

9. FINANCIAL INFORMATION

9.1 Consolidated Profit and Dividend Record

The following table has been extracted from the Accountants' Report set out in Section 11 of this Prospectus and should be read in conjunction with the notes and assumptions thereto.

The summarised proforma consolidated results of the CVB Group for the past five (5) years ended 30 November 2001 have been prepared for illustrative purposes only after making such adjustments that are considered necessary and assuming that the present CVB Group structure had been in existence throughout those years under review:-

	←----- Year ended 30 November -----→				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Turnover	80,940	40,396	33,507	26,771	36,022
Gross profit	42,985	17,108	17,997	18,550	24,465
Profit before depreciation, interest, exceptional items and taxation etc.	38,526	13,635	14,269	15,357	19,960
Depreciation	(336)	(346)	(179)	(189)	(321)
Exceptional items	150	-	14	1,448	(29)
Interest expense	(48)	(36)	-	-	(258)
Interest income from bank deposits	3,195	4,297	1,698	968	76
Interest from other loan	-	-	-	80	-
Late payments interest from buyers	738	146	28	27	117
Other operating income	489	968	715	533	1,051
Share of losses of an associated company	-	-	-	(57)	(86)
Profit before taxation and extraordinary item	42,714	18,664	16,545	18,167	20,510
Taxation (as adjusted)	(11,989)	(5,275)	25	(5,125)	(5,893)
Profit after taxation but before extraordinary item	30,725	13,389	16,570	13,042	14,617
Extraordinary item	-	-	-	-	(116)
Profit after taxation and extraordinary item	<u>30,725</u>	<u>13,389</u>	<u>16,570</u>	<u>13,042</u>	<u>14,501</u>
Number of ordinary shares of RM1.00 each at end of financial year ('000)	6,000	6,000	6,000	6,000	85,000
Gross EPS before Public Issue (RM)	7.12	3.11	2.76	3.03	0.24
Net EPS before Public Issue (RM)	5.12	2.23	2.76	2.17	0.17
Gross EPS after Public Issue (RM)	0.43	0.19	0.17	0.18	0.21
Net EPS after Public Issue (RM)	0.31	0.13	0.17	0.13	0.15
Dividend rate (%)	476.00	256.00	-	75.34	27.35

Notes:-

- (1) The above proforma consolidated results exclude the results of a subsidiary of CVB that has been disposed off in January 2001.
- (2) Gross and net EPS after Public Issue are based on the PBT and PAT before extraordinary item and the enlarged issued and paid-up share capital of 100,000,000 ordinary shares of RM1.00 each of the Listing Scheme.

9. FINANCIAL INFORMATION (Cont'd)

- (3) *The CVB Group's turnover and profit after taxation and extraordinary item have been in declining trend since from 1998 to 2000 (with the exception of the profit after taxation and extraordinary item in 1999) mainly due to the completion of billings on the earlier phases of projects and the unfavourable economic condition in Malaysia since 1997.*
- (4) *Compared with 2000, the CVB Group's turnover and profit after taxation in 2001 increased by about 35% and 12.1% respectively. This is mainly due to the sales of development land and completed double storey shop-offices as well as the launching of ongoing development properties in Taman Universiti during the year.*
- (5) *The taxation adjustment for 1999 represents over-provision of taxation for prior years. The profit for that year was exempted from tax under the Income Tax (Amendment) Act 1999.*
- (6) *The exceptional item in 2000 is mainly attributable to a write-back of provision for late delivery charges amounting to RM1.459 million. Such amount was written back due to the lapse of the time for claiming by the property buyers.*
- (7) *The extraordinary item in 2001 is an adjustment for the loss resulting from the disposal of a subsidiary of CVB in January 2001.*
- (8) *There is no minority interest for all the years under review.*
- (9) *There was an increase in the number of shares in CVB to 85,000,000 in year 2001 pursuant to the Bonus Issue of 79,000,000 new ordinary shares of RM1.00 each in CVB which was completed on 29 November 2001.*

Notes to the proforma financial information of CVB are included in the Accountants' Report set out in Section 11 of this Prospectus.

