

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 31 December 2007

	(Unaudited) As at 30 December 2007 RM'000	(Audited) As at 31 December 2006 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	699,195	716,077
Land held for property development	142,450	136,484
Investment properties	575,545	411,741
Prepaid lease rentals	18,783	19,039
Investment in associates	654	687
Other investment	2	2
Investment in a jointly controlled entity	5,634	7,347
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	158	412
Post-employment benefit surplus	2,766	3,276
	1,454,173	1,304,051
Current assets		
Inventories	91,831	90,481
Property development costs	515,842	542,123
Tax recoverable	13,839	16,480
Trade receivables	109,762	102,219
Other receivables	47,486	15,818
Amount due from associated companies	-	899
Marketable securities	3,597	39,507
Short term deposits	114,627	42,879
Cash and bank balances	31,671	20,902
	928,655	871,308
Non-current assets held for sale	8,938	9,015
TOTAL ASSETS	2,391,766	2,184,374
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	476,378	476,378
Share premium	242,686	242,686
Foreign currency reserve	(1,963)	(309)
Retained profits	704,020	660,505
	1,421,121	1,379,260
Minority interests	155,405	155,764
Warrant reserve	31,930	3,859
Total equity	1,608,456	1,538,883

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at December 2007 - continued

	(Unaudited) As at 31 December 2007 RM'000	(Audited) As at 31 December 2006 RM'000
Non current liabilities		
Post-employment benefit obligations	7,974	7,232
Provisions for other liabilities	24,683	20,038
Deferred tax liabilities	23,469	38,717
Borrowings	325,410	127,878
	381,536	193,865
Current liabilities		
Trade payables	127,210	148,610
Other payables and provisions	118,131	51,583
Provision for back dated wages	-	1,051
Current tax payable	6,267	3,039
Borrowings	150,166	247,343
	401,774	451,626
Total liabilities	783,310	645,491
TOTAL EQUITY AND LIABILITIES	2,391,766	2,184,374
Net assets per share attributable to equity holders of the company (RM)	2.98	2.90

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)**Condensed Consolidated Income Statement for the financial year ended 31 December 2007**

The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 December 2007 RM'000	Preceding year quarter to 31 December 2006 RM'000	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000
Revenue	149,722	169,550	662,781	561,523
Other operating income	4,038	7,531	11,551	9,745
Operating profit before finance costs, depreciation, amortisation and tax	36,466	15,514	116,394	59,782
Depreciation and amortisation	(4,589)	(4,461)	(17,933)	(17,389)
Profit from operations	31,877	11,053	98,461	42,393
Finance costs	(5,973)	(7,116)	(24,988)	(21,096)
Share of results of associated companies	53	105	83	(386)
Share of results of a jointly controlled entity	(576)	(640)	(1,713)	(1,385)
Profit before taxation	25,381	3,402	71,843	19,526
Tax expense	1,289	1,886	1,209	15,609
Net profit for the year	24,092	1,516	70,634	3,917
Attributable to:				
Equity holders of the company	21,930	998	69,597	1,177
Minority interests	2,162	518	1,037	2,740
	24,092	1,516	70,634	3,917
Earnings per share attributable to equity holders of the company:				
– basic (sen)	4.6	0.2	14.6	0.3
– diluted (sen)	3.5	N/a	13.6	N/a
[See Part B Note 13(b)]				

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)

Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2007

The figures have not been audited.

