annum.

Freehold land under development have been charged to financial institutions for credit facilities granted to the Group as disclosed in Notes 22 and 23 to the financial statements.

13. INVENTORIES

	Group		Company	
	2017	2016	**2017**	2016
At cost	**RM'000**	RM'000	**RM'000**	RM'000
Completed properties held for sale	**108,038**	135,199	**24**	60

Certain inventories of the Group amounted to RM102,454,000 (2016: RM129,580,000) have been pledged to financial institutions as security for facilities granted to the Group and the Company as disclosed in Notes 19, 22 and 23 to the financial statements.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables				
Third parties	**56,011**	27,030	**-**	-
Related parties	**-**	74	**-**	-
Accrued billings in respect of property development	**13,313**	37,693	**-**	-
	69,324	64,797	**-**	-
Other receivables				
Amounts owing by subsidiaries				
- interest bearing	**-**	-	**12,299**	29,793
- non-interest bearing	**-**	-	**114,616**	107,656
Other receivables	**1,488**	7,524	**8**	8
Deposits	**33,849**	2,139	**201**	186
	35,337	9,663	**127,124**	137,643
Less: Impairment losses on amounts owing by subsidiaries	**-**	-	**(2,476)**	(2,349)
	35,337	9,663	**124,648**	135,294
Loan and receivables	**104,661**	74,460	**124,648**	135,294
Prepayments	**369**	363	**14**	14
	105,030	74,823	**124,662**	135,308

(a) The normal credit terms of the trade receivables granted by the Group range from 14 days to 90 days (2016: 14 days to 90 days). They are recognised at their original invoiced amounts, which represent their fair value on initial recognition.

(b) Amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand except for advances of RM12,299,000 (2016: RM29,793,000), which are interest bearing ranging from 7.35% to 7.41% (2016: 7.36% to 7.56%) per annum. The amounts are repayable in cash and cash equivalents.

(c) Trade and other receivables are denominated in RM.

(d) Included in deposits consisted amount of RM31,000,000 (2016: Nil) paid for the proposed land acquisition as disclosed in Note 26 to the financial statements.

14. TRADE AND OTHER RECEIVABLES (Cont'd)

(e) The ageing analysis of trade receivables of the Group are as follows:

	Group	
	2017	2016
	RM'000	RM'000
Neither past due nor impaired	**46,033**	18,152
Past due but not impaired		
Below 30 days	**5,913**	3,177
31 days to 60 days	**2,838**	818
61 days to 90 days	**-**	2,406
Over 90 days	**1,227**	2,551
	9,978	8,952
	56,011	27,104

<u>Trade receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired mainly relate to the progress billings to be settled by end-buyers financiers, who are creditworthy debtors with good payment records with the Group.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. Credit risk with respect to trade receivables are limited as the ownership and right to the properties revert to the Group in the event of default.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

<u>Trade receivables that are past due but not impaired</u>

Trade receivables of the Group that are past due but not impaired mainly relate to the progress billings to be settled by end-buyers financiers.

Trade receivables that are past due but not impaired are unsecured in nature.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. Credit risk with respect to trade receivables are limited as the ownership and right to the properties revert to the Group in the event of default.

(f) Reconciliation of movements in impairment on amounts owing by subsidiaries are as follows:

	Group	
	2017	2016
	RM'000	RM'000
At beginning of year	**2,349**	-
Charge for the financial year	**127**	2,349
At end of year	**2,476**	2,349

(g) Information on financial risks of trade and other receivables is disclosed in Note 40 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	**7,908**	6,641	**1,625**	33
Deposits with licenced banks	**-**	5,052	**-**	-
	7,908	11,693	**1,625**	33

(a) Included in the Group's and the Company's cash and bank balances are RM4,807,000 (2016: RM4,948,000) and RM1,100 (2016: RM1,000) respectively held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966, (as amended by the Housing Developers (Housing Development Account) (Amendment), Regulations, 2002), which are not available for general use by the Group and the Company.

(b) Cash and bank balances are denominated in RM.

(c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	**7,908**	6,641	**1,625**	33
Deposits with licenced banks	**-**	5,052	**-**	-
As reported in statements of financial position	**7,908**	11,693	**1,625**	33
Less: Bank overdrafts included in borrowings (Note 19)	**(6,853)**	(805)	**(15)**	(805)
	1,055	10,888	**1,610**	(772)

(d) Information on financial risks of cash and bank balances is disclosed in Note 40 to the financial statements.

