

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2009**Table of Contents**

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**COUNTRY VIEW BERHAD** (78320-K)**CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THIRD QUARTER ENDED 31 AUGUST 2009**

The figures have not been audited.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2009 RM'000	Preceding Year Corresponding Quarter 31.08.2008 RM'000	Current Year To Date 31.08.2009 RM'000	Preceding Year Corresponding Period 31.08.2008 RM'000
Revenue	13,930	9,766	31,494	23,840
Cost of goods sold	(11,123)	(8,219)	(25,094)	(19,227)
Gross profit	<u>2,807</u>	<u>1,547</u>	<u>6,400</u>	<u>4,613</u>
Other operating income	82	540	957	842
Administrative expenses	(2,344)	(2,645)	(7,393)	(7,873)
Finance costs	(500)	(678)	(1,633)	(2,302)
Profit/(Loss) from operations	<u>45</u>	<u>(1,236)</u>	<u>(1,669)</u>	<u>(4,720)</u>
Share of losses of an associated company	-	-	-	-
Profit/(Loss) before tax	<u>45</u>	<u>(1,236)</u>	<u>(1,669)</u>	<u>(4,720)</u>
Taxation	(2,229)	172	(2,221)	753
Profit/(Loss) for the period/year	<u><u>(2,184)</u></u>	<u><u>(1,064)</u></u>	<u><u>(3,890)</u></u>	<u><u>(3,967)</u></u>
Attributable to :				
Equity holders of the Company	<u><u>(2,184)</u></u>	<u><u>(1,064)</u></u>	<u><u>(3,890)</u></u>	<u><u>(3,967)</u></u>
Basic earnings per ordinary share (sen)	<u><u>(2.18)</u></u>	<u><u>(1.06)</u></u>	<u><u>(3.89)</u></u>	<u><u>(3.97)</u></u>
Dividend per share (sen)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

N/A - Not Applicable

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2008)

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2009

	(Unaudited) As At End Of Current Quarter 31.08.2009 RM'000	(Audited) As At Preceding Financial Year End 30.11.2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	310	563
Land held for property development	180,084	176,884
Deferred tax assets	3,259	5,355
	<u>183,653</u>	<u>182,802</u>
Current assets		
Property development costs	35,116	34,322
Inventories	12,126	15,967
Receivables, deposits and prepayments	16,139	10,872
Tax recoverable	1,357	1,351
Cash and cash equivalents	2,864	8,369
	<u>67,602</u>	<u>70,881</u>
TOTAL ASSETS	<u><u>251,255</u></u>	<u><u>253,683</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	100,000	100,000
Retained profits	34,391	38,281
Share premium	124	124
Total equity	<u>134,515</u>	<u>138,405</u>
Non-current liabilities		
Borrowings	76,500	83,849
Deferred tax liabilities	19	30
	<u>76,519</u>	<u>83,879</u>
Current liabilities		
Provision for liabilities	11	11
Payables and accruals	15,803	8,971
Borrowings	24,271	22,417
Tax payable	136	-
	<u>40,221</u>	<u>31,399</u>
Total liabilities	<u>116,740</u>	<u>115,278</u>
TOTAL EQUITY AND LIABILITIES	<u><u>251,255</u></u>	<u><u>253,683</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>1.35</u>	<u>1.38</u>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2008)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE THIRD QUARTER ENDED 31 AUGUST 2009

The figures have not been audited.

	Current Year-To- Date 31.08.2009 RM'000	Preceding Corresponding Period 31.08.2008 RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Loss before tax	(1,669)	(4,720)
Adjustments for :-		
Depreciation of property, plant and equipment	269	405
Interest from bank deposits	(38)	(8)
Interest expense	1,633	2,302
Allowance for doubtful debts written back	(1)	-
Operating profit/(loss) before changes in working capital	194	(2,021)
(Increase)/Decrease in property development costs	(3,995)	9,062
Decrease/(Increase) in inventories	3,842	(2,669)
(Increase)/Decrease in receivables, deposits and prepayments	(5,265)	6,337
Increase/(Decrease) in payables, deposits and accruals	6,833	(5,028)
Cash Generated From /(Used In) Operations	1,609	5,681
Tax paid	(7)	(2,852)
Tax refund	-	749
Net Cash Generated From/(Used In) Operating Activities	1,602	3,578
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		
Interest from bank deposits	38	8
Purchase of property, plant and equipment	(16)	(14)
Net Cash Generated From/(Used In) Investing Activities	22	(6)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Drawdown of bank borrowings	995	5,049
Interest expense	(1,633)	(2,302)
Repayment of bank borrowings	(6,113)	(7,932)
Repayment of finance leases	(134)	(164)
Net Cash (Used In)/Generated From Financing Activities	(6,885)	(5,349)
Net (decrease)/increase in cash and cash equivalents	(5,261)	(1,777)
Cash and cash equivalents at beginning of period	5,052	7,034
Cash and cash equivalents at end of period	(209)	5,257

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2008)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 31 AUGUST 2009

The figures have not been audited.

