ANNUAL REPORT 2019

countryview

Building Homes for Generations

MESSAGE FROM CHAIRMAN

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 30 November 2019.

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

VISION AND MISSION

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.

Awards

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CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATUK IR. MOHAMED AL AMIN BIN ABDUL MAJID JP
Executive Chairman

LAW KIT TAT
Executive Director

WONG CHEE SEAN @ WONG SEAN
Executive Director

WONG JOON CHIN
Executive Director

LAW KEE KONG
Non-Independent Non-Executive Director

CHOONG SHIAU YOON
Senior Independent Non-Executive Director

HAN HING SIEW
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

CHOONG SHIAU YOON
Chairman

LAW KEE KONG
Member

HAN HING SIEW
Member

NOMINATION COMMITTEE

CHOONG SHIAU YOON
Chairman

LAW KEE KONG
Member

HAN HING SIEW
Member

REMUNERATION COMMITTEE

HAN HING SIEW
Chairman

LAW KEE KONG
Member

CHOONG SHIAU YOON
Member

SECRETARIES

LEE WEE HEE
(MAICSA 0773340)
SSM Practicing Certificate
No. 201908004010

HUNG SIOW PING
(MAICSA 7039825)
SSM Practicing Certificate
No. 202008000534

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
Website: www.countryview.com.my

SHARE REGISTRAR

ShareWorks Sdn Bhd
Reg. No 199101019611 (229948-U)
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur, Malaysia
Tel: +603-6201 1120
Fax: +603-6201 3121 / 6201 5959

AUDITOR

BDO PLT
(LLP0018825-LCA & AF 0206)
Suite 18-04, Level 18
Menara Zurich
No. 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor, Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
MBSB Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd.

STOCK EXCHANGE LISTING

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

GROUP STRUCTURE

Building Homes for Generations

COUNTRY VIEW BERHAD
Reg. No. 198101012190 (78320-K)

100%
WHOLLY OWNED SUBSIDIARIES:

COUNTRY VIEW RESOURCES SDN. BHD.
Reg. No. 200001021248 (523855-A)

COUNTRY VIEW GREENS SDN. BHD.
Reg No. 200301025000 (627420-K)

COUNTRY VIEW PROPERTIES SDN BHD.
Reg. No. 199601016140 (388490-A)

COUNTRY VIEW LAND SDN. BHD.
Reg. No. 199901015365 (490265-X)

COUNTRY VIEW PROPERTY MANAGEMENT SDN. BHD.
Reg. No. 200301007046 (609466-K)

COUNTRY VIEW CONSTRUCTION SDN. BHD.
Reg. No. 200001023283 (525891-K)

COUNTRY VIEW EQUITIES SDN. BHD.
Reg. No. 199701029291 (444790-T)

COUNTRY VIEW AVENUE SDN. BHD.
Reg. No. 200501022428 (704558-W)

COUNTRY VIEW VENTURES SDN. BHD.
Reg. No. 199701029289 (444788-X)

NOTICE OF 37TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 37th Annual General Meeting of Country View Berhad will be held at Rex Room, Level 6, Amari Johor Bahru, No. 82 C, Jalan Trus, 80000, Johor Bahru, Johor, Malaysia on Tuesday, 28 April 2020 at 10.00 am for the following purposes:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 30 November 2019 together with the Reports of the Directors and Auditors thereon. **[See Note 1]**

2. To approve the payment of a sum totalling RM350,000.00 as Directors' fees for the financial year ended 30 November 2019. **[Ordinary Resolution 1]**

3. To approve the payment of a final single tier dividend of 5 sen per ordinary share for the financial year ended 30 November 2019. **[Ordinary Resolution 2]**

4. To re-elect the following Directors who are due to retire in accordance with Clause 132 of the Company's Constitution:

   a) Mr Law Kit Tat **[Ordinary Resolution 3]**
   b) Mr Choong Shiau Yoon **[Ordinary Resolution 4]**

5. To re-appoint Messrs BDO PLT as Auditors of the Company for the year ending 30 November 2020 and to authorise the Directors to fix their remuneration. **[Ordinary Resolution 5]**

SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**
   PROPOSED RETENTION OF INDEPENDENT DIRECTOR

   "THAT subject to the passing of Ordinary Resolution 4, 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." **[Ordinary Resolution 6]**

7. 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)
SSM Practicing Certificate No. 201908004010

Hung Siow Ping (MAICSA 7039825)
SSM Practicing Certificate No. 202008000534
Company Secretaries

31 March 2020

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 of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

3. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.

4. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

5. 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 Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

6. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

7. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the following e-mail address **proxyform@countryview.com.my** not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

8. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

9. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 April 2020, 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:

10. Proposed Retention of Independent Director

    The proposed Ordinary Resolution 6, if passed by way of a two tier voting process, will allow Mr Choong Shiau Yoon to be retained and continue acting as Independent Director to fulfil the requirements of Paragraph 3.04 of Bursa Malaysia Securities Berhad's Main Market Listing Requirements and in line with the Practice No. 4.2 of the Malaysian Code of Corporate Governance 2017. The full details of the Board's justifications and recommendations for the retention of Mr Choong Shiau Yoon is set out on page 30 of the Board's Corporate Governance Overview Statement in the Annual Report 2019.

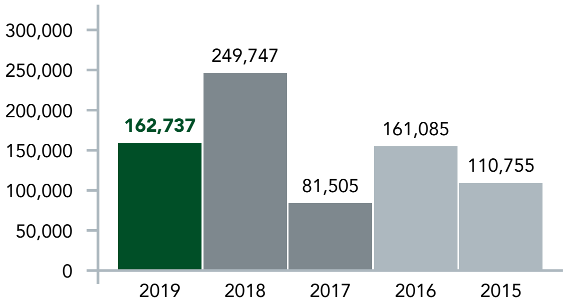
Voting by Poll

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.

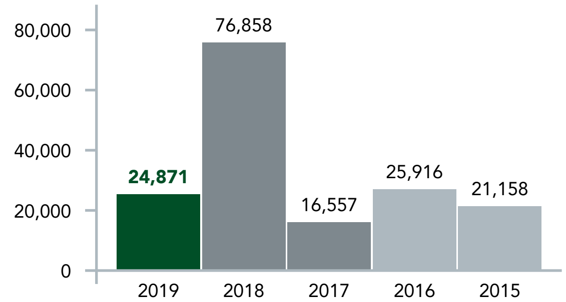
FIVE YEARS FINANCIAL HIGHLIGHTS

Financial Year Ended	Audited 30-Nov 2019	Audited 30-Nov 2018 (Restated)	Audited 30-Nov 2017 (Restated)	Audited 30-Nov 2016	Audited 30-Nov 2015
Financial Result					
Revenue (RM'000)	**162,737**	249,747	81,505	161,085	110,755
Profit/(Loss) before Taxation (RM'000)	**33,892**	99,135	24,341	36,107	29,546
Profit/(Loss) after Taxation (RM'000)	**24,871**	76,858	16,557	25,916	21,158
Gross Dividend per Share (sen)	**3**	5	5	10	6
Financial Position					
Total Cash, Bank Balance and Deposit (RM'000)	**13,450**	54,744	7,908	11,693	10,883
Total Assets (RM'000)	**693,856**	759,613	451,355	431,522	401,089
Total Borrowings (RM'000)	**213,308**	307,678	79,853	66,785	61,511
Share Capital (RM'000)	**100,124**	100,124	100,124	100,000	100,000
Reserve (RM'000)	**306,368**	284,497	212,639	201,206	185,291
Equity Attributable to owners of the Parent (RM'000)	**406,492**	384,261	312,763	301,206	285,291
Financial Ratios					
Basic earnings/(loss) per Share (sen)	**24.87**	76.86	16.56	25.92	21.16
Net Assets per Share attributable to owners of the Parent (RM)	**4.06**	3.85	3.13	3.01	2.85
Return on Equity (%)	**8.34**	25.77	7.78	11.99	10.36
Net gearing ratio (times)	**0.52**	0.80	0.26	0.22	0.22

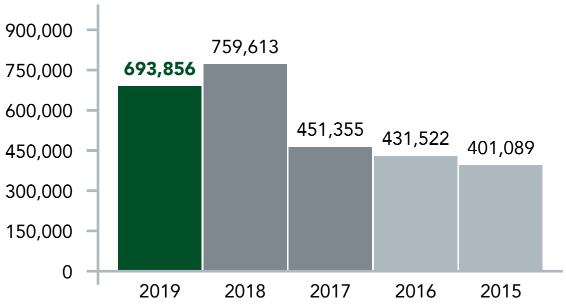
Revenue (RM'000)



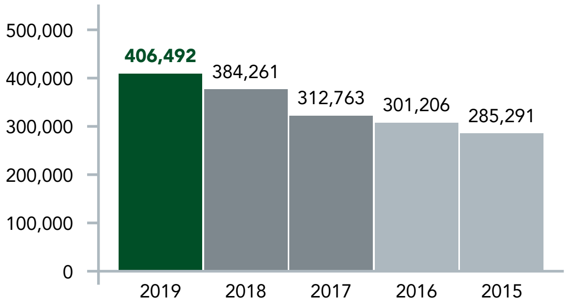
Profit/(Loss) after Taxation (RM'000)



Total Assets (RM'000)



Equity Attributable to owners of the Parents (RM'000)



MANAGEMENT DISCUSSION & ANALYSIS

Dear Valued Shareholders,

We are pleased to present the Management Discussion and Analysis ("MD&A") for 2019 which 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 2019

Amidst a challenging property market, we managed to achieve gross sales of properties developed of RM174.6 million for the year under review as compared to RM151.5 million in FY 2018. This was achieved in line with our continuous marketing efforts and we also benefitted from the government initiatives to assist homeownership under the Home Ownership Campaign (HOC) 2019 where stamp duty exemptions were given for residential properties that were sold during the period from 1 January 2019 to 31 December 2019.

The sales included 3 storey cluster houses, 3 storey semi-detached houses , serviced apartments, 3 storey shop offices, 3 storey Superlink XL houses, affordable houses under the Rumah Mampu Milik Johor (" RMMJ") and Perumahan Komuniti Johor Type B ("PKJB").

The Group's launch of its 3 storey semi-detached houses under the Winter Pavilion series in November 2019 experienced encouraging take up for the 3 storey semi-detached houses due to its quality, attractive design, spacious layout and competitive value proposition. There are 48 units in total with two designs, namely the Heritage Collection and the Peak Collection. The Heritage Collection comes with built up area of 4,654 square feet and land area of 40' X 80' whilst the Peak Collection comes with built up area of 5,095 square feet and land area of 40' X 85'. These 3 storey semi-detached houses are set within a gated and guarded community.

The Certificate of Completion and Compliance (CCC) for the 3 storey superlink XL houses under the *Autumn Breeze* series was obtained in August 2019. The non-bumi units for these *Autumn Breeze* 3 storey super link XL houses were fully sold whilst we are still awaiting the bumi release for the balance of the bumi units.

Our Group embraced further digitalisation in its operations as part of its customer centric initiatives. It launched a new mobile app "CVConnect" for the property owners to log in upon key handover and report the defects, where applicable on their properties online. The defects reported would be routed online to the respective contractors to undertake necessary rectifications and when rectified would also be reported on the app. The property owners would then be able to view online whether their defects reported had been rectified.

Our Group continues to leverage on the benefits of 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 during the year.

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

REVIEW OF OPERATIONS AND HIGHLIGHTS IN 2019 (Cont'd)

The profile and reputation of Country View Group continued to be further enhanced as it was honoured with further accolades at The Edge Malaysia Centurion Club and Corporate Awards 2019. Country View Berhad was awarded in 2 catagories for Highest Growth In Profit After Tax Over Three Years and for Highest Return On Equity Over Three Years.

The Group also received an appreciation from the local council, Majlis Bandaraya Iskandar Puteri for the Best Assessment Payment Record Under Developer Category for 2019.

FINANCIAL PERFORMANCE

On 1 December 2018, the Group adopted the Malaysian Financial Reporting Standards ("MFRS") Framework which includes MFRS 15 *Revenue from Contracts with Customers.* MFRS 15 aims to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within and across industries.

For the financial year ended 30 November 2019 ("FY2019"), the Group recorded a revenue and profit before tax of RM162.7 million and RM33.9 million respectively as compared to the restated revenue and restated profit before tax of RM249.7 million and RM99.1 million respectively in the previous year.

The revenue and profit before tax were mainly derived from the property development division. Revenue and profit before tax decreased by 35% and 66% respectively in the current financial year as compared to the previous financial year. The revenue and profit before tax for the previous financial year was higher due to the one-off disposal of the lands in Kulim, Kedah for a cash consideration of RM119.9 million that was completed in the 4th quarter.

As at the end of the financial year, total assets of the Group decreased to RM693.9 million from a re-stated RM759.6 million in FY 2018. We had successfully paid down RM92.4 million of our borrowings in FY2019 as part of our prudent financial management and as at the end of FY2019, our debt gearing ratio was at 0.52 times (Restated FY2018: 0.80 times).

Consequently, the cash and bank balances of the Group decreased to RM 13.5 million in FY2019 as compared to RM54.7 million in FY2018. The cash and bank balances as at the end of the previous financial year had been boosted by the balance of the proceeds from the disposal of the lands in Kulim, Kedah.

There was no major capital expenditure incurred for FY2019.

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 2019, a first interim single tier dividend of 3 sen per ordinary share, amounting to RM3,000,000 had been declared and paid on 25 November 2019.

The Board of Directors had proposed a final single tier dividend of 5 sen per ordinary share, amounting to RM5,000,000 in respect of the financial year ended 30 November 2019, which is subject to approval of the shareholders at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 30 November 2020.

PROSPECTS

The development on the new land in Iskandar Puteri of which the acquisition was completed at the end of our FY2018 remains our top priority for the coming financial year. This upcoming development will be named as Aurora Sentral and has been targeted to be launched in the coming financial year after all necessary approvals from the relevant authorities have been obtained. This marks the dedication, focus and strategy of our Group as a premier property developer to bring to the market our developments on the land we acquired so as to ensure a stable earnings stream, sustainability, resilience for the Group and value creation for our shareholders.

The Group notes the various measures under Budget 2020 that was announced by the Government to stimulate the economy and in particular, measures to address the issues affecting the sluggish property market. Nevertheless, 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.

The Group expects its revenue and performance for the coming financial year to be driven by the three storey cluster houses, three storey terrace houses (superlink XL), three storey shop offices, One Sentral Serviced Residence, three storey semi-detached houses and its affordable homes under the Rumah Mampu Milik Johor (RMMJ) and Perumahan Komuniti Johor (PKJ) schemes at *Taman Nusa Sentral*, Iskandar Puteri.

The Group had launched 48 units of the 3 storey semi detached houses in the fourth quarter of the financial year ended 30 November 2019. The sales of the 3 storey semi detached houses had attracted a good response from buyers.

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 and commercial 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 sales and services tax (SST) 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 coming new year 2020 has brought with it the Covid-19 outbreak which is expected to have some negative impact on global economic growth and activity. This casts uncertainties for the business environment along with the disruptions caused by global trade uncertainties, policy changes and commodity fluctuations for the coming year. Domestically, the current ongoing political uncertainties may impact both our local market sentiments and foreign investments. As such, market conditions are expected to remain challenging as we head into the new financial year.

We will remain focused as a sustainable property player and continue to direct our efforts on improving operational efficiency, adjusting our property launches to offer quality products that is resonant with the changing needs and sentiments of customers, building townships with vibrant and thriving communities whilst remaining committed to be a premier developer, all the while striving to improve our performance and create value for our shareholders and other stakeholders.

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. MOHAMED AL AMIN BIN ABDUL MAJID JP
Executive Chairman

The Board of CVB recognises the importance of building a sustainable business taking into consideration all factors that will affect the sustainability of the Group's business, operation, management and how these factors are addressed in order to create shareholders' value and to safeguard the interest of all stakeholders on a long-term basis.