9.2 Analysis of Revenue and Profit**9.2.1 Analysis of Turnover****(A) Analysis of turnover by companies:**

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
CVB	80,940	40,398	33,507	26,771	36,022
CVE	-	-	-	-	-
CVP	-	-	-	-	-
CVV	-	-	-	-	-
CVL	-	-	-	-	-
CVC	-	-	-	-	-
CVR	-	-	-	-	-
Proforma Consolidated Turnover	80,940	40,398	33,507	26,771	36,022

(B) Analysis of turnover by related and unrelated third parties:

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Sales of houses to:-					
Unrelated 3 rd party individuals	80,940	20,690	24,991	15,722	22,916
2 Unrelated corporate buyers	-	19,706	7,429	11,049	-
Directors/ shareholders or parties related to them	-	-	1,087	-	13,106
Proforma Consolidated Turnover	80,940	40,396	33,507	26,771	36,022

Details of the segmental analysis of turnover are set out in Section 11 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)

9.2.2 Analysis of PAT but before extraordinary item

(A) Analysis of PAT but before extraordinary item by companies:

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2,000 RM'000	2001 RM'000
CVB *	30,730	13,395	16,579	13,113	14,148
CVE	-	-	-	4	(2)
CVP	(5)	(6)	(9)	(6)	(8)
CVV	-	-	-	(69)	(97)
CVL	-	-	-	-	480
CVC	-	-	-	-	155
CVR	-	-	-	-	(16)
	<u>30,725</u>	<u>13,389</u>	<u>16,570</u>	<u>13,042</u>	<u>14,660</u>
Inter-company profits	-	-	-	-	(43)
Proforma PAT but before extraordinary item	<u>30,725</u>	<u>13,389</u>	<u>16,570</u>	<u>13,042</u>	<u>14,617</u>
Add/ (less) :					
Adjustment to reflect the taxation in the respective year	48	(3,214)	90	(80)	57
CVM	(11)	21	93	56	16
Rounding difference	(1)	(1)	(1)	(1)	1
As per audited accounts	<u>30,761</u>	<u>10,195</u>	<u>16,752</u>	<u>13,017</u>	<u>14,691</u>

* Reconciliation of CVB's PAT but before extraordinary item to the audited accounts is as follows:-

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
CVB	30,730	13,395	16,579	13,113	14,148
Tax adjustment related to CVB	48	(3,214)	90	(80)	57
Rounding difference	(1)	(1)	(1)	(1)	1
As per audited accounts of CVB	<u>30,777</u>	<u>10,180</u>	<u>16,668</u>	<u>13,032</u>	<u>14,206</u>

(B) Analysis of PAT but before extraordinary item by services:

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
Sales of houses	27,363	9,224	14,138	11,898	13,743
Interest bank deposits	2,301	3,099	1,698	693	54
Interest received from other loan	-	-	-	57	-
Late payment interest from buyers	638	130	28	19	84
Other operating income	428	942	715	381	738
Losses by subsidiaries	(5)	(6)	(9)	(6)	(2)
Proforma PAT but before extraordinary item	<u>30,725</u>	<u>13,389</u>	<u>16,570</u>	<u>13,042</u>	<u>14,617</u>

9. FINANCIAL INFORMATION (Cont'd)

9.2.3 Impact of Interest Rates on Operating Profits

The impact of interest rates on operating profit is minimal as the Group has a very low gearing level for the five financial years ended 30 November 2001. The interest cover as compared to PBT before interest ranged from 80 times to 891 times for the past five (5) financial years ended 30 November 2001.

The following table sets out the interest expenses and PBT before interest for the past five (5) financial years ended 30 November 2001:-

	Year ended 30 November				
	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000	2001 RM'000
PBT	42,714	18,664	16,545	18,167	20,510
Interest expense	48	36	-	-	258
PBT before interest	42,762	18,700	16,545	18,167	20,768
Interest coverage ratio (times)	891	519	N/A	N/A	80
Total bank borrowings	2,200	-	-	-	59,308

Note:

* Although there was an increase in total bank borrowings for the financial year ended 30 November 2001, the low interest expense was registered since only loans which were used to part finance the working capital of the Group were charged to income statement whereas those incurred to finance the purchase of lands were capitalised to land and development expenditure.