16. NON-CURRENT ASSETS HELD FOR SALE

The land held for property development is presented as non-current assets held for sale when the Company entered into a conditional Sales and Purchase agreement ("SPA") on 14 December 2017 with a third party for disposal of land for a total consideration of RM119,949,000. As at the end of the reporting period, the assets comprised the following:

	Group	
	2017	2016
	RM'000	RM'000
Carrying amount		
Land held for property development (Note 9)	**28,962**	-

As at 30 November 2017, land held for property development of the Group has been charged to financial institutions for borrowings granted to the Group as disclosed in Notes 20 and 22 to the financial statements.

17. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares '000	**RM'000**	Number of shares '000	RM'000
Issued and fully paid up ordinary shares				
Balance at beginning of year	**100,000**	**100,000**	100,000	100,000
Transfer from share premium account pursuant to the Companies Act, 2016	**-**	**124**	-	-
Balance at end of year	**100,000**	**100,124**	100,000	100,000

(a) The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) With the introduction of the Companies Act, 2016 effective 31 January 2017, the concepts of authorised share capital and par value of share capital have been abolished. Consequently, balance within the share premium account of RM124,000 has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Companies Act, 2016. Notwithstanding this provision, the Company may utilise its share premium account for purposes stipulated in Section 618(3) of the Companies Act, 2016 for a transitional period of 24 months from 31 January 2017. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the member as a result of this transition.

18. RESERVES

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Distributable:				
Share premium	**-**	124	**-**	124
Retained earnings	**224,550**	201,082	**23,537**	14,459
	224,550	201,206	**23,537**	14,583

Share premium

With the introduction of the Companies Act, 2016 effective 31 January 2017, the balance within the share premium account has been transferred to the share capital account as disclosed in Note 17(b) to the financial statements.

19. BORROWINGS

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Current liabilities				
Bank overdrafts	**6,853**	805	**15**	805
Bridging loans	**-**	17,494	**-**	17,494
Finance lease creditors	**627**	796	**29**	67
Revolving credits	**17,000**	17,000	**12,000**	12,000
Term loans	**1,928**	-	**-**	-
	26,408	36,095	**12,044**	30,366
Non-current liabilities				
Finance lease creditors	**1,212**	1,455	**-**	29
Term loans	**52,233**	29,235	**-**	-
	53,445	30,690	**-**	29
Total borrowings				
Bank overdrafts	**6,853**	805	**15**	805
Bridging loans (Note 20)	**-**	17,494	**-**	17,494
Finance lease creditors (Note 21)	**1,839**	2,251	**29**	96
Revolving credits (Note 22)	**17,000**	17,000	**12,000**	12,000
Term loans (Note 23)	**54,161**	29,235	**-**	-
	79,853	66,785	**12,044**	30,395

(a) Borrowings are denominated in RM.

(b) Bank overdrafts of the Group and of the Company were secured by the following:

(i) Legal charges over the certain units of the investment properties (Note 8) and inventories (Note 13) of the Group; and

(ii) Guaranteed by the Company.

(c) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 40 to the financial statements.

20. BRIDGING LOANS

Bridging loans of the Group and of the Company were secured by the following:

(a) Legal charges over non-current assets held for sale (Note 16) of the Group; and

(b) Debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiaries

Bridging loan was repayable in monthly instalments of RM2,917,000 or from redemption proceeds of development properties sold, whichever was earlier.

21. FINANCE LEASE CREDITORS

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Minimum finance lease payments				
- not later than one year	**701**	888	**29**	70
- later than one year and not later than five years	**1,280**	1,557	**-**	29
Total minimum finance lease payments	**1,981**	2,445	**29**	99
Less: Future interest charges	**(142)**	(194)	**-**	(3)
Present value of finance lease payments	**1,839**	2,251	**29**	96
Repayable as follows:				
Current liabilities				
- not later than one year	**627**	796	**29**	67
Non-current liabilities				
- later than one year and not later than five years	**1,212**	1,455	**-**	29
	1,839	2,251	**29**	96

22. REVOLVING CREDITS

(a) Revolving credits of the Group and of the Company are secured by the following:

(i) Legal charges over investment properties (Note 8), property development costs (Note 12), inventories (Note 13) and non-current assets held for sale (Note 16) of the Group and of the Company;

(ii) Debentures by way of fixed and floating charges over the present and future assets of the Company and certain subsidiaries; and

(iii) Revolving credits of the Group are guaranteed by the Company.