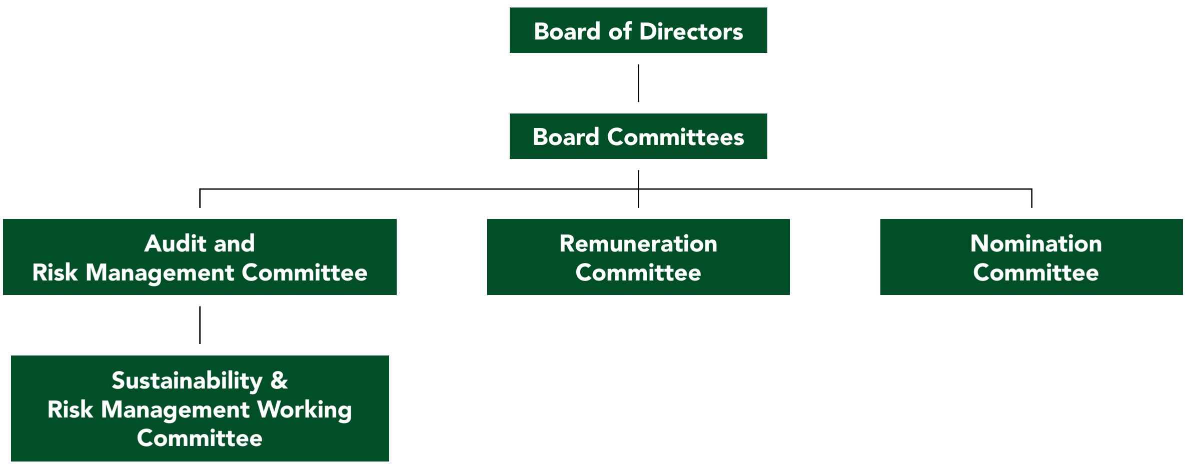
The Group is mindful that its activities should be carried out with the highest standards of corporate and social responsibility as it strives to align its business operations while balancing this to minimize the environmental impact arising from its operations and actions while at the same time improving the social and economic conditions for all its stakeholders including its employees and the communities that it operates in, with integrity and ethical practices.

This Sustainability Statement serves the purpose of reporting the strategies, initiatives, performance and achievements in relation to the Group's sustainability journey in the financial year 2019, including policies, practices and procedures developed.

Sustainability Governance Structure

During the financial year, the Board oversees the Group's Corporate Social Responsibility and sustainability agenda and ensures that CVB remains a sustainable organisation. The Board oversees its responsibilities in respect of business sustainability with the assistance of the Sustainability & Risk Management Working Committee ("SRMWC") which reports to the Audit and Risk Management Committee ("ARMC") before matters are escalated to the Board of Directors.

The sustainability governance structure adopted by CVB is as follows:



The SRMWC is chaired by the Group General Manager and in his absence the Chief Financial Officer and comprises of all Heads of Department, with diverse background and experience which enables diverse views and opinions from different perspectives when implementing strategies on sustainability.

The duties and responsibilities of the SRMWC include the following:

- Advising the Board and recommending the strategies in respect of sustainability and sustainability related policies for adoption;
- Monitoring the implementation of sustainability strategies as approved by the Board;
- Overseeing the overall management of stakeholder engagement, including ensuring grievance mechanisms are in place;
- Overseeing the management of sustainability matters, with particular focus on matters material to the Group organization; and
- Overseeing the preparation of sustainability disclosures as required by laws and/or rules, and recommending it for the Board's approval.

In formulating and making recommendations on sustainability, the SRMWC will be guided by the Group's Vision and Mission Statement.

Sustainability Governance Structure (Cont'd)

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.

As the Group grows and develops, the Board intends to continuously engage with all stakeholders to ascertain that the Group's development takes into consideration all stakeholders' concerns on sustainability, in terms of economic, environment, social and governance. CVB intends to nurture and embed a sustainability mindset and culture into its operations to drive the Group's sustainability initiative. Such a task cannot be accomplished overnight and will require continuous steps and phases to be carried out.

During the financial year, the Group had formalised the Group's Sustainability Policy as well as identification and prioritising material sustainability risks. The Group's Sustainability Policy was formalised and adopted by the Board of Directors of the Company on 21 January 2020. The said policy is available at www.countryview.com.my.

Stakeholder Engagement

In CVB's view, sustainability is an ongoing continuous journey involving a process of change of corporate culture and close engagement with all stakeholders, in particular, understanding their expectations and responding to their concerns and integrating these concerns on economic, environment, social and governance sustainability into the operations. Having identified the areas of concern and expectations of its stakeholders, the Group's engagement with its stakeholders as illustrated below will be an ongoing process.

Stakeholders	Areas of Concern	Engagement Method
Customers	• Product quality & design; • Customer service satisfaction; • Efficient complaint resolution; and • Safety and Security.	• Information shared through the Group's website/ Facebook page; • Constant engagement during sales promotions, campaigns, interaction; • Customer appreciation & loyalty program; and • Community networking sessions.
Employees	• Ethics & Integrity; • Learning and Continuous Development; • Performance Management; and • Remuneration, Incentives and Working Environment.	• Regular scheduled Management Meetings; • Various departmental discussions/meetings conducted by the head of departments with their subordinate; • Training programmes; and • Communication/ feedback through the Group's internal communication channels.
Shareholders & Investors	• Financial Performance and business strategy; and • Stable income/dividend distribution.	• Annual General Meeting; • Annual Report; • Quarterly Report; • Media releases/Announcements; • Feedback through the Group's website and email.

Stakeholder Engagement (Cont'd)

Stakeholders	Areas of Concern	Engagement Method
Regulatory Bodies	• Compliance and adhere security & safety issues; • Public nuisance issues; and • Labour practices;	• Meetings and events; and • Forum.
Suppliers & Contractors	• Transparent contract award practices; and • Fair pricing/payment schedules • Sustainable building practices and methods; and • Timely completion and delivery compliance with HDA	• Evaluation and performance review; • Contract negotiations; • Contractor registration; and • Site inspection & verification.
Local communities	• Environmental matters; • Impact on existing businesses; and • Transparency & accounting. • Safety and security	• Social activities organized by the Group • Media releases; and • Community engagement • Assistance via advice and financial contribution to set up residents' committee

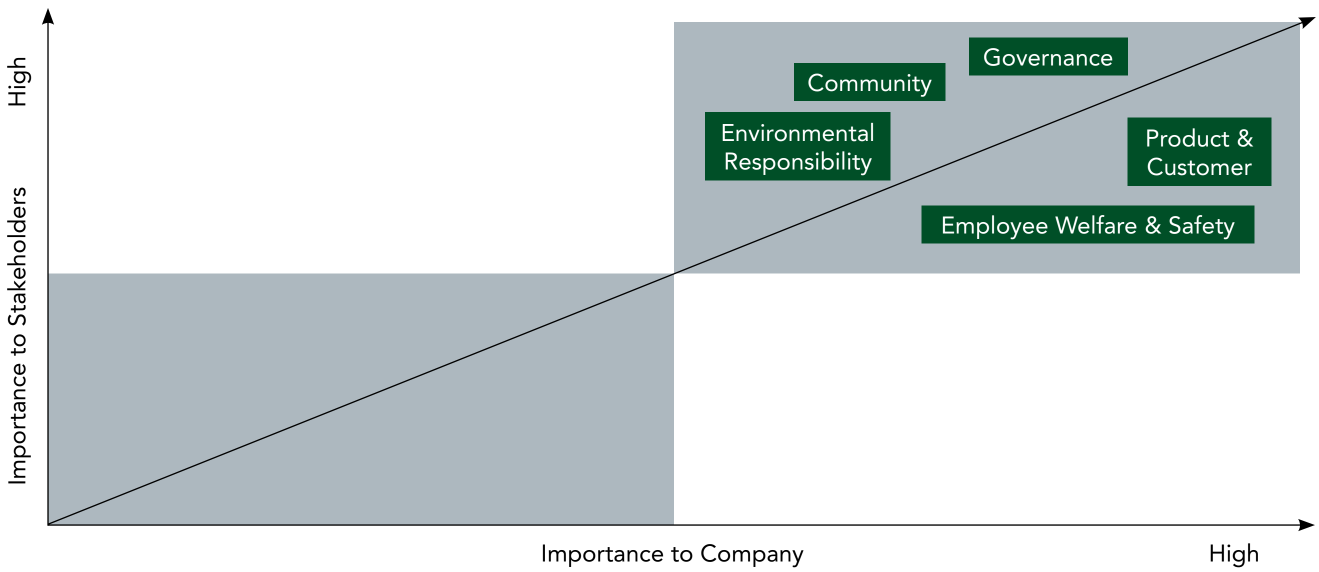
MATERIALITY

In developing our sustainability initiative, the SRMWC had identified and prioritised material sustainability risks which have an impact on economic, environmental, social and governance aspects of CVB's operations and made its recommendation to the ARMC and Board. The SRMWC had recommended to the ARMC and the Board to prioritise its focus on the following 3 key material sustainability risks:

- Governance
- Community
- Product and Customer

The ranking of the material sustainability matters and its level of importance to the Group's operations as well as stakeholders' interest were identified and prioritised for action as illustrated below.

Materiality Matrix



MATERIALITY (Cont'd)

Both the ARMC and Board had accepted and concurred with the SRMWC to prioritise and focus its attention on the following 3 key material sustainability risk issues:

- **Governance**

  In order to protect, enhance and support the sustainability of the Group, the Board and senior management are committed to maintain accountability and transparency in respect of the corporate governance of the Group. Existing policies adopted by CVB will be reviewed periodically to ensure the practices from top to bottom of the Group are in line with the latest legislations, guidance, rules and procedures applicable. In respect of the business operations, the Group also ensures that its development projects and plans strictly comply with relevant laws and regulations and the commencement of any development projects will be subjected to approval from authorities. The Board understands the importance of good corporate governance and will continuously review and improve whichever necessary to safeguard the interests of all its stakeholders.

- **Community**

  The Group will focus and enhance its practices aimed at creating a safe, healthy and harmonious environment for the communities developed by minimizing pollutions and ensuring minimal impact to environmental degradation. Although the Group has been promoting practice of recycling wastes and rubbish on construction sites and business premises, we will identify and support any other possible actions which is beneficial to the environment.

  The Group intends to enhance its community initiatives by increasing its commitments with the following activities to be carried out in the current financial year:

No.	Intended Activities	Timeline
1.	To install recycle material bins at the playground/parks of the various precinct/ phases of its development at Taman Nusa Sentral	2nd quarter of 2020
2.	To recycle materials (old newspapers, magazines, papers, boxes etc) at Head Office/ Branch offices/Sales Gallery	Every quarter of 2020
3.	To organize Gotong-Royong activities with the residents & communities to clean up the surrounding residential & commercial precincts in Taman Nusa Sentral	2nd quarter of 2020
4.	To give back to society, charities and the needy	On going

- **Product & Customer**

  As stated in the Group's mission statement, the provision of quality housing and commercial properties that meet the evolving needs of our customers is a key mission and priority. The Group will strive to ensure all development projects are completed according to the approved plan and specified time frame. The development works shall be monitored closely in order to keep the project on schedule to meet the completion deadline by maintaining good relationship and communication with its contractors. Customer experience and satisfaction, and property ownership experience is of utmost importance. Complaints and defects management, if any, is a significant element in our overall business process and operation. During the year, the Group had initiated an application ("app"), namely CVConnect, to update the status and follow up closely on all complaints and defects submitted through the mobile app.

  In addition, we focus on meeting customers' expectation and the after sales service provided to our customers. CVConnect was implemented to enhance the experience on submitting defect complaints. We believe that customers' satisfaction will be enhanced if their expectations had been addressed and met in the shortest possible time with minimum hassle and inconveniences. A good after sales service will ensure that the Group's branding and goodwill are maintained and even enhanced for long term sustainability.

ECONOMIC

Sustainability is integral to the way we conduct our business activities.

Our Group's development project located at Iskandar Puteri, Johor Bahru provides employment opportunities to the local communities.

Since its inception, the Group has built over 4,786 units of landed low cost units at RM22,000 each, 352 units of affordable apartments at RM50,000 per unit, built a sustainable township in its maiden housing project, Taman Universiti comprising of more than 10,000 units of properties.

Since its maiden project, Taman Universiti in Skudai, Johor, the Group also developed, Taman Nusa Bestari Jaya, Taman Nusa Indah and its current ongoing project, Taman Nusa Sentral contributing to nation building, nurturing communities, stimulating commercial activities and indirectly providing employment opportunities to the various communities that it has been involved in.

The Group is currently developing and constructing a further 337 units of affordable landed double storey terrace houses under Rumah Mampu Milik Johor ('RMMJ') and Perumahan Komuniti Johor ('PKJB') at Taman Nusa Sentral which will contribute and assist the Government to meet the housing needs of the nation.

The Group is pleased and honoured to report that CVB was awarded as one of the winners of The Edge Malaysia – Centurion Club Corporate Awards 2019 in the property sector for two categories, by having Highest Return on Equity and Highest Growth in Profit After Tax recorded over three years.

We take this opportunity to place on record our most sincere appreciation to all our employees for their hard work and effort, as well as the other stakeholders for supporting CVB Group.

ENVIRONMENTAL

Climate change and all sort of environment issues have always been of great concern over the years. As a responsible corporate citizen, we recognize that our actions have a significant impact on the environment and supports all actions to minimize pollutions and ensure minimal impact to environmental degradation in all its business premises.

Indeed, the Group strives to improve its development by stressing on greening its projects with facilities and amenities to sustain and ensure a higher quality lifestyle for its property owners and local community. The green initiative includes the use of rainwater harvesting system at the Group's One Sentral Serviced Residence which facilitates the storage and re-use of rainwater for landscaping and cleaning purposes.

The Group has always committed to comply with the legal and regulatory requirements set by the authorities in regards to environmental safety and protection. The Group places emphasis on environmental pollution at all its worksites and have a no open burning prohibition imposed on its contractors. Therefore, all unwanted wastes, materials and by-products resulting from the construction sites of its various ongoing projects are either recycled or properly disposed by our contractors.

All vehicles leaving the worksites are required to drive through wash troughs to maintain the cleanliness of public roads. Dust pollution is minimised by spraying water on the access roads within the worksites.

Regular fogging activities are also carried out as a pro-active measure to prevent any mosquitoes borne diseases such as malaria and dengue.

With the initiatives to save the environment, we aim to continuously improve our effort and commitment to mitigate any impact.

SOCIAL

In line with the mission statement of:

- 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";

The Group recognises the responsibilities to our employees, customers and the local community in which we operate. Meeting the expectations of our local community, empowering our employees, ensuring a safe and harmonious workplace, and supporting social and community events is given due attention and appropriately balanced in our sustainability journey.

Apart from a safe and conducive working environment for our employees with all the usual modern amenities, the Group makes available dedicated training and development programmes for each level of the Group's employees suitable for each employee at different stages of their career development, in order to help them to improve their working performance and efficiency.

Other than the Group Hospitalization and Surgical Insurance and Group Personal Accident Insurance provided to the employees for their health and wellness benefit, the Group also supports an in-house CV Club which organises various sports and recreational activities on a regular basis, as the Group encourages and promotes a healthier and active lifestyle among employees.

To create a happy and caring environment as well as to cultivate cohesion, camaraderie, team work and inclusiveness, the Group also organised Annual Dinners, gathering, events, etc. The Group's team spirit and inclusiveness was also extended into its engagements with the local communities. The Group organised events often to engage with its communities such as Fun Fairs and concerts coinciding with the Group's property launches, where the Group's employees interacted and networked with home owners and the community at large.

The Group believes that a successful business brings with it a responsibility to give back to the society. Apart from the benefits and welfare provided to the employees of the Group, monetary contributions were also made to the local communities by way of supporting activities and events organised by other organisation and societies, as well as for education purpose.

GOVERNANCE

The Group acknowledges that corporate governance is also an important element in the sustainability of a company. We strive to comply with all applicable laws, regulations and rules while conducting business in accordance with established best practices. The corporate governance structure and the relevant procedures are set out in the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control sections of this Annual Report.

The Group has in place policies and terms of reference for board committees which governs the business to be operated in an environment that promotes integrity and ethical business practices. The Board's Policy on Code of Business Conduct & Ethics which sets the behavioural standards provides clear guidance to all employees at all levels of the Group to ensure a consistent approach to business practices throughout the Group. The Whistleblowing Policy also supports the values and ethics set out in the Board's Policy on Code of Business Conduct & Ethics and encourages all the employees to raise genuine concerns of any malpractices or misconduct in an appropriate way.