9.3 **Directors' Declaration on Financial Performance, Position and Operations**

Save as disclosed in Sections 3 and 9.4 of this Prospectus, the Directors are of the view that the financial performance, position and operations of the Company and its subsidiaries are not affected by any of the following :

- (i) any known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on the financial performance, position and operations of the CVB Group;
- (ii) any material commitment for capital expenditure;
- (iii) any unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the CVB Group;
- (iv) any substantial increase in revenue; and
- (v) any known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position of the Group.

As far as the Directors are aware and except as disclosed in this Prospectus, the Group is not vulnerable to any specific factors or events of a particular nature other than those normal commercial risks experienced in the course of business.

9. FINANCIAL INFORMATION (Cont'd)

9.4 Working Capital, Borrowings, Contingent Liabilities, Material Commitment and Litigation
(i) Working Capital

The Directors of CVB are of the opinion that after taking into account the cashflow forecast, credit facilities available and gross proceeds from the Public Issue, the Group will have adequate working capital for its present and foreseeable requirements.

(ii) Borrowings

As at 25 March 2002 (being the last practicable date prior to the printing of this Prospectus), the total interest-bearing facilities of the CVB Group amounted to approximately RM69.54 million, out of which the facilities utilised and outstanding amount were RM65.10 million and RM57.40 million respectively. The Group has no non-interest bearing borrowings.

Save as disclosed below, the CVB Group does not have any other loan capital or convertible debt securities outstanding, or mortgages or charges outstanding:-

Borrowings as at 25 March 2002	Interest Bearing RM'000	Total Facilities RM'000	Facilities Utilised RM'000	Amount Outstanding RM'000
<i>Short-term</i>				
Term Loan	8,825	8,825	8,825	5,519
Bank Overdraft	7,000	7,000	6,947	5,027
Revolving Credit Facility	10,000	10,000	10,000	10,000
Hire Purchase	116	116	116	116
Sub-total	25,941	25,941	25,888	20,662
<i>Long-term</i>				
Term Loan	36,175	36,175	36,175	33,814
Joint Bridging Loan/ Bank Guarantee	7,000	7,000	2,617	2,617
Revolving Credit Facility	-	-	-	-
Hire Purchase	424	424	424	302
Sub-total	43,599	43,599	39,216	36,733
Grand Total of Borrowings	69,540	69,540	65,104	57,395

9. FINANCIAL INFORMATION (Cont'd)

As at 25 March 2002, CVB enjoys various types of credit facilities from Arab-Malaysian as follows:-

Type of Facility	Purpose	Total Facilities RM'000	Facilities Utilised RM'000	Facilities Outstanding RM'000
Revolving credit	To finance CVB's working capital requirements	10,000	10,000	10,000
Term loan	To on-lend to CVL for part-financing (up to 51%) CVL's purchase of two parcels of land in Mukim of Padang Meha, Daerah Kulim, Kedah	12,000	12,000	8,239
Term loan	To on-lend to CVR for part-financing (up to 62%) CVR's purchase of R14a and R14b of Bandar Nusajaya	10,000	10,000	9,428
Term loan	To on-lend to CVR for part-financing (up to 62%) CVR's purchase of Plots 1 & 3 of Bandar Nusajaya and all buildings (ancillary or otherwise) and fixtures now and/or from time to time erected thereon	23,000	23,000	21,666
Joint bridging/ Bank guarantee	To provide bridging finance for the following development cost:- (a) CVB's Prima Vista apartment and Low/Medium Cost Shop in Taman Universiti (b) CVR's residential and shop houses with unit price not exceeding RM250,000	7,000 *	2,617	2,617
		62,000	57,617	51,950

Note:

* This is inclusive of bank guarantees to be issued/ issued on behalf of CVB Group. As at 25 March 2002, bank guarantees totalling RM1.928 million have been issued to third parties.

The abovementioned credit facilities are jointly secured by the various properties of the CVB Group. In addition, the credit facilities are also jointly and severally guaranteed by some of the Directors of CVB as set out in Section 7.1.3 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)

(iii) Contingent Liabilities

Save as disclosed below, as at 25 March 2002 (being the last practicable date prior to the printing of this Prospectus), the Group does not have any material contingent liabilities.