	←Attributable to Equity Holders of the Company →			
	Share capital	Distributable reserve	Non- distributable reserve	
	Ordinary shares RM'000	Retained profits RM'000	Share premium RM'000	Total RM'000
Balance as at 1 December 2007	100,000	48,888	124	149,012
Loss for the period	-	(3,967)	-	(3,967)
Balance as at 31 August 2008	100,000	44,921	124	145,045
Balance as at 1 December 2008	100,000	38,281	124	138,405
Loss for the period	-	(3,890)	-	(3,890)
Balance as at 31 August 2009	100,000	34,391	124	134,515

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 November 2008)

A. NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 31 AUGUST 2009**A1. Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with *FRS 134 : Interim Financial Reporting* and *Chapter 9 Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 30 November 2008.

A2. Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group are consistent with those adopted in the preparation of the financial statements for the year ended 30 November 2008.

A3. Audit Report Of Preceding Annual Financial Statements

The auditor's report for the financial statements for the year ended 30 November 2008 was not subject to any qualification.

A4. Seasonality or Cyclicity of Operations

The operations of the Group were not substantially affected by any seasonal or cyclical factors.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual in nature, size or incidence other than the deferred tax charge of RM2.09 million by the Group in the current quarter. This arose from the de-recognition of deferred tax assets that was derived from tax losses carried forward for the holding company and its subsidiaries. The deferred tax assets for the holding company was de-recognised as a result of the reversal of deductible temporary differences as the conditions to which the deductible temporary differences arose no longer exist. Meanwhile, the deferred tax assets for the subsidiaries involved were reversed as the tax losses carried forward were utilized in the current quarter.

A6. Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that give rise to a material effect in the current interim period.

A7. Changes in Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year-to-date.

A8. Dividends Paid

There were no payments of dividend during the current financial year-to-date.

A9. Segmental Information

The segment analysis for the current financial year-to-date is set out below: -

	Property Development RM'000	Construction RM'000	Investment Holding RM'000	Property Management RM'000	Eliminations RM'000	Consolidated RM'000
Revenue						
External sales	31,494	906	-	-	(906)	31,494
Inter-segment sales	-	-	-	218	(218)	-
Total revenue	31,494	906	-	218	(1,124)	31,494
Result						
Segment results	34	(1)	(5)	(64)	-	(36)
Finance costs						(1,633)
Loss before taxation						(1,669)
Taxation						(2,221)
Loss for the period						(3,890)

Segmental reporting by geographical locations has not been presented as all the activities of the Group's operations are carried out in Malaysia only.

A10. Valuation of Property, Plant and Equipment

The valuations of the Group's property, plant and equipment have been brought forward without amendment from the latest audited annual financial statements.

A11. Material Events Subsequent to the end of the Interim Period

There are no material events subsequent to the end of the financial quarter under review.

A12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current financial year-to-date.

A13. Changes in Contingent Assets or Contingent Liabilities

The changes in contingent liabilities since the last annual balance sheet date are as follows: -

	As At 31.08.2009 RM'000	Preceding Financial Year End 30.11.2008 RM'000	Net Changes RM'000
Performance guarantees given to third parties, which are secured by: -			
- Earmark of cash at bank of a subsidiary company	47	65	(18)
Purchase price payable for properties sold to purchasers in the event the Option to sell back under a sales promotion offered by a subsidiary company is exercised	17,000	17,269	(269)
	<u>17,047</u>	<u>17,334</u>	<u>(287)</u>

There were no changes in contingent asset since the last annual balance sheet date.

A14. Commitments

There are no outstanding capital commitments as at the date of this report.

A15. Significant Related Party Transactions

	Year to date 31-Aug-09 RM'000
<i>Transactions with directors of the Company, major shareholders of the Company and persons connected to the directors/major shareholders of the Company :</i>	
i) Rental return paid to an executive director of the Company	20
ii) Rental return paid to an executive director/major shareholder of the Company	90
iii) Rental return paid to a major shareholder of the Company and a person connected to an executive director/major shareholder of the Company	45
iv) Rental return paid to persons connected to an executive director/major shareholder of the Company and a non-independent non-executive director/major shareholder of the Company	441
	<u>596</u>
<i>Transactions with key management personnel of the Company and persons connected to key management personnel of the Company</i>	
i) Rental return paid to a key management personnel and a person connected to a key management personnel of the Company	42

The rental returns were paid pursuant to a sales promotion offered by a subsidiary company upon the same terms and conditions generally available to the public.