In terms of risk management of the Group, a sound risk management framework has been established for managing risks affecting the business and operations, which are detailed in the Statement on Risk Management and Internal Control section of this Annual Report. It clearly outlines the duties and responsibilities at each level within the Group as well as the accountability in implementing the risk management processes and internal control system.

The Group takes the endeavour seriously to ascertain that all projects and plans are in line with the relevant laws and regulations and guidelines of all relevant authorities. For instance, the Group ensures that all the developments comply with all applicable Construction Industry and Development Board requirements and health and safety standards.

The Board of Directors of CVB together with the management are committed to continually refining and improving these processes over time.

TAN SRI DATUK IR. MOHAMED AL AMIN BIN ABDUL MAJID JP

- 64 years of age
- Malaysian
- Male

- Executive Chairman

Tan Sri 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 a degree in Bachelor of Science in Civil Engineering from the University of Aston, Birmingham, United Kingdom which conferred him 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 does not hold directorship in any other listed corporation or public company.

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 5 board meetings held during the financial year ended 30 November 2019. He has no family relationship with any of the Directors and/or major shareholders of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He directly holds 626,200 ordinary shares of the Company.

LAW KIT TAT

- 59 years of age
- Malaysian
- Male

- Executive Director

Mr Law 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 33 years.

He also sits on the Board of several other private limited companies. He does not hold directorship in any other listed corporation or public company.

He attended all 5 board meetings held during the financial year ended 30 November 2019. 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 within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He directly holds 22,007,800 ordinary shares of the Company.

WONG CHEE SEAN @ WONG SEAN

- 50 years of age
- Malaysian
- Male

- Executive Director

Mr Wong 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 graduated with a Bachelor of Science in Business Administration (majoring in International Business Marketing) from the San Francisco State University.

He has over 26 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 listed corporation or public company.

He attended all 5 board meetings held during the financial year ended 30 November 2019. He is the son of Mdm Hang Ah Jee @ Hung Ah Jee, a major shareholder of CVB. and also the cousin of Mdm Wong Joon Chin, an Executive Director of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/conflict with the current business of the Group. He has no convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He directly holds 10,608,736 ordinary shares of the Company.

WONG JOON CHIN

- 62 years of age
- Malaysian
- Female

- Executive Director

Mdm Wong 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 also has extensive experience in business. She does not hold directorship in any other listed corporation or public company. She is also a director of several other private limited companies

She attended all 5 of the board meetings held during the financial year ended 30 November 2019. 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 within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. She directly holds 2,150,000 ordinary shares of the Company.

LAW KEE KONG

- 57 years of age
- Malaysian
- Male

- Non-Independent Non-Executive Director
- Member - Audit and Risk Management Committee
- Member - Nomination Committee
- Member - Remuneration Committee

Mr Law 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 a director of several other private limited companies. He does not hold directorship in any other listed corporation or public company.

He attended all 5 board meetings held during the financial year ended 30 November 2019. He is the younger brother of Mr Law Kit Tat, an Executive Director and major shareholder of CVB. He has interests in certain companies carrying on similar businesses/trade as the CVB Group. During the financial year up to the date of this Report, he has not been involved in any new business which will give rise to competition/ conflict with the current business of the Group. He has no convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He directly holds 6,250,000 ordinary shares of the Company.

CHOONG SHIAU YOON

- 62 years of age
- Malaysian
- Male

- Senior Independent Non-Executive Director
- Chairman - Audit and Risk Management Committee
- Chairman - Nomination Committee
- Member - Remuneration Committee

Mr. Choong 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 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 listed corporation or public company.

Mr. Choong was elected as a member of Parliament for the Tebrau Constituency in Johor since 9 May 2018. He is also a member of the Public Accounts Committee of the Parliament of Malaysia and a Commissioner of The National Water Service Commision (SPAN).

He attended all 5 board meetings held during the financial year ended 30 November 2019. He has no family relationship with any of the Directors and/or major shareholder of CVB. He does not have any conflict of interest with CVB. He has no convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He does not hold any shares of the Company.

HAN HING SIEW

- 61 years of age
- Malaysian
- Male

- Independent Non-Executive Director
- Member - Audit and Risk Management Committee
- Member - Nomination Committee
- Chairman - Remuneration Committee

Mr Han was appointed to the Board of Country View Berhad ("CVB") on 1 December 2018.

Mr Han graduated with a Bachelor of Commerce degree (majoring in Accounting) from the University of Otago,New Zealand. He has been a member (Chartered Accountants) of the Malaysian Institute of Accountants since 1992. He qualified as a Certified Financial Planner by the Financial Planning Association of Malaysia since 2003.

He joined AmInvestment Bank Berhad in 1991 and retired in 2016. He has served as Head of Investment Banking for the Southern Region which encompassed Corporate Advisory services (for Corporate Finance & Debt Capital Market), Corporate Loans, Treasury Solutions and Stockbroking services.

His experience includes advising companies seeking listing on Bursa Malaysia Securities Berhad, restructuring, mergers, acquisitions, takeovers, loan syndications, bonds and sukuk issuance and bilateral loans.

He sits as an Independent Non-Executive Director of Dominant Enterprise Berhad which is listed on the Main Board of Bursa Malaysia Securities Berhad.

He has no family relationship with any of the Directors and/or major shareholder of CVB. He does not have any conflict of interest with CVB. He has no convictions for offences within the past 5 years (other than traffic offences, if any) and there was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year. He does not hold any shares of the Company.

Save as disclosed below, none of the 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 for offences (other than traffic offences) in the past 5 years; and
e) any public sanction or penalty imposed by any relevant regulatory bodies during the financial year.

YEE GEE MIN

- 69 years of age
- 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 shareholders' 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 42 years of hands-on working experience in the property development sector.

ONG SENG PIOW, CA (M), ACMA

- 52 years of age
- Malaysian
- Male

- Chief Financial Officer

Mr Ong joined the Company on 21 June 2007 as the Senior Manager, Account & Services. He was 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.

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

This statement is to provide shareholders and other stakeholders with an overview of the Group's application of the following three (3) Principles set out in the Malaysian Code on Corporate Governance issued on 26 April 2017 ("MCCG") under the leadership of the Board and should be read together with the Corporate Governance Report 2019 of CVB ("CG Report") which is accessible on CVB's website at http://www.countryview.com.my and via announcement on Bursa Malaysia Securities Berhad ("Bursa Securities")'s website.

(a) Principle A : Board Leadership and Effectiveness;
(b) Principle B : Effective Audit and Risk Management; and
(c) Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The CG Report provides the details on how CVB has applied each Practice as set out in the MCCG during the financial year 2019 ("FY2019"). Other than Practice 1.3, 4.1, 4.3, 4.5, 7.2, 7.3. 8.4, 9.3, 11.2, 12.1 and 12.3, the Board is of the view that CVB has substantially complied with the recommendations of MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A.1 Board's Roles and Responsibilities

The Board recognises and is always mindful that its leadership and stewardship role in setting the tone from the top is vital in building a sustainable business, creating and delivering sustainable values in the pursuit of long term success for the Company and Group.

The Board plays a key and active role through its policies and strategies and is committed to ensuring that it provides effective oversight and overall management of the Company and Group including promoting high ethical standards within the organisation.

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 MCCG. 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.

The Board has defined the roles and responsibilities for the Board and its Directors. In discharging their fiduciary responsibilities, the Board emphasises strongly during its Board meetings on the deliberation and review of the financial performance of the Group, the execution of strategic plans by the Executive Directors, the principal risks faced by the Group and effectiveness of management mitigation plans, the appraisal of senior management 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 and Risk Management Committee ("ARMC"), 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.1 Oversight of Group's Business

The day-to-day management of the business operations of the Group is led by the Executive Directors and Senior Management. 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.

A.1.2 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.

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 Committee 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 Chairman will 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.

A.1.3 Strengthen Composition

The MCCG 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 Main Market Listing Requirements ("Listing Requirements"), 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 the Listing Requirements. 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, corporate finance, 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 50 years to 64 years to ensure that different viewpoints are considered in the decision making process.

The profile of each Director is set out on pages 17 to 20 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.4 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.

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 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. The roles and functions of a Chief Executive Officer is carried out and performed by the Executive Directors jointly and collectively.

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.

A.1.5 Board Commitment

The Board has a policy on time commitment 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 Secretaries 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.5 Board Commitment (Cont'd)

The attendance record of the Directors at Board and Committee meetings in respect of the FY2019 are set out below:

Name of Director	Position	Attendance			
		Board	ARMC	NC	RC
TAN SRI DATUK Ir. MOHAMED AL AMIN BIN ABDUL MAJID	Executive Chairman	5/5	-	-	-
LAW KIT TAT	Executive Director	5/5	-	-	-
WONG JOON CHIN (F)	Executive Director	5/5	-	-	-
WONG CHEE SEAN @ WONG SEAN	Executive Director	5/5	-	-	1/1
LAW KEE KONG	Non-Independent Non-Executive Director	5/5	5/5	3/3	2/2
CHOONG SHIAU YOON	Senior Independent Non-Executive Director	5/5	5/5	3/3	1/1
HAN HING SIEW	Independent Non-Executive Director	5/5	5/5	3/3	2/2

A.1.6 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 2019	MFRS 9 : Made Simple for Company Director by Malaysian Institute of Accountants	All the Directors of the Company
18 October 2019	Updates on MFRS 15 & 16 by Malaysian Institute of Accountants	Choong Shiau Yoon
19 October 2019	Impact of Technology on FP/FA Firm and its Registered/Licensed Representative by Financial Planning Association Of Malaysia	Han Hing Siew
24 October 2019	2020 Budget Seminar by Chartered Tax Institute Of Malaysia	Choong Shiau Yoon
22 November 2019	Biological Assets : Points of Interest (MFRS 141 and MPERS S34) by Malaysian Institute of Accountants	Choong Shiau Yoon

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.7 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**
  Law Kee Kong – Non-Independent Non-Executive Director
  Han Hing Siew - 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.

Activities of BNC

During the year the BNC carried out the following activities:

a) 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 and all members of the Board had demonstrated their ability to work together and with management as a cohesive unit. The present members of the Board were persons of calibre, character and integrity, possessing 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.

b) 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.

   The BNC also concluded that:

   i) The Board was in a position to draw on the benefits and experience of its Directors in the core areas of accounting and taxation, corporate finance 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 50 years to 64 years;
      - the directors coming from different backgrounds, profession and experience;
      - gender diverse with a member of the female gender represented in the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.7 Nomination Committee (Cont'd)

c) 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 under paragraph A.2.0 in this statement.

d) reviewed the ARMC's term of office and performance of ARMC and each of its members and BNC was of the opinion that the ARMC was effective and decisive. The ARMC members possessed the right mix of relevant experience and knowledge and had effectively discharged their duties and role.

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.

e) reviewed directors' retirement

Director's 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 page 25 of this Annual Report.

At the forthcoming 2020 AGM, Mr Law Kit Tat and Mr Choong Shiau Yoon are due to retire by rotation under Clause 132 of the Constitution and being eligible have offered themselves for re-election. The BNC following its review on the performance of the two 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 2020 AGM.

f) 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:-

- character, age and experience, competencies, commitment, contribution and performance;
- diligence and professionalism;
- integrity; and
- in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors, in particular, independence of mind and sense of fairness.

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

A.1.8 Remuneration Committee

The Board Remuneration Committee ('BRC') is comprised wholly of Non-Executive Directors with a majority of Independent Non-Executive Directors as follows:

- **Chairman**
  Han Hing Siew – Independent Non-Executive Director

- **Members**
  Choong Shiau Yoon – Senior Independent Non-Executive Director
  Law Kee Kong – Non-Independent Non-Executive Director

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.8 Remuneration Committee (Cont'd)

Subsequent to financial year end, the BRC had met to review and recommend the remuneration for its Directors and senior management in accordance with the Board's Remuneration Policy which sets out the policy framework to enable the Board to attract, retain and motivate individual of the right quality and calibre.

The Board's Remuneration Policy can be reviewed at CVB's website at http://www.countryview.com.my.

In line with corporate governance best practice, the disclosure of the Directors' remuneration on a named basis are set out below:

The details of remuneration of Directors for the FY2019 for CVB and Group level are as follows:

Directors	Salaries and other emoluments (RM)	Fees (RM)	Bonus (RM)	Benefits-in-kind (RM)	Total (RM)
Tan Sri Datuk Ir. Mohamed Al Amin Bin Abdul Majid	375,619.00	20,000.00	167,100.00	22,853.00	585,572.00
Law Kit Tat	448,533.00	20,000.00	294,000.00	*30,040.00	792,573.00
Wong Chee Sean @ Wong Sean	318,179.00	20,000.00	129,180.00	*30,040.00	497,399.00
Wong Joon Chin	423,340.27	20,000.00	172,240.00	*4,200.00	619,780.27
Choong Shiau Yoon	-	90,000.00	-	-	90,000.00
Law Kee Kong	-	90,000.00	-	-	90,000.00
Han Hing Siew	-	90,000.00	-	-	90,000.00
Total	**1,565,671.27**	**350,000.00**	**762,520.00**	**87,133.00**	**2,765,324.27**

Other emoluments comprised allowance, EPF contribution and perquisites.
* Benefits in Kind is provided by the wholly owned subsidiary.

The proposed Directors' fees totalling RM350,000.00 (FY2018: RM352,465.75) payable to all Directors for the FY2019 are subject to shareholders approval at the forthcoming AGM.

A.1.9 Board Independence

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 Listing Requirements, also considers:

- whether the Independent Directors have 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;

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.9 Board Independence (Cont'd)

Assessment of Independent Directors (Cont'd)

- 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 recommended practice whereby 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 Securities when an independent director loses his independent status.

As at the reporting date, Mr Choong Shiau Yoon and Mr Han Hing Siew are the Independent Non-Executive Directors of the Company. Mr Han was appointed on 1 December 2018 and will have served as an Independent Director for a period of approximately one and a half year while Mr Choong was appointed as Independent Non-Executive Director since 27 March 2002 and will have served for a cumulative period of more than nine years by 28 April 2020, the scheduled date for the 2020 AGM.

Subsequent to the financial year end, the BNC carried out its annual assessment on the independence of its Independent Directors, Mr Choong Shiau Yoon and Mr Han Hing Siew. The Board based on the review and, recommendations made by the BNC, was unanimous in its opinion that Mr Choong's and Mr Han's independence had not been compromised or impaired in any way after having noted the following considerations during the review and assessment of both Directors.:

- both Mr Choong and Mr Han continues to fulfil the criteria and definition of an Independent Director as set out under Paragraph 1.01 of the Listing Requirements;
- During their tenure in office, both Mr Choong and Mr Han had 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 Director, Chairman or member of the Board's Committees;
- During their tenure in office, both Mr Choong and Mr Han had 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 the Listing Requirements;
- During their tenure in office as Independent Non-Executive Director in the Company, both Mr Choong and Mr Han had 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.

Both the BNC and the Board concluded unanimously that in its opinion, both Mr Choong's and Mr Han's independence had not been compromised or impaired in any way and was of the opinion that both Mr Choong and Mr Han will be in a position to continue to carry out their duties and responsibilities as Independent Non-Executive Directors of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

A.1 Board's Roles and Responsibilities (Cont'd)

A.1.9 Board Independence (Cont'd)

Assessment of Independent Directors (Cont'd)

In respect of Mr Choong both the BNC and the Board noted that Mr Choong had been appointed as an Independent Non-Executive Director on 27 March 2002 and pursuant to Practice 4.2 of MCCG will have served as an Independent Non-Executive Director for a period of more than 18 years by 28 April 2020, the scheduled date for the 2020 Annual General Meeting.

During his tenure in office, Mr Choong had 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 sector thereby enabling him 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.

Mr Choong is an Accountant by profession having been the principal and managed his own practice with over 38 years of practical experience. Mr Choong is currently Member of Parliament for the Tebrau Constituency in Johor, a member of the Public Accounts Committee of the Parliament of Malaysia and a Commissioner of The National Water Service Commision (SPAN). He has demonstrated very strong leadership characteristics, integrity and continues to be independent in mind with no hesitation in expressing his opinions, stance on matters and issues and does not shy away from raising serious and pertinent questions during deliberations.