	RM'000
Performance guarantees given to third parties which is secured by fixed deposits in the name of the Company and one of the shareholders, Mr Yee Gee Min	133
Performance guarantees given to third parties which are secured by legal charges on the Group's landed properties, debentures by way of fixed and floating charges over the Group's present and future assets and personal guarantees of certain Directors of the Company	1,928
Total	2,061

(iv) Capital Commitment

Save as disclosed below, as at 25 March 2002 (being the last practicable date prior to the printing of this Prospectus), there are no material commitments for capital expenditure incurred or known to be incurred by CVB or its subsidiaries and associated company, which may have a substantial impact on the financial position of the Group.

	RM'000
Approved & contracted for *	43,288
Approved but not contracted for	-
Total	43,288

Note:

* Exclude inter-company commitment of RM41,815 in relation to CVC.

(v) Material Litigation

As at 25 March 2002, the CVB Group is not engaged either as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the CVB Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of CVB and its subsidiaries.

9. FINANCIAL INFORMATION (Cont'd)

9.5 Consolidated Profit Forecast and Assumptions for the Financial Year Ending 30 November 2002 (Prepared for inclusion in this Prospectus)

CONSOLIDATED PROFIT FORECAST TOGETHER WITH ASSUMPTIONS THEREON

The Directors of CVB forecast that, in the absence of unforeseen circumstances, the consolidated profit forecast of CVB Group for the financial year ending 30th November 2002 is as follows :-

	Proforma Forecast 2002 RM'000
Turnover [@]	<u>72,986</u>
Consolidated profit before taxation	22,486
Less: Taxation	<u>(6,451)</u>
Consolidated profit after taxation	<u>16,035</u>
Weighted average number of shares in issue ('000)	85,000
Enlarged share capital ('000)	100,000
Gross EPS (sen)*	26.45
Net EPS (sen)*	18.87
Fully diluted gross EPS (sen) **	22.49
Fully diluted net EPS (sen) **	16.04
Gross PE Multiple based on the Public Issue price of RM1.20 per share (times)*	4.54
Net PE Multiple based on the Public Issue price of RM1.20 per share (times)*	6.36
Gross PE Multiple based on the Public Issue price of RM1.20 per share (times)**	5.34
Net PE Multiple based on the Public Issue price of RM1.20 per share (times)**	7.48

NOTES:-

[@] Turnover represents:-

- Sales value of land and completed houses/buildings sold, and
- Proportionate sales value of houses/buildings under construction according to stages of completion which have been sold.

* Based on the the weighted average number of shares of 85,000,000 on the assumption that the public issue is completed in the financial year ending 30th November 2002.

** Based on the enlarged share capital of 100,000,000 ordinary shares of RM1.00 each fully paid.

ASSUMPTIONS:-

- A. It is assumed that the proposals will be completed in the financial year ending 30th November 2002.
- B. The principal bases and assumptions upon which the consolidated profit forecast has been prepared are set out below. Nevertheless, in the light of the current Malaysian and regional economic environment, certain assumptions, including interest and exchange rates, may differ significantly should the economic situation differs significantly from the date of this profit forecast.
 1. There is no material change in the structure and principal activities of the Group.
 2. There will be improvement in the prevailing property market conditions relating to demand and prices of development properties.