(b) Revolving credits are repayable in full at the end of the rolled over period or can be rolled over for a period ranging from one (1) month to six (6) months subject to the Bank's consent and approval.

23. TERM LOANS

(a) Term loans 1, 2 and 4 of the Group are secured by the following:

(i) Legal charges over the Group's property development costs (Note 12);

(ii) Debentures by way of fixed and floating charges over the present and future assets of the Group; and

(iii) Term loans 1, 2 and 4 of the Group are guaranteed by the Company.

23. TERM LOANS (Cont'd)

(b) Term loans 3 and 5 of the Group are secured by the following:

(i) Legal charges over the certain units of the investment properties (Note 8) and inventories (Note 13) of the Group; and

(ii) Term loans 3 and 5 of the Group are guaranteed by the Company.

(c) Term loans are repayable as follows:

(i) Term loan 1 is repayable in monthly instalments of RM334,000 from February 2018 or from redemption proceeds of development properties and inventories sold, whichever is earlier;

(ii) Term loan 2 is repayable in monthly instalments of RM93,340 from March 2018 or from redemption proceeds of development properties and inventories sold, whichever is earlier;

(iii) Term loan 3 is repayable in monthly instalments of RM6,736,562 from April 2019 or from redemption proceed of inventories sold, whichever is earlier;

(iv) Term loan 4 is repayable in monthly instalments of RM4,167,000 from May 2019 or from redemption proceed of development properties and inventories sold, whichever is earlier; and

(v) Term loan 5 is repayable in monthly instalments of RM106,030 from May 2017 or from redemption proceed of inventories sold, whichever is earlier.

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Trade payables				
Third parties	**40,762**	37,271	**91**	91
Other payables				
Amount owing to a subsidiary	**-**	-	**2,425**	2,438
Other payables	**2,948**	4,130	**197**	102
Accruals	**14,982**	20,544	**439**	451
	17,930	24,674	**3,061**	2,991
	58,692	61,945	**3,152**	3,082

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company range from one (1) month to three (3) months (2016: one (1) month to three (3) months).

(b) Amount owing to a subsidiary is unsecured, interest-free and payable upon demand in cash and cash equivalents.

(c) Included in trade payables of the Group are retention monies of RM12,698,000 (2016: RM12,603,000).

(d) Trade and other payables are denominated in RM.

(e) Information on financial risks of trade and other payables is disclosed in Note 40 to the financial statements.

25. PROVISION FOR LIABILITIES

	Group	
	2017	2016
	RM'000	RM'000
At beginning of year	**374**	384
Amount utilised	**-**	(10)
At end of year	**374**	374

The provision for liabilities represents liquidated ascertained damages in respect of projects undertaken by the Group. The provision is recognised for expected liquidated ascertained damages claims based on the applicable sale and purchase agreements.

26. COMMITMENTS

(a) Operating lease commitments

The Group as lessee

The Group had entered into non-cancellable operating lease agreements for shop-office, office buildings and office equipment, resulting in future rental commitments.

The lease terms do not contain restrictions on the Group's activities concerning dividends or additional debt. Certain lease terms entered into by the Group include restrictions on further leasing. The Group has aggregate future minimum lease commitment as at the end of the reporting period as follows:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Not later than one year	**307**	409	**118**	222
Later than one year and not later than five years	**358**	155	**-**	118
	665	564	**118**	340

(b) Capital commitments

	Group	
	2017	2016
	RM'000	RM'000
Capital expenditure in respect of purchase of land held for property development:		
Contracted but not provided	**279,000**	-

On 30 October 2017, the Group announced on an acquisition of a piece of land in Mukim Pulai, Johor Bahru for a total cash consideration of RM310 million. Based on the terms stipulated in the Sale and Purchase Agreement ("SPA"), the transaction is expected to complete not later than 6 months from the date of SPA upon the satisfaction of the conditions precedent. The amount disclosed above represented balance of the purchase consideration relating to the proposed land acquisition.

27. CONTINGENT LIABILITIES

	Group	
	2017	2016
	RM'000	RM'000
<u>Secured</u>		
Corporate guarantees given to a licensed bank for banking facilities granted to subsidiaries ^^	**78,014**	64,534

^^ The Directors are of the view that the fair value of such corporate guarantees given by the Company is negligible as the chances of the financial institutions to call upon the corporate guarantees are remote.