Mr Choong had also furnished a fresh declaration on his independence and the BNC and the Board had noted that Mr Choong had indicated that he was willing to continue in office as an Independent Non-Executive Director beyond the nine years tenure recommended under the MCCG.

The BNC and the Board was unanimous in its opinion that Mr Choong's independence has not been compromised or impaired in any way taking note of the abovementioned considerations and accordingly both the BNC and the Board strongly recommends retaining Mr Choong as an Independent Non-Executive Director and will be tabling an Ordinary Resolution to shareholders at the forthcoming AGM for the said purpose pursuant to Practice 4.2 of MCCG notwithstanding his long tenure in office.

The BNC and the Board had then deliberated on the recommendation under MCCG Practice 4.2 which recommends that the Board should seek annual shareholders' approval through a two-tier voting process.

The Board had not sought shareholders' approval through a two-tier voting process at the 2019 AGM.

Following due consideration and deliberation, the Board on the recommendation of the BNC will seek approval from shareholders to retain Mr Choong as an Independent Director through a two-tier voting process to uphold the recommendations of MCCG Practice 4.2.

PRINCIPLE B: EFFECTIVE AUDIT & RISK MANAGEMENT

B.1 Audit and Risk Management Committee

The composition requirement of the ARMC members is in accordance with the regulatory requirements. The ARMC has access to all the Executive Directors, senior management, External and Internal Auditors.

On a separate note, the Board is mindful of the Listing Requirements on the review of the terms of office and performance of the ARMC and each of its members. The review of the terms of office and performance of the ARMC 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 BNC and the Board are of the opinion that the performance of the ARMC has been satisfactory and each member of the ARMC has carried out and discharged their responsibilities in accordance with the ARMC's terms of reference.

Further information on the composition and summary of work of the ARMC are set out on pages 34 to 37 of this Annual Report.

The Board notes the comment by Bursa Malaysia vide their letter dated 16 October 2019, that listed issuers with combined committees will not qualify for the adoption of step-up Practice 9.3.

Both the ARMC and the Board were of the opinion that the decision to combine the functions of the AC and the Risk Management Committee was still relevant and most practical solution to suit the Company's circumstances and the Board has opted to maintain the existing structure of the ARMC.

The Board will review the need to separate the Audit Committee and the Risk Management Committee as recommended under step up Practice 9.3 if changes occur in the current size and composition of the Board together with other dynamics such as the current level of operations and business of the Group.

B.2 Risk Management System, Integrity of Management Information and Internal Control

The Board has an effective risk management system and internal control system in place, which is overseen by a Sustainability and Risk Management Working Committee that reports to the ARMC and ultimately to the Board for the FY2019. 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. Senior Management 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 Statement on Risk Management and Internal Control on pages 38 to 41 of this Annual Report.

B.3. Recognise and Manage Risks

As mentioned earlier, the Board and ARMC is assisted by a Sustainability and 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 ARMC.

The Internal Audit function 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 Statement on Risk Management and Internal Control set out on page 40 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.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C.1. 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 ARMC assists the Board in ensuring the information disclosed is accurate, adequate and complies with all applicable Financial Reporting standards.

The Board's ARMC 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 ARMC 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 2020 in respect of FY2019. Following this review the ARMC and Board were satisfied with the independence of the external auditors and their performance.

C.2. 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 2019 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 ARMC and recommended to the Board for approval before releasing to the public via the Bursa Securities's website. In the preparation of the financial statements for the year ended 30 November 2019, 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 52 whereas the Statement of Directors' Responsibility pursuant to Paragraph 15.26(a) of the Listing Requirements is on page 46 of this Annual Report.

The details of the audited financial statements of the Company are set out on pages 47 to 123 of this Annual Report.

C.3. 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 BNC 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.

The Board is mindful of the provisions of Section 17A of the MACC Act which is expected to come into effect in June 2020. Going forward, the Board will be reviewing its Code of Business Conduct and Ethics and Whistle Blowing Policy as well as its business processes to ensure that they are compliant and in line with the new Section 17A.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

C.4 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 MCCG.

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

C.5 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 MCCG.

During the year, in line with the Paragraph 8.29A of the Listing Requirement, all resolutions tabled at the Company's 36th 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 36th AGM.

At the last AGM, 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.

C.6 Stakeholder Communication Policy

The Board recognizes the importance of communications with its shareholders, investors and other stakeholders ensuring that they are well informed of the Group's performances and latest developments. As such, the Group disseminates information to its shareholders, investors and other stakeholders through its Annual Report, circulars, quarterly financial results, various corporate disclosure and announcements from time to time. Shareholders, investors and other stakeholders may obtain the Company's latest announcements via the website of Bursa Securities 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 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 financials of the Group.

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

C.7 Sustainability

The Board of CVB recognises the importance of building a sustainable business taking into consideration all factors that will affect the sustainability of the Group's business, the management and how these factors are addressed in order to create long term shareholder value and to safeguard the interest of all stakeholders.

The Group's Sustainability Statement is set out on pages 11 to 16 of this 2019 Annual Report.

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 MCCG and will take appropriate steps towards embracing the Principles and Recommendations under the MCCG at a pace and time frame consistent with the size, priority and dynamics of the Group.

COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

In compliance with Paragraph 15.09 of the Main Market Listing Requirements ('Listing Requirements') of Bursa Malaysia Securities Berhad ('Bursa Securities'), the Audit and Risk Management Committee ("ARMC") of Country View Berhad ('CVB') is comprised wholly of Non-Executive Directors with a majority of Independent Directors as follows:

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

Han Hing Siew
(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, Mr Han Hing Siew a retired investment banker with experience in corporate finance and banking, and is a Chartered Accountant of the Malaysian Institute of Accountants and Mr. Law Kee Kong is an Economist by training and 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.

SECRETARY

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

TERMS OF REFERENCE

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

MEETINGS

The attendance record of all members of the ARMC in respect of the financial year ended 30 November 2019 at meetings of the ARMC held are as follows:-

Name	Number of Meetings Attended	Percentage of Attendance (%)
Mr Choong Shiau Yoon	5/5	100
Mr Han Hing Siew	5/5	100
Mr Law Kee Kong	5/5	100

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

During its scheduled quarterly meetings, the ARMC 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 ARMC under its Terms of Reference.

During the year, the ARMC also reviewed the Group's risk management framework and profile [with assistance of its Sustainability and Risk Management Working Committee ("SRMWC")]. The ARMC also reviewed the internal control processes (with the assistance of its outsourced Internal Audit Function) twice a year.

All issues and challenges were deliberated during ARMC 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 ARMC meeting were properly minuted by the Company Secretary and subsequently elevated to the Board for review and notation.

MEETINGS (Cont'd)

The Group General Manager and the Chief Financial Officer who is the Chairman and Deputy Chairman of the SRMWC respectively were invited to attend all ARMC meetings to facilitate direct communication and interaction as well as provide clarifications on audit, financial, risk management and operational issues.

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

The External Auditors of the Company represented by their Engagement Partner and the Audit Manager leading the Audit attended ARMC meetings to present their Audit Planning Memorandum and Audit Findings Memorandum.

SUMMARY OF ACTIVITIES

In respect of the financial year ended 30 November 2019, the ARMC in discharging its duties and functions carried out activities which are summarised broadly as follows:-

a) Internal Audit

The CVB Group's internal audit function, which reports directly to the ARMC, is outsourced to Axcelasia Columbus Sdn. Bhd. The Engagement Director is Mr Mah Siew Hoong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Mr Mah is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The number of staff deployed for the internal audit reviews ranges from 3 to 4 staff per visit which is carried out twice a year. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement team are free from any relationship or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and were guided by the International Professional Practice Framework.

The primary responsibility of this internal audit function is to assist the Board and the ARMC 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.

Before the commencement of the internal audit reviews, an internal audit plan over a 2 years cycle was presented to the ARMC for their review and approval. Upon approval by the ARMC, 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 ARMC 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 ARMC's expectations.

Prior to the presentation of reports and findings to the ARMC, comments from the management were obtained and incorporated into the internal audit findings and reports.

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

i. Financial Statement Close Process
ii. Project Operation Risk Management

The internal audit reports also covered the follow-up by the management on the implementation of recommendations in their earlier reports.

The total cost incurred during the current financial year for the internal audit function of the Group was RM47,358.40.

Subsequent to the financial year end 30 November 2019, the ARMC carried out an assessment of the performance of suitability of the Internal Audit Function based on the adequacy of the scope, competency and resources.

SUMMARY OF ACTIVITIES (Cont'd)

b) Risk Management

During the year, the ARMC with the assistance of the SRMWC reviewed the Risk Management Framework and Profile as well as the adequacy and effectiveness of the Group's risk management framework. The SRMWC is responsible to oversee and perform periodic reviews on the Group's Risk Management framework and activities. Further details of the Group's risk management and internal control processes are set out in the Statement on Risk Management and Internal Control on pages 38 to 41 of this Annual Report.

c) Financial Reporting

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

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 Interim Financial Reports were tabled at the ARMC meetings held on 25 April 2019, 25 July 2019, 25 October 2019 and 21 January 2020.
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 Listing Requirements;
iii. Reviewed the External Auditors' Audit Planning Memorandum for the financial year ended 30 November 2019;
iv. Reviewed the AFS and the External Auditors' findings and recommendations for the financial year ended 30 November 2019 on 21 January 2020;
v. Conducted independent meeting session with the External Auditors without the presence of executive board members and management personnel on 21 January 2020 and 6 March 2020;
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 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.

d) External Audit

Messrs BDO PLT is the External Auditors for CVB and all its subsidiaries. Messrs BDO PLT led by their engagement partner presented their Audit Planning Memorandum for the financial year ended 30 November 2019 on 25 October 2019 and had declared and confirmed that they were independent and would be independent through their audit engagement.

Subsequent to the financial year ended 30 November 2019, the ARMC met with the External Auditors in the absence of management on two (2) occasions during 21 January 2020 and 6 March 2020. The ARMC 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 ARMC carried out an assessment of the performance and suitability of Messrs BDO PLT based on the quality of services, adequate resources and trained professional staff assigned to the audit. The ARMC has been generally satisfied with the independence, performance and suitability of Messrs BDO PLT based on the assessment and are recommending to the Board and shareholders for approval for the re-appointment of Messrs BDO PLT as External Auditors for the financial year ending 30 November 2020.

SUMMARY OF ACTIVITIES (Cont'd)

e) During the financial year ended 30 November 2019, there were no related party transactions. Nevertheless, the ARMC reviewed and ensured that the processes in respect of RPT's were present and adhered to.

CORPORATE GOVERNANCE PRACTICES

Apart from discharging its duties with respect to the internal audit, risk management, financial reporting and external audit, the ARMC 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 2017, other applicable laws, rules, directives and guidelines.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 B 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.*

During the financial year, the Sustainability and Risk Management Working Committee ("SRMWC") reviewed, appraised and assessed the controls and actions in place to mitigate and manage the overall risk exposure of the Group as well as raised issues of concerns and recommended mitigating actions. The SRMWC reports to the Audit and Risk Management Committee ("ARMC") where key risks and mitigating actions were deliberated and implemented. Subsequently, the ARMC presented a summary of their deliberations and decisions to the Board.

During the financial year, the adequacy and effectiveness of the internal controls were reviewed by the ARMC in relation to the internal audits conducted by the outsourced Internal Audit function. The ARMC deliberated on the audit issues and actions taken by Management and a summary of the deliberations have been presented to the Board.

Where there are internal control and risk-related matters warranting the attention of the Board, these matters are recommended by the ARMC to the Board for its deliberation and decision.

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 Overview Statement.

- The ARMC of the Group, with the assistance of the Sustainability and Risk Management Working Committee, performs scheduled 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 and Risk Management Committee Report.

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES (Cont'd)

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

- The Group has combined the function of a Sustainability Working Committee together with the existing Risk Management Working Committee and was renamed as Sustainability and Risk Management Working Committee ("SRMWC"). It was established to oversee and perform periodic reviews on the Group's risk management framework and activities.

  The SRMWC is chaired by the Group General Manager and in his absence, the Chief Financial Officer will chair the meeting and comprises of all heads of Department.

  The SRMWC will report to the ARMC 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. Subsequently, ARMC will report to the Board for their attention, review and/or approval where necessary.

- 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.

- Adoption and consistent application of appropriate accounting policies in the annual financial statements of the Group, and prudent judgements and reasonable estimates have been made in accordance with the applicable accounting standards in Malaysia. Processes and controls are in place for effective and efficient financial reporting and disclosure in the annual and quarterly financial statements of the Group to give a true and fair view of the financial position of the Group.

- Top down communication is made to all levels, of the Company's values such as the Board Charter, our statements of vision, mission, code of business conduct and ethics, corporate disclosure, board policy on time commitment, procedures for appointment of directors, remuneration for directors and senior management, shareholders communication as well as whistle-blowing are available on our website.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS (Cont'd)

d) Audits

- The Group's internal audit function is outsourced to a professional service firm to provide the ARMC with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls. The Internal Audit function performs internal audit reviews in accordance with the risk based internal audit plan reviewed and approved by the ARMC. The Internal Audit function checks for compliance with policies and procedures and the effectiveness of the internal control system and highlights significant findings of non-compliances, if any in the scheduled ARMC meetings of the Company. Further details of the functions and activities of the Internal Audit function are set out in the Audit and Risk Management Committee Report.

- The external audit engagement and quality reviewing partners are to be subject to a seven years rotation. An annual plan, comprising planned statutory audits and scope of work for the financial year in relation to the audit services by the external auditors, are reviewed and approved by the ARMC.

e) Related Party Transactions

Related party transactions are disclosed, reviewed, and monitored by the ARMC 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.

g) Sustainability

Major sustainability risks have been addressed in line with the Group's sustainability framework and business strategies as elaborated in the Sustainability Statement.

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 SRMWC and highlighted to the ARMC before reporting to the Board at their scheduled meetings.

The respective heads of department will report and update the risk management database as and when new risks are identified together with the associated mitigating factors recorded accordingly in SRMWC's meeting. 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.

RISK MANAGEMENT FRAMEWORK (Cont'd)

During the financial year under review, the SRMWC has conducted the following:-

- Oversee and perform periodic reviews on the Group's risk management framework and activities.
- 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 ARMC before approval by the Board.
- The In house Corporate Secretarial, Manager presented the updated Risk Management profile to ARMC at their meeting held on 7 March 2019 and 25 October 2019.

The SRMWC 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 2019 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 Audit and Assurance Practice Guide ("AAPG") 3 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.

AAPG 3 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 is not 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 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 6 March 2020.