9. FINANCIAL INFORMATION (Cont'd)

3. There will be no drastic uncertainties in the economic and political climax in Malaysia and elsewhere that may directly or indirectly affect the activities or business performance of the Group.
4. There will be no material changes in the management, development, marketing, accounting and other operating policies currently adopted by the Group.
5. Tax rate shall remain at 28%. Exchange rates of foreign currencies will not be substantially and adversely changed from their present levels. Inflation will remain at its current level. Therefore, there will not be any significant changes in the prices and supply of building materials, wages and other related costs whether resulting from industrial disputes, changes in the economic conditions or other abnormal factors, which may affect the development and sales.
6. The Group's profit margin on its development projects will sustain and attributable profits for each project are computed based on the percentage of completion method.
7. There will be no material changes in the present legislation or government regulations, rates and bases of duties, levies and other taxes affecting the Group's activities or market in which the Group operates.
8. The Group will be able to secure adequate financing facilities to finance property development activities. While level of interest rate is expected to fluctuate over time, it is assumed that it will not change materially from those prevailing and shall not exceed 9% per annum. Similarly, financing for prospective buyers of development properties is readily available.
9. There will be no delays in securing approvals for the proposed sales of land and property development projects. The volume, timing and pricing of all proposed development projects will be in accordance to the proposed marketing and promotional plans. Construction will progress in accordance to development schedule and cost projections will be achieved as planned.
10. Collection from progress billings and payments of the development expenditure will be as scheduled.
11. Estimated listing expenses of RM2.5 million is debited to the share premium account.
12. The proposed public issue of 15,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per share will be completed in the financial year ending 30th November 2002. The proceeds will be used to pay for listing expenses, working capital and part repayment of bank borrowings which are utilised for working capital.
13. Interest earned is 3% per annum on the surplus funds in fixed deposits and Housing Development Account.
14. All inflows and outflows are assumed to accrue on the last day of each month.
15. The forecast has been prepared based on bases and accounting principles consistent with those previously adopted in the preparation of the audited financial statements.

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9. FINANCIAL INFORMATION (Cont'd)

9.6 Reporting Accountants' Letter on the Consolidated Profit Forecast of the CVB Group for the Financial Year Ending 30 November 2002
(Prepared for inclusion in this Prospectus)

蔡坤生特許會計公司
K. S. CHUA & CO.
CHARTERED ACCOUNTANTS

CHUA KON SING B.Com. (UNSW), F.C.A. (AUST),
C.A. (M), C.P.A. (S)

Unit 5.10, Level 5, Plaza DNP,
No. 59, Jalan Dato' Abdullah Tahir,
80250 Johor Bahru,
Johor, Malaysia.
Tel: 07-3318991, 3318992
Fax: 07-3318993
Email: kschuah@pc.jaring.my

Date: 18 April 2002

The Board of Directors
Country View Berhad
Suite 5.11 & 5.12, 5th Floor, Menara TJB,
No. 9, Jalan Syed Mohd. Mufti,
80000 Johor Bahru,
Johor.

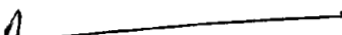
Dear Sirs,

CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 30th NOVEMBER 2002

We have reviewed the accounting policies and the calculations for the consolidated profit forecast of Country View Berhad ("CVB") and its subsidiaries ("CVB Group"), for which the Directors are solely responsible, for the year ending 30th November 2002 as set out in the accompanying statement in connection with the public issue of 15,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per share and the listing and quotation of the entire issued and paid-up capital on the Main Board of the Kuala Lumpur Stock Exchange, for submission to the Securities Commission, which we have stamped for the purpose of identification.

In our opinion, the forecast, so far as the accounting policies and calculations are concerned, has been properly compiled on the basis of assumptions made by the Directors as set out in the accompanying statement, and is presented on a basis consistent with the accounting policies normally adopted by CVB Group.

Yours faithfully,


K.S. CHUA & CO.
AF 0255
Chartered Accountants


CHUA KON SING
(8.01)4/5/3-416
Proprietor



9. FINANCIAL INFORMATION (Cont'd)

9.7 Directors' Comments on Profit Forecast

Compared to the turnover for the financial year 2001 of RM36.0 million, the Board of Directors of CVB expects the Group's turnover for the financial year 2002 to increase by 103%. The turnover, expected from the sales of its development properties in projects, Taman Universiti and plots R14a & R14b in Bandar Nusajaya undertaken by CVB and CVR respectively are as follows: -

Projects	Forecast turnover for the financial year ending 30 November 2002	
	RM'000	%
Development land	13,212	18.1
Stocks of completed properties	1,847	2.5
Double Storey Shop-offices	6,834	9.4
Bungalow lots	5,795	7.9
Triple Storey Shop-offices	16,974	23.3
Double Storey Terrace Houses	13,069	17.9
Apartments	15,255	20.9
	72,986	100.0

Despite the increase in the turnover, the Group's gross margins of 36.7% for the financial year 2002 is lower than 2001 of about 67.9%. The expected reduction is attributed to the development of plots R14a & R14b, which commences in the financial year 2002. The project which accounts for about 62.1% of the Group's turnover for the financial year 2002 is expected to generate lower margin due to the higher land cost as compared to 2001, which derived its revenue solely from the Group's signature project in Taman Universiti. Despite the lower margin, the Group expects profits in the financial year 2002 to be higher with the expected increase in the properties sold. In this respect, the Board of Directors forecasts that profit after taxation is expected to increase from RM14.6 million in the financial year 2001 to RM16.0 million in the financial year 2002.