B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (PART A OF APPENDIX 9B)**B1. Review of Performance**

For the current financial year to date, the Group recorded revenue and loss before tax of RM31.5 million and RM1.7 million respectively as compared to the revenue and loss before tax of RM23.8 million and RM4.7 million respectively in the corresponding preceding period. Revenue was higher whilst the loss before tax had narrowed as sales of properties improved together with higher profit recognition from construction progress was recorded.

B2. Material Changes in the Profit Before Taxation for the Current Quarter as compared with the Immediate Preceding Quarter

The Group recorded a profit before tax of RM45,000 for the third quarter of the financial year ending 30 November 2009 as compared to the profit before tax of RM0.46 million for the immediate preceding quarter.

B3. Prospects Commentary

The Group expects financial year ending 30 November 2009 to remain tough and difficult in view of the uncertainties arising from the global financial crisis.

In respect of the financial year ending 30 November 2009, the Group expects its revenue to be derived from the sale of its existing development properties in Taman Nusa Indah as well as from the 12 units of up market bungalows in Johor Bahru, Residence at the Peak.

The Group is reassessing its plans for the launch of its double storey terrace houses in Taman Nusa Indah 2, to be developed in its new parcel of land situated in Bandar Nusajaya in this financial year in view of changes in the operating environment.

B4. Variance of Actual Profit from Forecast Profit

Not applicable as there was no profit forecast published by the Group.

B5. Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2009 RM'000	Preceding Year Corresponding Quarter 31.08.2008 RM'000	Current Year To Date 31.08.2009 RM'000	Preceding Year Corresponding Period 31.08.2008 RM'000
Current taxation	136	76	136	117
Deferred taxation	2,093	(248)	2,085	(870)
	<u>2,229</u>	<u>(172)</u>	<u>2,221</u>	<u>(753)</u>

The tax charge for the current quarter and financial year-to-date is materially due to the reversal of deferred tax assets that arose from tax losses carried forward.

B6. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments and/or properties for the current quarter and financial year-to-date outside the ordinary course of the Group's business.

B7. Purchase/Disposal of Quoted Securities other than Securities in Existing Subsidiaries and Associated Companies

- (a) There were no purchases or disposal of quoted securities for the current quarter and financial year-to-date.
- (b) There were no investments in quoted securities for the current quarter and financial year-to-date.

B8. Status of Corporate Proposals

There were no outstanding corporate proposals for the current quarter and financial year-to-date.

B9. Group Borrowings

The Group's borrowings (all denominated in Malaysian currency) as at 31 August 2009 are as follows: -

	Short Term Borrowings RM'000	Long Term Borrowings RM'000	Total Borrowings RM'000
<i>Secured</i>			
Term loans	5,708	64,978	70,686
Bridging loans	3,184	2,619	5,803
Bank overdrafts	3,073	-	3,073
Revolving credits	12,127	8,833	20,960
Finance leases	179	70	249
	<u>24,271</u>	<u>76,500</u>	<u>100,771</u>

B10. Financial Instruments with Off Balance Sheet Risk

There were no financial instruments with off balance sheet risk as at the date of this quarterly report.

B11. Changes in Material Litigation

There was no pending material litigation as at 5 October 2009, being a date not earlier than 7 days from the date of this quarterly report.

B12. Dividend Payable

- (a) (i) No interim dividend has been declared for the current financial year-to-date.
- (ii) Amount per share: -
- (iii) In the corresponding financial year ended 30 November 2008, no dividend was declared by the Board of Directors.
- (iv) Date payable: -
- (v) Date of entitlement: -
- (b) Total dividend for the current financial year: -

B13. Earnings Per Share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.08.2009 RM'000	Preceding Year Corresponding Quarter 31.08.2008 RM'000	Current Year To Date 31.08.2009 RM'000	Preceding Year Corresponding Period 31.08.2008 RM'000
(a) Basic earnings per share				
Profit/(Loss) for the period/year	(2,184)	(1,064)	(3,890)	(3,967)
Weighted number of ordinary shares in issue	100,000	100,000	100,000	100,000
Basic earnings per share (sen)	(2.18)	(1.06)	(3.89)	(3.97)
(b) Diluted earnings per share				
Profit/(Loss) for the period/year	N/A	N/A	N/A	N/A
Adjusted weighted number of ordinary shares in issue - Weighted number of ordinary shares in issue	N/A	N/A	N/A	N/A
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

N/A - Not Applicable