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. Audit and Non-Audit fees

The audit and non-audit fees paid or payable to Messrs BDO PLT, the external auditors by the Company and its subsidiaries during the financial year ended 30 November 2019 were as follow:

	2019	
Audit Services	**Group RM**	**Company RM**
Statutory audit fees	130,000	53,500
Non-audit fees	34,000	3,000
TOTAL	164,000	56,500

3. Material contracts

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

4. Employee Share Scheme

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

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	%
9	Less than 100	199	0.0002
564	100 to 1,000	416,700	0.4167
392	1,001 to 10,000	1,645,601	1.6456
121	10,001 to 100,000	3,225,250	3.2252
37	100,001 to less than 5% of issued shares	35,399,464	35.3995
6	5% and above of issued shares	59,312,786	59.3128
1,129	**Total**	**100,000,000**	**100**

List of Thirty Largest Shareholders as at 28 February 2020

(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.	UOB Kay Hian Nominees (Asing) Sdn Bhd exempt AN for UOB Kay Hian PTE LTD (A/C Clients)	3,761,900	3.7619
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.	Kho Kwok, Kwan Ying	1,710,000	1.7100
14.	Public Nominees (Tempatan) Sdn Bhd pledged securities account for Wong Chee Sean @ Wong Sean	1,700,000	1.7000
15.	Mohd Adnan Bin Mohd Nor	1,650,000	1.6500
16.	Maybank Nominees (Tempatan) Sdn Bhd pledged securities account for Law Kit Tat	1,650,000	1.6500
17.	Lee Hin Meng @ Lee Sing Lee	1,630,000	1.6300
18.	Lai Boo Luck	1,340,000	1.3400
19.	Syarikat Ajaib Jaya Sdn. Bhd.	1,200,000	1.2000
20.	Yee Gee Min	1,070,014	1.0700
21.	Public Nominees (Tempatan) Sdn Bhd. pledged securities account for Lee Kin Kheong	938,600	0.9386
22.	Chan Chee Wai	937,310	0.9373
23.	Law Kit Tat	850,000	0.8500
24.	Sadiah Binti Suleiman	682,600	0.6826
25.	Kong Fu Tak	654,000	0.6540

List of Thirty Largest Shareholders as at 28 February 2020 (Cont'd)

(As per Record of Depositors)

No.	Name of Holders	No. of Shares	%
26.	Mohamed Al Amin Bin Abdul Majid	626,200	0.6262
27.	Lim Ming Lang @ Lim Ming Ann	555,200	0.5552
28.	Public Nominees (Tempatan) Sdn Bhd. pledged securities account for Wong Chee Hao	516,000	0.5160
29.	HLB Nominees (Tempatan) Sdn Bhd pledged securities account for Chiat Moh Sdn Bhd	402,000	0.4020
30	CGS-CIMB Nominees (Tempatan) Sdn Bhd pledge securities account for Lee Siaw Hua	258,000	0.2580

Substantial Shareholders (Excluding Bare Trustees) as at 28 February 2020

(As per the Register of Substantial Shareholders)

No.	Name of Shareholders	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1.	Law Kit Tat	22,007,800	22.0078	-	-
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	682,600	0.6826	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 2020

(As per the Register of Directors' Shareholdings)

No.	Name of Directors	No. of Shares Held			
		Direct Interest	%	Deemed Interest	%
1	Tan Sri Datuk Ir. Mohamed Al Amin Bin Abdul Majid	626,200	0.6262	-	-
2.	Law Kit Tat	22,007,800	22.0078	-	-
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.	Han Hing Siew	-	-	-	-

GROUP PROPERTIES

AS AT 30 NOVEMBER 2019

The following are the properties of the Group which net book value is 5% or more of consolidated total assets of the Group:

Location	Tenure	Land area	Usage	Net book value as at 30 November 2019 (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	54,313	1997
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 PTD116767, all in Mukim of Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	43.86 acres	On-going mixed development project	95,358	2005
HSD 309469, PTD 71080, Mukim of Pulai, District of Johor Bahru, State of Johor	Freehold	163.9205 acres	Future development land	357,976	2018

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 2019, 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.

countryview

Building Homes for Generations

Directors' Report and Audited Financial Statements

30 NOVEMBER 2019

TABLE OF CONTENTS

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 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property development, investment holding and property investment. The principal activities and the details of the subsidiaries are set out in Note 9 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	**24,871**	**666**
Profit attributable to owners of the parent	**24,871**	**666**

DIVIDEND

Dividend paid, declared or proposed by the Company since the end of the previous financial year was as follows:

	RM'000
In respect of financial year ended 30 November 2019:	
First interim single tier dividend of 3 sen per ordinary share, paid on 25 November 2019	**3,000**

The Directors proposed a final single tier dividend of 5 sen per ordinary share, amounting to RM5,000,000 in respect of the financial year ended 30 November 2019, which is subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Country View Berhad

Tan Sri Datuk Ir. Mohamed Al Amin Bin Abdul Majid
Law Kit Tat
Wong Chee Sean @ Wong Sean
Wong Joon Chin (F)
Law Kee Kong
Choong Shiau Yoon
Han Hing Siew

DIRECTORS (Cont'd)

The Directors who have held office during the financial year and up to the date of this report are as follows: (Cont'd)

Subsidiaries of Country View Berhad

Law Kit Tat
Wong Chee Sean @ Wong Sean
Wong Joon Chin (F)

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 2019 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 1.12.2018	Bought	Sold	Balance as at 30.11.2019
Shares in the Company				
Direct interests:				
Tan Sri Datuk Ir. Mohamed Al Amin Bin Abdul Majid	**626,200**	**-**	**-**	**626,200**
Law Kit Tat	**21,157,800**	**850,000**	**-**	**22,007,800**
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 be interested 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 remuneration 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 by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests as disclosed in Note 34 to the financial statements.

There were no arrangements 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 33 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS OR 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

(a) 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.

(b) 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

(c) 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 in the financial statements of the Group and of the Company inadequate to any material extent;

(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.

(d) 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

(e) 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.

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

(g) 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 PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company and its subsidiaries for the financial year ended 30 November 2019 are disclosed in Note 28 to the financial statements.

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

Wong Joon Chin
Director

Law Kit Tat
Director

Johor Bahru
6 March 2020

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 58 to 123 have been drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2019 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,

Wong Joon Chin
Director

Law Kit Tat
Director

Johor Bahru
6 March 2020

STATUTORY DECLARATION

I, Ong Seng Piow (CA 11715), 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 58 to 123 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)
6 March 2020)

Ong Seng Piow

Before me:

Commissioner for Oaths

SERENA KAUR A/P GUBACHEN SINGH
NO. J252

Johor Bahru

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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 2019 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 58 to 123.

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 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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. 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, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

(a) Revenue recognition for property development

Revenue from property development of the Group for the financial year ended 30 November 2019 amounted to RM112.9 million as disclosed in Note 25 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

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Key Audit Matters (Cont'd)

Key Audit Matters of the Group (Cont'd)

(a) Revenue recognition for property development (Cont'd)

The Group identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. The Group also estimates total contract costs in applying the input method to recognise revenue over time.

Audit response

Our audit procedures included the following:

(i) Reviewed contracts with customers to identify distinct and material performance obligations, and compared our findings to the findings of the Group;

(ii) Recomputed the results of the input method determined by management for revenue recognition based on verified actual costs incurred to-date and budgeted costs;

(iii) Assessed estimated total costs to complete through inquiries with management personnel of the Group and tested documentation to support cost estimates made; and

(iv) Compared estimated total cost to actual outcomes to assess the reliability of management's budgeting process.

(b) Recoverability of trade receivables

As at 30 November 2019, trade receivables of the Group amounted to RM17.8 million. The details of trade receivables and their credit risks have been disclosed in Note 14 and Note 37 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Audit response

Our audit procedures included the following:

(i) Recomputed the probability of default using historical data and forward looking information adjustment applied by the Group;

(ii) Recomputed the correlation coefficient between forward looking factors and historical credit losses to determine the appropriateness of the forward-looking information of the Group; and

(iii) Inquiries of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Key Audit Matter of the Company

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

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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.

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 the 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 Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 International Standards on Auditing 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 International Standards on Auditing, 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.

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

(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 Group's and the Company's internal control.

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

(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

(a) As disclosed in Note 3 to the financial statements, Country View Berhad adopted Malaysian Financial Reporting Standards on 1 December 2018 with a transition date of 1 December 2017. These Standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position as at 30 November 2018 and 1 December 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended 30 November 2018 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 November 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 December 2018 do not contain misstatements that materially affect the financial position as of 30 November 2019 and the financial performance and cash flows for the financial year then ended.

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Other Matters (Cont'd)

(b) 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 PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Sia Yeak Hong
03413/02/2021 J
Chartered Accountant

Johor Bahru
6 March 2020

STATEMENTS OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2019

	Note	Group 30.11.2019 RM'000	Group 30.11.2018 RM'000	Group 1.12.2017 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	**3,544**	2,937	3,790
Investment properties	8	**40,077**	50,545	52,867
Inventories	11	**412,289**	385,857	54,221
Deferred tax assets	10	**726**	780	646
		456,636	440,119	111,524
Current assets				
Inventories	11	**176,248**	208,724	235,023
Trade and other receivables	14	**20,841**	44,464	61,398
Contract assets	15	**26,681**	9,538	5,524
Current tax assets		**-**	2,024	1,016
Cash and bank balances	16	**13,450**	54,744	7,908
		237,220	319,494	310,869
Non-current assets held for sale		**-**	-	28,962
TOTAL ASSETS		**693,856**	759,613	451,355
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	17	**100,124**	100,124	100,124
Retained earnings		**306,368**	284,497	212,639
TOTAL EQUITY		**406,492**	384,621	312,763
LIABILITIES				
Non-current liability				
Borrowings	18	**152,992**	231,890	53,445
Current liabilities				
Trade and other payables	22	**70,907**	59,757	58,365
Contract liabilities	15	**374**	374	374
Borrowings	18	**60,316**	75,788	26,408
Current tax liabilities		**2,775**	7,183	-
		134,372	143,102	85,147
TOTAL LIABILITIES		**287,364**	374,992	138,592
TOTAL EQUITY AND LIABILITIES		**693,856**	759,613	451,355

	Note	Company 30.11.2019 RM'000	30.11.2018 RM'000	1.12.2017 RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	**81**	114	74
Investments in subsidiaries	9	**151,423**	150,533	12,460
		151,504	150,647	12,534
Current assets				
Inventories	11	**24**	24	24
Trade and other receivables	14	**29,368**	220	124,662
Current tax assets		**-**	10	12
Cash and bank balances	16	**131**	40,575	1,625
		29,523	40,829	126,323
TOTAL ASSETS		**181,027**	191,476	138,857
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	17	**100,124**	100,124	100,124
Retained earnings		**60,938**	63,272	23,537
TOTAL EQUITY		**161,062**	163,396	123,661
LIABILITIES				
Current liabilities				
Trade and other payables	22	**6,556**	16,080	3,152
Borrowings	18	**13,391**	12,000	12,044
Current tax liabilities		**18**	-	-
		19,965	28,080	15,196
TOTAL LIABILITIES		**19,965**	28,080	15,196
TOTAL EQUITY AND LIABILITIES		**181,027**	191,476	138,857

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 2019

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	25	**162,737**	249,747	**1,702**	50,200
Cost of sales	26	**(113,137)**	(115,149)	**-**	-
Gross profit		**49,600**	134,598	**1,702**	50,200
Other income		**13,171**	10,076	**694**	317
Marketing and promotion expenses		**(3,694)**	(3,195)	**-**	-
Administrative expenses		**(22,496)**	(38,967)	**(761)**	(4,854)
Finance costs	27	**(2,689)**	(3,377)	**(941)**	(928)
Profit before tax	28	**33,892**	99,135	**694**	44,735
Tax expense	29	**(9,021)**	(22,277)	**(28)**	-
Profit for the financial year		**24,871**	76,858	**666**	44,735
Other comprehensive income, net of tax		**-**	-	**-**	-
Total comprehensive income		**24,871**	76,858	**666**	44,735
Profit attributable to:					
Owners of the parent		**24,871**	76,858	**666**	44,735
Total comprehensive income attributable to:					
Owners of the parent		**24,871**	76,858	**666**	44,735
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic and diluted:					
Profit for the financial year	30	**24.87**	76.86		

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

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Group				
Balance as at 1 December 2017, as previously reported		100,124	224,550	324,674
Effects of adoption of MFRSs	5	-	(11,911)	(11,911)
Balance as at 1 December 2017, as restated		100,124	212,639	312,763
Profit for the financial year		-	76,858	76,858
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	76,858	76,858
Transactions with owners				
Dividend paid	31	-	(5,000)	(5,000)
Total transactions with owners		-	(5,000)	(5,000)
Balance as at 30 November 2018		100,124	284,497	384,621
Balance as at 1 December 2018		**100,124**	**284,497**	**384,621**
Profit for the financial year		**-**	**24,871**	**24,871**
Other comprehensive income, net of tax		**-**	**-**	**-**
Total comprehensive income		**-**	**24,871**	**24,871**
Transactions with owners				
Dividend paid	**31**	**-**	**(3,000)**	**(3,000)**
Total transactions with owners		**-**	**(3,000)**	**(3,000)**
Balance as at 30 November 2019		**100,124**	**306,368**	**406,492**

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Company				
Balance as at 1 December 2017		100,124	23,537	123,661
Profit for the financial year		-	44,735	44,735
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	44,735	44,735
Transactions with owners:				
Dividend paid	31	-	(5,000)	(5,000)
Total transactions with owners		-	(5,000)	(5,000)
Balance as at 30 November 2018		100,124	63,272	163,396
Balance as at 1 December 2018		**100,124**	**63,272**	**163,396**
Profit for the financial year		**-**	**666**	**666**
Other comprehensive income, net of tax		**-**	**-**	**-**
Total comprehensive income		**-**	**666**	**666**
Transactions with owners:				
Dividend paid	**31**	**-**	**(3,000)**	**(3,000)**
Total transactions with owners		**-**	**(3,000)**	**(3,000)**
Balance as at 30 November 2019		**100,124**	**60,938**	**161,062**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2019

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**33,892**	99,135	**694**	44,735
Adjustments for:					
Depreciation of property, plant and equipment	7	**1,329**	1,266	**36**	50
Net fair value (gain)/loss on investment properties	8	**(10,272)**	3,143	**-**	-
(Gain)/Loss on disposal of:					
- property, plant and equipment		**(120)**	-	**-**	-
- investment properties		**1,100**	1,900	**-**	-
Impairment losses on:					
- amounts owing by subsidiaries	14(f)	**-**	-	**122**	1,106
- investments in subsidiaries	9(b)	**-**	-	**18**	19
Dividend income	25	**-**	-	**(1,702)**	(50,200)
Interest income		**(1,315)**	(1,054)	**(694)**	(317)
Interest expense	27	**2,689**	3,377	**941**	928
Operating profit/(loss) before changes in working capital		**27,303**	107,767	**(585)**	(3,679)
Changes in working capital:					
Inventories		**27,716**	18,979	**-**	-
Non-current assets held for sale		**-**	28,962	**-**	-
Contract assets		**(17,143)**	(4,014)	**-**	-
Trade and other receivables		**23,774**	17,301	**6**	3
Trade and other payables		**11,150**	1,392	**(268)**	1,345
Cash generated from/(used in) operations		**72,800**	170,387	**(847)**	(2,331)
Tax paid		**(11,885)**	(17,691)	**(10)**	(12)
Tax refunded		**534**	1,453	**10**	14
Net cash from/(used in) operating activities		**61,449**	154,149	**(847)**	(2,329)

		Group		Company	
	Note	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Advances to subsidiaries		**-**	-	**(39,440)**	(3,176)
Dividend received from a subsidiary		**-**	-	**1,702**	50,200
Interest received		**1,164**	688	**694**	317
Proceeds from disposal of:					
- property, plant and equipment		**120**	-	**-**	-
- investment properties		**24,400**	4,600	**-**	-
Additions to land held for property development	12(b)	**(26,432)**	(114,636)	**-**	-
Purchase of property, plant and equipment	7(a)	**(1,596)**	(161)	**(3)**	(90)
Net cash (used in)/from investing activities		**(2,344)**	(109,509)	**(37,047)**	47,251
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of borrowings					
- term loans		**-**	24,357	**-**	-
- revolving credits		**-**	1,421	**-**	-
Repayments of borrowings					
- term loans		**(86,578)**	(16,600)	**-**	-
- revolving credits		**(5,172)**	-	**-**	-
- finance lease creditors		**(668)**	(656)	**-**	(29)
Interest paid		**(2,689)**	(3,377)	**(941)**	(928)
Dividends paid	31	**(3,000)**	(5,000)	**(3,000)**	(5,000)
Net cash (used in)/from financing activities		**(98,107)**	145	**(3,941)**	(5,957)
Net (decrease)/increase in cash and cash equivalents		**(39,002)**	44,785	**(41,835)**	38,965
Cash and cash equivalents at beginning of financial year		**45,840**	1,055	**40,575**	1,610
Cash and cash equivalents at end of financial year	16(c)	**6,838**	45,840	**(1,260)**	40,575

	Note	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES					
Borrowings at 1 December 2018/2017		**298,774**	73,000	**12,000**	12,029
Cash flows		**(92,418)**	8,522	**-**	(29)
Non-cash flows:					
- Purchase of property, plant and equipment	7(a)	**340**	252	**-**	-
- Purchase of land held for property development	12(b)	**-**	217,000	**-**	-
Borrowings at 30 November 2019/2018*	18	**206,696**	298,774	**12,000**	12,000

* *Borrowings exclude bank overdrafts.*

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 2019 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.