The Board of Directors of CVB confirm that the profit forecast of the CVB Group and the underlying bases and assumptions stated therein have been reviewed by the Directors after due and careful enquiry, and that the Directors, having taken into account the future prospects of the industry, future plans of the CVB Group and its level of gearing, liquidity and working capital requirements, are of the opinion that the profit forecast of the CVB Group are achievable and the assumptions made are reasonable.

Nevertheless, in the light of the current economic environment, certain assumptions, including market demand of its development properties and interest rates, may differ from actual should the economic situation differ significantly from the date of this forecast and this may have a material impact on the CVB Group's profit forecast.

9. FINANCIAL INFORMATION (Cont'd)

9.8 Sensitivity Analysis

9.8.1 Variations in Turnover

	Forecast for the financial year ending 30 November 2002					
	Turnover	Change %	PBT	Change %	PAT	Change %
As Forecast	72,986		22,486		16,035	
Up 10%	80,328	10.06	31,353	39.43	22,420	39.82
Up 5%	76,656	5.03	26,905	19.65	19,217	19.84
Down 10%	65,651	(10.05)	13,573	(39.64)	9,619	(40.01)
Down 5%	69,317	(5.03)	18,042	(19.76)	12,836	(19.95)

Turnover represents:-

- sales value of land and completed houses/buildings sold; and
- proportionate sales value of houses/buildings under construction which have been sold according to stages of completion.

The sensitivity analysis on turnover is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variations in the selling prices of development properties sold by CVB in Taman Universiti and CVR in Plots R14a & R14b in Bandar Nusajaya.

As shown in the table above, a ten percent (10%) increase in the selling price of development properties is expected to increase the CVB Group's turnover, PBT and PAT by 10.06%, 39.43% and 39.82% respectively as compared to the forecasted figures of RM72.986 million, RM22.486 million and RM16.035 million respectively.

9.8.2 Variations in Cost of Sales

	Forecast for the financial year ending 30 November 2002					
	Cost of Sales	Change %	PBT	Change %	PAT	Change %
As Forecast	46,215		22,486		16,035	
Up 10%	48,981	5.99	19,171	(14.74)	13,648	(14.89)
Up 5%	47,597	2.99	20,823	(7.40)	14,836	(7.46)
Down 10%	43,471	(5.94)	25,861	15.01	18,466	15.16
Down 5%	44,832	(2.99)	24,169	7.48	17,247	7.56

The sensitivity analysis on cost of sales is prepared based on the assumption that all other things remain unchanged except for the 5% and 10% upward and downward variations in the cost of sales. The result of the variations in cost of sales do not correspond with the relevant percentage increases or decreases as some costs are not subject to changes e.g. the land cost and cost of completed houses/buildings that have already been incurred.

As shown in the table above, a ten percent (10%) increase in the cost of sales is expected to decrease the CVB Group's PBT and PAT by 14.74% and 14.89% respectively as compared to the forecasted figures of RM22.486 million and RM16.035 million respectively.

9. FINANCIAL INFORMATION (Cont'd)

9.9 Dividend Forecast and Policy

For the financial year ended 30 November 2001, the Company declared an interim tax-exempt dividend totalling RM1.5 million which was paid on 15 December 2000 and had declared a second interim dividend totalling RM1.44 million net of taxation, which was paid on 26 December 2001.

Barring any unforeseen circumstances and on the basis of the consolidated profit forecast and on the assumption that the present basis for calculating taxation and the rates of taxation will remain unchanged, the Directors of CVB Group anticipate that they will be in a position to propose, based on the enlarged issued share capital of 100,000,000 shares, a dividend of six (6) sen or six percent (6%) per share for the financial year ending 30 November 2002.

The dividend represents a gross final dividend yield of 5.00% based on the issue price of RM1.20 per share.