	← Attributable to equity holder of the company →								Total equity
	← Non-distributable →				Distributable				
	Share capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Foreign currency reserve RM'000	Retained profits RM'000	Sub-total RM'000	Minority interests RM'000	Warrant reserve RM'000	
Balance as at 1 January 2007	476,378	242,686	-	(309)	660,505	1,379,260	155,764	3,859	1,538,883
Foreign exchange translation differences	-	-	-	(1,654)	-	(1,654)	(177)	-	(1,831)
Net profit for the year	-	-	-	-	69,597	69,597	1,037	-	70,634
Issue of warrants	-	-	-	-	-	-	-	28,071	28,071
Dividends for financial year ended 31 December 2006:									
• To shareholders of the company	-	-	-	-	(26,082)	(26,082)	-	-	(26,082)
• To minority shareholders	-	-	-	-	-	-	(1,219)	-	(1,219)
Balance as at 31 December 2007	476,378	242,686	-	(1,963)	704,020	1,421,121	155,405	31,930	1,608,456
Balance as at 1 January 2006	476,378	242,686	5,410	-	424,462	1,148,936	153,093	3,859	1,305,888
Effects of adopting :									
FRS 3	-	-	(5,410)	-	5,410	-	-	-	-
FRS 121	-	-	-	(309)	-	(309)	(135)	-	(444)
FRS 140	-	-	-	-	232,886	232,886	66	-	232,952
Net income/(expense) recognised directly in equity	-	-	(5,410)	(309)	238,296	232,577	(69)	-	232,508
Net profit for the year	-	-	-	-	1,177	1,177	2,740	-	3,917
Dividend for financial year ended 31 December 2005	-	-	-	-	(3,430)	(3,430)	-	-	(3,430)
Balance as at 31 December 2006	476,378	242,686	-	(309)	660,505	1,379,260	155,764	3,859	1,538,883

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Cash Flow Statement for the financial year ended 31 December 2007
The figures have not been audited.

	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000
<u>Cash flows from operating activities</u>		
- Net profit for the year	70,634	3,917
- Adjustments for non-cash and non-operating items	10,640	64,344
	<u>81,274</u>	<u>68,261</u>
- Changes in working capital		
• Net change in current assets	(53,470)	(93,759)
• Net change in current liabilities	39,730	83,743
- Development expenditure incurred	(4,508)	(1,128)
- Capital commitment reserves received	3,463	2,520
- Staff retirement benefits paid	(540)	(874)
- Income tax paid	(8,577)	(11,419)
- Payment of back dated wages	(786)	-
Net cash flow from operating activities	<u>56,586</u>	<u>47,344</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	1,030	173
- Proceeds from disposal of quoted securities	43,660	38,803
- Proceeds from disposal of associated company	3,430	-
- Proceeds from disposal of investment property	107	-
- Purchase of property, plant and equipment	(96,759)	(47,575)
- Interest received	2,318	1,492
- Dividend received	144	462
- Expenses incurred on investment properties	-	(257)
- Acquisition of subsidiary company	(2)	-
- Purchase of marketable securities	-	(38,021)
- Prepaid interest in leased land	-	(1,558)
- Investment in a jointly controlled entity	-	(1,751)
- Investment in an associated company	-	(400)
Net cash flow used in investing activities	<u>(46,072)</u>	<u>(48,632)</u>
<u>Cash flows from financing activities</u>		
- Drawdown of term loan	47,253	97,000
- Drawdown of revolving credit	164,000	29,000
- Drawdown of bankers acceptance financing	12,853	-
- Proceeds from issuance of bonds and commercial papers	165,000	-
- Proceeds from issuance of warrants	28,583	-
- Repayment of revolving credit	(61,000)	-
- Repayment of bonds and commercial papers	(115,000)	-
- Proceeds from bankers acceptance financing	-	12,968
- Redemption of bonds and commercial papers	-	(95,000)
- Repayment of term loans	(112,000)	(7,500)
- Payment of hire purchase liabilities	(891)	(666)
- Interest paid	(23,639)	(21,772)
- Financing expenses	(5,855)	(4,267)
- Dividend paid to shareholders of the Company	(26,082)	(3,430)
- Dividend paid to minority shareholders	(1,219)	-
Net cash flow from financing activities	<u>72,003</u>	<u>6,333</u>
Net change in cash and cash equivalents	82,517	5,045
Cash and cash equivalents at beginning of the year	<u>63,781</u>	<u>58,736</u>
Cash and cash equivalents at end of the year	<u>146,298</u>	<u>63,781</u>

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)

Condensed Consolidated Cash Flow Statement for the financial year ended 31 December 2007 – continued

The figures have not been audited.