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 9 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

These are the first financial statements of the Group and of the Company prepared in accordance with MFRSs and IFRSs and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

The Group and the Company have consistently applied the same accounting policies in its opening MFRS statements of financial position at 1 December 2017 and throughout all financial years presented, as if these policies had always been effected. Comparative figures for the financial year ended 30 November 2018 in these financial statements have been restated to give effect to these changes and Note 5 to the financial statements discloses the new MFRSs, amendments to MFRSs adopted during the financial year, the impact of the transition to MFRSs and prior year restatements on the Group's and Company's reported financial position and financial performance for the financial year then ended.

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 MFRSs and IFRSs 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 judgement, 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation

The consolidated financial statements comprise 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.

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 are also eliminated. 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 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 off 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 off. 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 MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a 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 MFRS 112 *Income Taxes* and MFRS 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 MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 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) Other contingent consideration that:

 (i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.

 (ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be 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. All other components of non-controlling interests are measured at their acquisition-date fair value, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a 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 consolidated 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 a different useful life, is depreciated separately.

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

Depreciation is calculated to write off the costs of the assets to their estimated 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 sports 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.

4.5 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Leases and hire purchase (Cont'd)

(a) Finance leases and hire purchase (Cont'd)

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 Inventories

(a) Completed properties held for sale

The completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

(b) Land held for property development

Land held for property development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

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.

(c) Property development costs

Property development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. Such development costs 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 and are measured at the lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense when the control of the asset is transferred to the customer.

4.7 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of the Group and the Company is conditional on something other than the passage of time.

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 Contract assets/(liabilities) (Cont'd)

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

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 off 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 in subsidiaries

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 less impairment losses, if any. Investments accounted for at cost shall be accounted for in accordance with MFRS 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 MFRS 5.

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 recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date when 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, contract assets, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 Impairment of non-financial assets (Cont'd)

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 reduce the carrying amount of 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 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 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 statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss (FVTPL), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.11 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(i) Financial assets measured at amortised cost (Cont'd)

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of any impairment losses, if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income (FVTOCI), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less 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, if any.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.11 Financial instruments (Cont'd)

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities measured at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for the Group's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities measured at amortised cost, gains and losses are recognised in profit or loss when the 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.

The 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.

(c) Equity instrument

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.12 Financial guarantee contract

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.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 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 assesses 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.

4.13 Impairment of financial assets

The Group applies the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

The Group considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of the Group's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.13 Impairment of financial assets (Cont'd)

The probability of non-payment other receivables and amounts owing by subsidiaries is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve month or lifetime expected credit loss for the other receivables and amounts owing by subsidiaries.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

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 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.

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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) the 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 and tax laws 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.17 Contingent liabilities and contingent assets (Cont'd)

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 based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a goods or service at a point in time unless one of the following overtime criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to-date.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers.

(a) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from property development is measured at the fixed transaction price agreed under the agreement.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the performance of the Group does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the property development cost incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining the satisfaction of performance obligations as stated in the contracts with customers and transaction price allocation in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.18 Revenue recognition (Cont'd)

(a) Revenue from property development (Cont'd)

There is no significant financing component in the revenue arising from property development as the contracts are on normal credit terms not exceeding twelve months.

(b) Completed properties

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve months.

(c) Property maintenance and security service

Revenue from property maintenance and security service is recognised at a point in time when services have been rendered to the customer and coincides with the rendering of services and acceptance by customers.

(d) Sale of land

Revenue from sale of land is recognised at a point in time when the land has been transferred to the customer and acceptance by customer.

Revenue not contracted with customers:

(a) Dividend income

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

(b) Other income

(i) Interest income

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

(ii) Rental income

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

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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 decisions 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.

4.21 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 equity holders 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. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 First time adoption of MFRS

The Group and the Company are transitioning entities as defined by the Malaysian Accounting Standards Board ("MASB"), and adopted the MFRS Framework during the financial year ended 30 November 2019. Accordingly, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

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

5.1 First time adoption of MFRS (Cont'd)

In adopting the new MFRS Framework, the Group and the Company applied the transition requirements in MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. In addition to the adoption of the new MFRS Framework, the following new MFRSs and Amendments to the MFRSs issued by MASB were adopted by the Group during the financial year:

Title	Effective Date
Amendments to MFRS 1 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 *Financial Instruments (IFRS 9 as issued by IASB in July 2014)*	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
Amendments to MFRS 128 *Annual Improvements to MFRS Standards 2014 - 2016 Cycle*	1 January 2018
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 140 *Transfers of Investment Property*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9* Financial Instruments *with MFRS 4* Insurance Contracts	See MFRS 4 Paragraphs 46 and 48

5.2 Explanation of transition to MFRSs

The Group adjusted amounts previously reported in the financial statements that were prepared in accordance with the previous FRS Framework. In preparing the opening statements of financial position at 1 December 2017, an explanation on the impact arising from the transition from FRSs to MFRSs on the financial position and financial performance of the Group is set out as follows:

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

5.2 Explanation of transition to MFRSs (Cont'd)

(a) Reconciliations of statement of financial position of the Group as at 1 December 2017

	Note	Previously reported under FRSs RM'000	Effects of MFRS 15 RM'000	Restated under MFRSs RM'000
Non-current assets				
Property, plant and equipment		3,790	-	3,790
Investment properties		52,867	-	52,867
Land held for property development	5.2(f)	54,221	(54,221)	-
Inventories	5.2(f)	-	54,221	54,221
Deferred tax assets		646	-	646
		111,524	-	111,524
Current assets				
Property development costs	5.2(f)	104,878	(104,878)	-
Inventories	5.2(f)	108,038	126,985	235,023
Trade and other receivables	5.2(f)	105,030	(43,632)	61,398
Contract assets	5.2(f)	-	5,524	5,524
Current tax assets	5.2(f)	12	1,004	1,016
Cash and bank balances		7,908	-	7,908
		325,866	(14,997)	310,869
Non-current assets held for sale		28,962	-	28,962
Total assets		466,352	(14,997)	451,355
Equity				
Share capital		100,124	-	100,124
Reserves	5.2(f)	224,550	(11,911)	212,639
Total equity		324,674	(11,911)	312,763
Non-current liability				
Borrowings		53,445	-	53,445
Current liabilities				
Trade and other payables	5.2(f)	58,692	(327)	58,365
Provision for liabilities	5.2(f)	374	(374)	-
Contract liabilities	5.2(f)	-	374	374
Borrowings		26,408	-	26,408
Current tax liabilities	5.2(f)	2,759	(2,759)	-
		88,233	(3,086)	85,147
Total liabilites		141,678	(3,086)	138,592
Total equity and liabilities		466,352	(14,997)	451,355

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

5.2 Explanation of transition to MFRSs (Cont'd)

(b) Reconciliations of statement of financial position of the Group as at 30 November 2018

	Note	Previously reported under FRSs RM'000	Effects of MFRS 15 RM'000	Restated under MFRSs RM'000
Non-current assets				
Property, plant and equipment		2,937	-	2,937
Investment properties	5.2(f)	47,677	2,868	50,545
Land held for property development	5.2(f)	385,857	(385,857)	-
Inventories	5.2(f)	-	385,857	385,857
Deferred tax assets		780	-	780
		437,251	2,868	440,119
Current assets				
Property development costs	5.2(f)	103,681	(103,681)	-
Inventories	5.2(f)	92,956	115,768	208,724
Trade and other receivables	5.2(f)	76,318	(31,854)	44,464
Contract assets	5.2(f)	-	9,538	9,538
Current tax assets	5.2(f)	267	1,757	2,024
Cash and bank balances		54,744	-	54,744
		327,966	(8,472)	319,494
Total assets		765,217	(5,604)	759,613
Equity				
Share capital		100,124	-	100,124
Reserves	5.2(f)	290,064	(5,567)	284,497
Total equity		390,188	(5,567)	384,621
Non-current liability				
Borrowings		231,890	-	231,890
Current liabilities				
Trade and other payables	5.2(f)	59,794	(37)	59,757
Provision for liabilities	5.2(f)	374	(374)	-
Contract liabilities	5.2(f)	-	374	374
Borrowings		75,788	-	75,788
Current tax liabilities		7,183	-	7,183
		143,139	(37)	143,102
Total liabilites		375,029	(37)	374,992
Total equity and liabilities		765,217	(5,604)	759,613

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

5.2 Explanation of transition to MFRSs (Cont'd)

(c) Reconciliations of statement of profit or loss and other comprehensive income of the Group for the financial year ended 30 November 2018

	Note	Previously reported under FRSs RM'000	Effects of MFRS 15 RM'000	Restated under MFRSs RM'000
Revenue	5.2(f)	236,063	13,684	249,747
Cost of sales	5.2(f)	(105,596)	(9,553)	(115,149)
Gross profit		130,467	4,131	134,598
Other income		10,076	-	10,076
Marketing and promotion expenses	5.2(f)	(7,212)	4,017	(3,195)
Administrative expenses	5.2(f)	(39,167)	200	(38,967)
Finance costs		(3,377)	-	(3,377)
Profit before tax		90,787	8,348	99,135
Tax expense	5.2(f)	(20,273)	(2,004)	(22,277)
Profit for the financial year		70,514	6,344	76,858
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		70,514	6,344	76,858
Profit attributable to:				
Owners of the parent		70,514	6,344	76,858
Total comprehensive income attributable to:				
Owners of the parent		70,514	6,344	76,858
Earnings per share attributable to equity holders of the Company (sen):				
- Basic and diluted		70.51		76.86

(d) Reconciliations of statement of financial position of the Company as at 1 December 2017 and 30 November 2018 and statement of profit or loss and other comprehensive income of the Company for the financial year ended 30 November 2018

There is no impact arising from the transition from FRSs to MFRSs on the statements of financial position of the Company as at 1 December 2017 and 30 November 2018; and the statement of profit or loss and other comprehensive income of the Company for the financial year ended 30 November 2018. Thus, the Company has not adjusted any amount previously reported in the statements of financial position and the statement of profit or loss and other comprehensive income that were prepared in accordance with the previous FRSs framework. Hence, reconciliations of the statements of financial position of the Company as at 1 December 2017 and 30 November 2018; and the statement of profit or loss and other comprehensive income of the Company for the financial year ended 30 November 2018 are not presented.

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

5.2 Explanation of transition to MFRSs (Cont'd)

(e) Transition from FRS Framework to MFRS Framework

The Group elected to apply MFRS 3 *Business Combinations* prospectively from the date FRS 3 *Business Combinations* was adopted and to deem the carrying amount of investment in each subsidiary, joint venture and associate to be the cost of the investment in the separate financial statements as at the date of transition to MFRSs.

The Group elected to apply the optional exemption to apply the requirements of MFRS 123 *Borrowing Costs* from the date of transition to MFRSs. Hence, the Group did not restate the borrowing costs component that was capitalised in the carrying amounts of property development costs under the previous FRS 123 *Borrowing Costs*.

(f) Adoption of MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a comprehensive framework for revenue recognition and measurement. It replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts*, FRS 201$_{(2004)}$ *Property Development Activities* and related Interpretations. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires significant judgement.

In applying MFRS 15 retrospectively, the Group applied the following practical expedients:

(i) For completed contracts, contracts that begin and end within the same annual reporting period were not restated;
(ii) For completed contracts that have variable consideration, rather than estimating variable consideration amounts in the comparative reporting periods, transaction price at the date the contract was completed was used; and
(iii) For all reporting period presented before the date of initial application, the amount of the transaction price allocated to the remaining performance obligations and an explanation of when the revenue is expected to be recognised need not be disclosed.

The MFRS 15 adjustments are mainly due to:

(i) Changes to the timing of revenue recognition for construction and property development activities;
(ii) Reclassification of excess of revenue earned over the billings on construction and property development contracts to contract assets;
(iii) Reclassification of excess of billings over revenue earned on construction and property development contracts, deferred income and customers deposit to contract liabilities; and
(iv) Reclassification of land held for property development and property development costs to inventories.

(g) Adoption of MFRS 9 *Financial Instruments*

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(i) Classification of financial assets and financial liabilities

The Group and the Company classify their financial assets into the following measurement categories depending on the business model of the Group and the Company for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

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

5.2 Explanation of transition to MFRSs (Cont'd)

(g) Adoption of MFRS 9 *Financial Instruments (Cont'd)*

(i) Classification of financial assets and financial liabilities (Cont'd)

The following summarises the key changes:

- The Available-For-Sale (AFS), Held-To-Maturity (HTM) and Loans and Receivables (L&R) financial asset categories were removed.
- A new financial asset category measured at Amortised Cost (AC) was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- A new financial asset category measured at Fair Value Through Other Comprehensive Income (FVTOCI) was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- The remaining amount of change in the fair value is presented in profit or loss.

(ii) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

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

5.2 Explanation of transition to MFRSs (Cont'd)

(g) Adoption of MFRS 9 *Financial Instruments (Cont'd)*

(ii) Impairment of financial assets (Cont'd)

Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

(iii) The MFRS 9 adjustments are mainly due to:

Reclassification of the financial assets and financial liabilities of the Group and the Company are as follows:

	Classification	
	Existing under MFRS 139	**New under MFRS 9**
Group		
Financial assets		
Trade and other receivables, net of prepayments	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Trade and other payables	OFL*	AC
Borrowings	OFL*	AC
Company		
Financial assets		
Other receivables, net of prepayments	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Trade and other payables	OFL*	AC
Borrowings	OFL*	AC

* Other Financial Liabilities at Amortised Cost.

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

5.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2019

The following are Standards of the MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
MFRS 16 *Leases*	1 January 2019
IC Interpretation 23 *Uncertainty over Income Tax Treatments*	1 January 2019
Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures*	1 January 2019
Amendments to MFRS 9 *Prepayment Features with Negative Compensation*	1 January 2019
Amendments to MFRS 3 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 11 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 112 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 123 *Annual Improvements to MFRS Standards 2015 - 2017 Cycle*	1 January 2019
Amendments to MFRS 119 *Plan Amendment, Curtailment or Settlement*	1 January 2019
Amendments to *References to the Conceptual Framework in MFRS Standards*	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
MFRS 17 *Insurance Contracts*	1 January 2021
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards, since the effects would only be observable in future financial years.

5.4 FINANCIAL REPORTING UPDATES

The IFRS Interpretations Committee ('IFRIC') received a submission about the capitalisation of borrowing costs in relation to the construction of a residential multi-unit real estate development.

Based on the fact pattern described in the submission, the request asked whether the entity has a qualifying asset as defined in IAS 23 *Borrowing Costs* and, therefore, capitalises any directly attributable costs.

The IFRIC concluded in March 2019 that, in the fact pattern described in the request:
(i) Any receivable and contract asset that the entity recognises is not a qualifying asset.
(ii) Any inventory (work-in-progress) for unsold units under construction that the entity recognises is also not a qualifying asset because the unsold units are ready for its intended use or sale.

The MASB announced on 20 March 2019 that an entity shall apply the change in accounting policy as a result of this Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

The Group is in the process of obtaining new information and adapting its systems to implement this change in accounting policy. The implementation results would be reported during the financial year ending 30 November 2021.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 and the Company'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) Revenue recognition for property development

Revenue recognition for property development requires management to exercise significant judgement in determining the satisfaction of performance obligations as stated in the contracts with customers, transaction price allocation and costs in applying the input method to recognise revenue over time.