28. REVENUE

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Property development	**94,021**	161,000	**-**	-
Sales of completed properties	**27,805**	-	**195**	
Others	**127**	85	**-**	-
Dividend income from a subsidiary	**-**	-	**15,688**	-
	121,953	161,085	**15,883**	-

29. COST OF SALES

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Property development costs	**55,460**	99,664	**-**	-
Sales of completed properties	**21,061**	-	**37**	-
Others	**-**	(46)	**-**	-
	76,521	99,618	**37**	-

30. FINANCE COSTS

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on:				
- bank overdrafts	**177**	47	**126**	47
- finance lease creditors	**104**	123	**3**	6
- interest waiver	**-**	1,177	**-**	-
- revolving credits	**1,166**	900	**884**	900
- term loans	**1,312**	531	**-**	-
	2,759	2,778	**1,013**	953

31. PROFIT/(LOSS) BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Profit/(Loss) before tax is arrived at after charging:				
Office rental	**410**	409	**175**	174
And crediting:				
Interest income received from:				
- advances to subsidiary	**-**	-	**906**	922
- deposits with licensed banks	**388**	396	**13**	19
- housing development accounts	**115**	199	**-**	-
Rental income	**652**	295	**-**	-

32. TAX EXPENSE

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Current tax expense				
- current year	**11,082**	9,828	**-**	-
- prior years	**202**	(179)	**-**	-
	11,284	9,649	**-**	-
Deferred tax (Note 11)				
- current year	**262**	543	**-**	-
	11,546	10,192	**-**	-

32. TAX EXPENSE (Cont'd)

(a) The Malaysian income tax is calculated at the statutory rate of twenty-four percent (24%) (2016: 24%) of the estimated taxable profits for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Profit/(Loss) before tax	**40,014**	36,107	**14,078**	(3,815)
Tax at Malaysian statutory tax rate of 24% (2016: 24%)	**9,603**	8,666	**3,379**	(916)
Non-allowable expenses	**1,701**	1,447	**(3,435)**	862
Group relief	**-**	-	**25**	36
Deferred tax assets not recognised	**40**	258	**31**	18
	11,344	10,371	**-**	-
Under/(Over) provision of current tax expense in prior years	**202**	(179)	**-**	-
	11,546	10,192	**-**	-

33. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2017	2016
	RM'000	RM'000
Profit attributable to owners of the parent (RM'000)	**28,468**	25,915
Weighted average number of ordinary shares in issue ('000)	**100,000**	100,000
Basic (sen)	**28.47**	25.92

(b) Diluted

The diluted earnings per share of the Group for the financial years 2017 and 2016 are same as the basic earnings per ordinary share of the Group as there are no dilutive potential ordinary shares.

34. DIVIDENDS

Dividends declared and paid by the Company since the end of previous financial year were as follows:

	2017 RM'000	2016 RM'000
In respect of financial year ended 30 November 2016:		
First interim single tier dividend of 4 sen per ordinary share, paid on 25 August 2016	-	4,000
Second interim single tier dividend of 6 sen per ordinary share, paid on 25 November 2016	-	6,000
Final single tier dividend of 5 sen per ordinary share, paid on 30 June 2017	5,000	-
	5,000	10,000

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

35. EMPLOYEE BENEFITS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Wages and salaries	6,439	5,782	1,780	1,707
Contributions to defined contribution plan	977	831	296	259
Other benefits	1,987	1,384	689	449
	9,403	7,997	2,765	2,415

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of RM1,794,000 (2016: RM1,568,000) as disclosed in Note 36 to the financial statements.

36. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Executive Directors:				
- salaries and other emoluments	**1,794**	1,568	**1,794**	1,568
- benefit-in-kind	**97**	97	**37**	38
- Directors' fees	**80**	80	**80**	80
	1,971	1,745	**1,911**	1,686
Non-Executive Directors' fees	**234**	234	**234**	234
Directors' of the Company	**2,205**	1,979	**2,145**	1,920
Other members of key management:				
- salaries and other emoluments	**1,504**	1,289	**785**	681
- other benefits	**68**	66	**1**	1
	1,572	1,355	**786**	682
	3,777	3,334	**2,931**	2,602

Remuneration paid and payable to the Directors of the Company for the financial year, analysed into bands of RM50,000 are as follows:

	Executive Directors		Non-Executive Directors	
	2017	2016	**2017**	2016
	No.	No.	**No.**	No.
RM50,001 - RM100,000	**-**	-	**3**	3
RM350,001 - RM400,000	**-**	1	**-**	-
RM400,001 - RM450,000	**1**	1	**-**	-
RM450,001 - RM500,000	**-**	2	**-**	-
RM500,001 – RM550,000	**3**	-	**-**	-
	4	4	**3**	3

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationships with its direct subsidiaries.