	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000
Cash and cash equivalents comprise:		
Short term deposits	114,627	42,879
Cash and bank balances	31,671	20,902
	<hr/> 146,298	<hr/> 63,781

Included in cash and cash equivalents is an amount of RM42.5 million (2006: RM18.2 million) which are monies subject to usage restriction. These are monies held under Housing Development Accounts pursuant to Section 7A of the Housing Development (Control & Licensing) Act, 1966 which can only be used for specific purposes allowed for under the Housing Developers (Housing Development Accounts) Regulations, 1991 and monies set aside for purposes of capital maintenance of the Group's strata-titled development projects.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the explanatory notes attached to this interim financial report.

PART A : Explanatory notes pursuant to FRS 134

1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention except for investment properties, which are stated at fair values.

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ('Bursa Securities').

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2006 except for the adoption of the following new/revised Financial Reporting Standards ('FRS') effective for financial year beginning 1 January 2007:

Amendment to FRS 119 - Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
The adoption of FRS 119 does not have significant financial impact on the Group.

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the year ended 31 December 2006 was not subject to any qualifications.

4. Seasonality or cyclicity of interim operations

Demand for properties is generally dependent on the national economic environment. Demand for particleboard and related products is seasonal and is also affected by national as well as international economic conditions.

5. Exceptional items

The items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence have been included in the interim financial statements.

6. Change in estimates

As at 31 December 2006, the Group had provided deferred tax of RM13.3 million for Real Property Gains Tax ('RPGT') liability on its investment properties and certain properties where the manner of recovery is via disposal. The provision resulted from fair value adjustments in 2006 to the Group's investment properties upon its adoption of FRS 140 – Investment Property in 2006 and revaluation surplus of certain properties arising from acquisition of subsidiaries in 2002.

Pursuant to the Real Property Gains Tax (Exemption) (No.2) Order 2007 dated 27 March 2007, there is no longer RPGT payable on disposal of property from 1 April 2007.

In accordance with paragraph 45 of FRS 112 – Income Taxes, the Group had therefore revised the RPGT rate to nil. This change of tax rate was treated as a change in estimate and the effect was first recognised in the income statement for the period ended 31 March 2007 and therefore carried forward to current year ended 31 December 2007.

Apart from the above, there were no other changes in estimates that have a material effect for the year ended 31 December 2007.

7. Issuance and repayment of debt and equity securities

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities for the financial year ended 31 December 2007 except for the following:

- (a) RM175 million Al Murabahah Commercial Paper ('MCP')/Medium Term Note ('MMTN') programme
On 29 and 30 January 2007, MIECO repurchased the balance RM80 million face value of MMTN and on 17 September 2007, cancelled the MCP/MMTN programme.
- (b) RM200 million nominal value Commercial Papers ('CP')/Medium Term Notes ('MTN') programme
On 24 May and 4 July 2007, the Company issued RM30 million and RM35 million nominal value CP respectively, bringing total CP issued to date of RM65 million. On 3 October 2007, the Company repaid RM35 million CP leaving RM30 million nominal value CP outstanding as at 31 December 2007.
- (c) RM100 million nominal value 5-year Bonds with 238,189,020 Warrants

On 20 August 2007, the Company issued RM100 million nominal value of 5-year Bonds with provisional rights to allotment of 238,189,020 Warrants.

On 27 September 2007, the Company issued 238,189,020 Warrants 2007/2012 as follows:

- 214,370,118 rights warrants at an issue price of RM0.10 per warrant on the basis of 9 warrants for every 20 existing BRDB shares held and,
- 23,818,902 warrants by way of private placement at an issue price of RM0.30 per warrant.

The exercise price of the Warrants 2007/2012 is fixed at RM1.10 per Warrant and they may be exercised from 28 September 2009 to 26 September 2012. The Warrants 2007/2012 were listed on Bursa Securities on 5 October 2007.

8. Dividends paid

Payment of the first and final dividend of 7.5% per share less 27% income tax in respect of the financial year ended 31 December 2006 amounting to RM26.1 million, was made on 17 September 2007.