It will be the policy of the Directors in recommending dividends to allow shareholders to participate in the profits of the Group as well as leaving adequate reserves for the future growth of the CVB Group.

The intended appropriation of the projected consolidated profit for the financial year ending 30 November 2002 will be as follows:-

	Financial Year Ending 30 November 2002 RM'000
Consolidated PBT	22,486
Less : Taxation	(6,451)
Consolidated PAT	16,035
Less :	
• Proposed dividend – after taxation	(4,320)
Consolidated retained profit for the year	11,715
Gross final dividend per share (sen)	6.0
Net final dividend per share (sen)	4.32
Gross final dividend yield based on the issue price of RM1.20 per share (%)	5.00
Net final dividend yield based on the issue price of RM1.20 per share (%)	3.60
Gross final dividend cover (times)	3.75
Net final dividend cover (times)	3.71

Investors should note that future dividends might be varied if:-

- (a) the results of the CVB Group differ significantly from that of forecast; or
- (b) the payment of the dividends would adversely affect the CVB Group's cashflows and operations.

9. FINANCIAL INFORMATION (Cont'd)

9.10 Proforma Consolidated Balance Sheets of CVB Group (Prepared for inclusion in this Prospectus)

PROFORMA CONSOLIDATED BALANCE SHEETS AND THE REPORTING ACCOUNTANTS' LETTER THEREON

The proforma consolidated balance sheets as set out below have been prepared for illustrative purposes only to show the effect on the combined audited balance sheets of CVB and its subsidiaries as at 30th November 2001 on the assumptions that all the listing exercise has been effected on 30th November 2001.

	Per Audited Accounts As At 30th November 2001	Proforma After Public Issue
	RM'000	RM'000
CURRENT ASSETS		
Land and development expenditure	22,413	22,413
Trade debtors	8,082	8,082
Other debtors, deposits & prepayments	3,335	2,431
Fixed deposits	603	603
Quoted shares	6	6
Cash and bank balances	3,273	17,143
	<u>37,712</u>	<u>50,678</u>
CURRENT LIABILITIES		
Trade creditors	2,303	2,303
Other creditors, deposits & accruals	4,087	3,553
Short term borrowings	14,088	14,088
Term loans	4,725	2,725
Hire purchase creditors	116	116
Proposed dividends	1,438	1,438
Provision for taxation	970	970
	<u>27,727</u>	<u>25,193</u>
NET CURRENT ASSETS	9,985	25,485
LAND HELD FOR DEVELOPMENT	143,157	143,157
FIXED ASSETS	1,289	1,289
ASSOCIATED COMPANY	577	577
LONG TERM AND DEFERRED LIABILITIES		
Hire purchase creditors	(340)	(340)
Bridging loans	(1,418)	(1,418)
Term loans	(38,620)	(38,620)
	<u>114,630</u>	<u>130,130</u>
SHARE CAPITAL	85,000	100,000
RETAINED EARNINGS	29,630	29,630
SHARE PREMIUM	-	500
	<u>114,630</u>	<u>130,130</u>
Net tangible assets per share (RM)	1.35	-
Proforma net tangible assets per share (RM)	-	1.30

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9. FINANCIAL INFORMATION (Cont'd)**NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEET
OF CVB GROUP AS AT 30 NOVEMBER 2001**

(Prepared for inclusion in this Prospectus)

Notes to the proforma consolidated balance sheets as at 30th November 2001:-

1. Proforma - This incorporates the proposed public issue of 15,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share that gives rise to a share premium of RM3,000,000 and is stated after deducting the estimated listing expenses of RM2,500,000 and the repayment of RM2,000,000 of the borrowings from Arab-Malaysian Merchant Bank Berhad.