37. RELATED PARTY DISCLOSURES (Cont'd)

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Transactions with Directors, major shareholders and person connected with Directors/major shareholders of the Company				
(i) Sale of development property to a Non-Independent Non-Executive Director/major shareholder and a person connected to an Executive Director/ major shareholder of the Company	**-**	764	**-**	-
(ii) Sale of development property to the Senior Independent Non-Executive Director of the Company	**-**	728	**-**	-
Transactions with subsidiaries				
(i) Inter-company interest income	**-**	-	**906**	922
(ii) Management services charges	**-**	-	**(2,562)**	(2,236)

(c) The related party transactions described above were carried out on mutually agreed and negotiated terms.

Material balances with related parties as at the end of the reporting year are disclosed in Notes 14 and 24 to the financial statements.

(d) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.

The remuneration of Directors and key management personnel are disclosed in Note 36 to the financial statements.

38. OPERATING SEGMENTS

The Group adopts business segments analysis as its primary reporting format. No geographical segment analysis is reported as the Group only 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 current tax assets, current 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.

38. OPERATING SEGMENTS (Cont'd)

The chief operating decision-maker reviews the resource allocation and performance evaluation at least on a quarterly basis.

The Group's major business segments are as follows:

(a) Property development
- Development of residential and commercial properties; and

(b) Investment holding
- Investing in subsidiaries which are long term in nature.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in the consolidated financial statements.

2017	Property development RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Total revenue	121,826	15,688	734	138,248
Inter-segment revenue	-	(15,688)	(607)	(16,295)
Revenue from external customers	121,826	-	127	121,953
Interest income	490	919	-	1,409
Finance costs	(2,652)	(1,013)	-	(3,665)
	(2,162)	(94)	-	(2,256)
Inter-segment income	-	(906)	-	(906)
Inter-segment finance	906	-	-	906
Net finance expense	(1,256)	(1,000)	-	(2,256)
Depreciation of property, plant and equipment	1,343	95	-	1,438
Segment profit/(loss) before tax	41,659	14,078	(178)	55,559
Taxation	11,546	-	-	11,546
Additions to non-current assets other than financial instruments and deferred tax assets	33,746	-	-	33,746
Segment assets	463,718	1,946	30	465,694
Segment liabilities	126,105	12,770	44	138,919

38. OPERATING SEGMENTS (Cont'd)

2016	**Property development RM'000**	**Investment holding RM'000**	**Others RM'000**	**Total RM'000**
Total revenue	161,000	-	783	161,783
Inter-segment revenue	-	-	(698)	(698)
Revenue from external customers	161,000	-	85	161,085
Interest income	576	941	-	1,517
Finance costs	(2,747)	(953)	-	(3,700)
	(2,171)	(12)	-	(2,183)
Inter-segment income	-	(922)	-	(922)
Inter-segment finance	922	-	-	922
Net finance expense	(1,249)	(934)	-	(2,183)
Depreciation of property, plant and equipment	1,259	95	-	1,354
Segment profit/(loss) before tax	37,676	(3,815)	(119)	33,742
Taxation	10,192	-	-	10,192
Additions to non-current assets other than financial instruments and deferred tax assets	6,918	-	-	6,918
Segment assets	429,479	471	81	430,031
Segment liabilities	98,034	31,039	31	129,104

Reconciliation of reportable segment profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

Profit for the financial year	**2017 RM'000**	2016 RM'000
Total profit for reportable segments	**55,559**	33,742
Elimination of inter-segment gain and loss	**(15,545)**	2,365
Profit before taxation	**40,014**	36,107
Taxation	**(11,546)**	(10,192)
Profit for the financial year	**28,468**	25,915

38. OPERATING SEGMENTS (Cont'd)

Assets	2017 RM'000	2016 RM'000
Total assets for reportable segments	**465,694**	430,031
Tax assets	**658**	1,491
Assets of the Group per consolidated statements of financial position	**466,352**	431,522
Liabilities		
Total liabilities for reportable segments	**138,919**	129,104
Tax liabilities	**2,759**	1,212
Liabilities of the Group per consolidated statements of financial position	**141,678**	130,316

39. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 November 2016.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio which is the amount of borrowings to the financial statements divided by equity attributable to owners of the parent. The Group's and the Company's policy is to keep the gearing ratio within manageable levels. At the end of the reporting period, the Group's gearing ratio is 0.25 times (2016: 0.22 times) and the Company's gearing ratio is 0.10 times (2016: 0.27 times). No changes were made in the objectives, policies or processes during the financial years ended 30 November 2017 and 30 November 2016.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 November 2017.

39. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial instruments

Group	2017 RM'000	2016 RM'000
Financial assets		
Loan and receivables		
Trade and other receivables, net of prepayments	**104,661**	74,460
Cash and bank balances	**7,908**	11,693
	112,569	86,153
Financial liabilities		
Other financial liabilities		
Trade and other payables	**58,692**	61,945
Borrowings	**79,853**	66,785
	138,545	128,730
Company		
Financial assets		
Loan and receivables		
Trade and other receivables, net of prepayments	**124,648**	135,294
Cash and bank balances	**1,625**	33
	126,273	135,327
Financial liabilities		
Other financial liabilities		
Trade and other payables	**3,152**	3,082
Borrowings	**12,044**	30,395
	15,196	33,477

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and floating rate borrowings, are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

39. FINANCIAL INSTRUMENTS (Cont'd)

(c) Methods and assumptions used to estimate fair value (Cont'd)

(ii) Finance lease creditors

The fair value of finance lease creditors is estimated by discounting expected future cash flows at market incremental lending rate for similar types of instruments available to the Group at the end of the reporting period.

(d) Fair value hierarchy

As at the end of the reporting period, the Group and the Company have no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.

The fair value of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair value are as follows:

	Group		Company	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
2017	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Financial liabilities				
Finance lease creditors	**1,839**	**1,886**	**29**	**29**
2016				
Financial liabilities				
Finance lease creditors	2,251	2,312	96	98

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk as well as interest rate risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's exposure to credit risk arises through its trade receivables. The Group extends credit to its customers based upon evaluation of the customer's creditworthiness. Trade receivables are monitored on an ongoing basis via the Group's management reporting procedures. If necessary, the Group may obtain collaterals/assignments as a mean of mitigating the risk of default.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(a) Credit risk (Cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit exposure for trade and other receivables is disclosed in Note 14 to the financial statements.

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by identifying and monitoring any significant long outstanding balance owing by any major customer or counter party on an on-going basis.

The Group and the Company do not have any significant concentration of credit risk as at the end of the reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 14 to the financial statements. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 14 to the financial statements.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Group is unable to service its cash obligations in the future. To mitigate this risk, the management measures and forecasts its cash commitments, monitors and maintain a level of cash and cash equivalents and credit facilities deemed adequate to finance the Group's operations and development activities.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(b) Liquidity and cash flow risk (Cont'd)

	Within 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000	Total RM'000
As at 30 November 2017				
Financial liabilities				
Group				
Trade and other payables	**58,692**	**-**	**-**	**58,692**
Borrowings	**30,151**	**56,056**	**-**	**86,207**
Total undiscounted financial liabilities	**88,843**	**56,056**	**-**	**144,899**
Company				
Trade and other payables	**3,152**	**-**	**-**	**3,152**
Borrowings	**12,044**	**-**	**-**	**12,044**
Total undiscounted financial liabilities	**15,196**	**-**	**-**	**15,196**
As at 30 November 2016				
Financial liabilities				
Group				
Trade and other payables	61,945	-	-	61,945
Borrowings	36,568	31,738	-	68,306
Total undiscounted financial liabilities	98,513	31,738	-	130,251
Company				
Trade and other payables	3,082	-	-	3,082
Borrowings	30,750	29	-	30,779
Total undiscounted financial liabilities	33,832	29	-	33,861

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk relates primarily to their interest-bearing borrowings on floating rates. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and the Company if interest rates at the end of each reporting period changed by one hundred (100) basis points with all other variables held constant:

	Group		**Company**	
	2017	2016	**2017**	2016
	RM'000	RM'000	**RM'000**	RM'000
Profit after tax				
- Increase by 1% (2016: 1%)	**(593)**	(491)	**2**	(4)
- Decrease by 1% (2016: 1%)	**593**	491	**(2)**	4

The sensitivity for the Group is higher in 2017 than in 2016 because of increase in outstanding borrowings during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