9. Segmental reporting

Primary segment – business segment

	Revenue		Results	
	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000
Property development	214,331	150,014	48,286	(7,701)
Investment properties	34,617	32,871	23,597	19,626
Property management services	4,906	7,550	1,732	1,468
Recreation	1,278	2,170	(334)	(73)
Construction contract	13,234	-	610	-
	<hr/> 268,366	<hr/> 192,605	<hr/> 73,891	<hr/> 13,320
Manufacturing	350,714	329,653	16,891	26,961
Investment	43,701	39,265	7,679	2,112
	<hr/> 662,781	<hr/> 561,523	<hr/> 98,461	<hr/> 42,393

Secondary segment – geographical segment

The Group operates in the following geographical areas as follows:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000	Current year to 31 December 2007 RM'000	Preceding year to 31 December 2006 RM'000
Malaysia	549,473	464,282	2,362,930	2,116,626	99,173	49,848
Hong Kong & China	57,072	59,209	4,571	9,682	5	10
Pakistan	13,234	-	15,076	14,612	36	2
Others	43,002	38,032	9,189	43,454	-	-
	<u>662,781</u>	<u>561,523</u>	<u>2,391,766</u>	<u>2,184,374</u>	<u>99,214</u>	<u>49,860</u>

10. Valuations of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment allowances.

11. Material events subsequent to the financial year ended 31 December 2007

There were no material events subsequent to the end of the current quarter except for the following:

- (a) On 4 January 2008, the Company acquired 2 subscribers' shares in a shelf company known as Impiana Impresif Sdn Bhd ('IISB').

IISB was incorporated on 24 December 2007 and is dormant since incorporation. It has an authorised share capital of RM100,000 divided into 100,000 shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each.

- (b) On 7 January 2008, the Company entered into a conditional Sale and Purchase Agreement with Union Investment Real Estate Aktiengesellschaft, a real estate investment management company incorporated in Germany for the en bloc sale of a 41-storey office block known as Office Tower 2 to be developed in CapSquare Kuala Lumpur, for a total sale consideration of RM439.3 million.
- (c) On 11 January 2008, the Company's wholly-owned subsidiary, Impiana Impresif Sdn Bhd entered into a conditional Sale and Purchase Agreement with Kee Hup Properties Sdn Bhd to acquire a piece of freehold land measuring approximately 102,201 sq. metres held under title GRN 152076, Lot 20922, Pekan Country Height, District of Petaling, Selangor for a total cash consideration of RM125.9 million.
- (d) On 18 February 2008, the Company approved the members' voluntary winding up of its dormant wholly-owned subsidiary, Mico Holdings Berhad .

12. Changes in the composition of the Group during the financial year ended 31 December 2007

There were no changes in the composition of the Group during the financial year ended 31 December 2007 except for the following :

- (a) On 11 January 2007, the Company's wholly-owned subsidiary, BR Property Holdings Sdn Bhd acquired 2 subscribers' shares in a shelf company known as Raintree Forest Sdn Bhd ('RFSB').

RFSB was incorporated on 28 December 2006 and is dormant since incorporation. It has an authorised share capital of RM100,000 divided into 100,000 shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each.

- (b) On 30 April 2007, MIECO through its wholly-owned subsidiary, Mico Wood Resources Sdn Bhd ('MWR') acquired the remaining 50% equity interest in Mico Smallholders Sdn Bhd ('MSSB'), comprising of 1 ordinary share of RM1.00. Following the acquisition, MSSB is now a wholly-owned subsidiary of MWR.

- (c) On 18 September 2007, MIECO and Matsushita Electric Works Ltd., Japan ('MEW') entered into a Joint Venture Termination Agreement for MIECO to sell to MEW its entire 49% equity interest in Panasonic Mico Kenaf Malaysia Sdn. Bhd. ('PMK') comprising 3,430,000 ordinary shares of RM1.00 each for a total cash consideration of RM3.4 million. The disposal of PMK was completed on 27 September 2007 and PMK has ceased to be an associated company of the Group.

13. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities and contingent assets since the last annual balance sheet on 31 December 2006 to the date of this report except for the amicable settlement on 31 December 2007 in respect of the legal suit by Riverbank Suites Development Sdn Bhd against the Company.