2. Share capital, Retained earnings and Share premium:-

	Cumulative proforma share capital RM'000	Retained earnings RM'000	Share premium RM'000
Balance as at 30th November 2000 per audited accounts	6,000	97,010	-
Profit after tax for the year ended 30th November 2001	-	14,558	-
Interim dividends	-	(2,938)	-
	6,000	108,630	-
Add/(Less): Bonus issue of 79,000,000 ordinary shares to existing shareholders	79,000	(79,000)	-
<i>As Per Audited Accounts As At 30th November 2001</i>	85,000	29,630	-
Add: Public issue of 15,000,000 ordinary shares at RM1.20 per share	15,000	-	3,000
Less: Estimated listing expenses	-	-	(2,500)
<i>As Per Proforma After Public Issue</i>	100,000	29,630	500

3. Details of the proposed utilisation of proceeds:-

	RM'000
Estimated listing expenses	2,500
Repayment of bank borrowings	2,000
Working capital	13,500
	18,000

4. The proforma balance sheets have been prepared based on bases and accounting policies consistent with those previously adopted in the preparation of the audited financial statements.

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9. FINANCIAL INFORMATION (Cont'd)

9.11 Reporting Accountants' Letter on the Proforma Consolidated Balance Sheets
(Prepared for inclusion in this Prospectus)

蔡坤生特許會計公司
K. S. CHUA & CO.
CHARTERED ACCOUNTANTS

CHUA KON SING B.Com. (UNSW), F.C.A. (AUST),
C.A. (M), C.P.A. (S)

Unit 5.10, Level 5, Plaza DNP,
No. 59, Jalan Dato' Abdullah Tahir,
80250 Johor Bahru,
Johor, Malaysia.
Tel: 07-3318991, 3318992
Fax: 07-3318993
Email: kschuah@pc.jaring. my

Date: 18 April 2002

The Board of Directors
Country View Berhad
Suite 5.11 & 5.12, 5th Floor, Menara TJB,
No. 9, Jalan Syed Mohd. Mufti,
80000 Johor Bahru,
Johor.

Dear Sirs,

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30th NOVEMBER 2001

We have reviewed the presentation of the proforma consolidated balance sheets of Country View Berhad ("CVB") and its subsidiaries ("CVB Group") as at 30th November 2001, together with the accompanying notes, for which the Directors are solely responsible, as set out in the Prospectus to be dated 22nd April 2002, in connection with the public issue of 15,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.20 per share and the listing and quotation of the entire issued and paid-up capital on the Main Board of the Kuala Lumpur Stock Exchange.

In our opinion, the abovementioned proforma consolidated balance sheets of the CVB Group together with the accompanying notes, which have been prepared for illustrative purposes only on a basis consistent with the accounting policies normally adopted by the Group and are presented in a form suitable for inclusion in the Prospectus.

Yours faithfully,


K.S. CHUA & CO.
AF 0255
Chartered Accountants


CHUA KON SING
(8.01)4/5/3-416
Proprietor



10. DIRECTORS' REPORT

(Prepared for inclusion in this Prospectus)



18 April 2002

The Shareholders of
Country View Berhad ("CVB")
Unit 26-01, Mail Box 261
Menara Landmark
No. 12, Jalan Ngee Heng
80000 Johor Bahru
Johor

Dear Sir/Madam,

On behalf of the Directors of CVB, I report after due enquiry that during the period from 30 November 2001 (being the date to which the last audited accounts of CVB and its subsidiaries and associated company have been made) to 18 April 2002 (being a date not earlier than fourteen days before the issue of this Prospectus) that :-

- (a) the business of the Company and its subsidiaries and associated company have, in the opinion of the Directors, been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen subsequent to the last audited accounts of the Company and its subsidiaries and associated company which have adversely affected the trading or the value of the assets of the Company and its subsidiaries and associated company;
- (c) the current assets of the Company and its subsidiaries and associated company appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in Section 9.4 (iii) of this Prospectus, no contingent liabilities have arisen by reason of any guarantees or indemnities given by the Company and its subsidiaries and associated company; and
- (e) since the last audited accounts of the Company and its subsidiaries and associated company, there have been no changes in the published reserves nor any unusual factors affecting the profits of the Company and its subsidiaries and associated company.

Save as disclosed above and up to 18 April 2002 (being a date not earlier than fourteen (14) days before the issue of this Prospectus), no other report is required in respect of items (a) to (c) above.

Yours faithfully,
On behalf of the Board of Directors of
COUNTRY VIEW BERHAD

A handwritten signature in black ink, appearing to read "Al Amin Bin Abdul Majid", written over a large, faint circular stamp or watermark.

DATUK MOHAMED AL AMIN BIN ABDUL MAJID
Executive Chairman