Group 2017	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Fixed rates									
Finance lease creditors	21	**4.84**	**(627)**	**(579)**	**(479)**	**(122)**	**(32)**	**-**	**(1,839)**
Floating rates									
Bank overdrafts	19	**6.43**	**(6,853)**	**-**	**-**	**-**	**-**	**-**	**(6,853)**
Revolving credits	19	**6.86**	**(17,000)**	**-**	**-**	**-**	**-**	**-**	**(17,000)**
Term loans	19	**6.86**	**(1,928)**	**(46,879)**	**(4,833)**	**(521)**	**-**	**-**	**(54,161)**
2016									
Fixed rates									
Deposits with licensed bank	15	3.05	5,052	-	-	-	-	-	5,052
Finance lease creditors	21	4.86	(796)	(545)	(493)	(389)	(28)	-	(2,251)
Floating rates									
Bank overdrafts	19	8.10	(805)	-	-	-	-	-	(805)
Bridging loans	19	7.48	(17,494)	-	-	-	-	-	(17,494)
Revolving credits	19	6.94	(17,000)	-	-	-	-	-	(17,000)
Term loans	19	7.01	-	(840)	(24,055)	(4,008)	(332)	-	(29,235)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

The following table set out the carrying amounts, the weighted average effective interest rate as at the end of the reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk: (Cont'd)

Company 2017	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
Fixed rates instruments									
Finance lease creditors	21	**4.46**	**(29)**	**-**	**-**	**-**	**-**	**-**	**(29)**
Floating rates instruments									
Amounts owing by subsidiaries	14	**7.37**	**12,299**	**-**	**-**	**-**	**-**	**-**	**12,299**
Bank overdrafts	19	**7.68**	**(15)**	**-**	**-**	**-**	**-**	**-**	**(15)**
Revolving credits	19	**7.37**	**(12,000)**	**-**	**-**	**-**	**-**	**-**	**(12,000)**
2016									
Fixed rates instruments									
Finance lease creditors	21	4.46	(67)	(29)	-	-	-	-	(96)
Floating rates instruments									
Amounts owing by subsidiaries	14	7.48	29,793	-	-	-	-	-	29,793
Bank overdrafts	19	8.10	(805)	-	-	-	-	-	(805)
Bridging loans	19	7.48	(17,494)	-	-	-	-	-	(17,494)
Revolving credits	19	7.48	(12,000)	-	-	-	-	-	(12,000)

41. COMPANIES ACT 2016

Companies Act, 2016 ("CA 2016") was passed on 4 April 2016 by the Dewan Rakyat (House of Representative) and gazetted on 15 September 2016 to replace the Companies Act, 1965. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism has appointed 31 January 2017 as the date on which CA2016 comes into operation except for Section 241 and Division 8 of Part III of CA2016.

Consequently, the Group and the Company effected the following changes as at 31 January 2017:

(a) Authorised share capital has been removed; and
(b) Par or nominal value of ordinary shares has been removed.

Building Homes for Generations

countryview
Building Homes for Generations

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 35th Annual General Meeting of the Company, to be held at Ballroom 1, Level 11, DoubleTree by Hilton Johor Bahru, No.12, Jalan Ngee Heng, 80000 Johor Bahru, Johor, Malaysia on Thursday, 26 April 2018 at 10.00 am and at every adjournment thereof to vote as indicated below in respect of the following Resolutions:

ORDINARY BUSINESS		For	Against
Ordinary Resolution 1	Approval of Directors' Fees		
Ordinary Resolution 2	Re-election of Mr Wong Chee Sean @ Wong Sean		
Ordinary Resolution 3	Re-election of En Azhar Bin Azizan		
Ordinary Resolution 4	Re-election of Mr Law Kee Kong		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Retention of Independent Director - Mr. Choong Shiau Yoon		
Ordinary Resolution 7	Retention of Independent Director - En. Azhar Bin Azizan @ Harun		

(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)

** The proportion of my/our shareholding to be represented by my/our proxies are as follows:-

Proxy	Name	Address	NRIC/Passport No	Proportion of shareholdings
			Total shares held	

** To be completed in the event the member wishes to appoint more than one (1) proxy (see note 3 below)

Dated this day of 2018

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 proxy(ies) to attend and vote instead of him. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
2. 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. Where a member of the Company is an Exempt Authorized Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account") there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
3. 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.
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, or in the case of a poll, not less than twenty-four(24) hours before the time appointed for the taking of poll.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 20 April 2018 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Voting by Poll