14. Capital commitments

Capital commitments not provided for in the financial statements as at 31 December 2007 were as follows:

	RM'000
Authorised and contracted	83,362
Authorised but not contracted	169,578
	<u>252,940</u>
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	249,142
- others	3,798
	<u>252,940</u>

PART B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

1. Review of performance

Quarter on Quarter review

Group revenue fell 12% to RM149.7 million in the final quarter of 2007 from RM169.6 million in the previous year, due to the substantial sales proceeds from disposal of marketable securities in the last quarter of 2006. The property and manufacturing divisions posted quarter on quarter revenue increases of 22% and 9% respectively. The property division continued to perform well with sustained contribution from the ongoing high-end residential developments : The Troika and One Menerung in Kuala Lumpur as well as sales of completed Permas Jaya properties in Johor Baru. The increased revenue in the manufacturing division from RM85.5 million to RM93.8 million in the final quarter of 2007 was due to higher sales volume of particleboard and related products, despite lower selling prices.

Including fair value gains on investment properties, fourth quarter pre-tax profit climbed to RM25.4 million from RM3.4 million a year ago. MIECO reported higher pre-tax profit from RM1.4 million a year ago to RM4.5 million due mainly to higher sales as well as fair value gains on investment properties, though partially offset by increased raw material costs.

Year on Year review

Group revenue climbed 18% to RM662.8 million for 2007 from RM561.5 million in 2006 with increases in both property and manufacturing divisions. Continuing favourable demand for the Group's properties in Kuala Lumpur and Johor resulted not only in more properties being sold but also set record price levels for the Troika and One Menerung. Revenue in the property division in 2007 was also boosted by overseas construction contract revenue. MIECO's 2007 revenue grew 6% to RM351.4 million from RM330.4 million in 2006, attributed to higher sales of value added products, which mitigated lower selling prices for particleboards.

The Group achieved a strong profit before tax of RM71.8 million for 2007, more than triple the RM19.5 million in 2006. Accounting for almost the entire group profit, the property division enjoyed a good year in 2007 with robust demand for its premium properties in good locations providing solid profits from progressive completion of properties under construction in Kuala Lumpur and from completed properties in Johor. On the other hand, 2007 was a very challenging year for the manufacturing division which saw a volatile price-sensitive market whilst costs of raw materials increased. However, MIECO managed to turn in a small full year pre-tax profit of RM0.6 million with the lowering of unit production costs and the disposal of an associated company.

2. Material change in profit before taxation for the quarter against the immediate preceding quarter

Group profit before tax in the fourth and final quarter of 2007 grew 9% to RM25.4 million against RM23.3 million in the third quarter, boosted by fair value gains on investment properties and supported by contributions from Troika and Permas Jaya properties. Fair value gains on its investment properties also partly accounted for MIECO's fourth quarter pre-tax profit increase from RM3.4 million in the immediate preceding quarter to RM4.5 million in the quarter under review, which saw higher sales volume partially offset by increased raw material prices.

3. Prospects for the current financial year

The Group looks forward to a year of strong growth in 2008, driven by the positive momentum in its property division which has unbilled sales in excess of RM1 billion and RM2 billion in planned new projects. Whilst business conditions are still very challenging in the manufacturing division, the Directors are cautiously optimistic that MIECO's cost down efforts and measures to drive up efficiency together with the expectation of upward price adjustments, will result in a more satisfactory year in 2008.

4. Variance of actual profit from forecast profit

The Group did not provide any profit forecast in a public document and therefore, this note is not applicable.

5. Tax expense/(credit)

	Current quarter to 31 December 2007 RM'000	Current year to 31 December 2007 RM'000
In respect of current year		
- Malaysia tax	2,317	16,435
- Foreign tax	67	166
	<u>2,384</u>	<u>16,601</u>
Deferred taxation		
- Malaysia tax	(1,137)	(15,722)
- Foreign tax	1	-
	<u>(1,136)</u>	<u>(15,722)</u>
In respect of prior years		
- Malaysia tax	41	330
	<u>41</u>	<u>330</u>
Tax expense / (credit)	<u>1,289</u>	<u>1,209</u>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 27% for the financial year ended 31 December 2007 due mainly to:

losses that are only partially available for set-off against taxable profits within the Group, and income not taxable as well as certain expenses not deductible for tax purposes.

The Group's effective tax rate for the current year is lower than the statutory tax rate of 27% for the financial year ended 31 December 2007 due mainly to the reversal of deferred tax provisions arising from the lifting of RPGT as stated in Part A Note 6.