(b) Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.12.2018 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2019 RM'000
Carrying amount				
Furniture and fittings	**337**	**491**	**(122)**	**706**
Office equipment	**522**	**92**	**(174)**	**440**
Renovation	**456**	**908**	**(187)**	**1,177**
Motor vehicles	**1,619**	**445**	**(843)**	**1,221**
Site and sports equipment	**3**	**-**	**(3)**	**-**
	2,937	**1,936**	**(1,329)**	**3,544**

Group	At 30.11.2019 Cost RM'000	Accumulated depreciation RM'000	Carrying Amount RM'000
Furniture and fittings	**1,356**	**(650)**	**706**
Office equipment	**1,797**	**(1,357)**	**440**
Renovation	**2,317**	**(1,140)**	**1,177**
Motor vehicles	**6,992**	**(5,771)**	**1,221**
Site and sports equipment	**32**	**(32)**	**-**
	12,494	**(8,950)**	**3,544**

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

Group	Balance as at 1.12.2017 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2018 RM'000
Carrying amount				
Furniture and fittings	407	28	(98)	337
Office equipment	650	41	(169)	522
Renovation	545	56	(145)	456
Motor vehicles	2,183	288	(852)	1,619
Site and sports equipment	5	-	(2)	3
	3,790	413	(1,266)	2,937

Group	At 30.11.2018		
	Cost RM'000	Accumulated depreciation RM'000	Carrying Amount RM'000
Furniture and fittings	865	(528)	337
Office equipment	1,705	(1,183)	522
Renovation	1,409	(953)	456
Motor vehicles	6,855	(5,236)	1,619
Site and sports equipment	32	(29)	3
	10,866	(7,929)	2,937

Company	Balance as at 1.12.2018 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2019 RM'000
Carrying amount				
Furniture and fittings	**23**	**-**	**(3)**	**20**
Office equipment	**9**	**3**	**(2)**	**10**
Renovation	**82**	**-**	**(31)**	**51**
	114	**3**	**(36)**	**81**

Company	At 30.11.2019		
	Cost RM'000	Accumulated depreciation RM'000	Carrying Amount RM'000
Furniture and fittings	**54**	**(34)**	**20**
Office equipment	**258**	**(248)**	**10**
Renovation	**224**	**(173)**	**51**
Motor vehicles	**543**	**(543)**	**-**
	1,079	**(998)**	**81**

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

Company	Balance as at 1.12.2017 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Balance as at 30.11.2018 RM'000
Carrying amount				
Furniture and fittings	1	24	(2)	23
Office equipment	-	10	(1)	9
Renovation	48	56	(22)	82
Motor vehicles	25	-	(25)	-
	74	90	(50)	114

Company	At 30.11.2018 Cost RM'000	Accumulated depreciation RM'000	Carrying Amount RM'000
Furniture and fittings	54	(31)	23
Office equipment	255	(246)	9
Renovation	224	(142)	82
Motor vehicles	543	(543)	-
	1,076	(962)	114

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Additions of property, plant and equipment	**1,936**	413	**3**	90
Financed by finance lease creditors	**(340)**	(252)	**-**	-
Cash payments on purchase of property, plant and equipment	**1,596**	161	**3**	90

(b) As at 30 November 2019, 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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Motor vehicles	**1,188**	1,614	**-**	-

Details of the finance lease arrangements are disclosed in Note 19 to the financial statements.

8. INVESTMENT PROPERTIES

Group	2019 RM'000	2018 RM'000
At beginning of financial year	**50,545**	52,867
Transferred from inventories	**4,760**	7,321
Fair value adjustments	**10,272**	(3,143)
Disposals	**(25,500)**	(6,500)
At end of financial year	**40,077**	50,545

(a) Quit rent and assessment arising from investment properties generating rental income during the financial year are RM102,600 (2018: RM87,900).

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

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2019				
Buildings	**-**	**-**	**40,077**	**40,077**
2018				
Buildings	-	-	50,545	50,545

(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.

The unobservable valuation inputs used in the comparison method are as follows:

	2019	2018
Price per square foot for commercial buildings	**RM567 to RM1,109 per square foot**	RM567 to RM1,109 per square foot

(ii) As at 30 November 2019, the carrying amount of the investment properties of the Group of RM7,304,350 (2018: RM46,477,338) have been pledged to financial institutions for borrowings granted to the Group as disclosed in Notes 18, 20 and 21 to the financial statements.

9. INVESTMENTS IN SUBSIDIARIES

	Company	
	2019 RM'000	2018 RM'000
Unquoted equity shares, at cost	**12,690**	12,690
Less: Impairment loss	**(267)**	(249)
	12,423	12,441
Equity loan	**139,000**	138,092
	151,423	150,533

9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

(a) The Directors of the Company have reassessed the nature of the amounts owing by subsidiaries and determined that total outstanding balance amounting to RM139,000,000 (2018: RM138,092,000) shall constitute an equity loan to subsidiaries as these amounts are unsecured, interest free and settlement is neither planned nor likely to occur in the foreseeable future and are considered to be part of the investment of the Company providing the subsidiaries with a long term source of additional capital.

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

	Company	
	2019 RM'000	**2018 RM'000**
At beginning of year	**249**	230
Charge for the financial year	**18**	19
At end of year	**267**	249

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

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

Name of company	Interest in equity held by Company 2019	Interest in equity held by Company 2018	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

10. DEFERRED TAX ASSETS

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At beginning of year	**780**	646	**-**	-
Recognised in profit or loss (Note 29)	**(54)**	134	**-**	-
At end of year	**726**	780	**-**	-
Presented after appropriate offsetting:				
Deferred tax assets, net	**787**	845	**-**	-
Deferred tax liabilities, net	**(61)**	(65)	**-**	-
	726	780	**-**	-

(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

	Other deductible temporary differences RM'000
At 1 December 2017	982
Recognised in profit or loss	(137)
At 30 November 2018	845
At 1 December 2018	**845**
Recognised in profit or loss	**(58)**
At 30 November 2019	**787**

10. 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: (Cont'd)

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000
At 1 December 2017	(336)
Recognised in profit or loss	271
At 30 November 2018	(65)
At 1 December 2018	**(65)**
Recognised in profit or loss	**4**
At 30 November 2019	**(61)**

(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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Unused tax losses				
- Expires by 30 November 2025	**20,231**	20,231	**16,829**	16,829
- Expires by 30 November 2026	**322**	-	**-**	-
Unabsorbed capital allowances				
- No expiry date	**79**	68	**79**	68
Accrued liabilities - No expiry date	**1,326**	1,531	**1,210**	1,385
	21,958	21,830	**18,118**	18,282

Deferred tax assets of the Company and 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.

11. INVENTORIES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Non-current				
Land held for property development (Note 12)	**412,289**	385,857	**-**	-
Current				
Completed properties held for sale, at cost	**80,890**	101,812	**24**	24
Property development costs (Note 13)	**95,358**	106,912	**-**	-
	176,248	208,724	**24**	24

Certain completed properties held for sale of the Group amounted to RM21,617,000 (2018: RM87,374,000) have been pledged to financial institutions as security for facilities granted to the Group and the Company as disclosed in Notes 18, 20 and 21 to the financial statements.

12. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Balance as at 1.12.2018 RM'000	Additions RM'000	Balance as at 30.11.2019 RM'000
Carrying amount			
Freehold land, at cost	**331,604**	**-**	**331,604**
Leasehold land, at cost	**53,698**	**-**	**53,698**
Development costs	**555**	**26,432**	**26,987**
	385,857	**26,432**	**412,289**

Group	Balance as at 1.12.2017 RM'000	Additions RM'000	Balance as at 30.11.2018 RM'000
Carrying amount			
Freehold land, at cost	-	331,604	331,604
Leasehold land, at cost	53,698	-	53,698
Development costs	523	32	555
	54,221	331,636	385,857

(a) As at 30 November 2019, the carrying amount of the land held for property development of the Group of RM357,975,314 (2018: RM331,604,058) have been pledged to financial institutions for borrowings granted to the Group as disclosed in Note 21 to the financial statements.

12. LAND HELD FOR PROPERTY DEVELOPMENT (Cont'd)

(b) The Group made the following cash payments to purchase land held for property development:

	Group	
	2019 RM'000	2018 RM'000
Additions of land held for property development	**26,432**	331,636
Financed by term loan	**-**	(217,000)
Cash payments on purchase of land held for property development	**26,432**	114,636

(c) Included in the land held for property development are the following charges incurred during the financial year:

	Group	
	2019 RM'000	2018 RM'000
Interest expense	**16,049**	-

Interest is capitalised in land held for property development at rates ranging from 4.94% to 7.92% (2018: nil) per annum.

13. 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 2018	**41,259**	**111,516**	**152,775**
Incurred during the financial year	**-**	**87,291**	**87,291**
Reversal of completed projects	**(1,520)**	**(29,819)**	**(31,339)**
Transfer to inventories	**(780)**	**(8,600)**	**(9,380)**
Balance as at 30 November 2019	**38,959**	**160,388**	**199,347**
Cumulative cost recognised in the statements of profit or loss and other comprehensive income			
Balance as at 1 December 2018	**(9,824)**	**(36,039)**	**(45,863)**
Recognised during the financial year	**(7,314)**	**(82,151)**	**(89,465)**
Reversal of completed projects	**1,520**	**29,819**	**31,339**
Balance as at 30 November 2019	**(15,618)**	**(88,371)**	**(103,989)**
Property development costs as at 30 November 2019	**23,341**	**72,017**	**95,358**

13. 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 2017	45,676	112,246	157,922
Incurred during the financial year	-	64,918	64,918
Reversal of completed projects	(3,269)	(48,557)	(51,826)
Transfer to inventories	(1,148)	(17,091)	(18,239)
Balance as at 30 November 2018	41,259	111,516	152,775
Cumulative cost recognised in the statements of profit or loss and other comprehensive income			
Balance as at 1 December 2017	(2,533)	(38,176)	(40,709)
Recognised during the financial year	(10,560)	(46,420)	(56,980)
Reversal of completed projects	3,269	48,557	51,826
Balance as at 30 November 2018	(9,824)	(36,039)	(45,863)
Property development costs as at 30 November 2018	31,435	75,477	106,912

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

	Group	
	2019 RM'000	2018 RM'000
Interest expense	**603**	531

Interest is capitalised in property development cost at rates ranging from 5.70% to 7.92% (2018: 5.70% to 8.95%) per annum.

Freehold land under development have been charged to financial institutions for credit facilities granted to the Group as disclosed in Notes 20 and 21 to the financial statements.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Trade receivables				
Third parties	**17,803**	42,222	**-**	-
Other receivables				
Amounts owing by subsidiaries	**-**	-	**32,858**	3,582
Other receivables	**1,429**	1,295	**1**	1
Deposits	**1,424**	784	**201**	201
	2,853	2,079	**33,060**	3,784
Less: Impairment losses on amounts owing by subsidiaries	**-**	-	**(3,704)**	(3,582)
	2,853	2,079	**29,356**	202
	20,656	44,301	**29,356**	202
Prepayments	**185**	163	**12**	18
	20,841	44,464	**29,368**	220

(a) The normal credit terms of the trade receivables granted by the Group range from 14 days to 90 days (2018: 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 represents advances and payments made on behalf, which are unsecured, interest-free and repayable within the next twelve (12) months.

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

(d) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

14. TRADE AND OTHER RECEIVABLES (Cont'd)

(e) Lifetime expected loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Lifetime ECL allowance RM'000	Net carrying amount RM'000
As at 30 November 2019			
Not past due	**15,649**	**-**	**15,649**
Past due:			
Below 30 days	**430**	**-**	**430**
31 days to 60 days	**1,365**	**-**	**1,365**
61 days to 90 days	**359**	**-**	**359**
	2,154	**-**	**2,154**
	17,803	**-**	**17,803**
As at 30 November 2018			
Not past due	36,274	-	36,274
Past due:			
Below 30 days	4,947	-	4,947
31 days to 60 days	613	-	613
61 days to 90 days	152	-	152
Over 90 days	236	-	236
	5,948	-	5,948
	42,222	-	42,222

No expected credit loss is recognised arising from trade receivables as it is negligible.

None of the trade receivables of the Group that are past due but not impaired have been renegotiated during the financial year. These receivables are not secured by any collateral.

(f) Impairment for other receivables and amounts owing by subsidiaries are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with gross interest income are recognised. As at the end of the reporting period, the Group and Company assess whether there has been a significant increase in credit risk for financial asset by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

14. TRADE AND OTHER RECEIVABLES (Cont'd)

(f) The reconciliation of movements in the impairment losses on other receivables is as follows:

	Lifetime ECL - credit impaired RM'000
Company	
At 1 December 2018	**3,582**
Charge for the financial year	**122**
At 30 November 2019	**3,704**
At 1 December 2017	2,476
Restated through opening retained earnings	-
Opening impairment loss of other receivables	2,476
Charge for the financial year	1,106
At 30 November 2018	3,582

Other receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(g) Information on financial risks of trade and other receivables is disclosed in Note 37 to the financial statements.

15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2019 RM'000	2018 RM'000
Aggregate pre-contract costs incurred to date	**88,470**	23,202
Attributable profits	**42,230**	13,650
	130,700	36,852
Less: Progress billings	**(104,393)**	(27,688)
	26,307	9,164
Represented by:		
Contract assets		
Property development contracts	**26,681**	9,538
Contract liabilities		
Property development contracts	**(374)**	(374)
	26,307	9,164

15. CONTRACT ASSETS/(LIABILITIES) (Cont'd)

Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	2019 RM'000
Within 1 year	**21,595**

16. CASH AND BANK BALANCES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	**13,450**	34,683	**131**	20,514
Deposits with licensed bank	**-**	20,061	**-**	20,061
	13,450	54,744	**131**	40,575

(a) Included in the Group's and the Company's cash and bank balances are RM8,273,000 (2018: RM6,958,000) and RM1,000 (2018: 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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Cash and bank balances	**13,450**	34,683	**131**	20,514
Deposits with licensed bank (not more than 3 months)	**-**	20,061	**-**	20,061
As reported in statements of financial position	**13,450**	54,744	**131**	40,575
Less: Bank overdrafts included in borrowings (Note 18)	**(6,612)**	(8,904)	**(1,391)**	-
	6,838	45,840	**(1,260)**	40,575

(d) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions is negligible.

16. CASH AND BANK BALANCES (Cont'd)

(e) Information on financial risks of cash and bank balances is disclosed in Note 37 to the financial statements.

17. SHARE CAPITAL

	Group and Company			
	2019		2018	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid up ordinary shares				
At beginning/end of financial year	**100,000**	**100,124**	100,000	100,124

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.

18. BORROWINGS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current liabilities				
Bank overdrafts	**6,612**	8,904	**1,391**	-
Finance lease creditors	**592**	626	**-**	-
Revolving credits	**13,249**	17,000	**12,000**	12,000
Term loans	**39,863**	49,258	**-**	-
	60,316	75,788	**13,391**	12,000
Non-current liabilities				
Finance lease creditors	**515**	809	**-**	-
Revolving credits	**-**	1,421	**-**	-
Term loans	**152,477**	229,660	**-**	-
	152,992	231,890	**-**	-
Total borrowings				
Bank overdrafts (Note 16)	**6,612**	8,904	**1,391**	-
Finance lease creditors (Note 19)	**1,107**	1,435	**-**	-
Revolving credits (Note 20)	**13,249**	18,421	**12,000**	12,000
Term loans (Note 21)	**192,340**	278,918	**-**	-
	213,308	307,678	**13,391**	12,000

18. BORROWINGS (Cont'd)

(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 certain units of the investment properties (Note 8) and completed properties held for sale (Note 11) of the Group; and

(ii) Guaranteed by the Company.

(c) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 37 to the financial statements.

19. FINANCE LEASE CREDITORS

	Group	
	2019 RM'000	**2018 RM'000**
Minimum finance lease payments		
- not later than one (1) year	**629**	681
- later than one (1) year and not later than five (5) years	**545**	846
Total minimum finance lease payments	**1,174**	1,527
Less: Future interest charges	**(67)**	(92)
Present value of finance lease payments	**1,107**	1,435
Repayable as follows:		
Current liabilities		
- not later than one (1) year	**592**	626
Non-current liabilities		
- later than one (1) year and not later than five (5) years	**515**	809
	1,107	1,435

20. REVOLVING CREDITS

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

(i) Legal charges over certain units of investment properties (Note 8), property development costs (Note 13), and completed properties held for sale (Note 11) 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 sixty (60) months (2018: one (1) month to sixty (60) months) subject to the Bank's consent and approval.