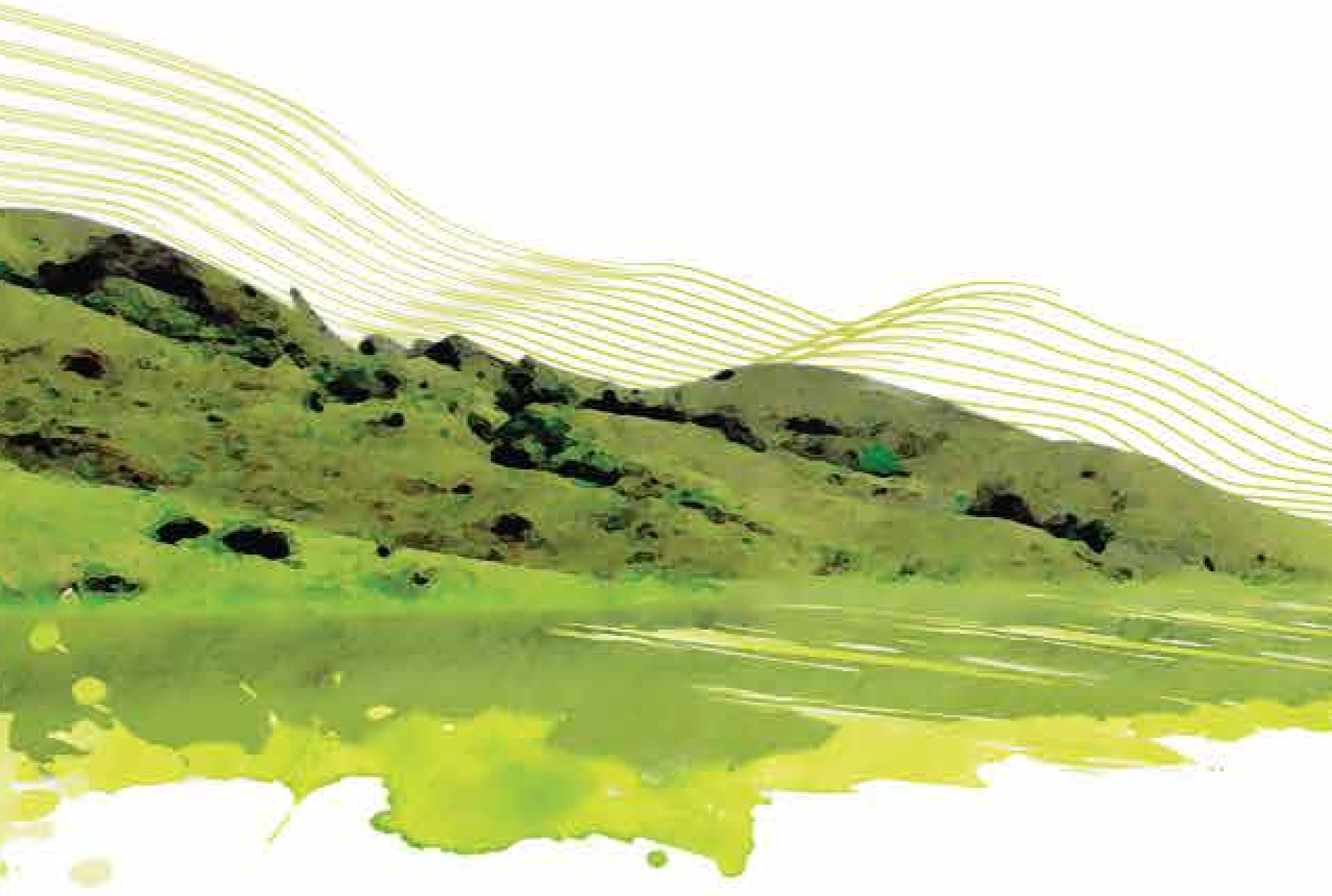
Pursuant to Paragraph 8.29A of Bursa Malaysia Berhad's Main Market Listing Requirements, all resolutions set out in this notice is to be voted by poll.

FOLD HERE

STAMP

The Company Secretary
COUNTRY VIEW BERHAD (78320-K)
Suite 5.11 & 5.12
5th Floor Menara TJB
9 Jalan Syed Mohd. Mufti
80000 Johor Bahru, Johor

FOLD HERE



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