6. Sale of unquoted investments and / or properties

There were no sales of unquoted investments or properties outside the ordinary course of business during the current quarter and financial year ended 31 December 2007.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 31 December 2007 RM'000	Current year to 31 December 2007 RM'000
Total purchases	-	-
Total sale proceeds	658	43,660
Total profit on sale	375	7,762

b) Details of investment in marketable securities as at 31 December 2007:

	RM'000
At cost	11,710
At carrying value (after allowance for impairment loss)	3,597
At market value	10,936

8. Status of corporate proposals

- a) RM100 million nominal value 5-year Bonds with 238,189,020 Warrants

This corporate exercise was completed with the issue of the RM100 million nominal value Bonds 2007/2012 and the 238,189,020 Warrants 2007/2012 on 20 August 2007 and 27 September 2007 respectively and the subsequent listing on 5 October 2007 of the issued Warrants 2007/2012 as mentioned earlier under Part A Note 7(c).

- b) Utilisation of proceeds

Purpose	Proposed	Actual	Intended timeframe for Utilisation	Deviation		Explanations
	Utilisation	Utilisation		RM'000	%	
	RM'000	RM'000				
Working capital	128,583	61,918	3 years from completion of corporate exercise	Not applicable	N/a	Full utilisation expected by October 2010.

9. Borrowings and debt securities

The Group's borrowings are all denominated in Ringgit except for MIECO's USD13.5 million term loan.

The details of the Group's borrowings as at 31 December 2007 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	39,500		60,000	
Term loan (unsecured)	3,443	1,013	41,715	12,487
Bonds (unsecured)	-		99,780	
Revolving credit (unsecured)	9,900		122,100	
Commercial papers (unsecured)	30,000		-	
Bankers acceptance (unsecured)	66,737		-	
Hire purchase creditors (secured)	586		1,815	
	<u>150,166</u>		<u>325,410</u>	

Finance cost of RM4.6 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to land held for property development and property development costs during the financial year ended 31 December 2007.

10. Off balance sheet financial instruments

As at 12 February 2008, the Group's open forward contracts entered into as hedges of anticipated future transactions are as follows:

Hedged item	RM'000 equivalent	Average contractual rate
Trade receivables : USD 4.287 million	14,331	1 USD = RM 3.3425
Future sales of goods : USD 2.572 million	8,652	1 USD = RM 3.3634
Trade payables Euro 0.638 million	3,031	1 EURO = RM 4.7493

The settlement dates of the above open forward contracts range between 1 to 7 months.

The unrecognised gain as at 12 February 2008 on open contracts which hedge anticipated future foreign currency sales amounted to RM0.757 million. The unrecognised loss on open contracts which hedge anticipated future foreign currency purchases amounted to RM0.020 million. These exchange gain and loss are deferred until the related sales and purchases are transacted, at which time they are included in the measurement of such transactions.

11. Changes in material litigation

As at the date of this report, there were no changes in material litigation since the last annual report balance sheet date of 31 December 2006.

12. Dividend

The Directors recommend the payment of a first and final dividend of 7.5 sen per share less income tax at 26%, for the financial year ended 31 December 2007 (2006 : first and final dividend of 7.5 sen per share less income tax at 27%). The proposed dividend payment amounting to RM26.4 million (2006: RM26.1 million) is subject to shareholders' approval at the Annual General Meeting to be held at a date which shall be announced later.

13. Earnings per share

	Current year quarter to 31 December 2007	Preceding year quarter to 31 December 2006	Current year to 31 December 2007	Preceding year to 31 December 2006
a) Basic				
Net profit attributable to equity holders of the company (RM'000)	21,930	998	69,597	1,177
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	4.6	0.2	14.6	0.3
b) Diluted				
Net profit attributable to equity holders of the company (RM'000)	21,930	998	69,597	1,177
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Adjustment for effect of dilution on warrants issued (RM'000)	155,537	N/a	36,740	N/a
Weighted average number of ordinary shares for diluted earnings per share ('000)	631,915	476,378	513,118	476,378
Diluted earnings per share (sen)	3.5	N/a	13.6	N/a

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
19 February 2008