21. TERM LOANS

	Group	
	2019 RM'000	**2018 RM'000**
Current liabilities (Note 18)		
- not later than one (1) year	**39,863**	49,258
Non-current liabilities (Note 18)		
- later than one (1) year and not later than five (5) years	**152,477**	113,992
- later than five (5) years	**-**	115,668
	152,477	229,660
	192,340	278,918

Term loans of the Group are secured by:

(i) Legal charges over certain units of investment properties (Note 8), property development costs (Note 13) and land held for property development (Note 12) of the Group;

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

(iii) Term loans of the Group are guaranteed by the Company.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Trade payables				
Third parties	**56,661**	37,043	**91**	91
Other payables				
Amounts owing to subsidiaries	**-**	-	**4,752**	14,008
Other payables	**4,079**	2,277	**57**	170
Accruals	**10,167**	20,437	**1,656**	1,811
	14,246	22,714	**6,465**	15,989
	70,907	59,757	**6,556**	16,080

(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 (2018: one (1) month to three (3) months).

(b) Amounts owing to subsidiaries represents advances and payments made on behalf, which are unsecured, interest-free and payable upon demand.

(c) Included in trade payables of the Group are retention monies of RM8,200,000 (2018: RM10,145,000).

22. TRADE AND OTHER PAYABLES (Cont'd)

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

(e) Information on financial risks of trade and other payables is disclosed in Note 37 to the financial statements.

23. COMMITMENTS

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Not later than one year	**403**	419	**209**	231
Later than one year and not later than five years	**42**	399	**8**	216
	445	818	**217**	447

24. CONTINGENT LIABILITIES

	Company	
	2019 RM'000	2018 RM'000
Secured		
Corporate guarantees given to a licensed bank for banking facilities granted to subsidiaries ^^		
- Limit of guarantee	**373,860**	373,860
- Amount utilised	**215,769**	312,950

^^ 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.

25. REVENUE

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue from contracts with customers				
Recognised over time:				
Property development	**112,922**	50,018	**-**	-
Recognised at point in time:				
Sales of completed properties	**49,499**	79,566	**-**	-
Sale of land	**-**	119,949	**-**	-
Others	**316**	214	**-**	-
Others				
Dividend income from a subsidiary	**-**	-	**1,702**	50,200
	162,737	249,747	**1,702**	50,200

26. COST OF SALES

	Group	
	2019 RM'000	2018 RM'000
Property development costs	**89,465**	56,980
Sales of completed properties	**23,672**	29,207
Sale of land	**-**	28,962
	113,137	115,149

27. FINANCE COSTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest expenses on:				
- bank overdrafts	**266**	96	**40**	11
- finance lease creditors	**64**	81	**-**	-
- revolving credits	**901**	917	**901**	917
- term loans	**1,458**	2,283	**-**	-
	2,689	3,377	**941**	928

28. PROFIT BEFORE TAX

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

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Profit before tax is arrived at after charging:				
Auditors' remuneration				
- statutory audit	**130**	130	**54**	54
Office rental	**428**	447	**195**	182
And crediting:				
Interest income received from:				
- advances to subsidiary	**-**	-	**-**	50
- deposits with licensed banks	**1,164**	688	**694**	267
- housing development accounts	**116**	149	**-**	-
- late payment charged to house buyers	**35**	217	**-**	-
Rental income	**1,215**	1,114	**-**	-

29. TAX EXPENSE

	Group		Company	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Current tax expense				
- current year	**8,750**	22,348	**28**	-
- prior years	**217**	63	**-**	-
	8,967	22,411	**28**	-
Deferred tax (Note 10)				
- current year	**54**	(134)	**-**	-
	9,021	22,277	**28**	-

(a) The Malaysian income tax is calculated at the statutory rate of twenty-four percent (24%) (2018: 24%) of the estimated taxable profits for the fiscal year.

29. TAX EXPENSE (Cont'd)

(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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit before tax	**33,892**	99,135	**694**	44,735
Tax at Malaysian statutory tax rate of 24% (2018: 24%)	**8,134**	23,792	**167**	10,736
Non-allowable expenses	**639**	290	**308**	756
Non-taxable income	**-**	-	**(408)**	(12,048)
Group relief	**-**	-	**-**	153
Deferred tax assets not recognised/(Utilisation of previously unrecognised deferred tax assets)	**31**	(1,868)	**(39)**	403
	8,804	22,214	**28**	-
Under provision in prior years				
- current tax	**217**	63	**-**	-
	9,021	22,277	**28**	-

30. 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 equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2019 RM'000	2018 RM'000
Profit attributable to equity holders of the parent (RM'000)	**24,871**	76,858
Weighted average number of ordinary shares in issue ('000)	**100,000**	100,000
Basic (sen)	**24.87**	76.86

(b) Diluted

The diluted earnings per share of the Group for the financial years 2019 and 2018 are same as the basic earnings per ordinary share of the Group as there are no dilutive potential ordinary shares.

31. DIVIDENDS

	2019 RM'000	2018 RM'000
In respect of financial year ended 30 November 2019:		
First interim single tier dividend of 3 sen per ordinary share, paid on 25 November 2019	**3,000**	-
In respect of financial year ended 30 November 2018:		
First interim single tier dividend of 5 sen per ordinary share, paid on 22 November 2018	**-**	5,000
	3,000	5,000

The Directors proposed a final single tier dividend of 5 sen per ordinary share, amounting to RM5,000,000 in respect of the financial year ended 30 November 2019, which is subject to the approval of members at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 30 November 2020.

32. EMPLOYEE BENEFITS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Wages and salaries	**7,155**	6,817	**2,049**	1,886
Contributions to defined contribution plan	**989**	1,151	**280**	401
Social security contribution	**62**	62	**3**	3
Other benefits	**2,464**	6,037	**1,134**	2,848
	10,670	14,067	**3,466**	5,138

Included in the employee benefits of the Group and of the Company are Executive Directors' remuneration of RM2,328,000 (2018: RM2,467,000) as disclosed in Note 33 to the financial statements.

33. DIRECTORS' AND KEY MANAGEMENT'S REMUNERATION

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Executive Directors:				
- salaries and other emoluments	**2,328**	2,467	**2,328**	2,467
- benefit-in-kind	**87**	90	**27**	30
- Directors' fees	**80**	80	**80**	80
	2,495	2,637	**2,435**	2,577
Non-Executive Directors' fees	**270**	272	**270**	272
Directors' of the Company	**2,765**	2,909	**2,705**	2,849
Approve and under provision in previous years				
- Non-Executive Directors' fees	**18**	-	**18**	-
	2,783	2,909	**2,723**	2,849
Other members of key management:				
- salaries and other emoluments	**1,090**	1,040	**1,068**	1,040
- other benefits	**46**	38	**1**	1
	1,136	1,078	**1,069**	1,041
	3,919	3,987	**3,792**	3,890

34. 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.

Related parties of the Group include:

(i) Direct subsidiaries of the Group; and

(ii) Key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Executive Directors of the Group.

34. 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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Transactions with persons connected to the Executive Chairman of the Company				
(i) Office renovation	**-**	119	**-**	119
Transactions with subsidiaries				
(i) Inter-company interest income	**-**	-	**-**	50
(ii) Management services charges	**-**	-	**4,079**	3,465

(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 22 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 33 to the financial statements.

35. 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.

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.

35. OPERATING SEGMENTS (Cont'd)

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.

2019	Property development RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Total revenue	162,421	1,702	782	164,905
Inter-segment revenue	-	(1,702)	(466)	(2,168)
Revenue from external customers	162,421	-	316	162,737
Interest income	620	693	2	1,315
Finance costs	(1,748)	(941)	-	(2,689)
Net finance expense	(1,128)	(248)	2	(1,374)
Other non-cash items:				
Depreciation of property, plant and equipment	(1,293)	(36)	-	(1,329)
Fair value gain on investment properties	10,272	-	-	10,272
Segment profit/(loss) before tax	34,868	694	(108)	35,454
Taxation	(8,993)	(28)	-	(9,021)
Additions to non-current assets:				
- Property, plant and equipment	1,933	3	-	1,936
- Investment properties	15,032	-	-	15,032
- Inventory - Land held for property development	26,432	-	-	26,432
Segment assets	692,592	449	89	693,130
Segment liabilities	269,237	15,195	157	284,589

35. OPERATING SEGMENTS (Cont'd)

2018	Property development RM'000	Investment holding RM'000	Others RM'000	Total RM'000
Total revenue	249,533	50,200	674	300,407
Inter-segment revenue	-	(50,200)	(460)	(50,660)
Revenue from external customers	249,533	-	214	249,747
Interest income	787	317	-	1,104
Finance costs	(2,499)	(928)	-	(3,427)
	(1,712)	(611)	-	(2,323)
Inter-segment income	-	(50)	-	(50)
Inter-segment finance	50	-	-	50
Net finance expense	(1,662)	(661)	-	(2,323)
Other non-cash items:				
Depreciation of property, plant and equipment	(1,216)	(50)	-	(1,266)
Fair value loss on investment properties	(3,143)	-	-	(3,143)
Segment profit/(loss) before tax	103,805	44,735	(332)	148,208
Taxation	(22,277)	-	-	(22,277)
Additions to non-current assets:				
- Property, plant and equipment	323	90	-	413
- Investment properties	4,178	-	-	4,178
- Inventory - Land held for property development	331,636	-	-	331,636
Segment assets	715,796	40,934	79	756,809
Segment liabilities	353,587	14,072	150	367,809

35. OPERATING SEGMENTS (Cont'd)

Reconciliation of reportable segment profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2019 RM'000	2018 RM'000
Profit for the financial year		
Total profit for reportable segments	**35,454**	148,208
Elimination of inter-segment gain and loss	**(1,562)**	(49,073)
Profit before taxation	**33,892**	99,135
Taxation	**(9,021)**	(22,277)
Profit for the financial year	**24,871**	76,858
Assets		
Total assets for reportable segments	**693,130**	756,809
Tax assets	**726**	2,804
Assets of the Group per consolidated statement of financial position	**693,856**	759,613
Liabilities		
Total liabilities for reportable segments	**284,589**	367,809
Tax liabilities	**2,775**	7,183
Liabilities of the Group per consolidated statement of financial position	**287,364**	374,992

36. 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 ratios. The overall strategy of the Group remains unchanged from previous financial year.

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 0.52 times (2018: 0.80 times) and the Company's gearing ratio is 0.08 times (2018: 0.07 times).

36. FINANCIAL INSTRUMENTS (Cont'd)

(a) Capital management (Cont'd)

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 2019.

(b) Financial instruments

Categories of financial instruments

	2019 RM'000	2018 RM'000
Group		
Financial assets		
Amortised cost		
Trade and other receivables, net of prepayments	**20,656**	44,301
Cash and bank balances	**13,450**	54,744
	34,106	99,045
Financial liabilities		
Amortised cost		
Trade and other payables	**70,907**	59,757
Borrowings	**213,308**	307,678
	284,215	367,435
Company		
Financial assets		
Amortised cost		
Other receivables, net of prepayments	**29,356**	202
Cash and bank balances	**131**	40,575
	29,487	40,777
Financial liabilities		
Amortised cost		
Trade and other payables	**6,556**	16,080
Borrowings	**13,391**	12,000
	19,947	28,080

36. FINANCIAL INSTRUMENTS (Cont'd)

(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.

(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	
	Carrying amount RM'000	Fair value (Level 2) RM'000
2019		
Financial liability		
Finance lease creditors	**1,107**	**1,132**
2018		
Financial liability		
Finance lease creditors	1,435	1,470

37. 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.

<u>Exposure to credit risk</u>

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.

<u>Credit risk concentration profile</u>

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.

(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.

37. 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 2019				
Financial liabilities				
Group				
Trade and other payables	**70,907**	**-**	**-**	**70,907**
Borrowings	**71,476**	**176,073**	**-**	**247,549**
Total undiscounted financial liabilities	**142,383**	**176,073**	**-**	**318,456**
Company				
Trade and other payables	**6,556**	**-**	**-**	**6,556**
Borrowings	**13,391**	**-**	**-**	**13,391**
Financial guarantees*	**373,860**	**-**	**-**	**373,860**
Total undiscounted financial liabilities	**393,807**	**-**	**-**	**393,807**
As at 30 November 2018				
Financial liabilities				
Group				
Trade and other payables	59,757	-	-	59,757
Borrowings	92,930	171,134	123,129	387,193
Total undiscounted financial liabilities	152,687	171,134	123,129	446,950
Company				
Trade and other payables	16,080	-	-	16,080
Borrowings	12,000	-	-	12,000
Financial guarantees*	373,860	-	-	373,860
Total undiscounted financial liabilities	401,940	-	-	401,940

* This disclosure represents the maximum liquidity risk exposure.

(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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

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	
	2019 RM'000	**2018 RM'000**	**2019 RM'000**	**2018 RM'000**
Profit after tax				
- Increase by 1% (2018: 1%)	**(1,613)**	(2,327)	**(102)**	(91)
- Decrease by 1% (2018: 1%)	**1,613**	2,327	**102**	91

The sensitivity for the Group is lower in 2019 than in 2018 because of decrease 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

The following table sets 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	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
2019									
Fixed rates									
Finance lease creditors	19	**4.64**	**(592)**	**(240)**	**(156)**	**(94)**	**(25)**	**-**	**(1,107)**
Floating rates									
Bank overdrafts	18	**7.65**	**(6,612)**	**-**	**-**	**-**	**-**	**-**	**(6,612)**
Revolving credits	20	**7.38**	**(13,249)**	**-**	**-**	**-**	**-**	**-**	**(13,249)**
Term loans	21	**7.00**	**(39,863)**	**(27,670)**	**(37,480)**	**(41,727)**	**(45,600)**	**-**	**(192,340)**
2018									
Fixed rates									
Deposits with licensed bank	16	3.70	20,061	-	-	-	-	-	20,061
Finance lease creditors	19	4.81	(626)	(528)	(174)	(87)	(20)	-	(1,435)
Floating rates									
Bank overdrafts	18	7.90	(8,904)	-	-	-	-	-	(8,904)
Revolving credits	20	7.90	(17,000)	(1,421)	-	-	-	-	(18,421)
Term loans	21	7.01	(49,258)	(7,493)	(5,333)	(43,333)	(57,833)	(115,668)	(278,918)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

(c) Interest rate risk (Cont'd)

The following table sets 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	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
2019									
Floating rates									
Bank overdrafts	18	**7.95**	**(1,391)**	**-**	**-**	**-**	**-**	**-**	**(1,391)**
Revolving credits	20	**7.54**	**(12,000)**	**-**	**-**	**-**	**-**	**-**	**(12,000)**
2018									
Fixed rates									
Deposits with licensed bank	16	3.70	20,061	-	-	-	-	-	20,061
Floating rates									
Revolving credits	20	7.61	(12,000)	-	-	-	-	-	(12,000)

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PROXY FORM

countryview
Building Homes for Generations

I/We, ____, (NRIC No. ______________________) of

(full address) ____ a member/members

of COUNTRY VIEW BERHAD hereby appoint

Name of Proxy (Full Name)	**NRIC No./Passport No.**	**% of Shareholding to be Represented** (Refer to Note 2)
Address		

* and/or failing him/her

Name of Proxy (Full Name)	**NRIC No./Passport No.**	**% of Shareholding to be Represented** (Refer to Note 2)
Address		

as *my/our proxy to vote for *me/us and on *my/our behalf at the 37th Annual General Meeting of the Company, to be held at Rex Room, Level 6, Amari Johor Bahru, No. 82 C, Jalan Trus, 80000, Johor Bahru, Johor, Malaysia on Tuesday, 28 April 2020 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	Approve the payment of a final single tier dividend		
Ordinary Resolution 3	Re-election of Mr Law Kit Tat		
Ordinary Resolution 4	Re-election of Mr Choong Shiau Yoon		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Retention of Independent Director - Mr Choong Shiau Yoon		

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

Dated this ___________ day of ______________________ 2020

____
Signature of member/s

CDS Account No.	
No. of Shares Held	

Notes:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. 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 Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
6. Subject to the Constitution, shareholders may deposit the instrument appointing the proxy by electronics means by way of submitting the instrument to the following e-mail address **proxyform@countryview.com.my** not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
7. An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
8. In respect of deposited securities, only members whose names appear on the Record of Depositors on 21 April 2020, 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.

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STAMP

The Company Secretary

Country View Berhad
Reg. No. 198101012190 (78320-K)

Suite 5.11 & 5.12
5th Floor Menara TJB
9 Jalan Syed Mohd. Mufti
80000 Johor Bahru, Johor

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