

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 31 March 2008

	(Unaudited) As at 31 March 2008 RM'000	(Restated) As at 31 December 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	711,717	699,195
Land held for property development	143,117	142,409
Investment properties	573,190	575,545
Prepaid lease rentals	18,950	19,020
Interest in associates	843	784
Other investment	2	2
Interest in a jointly controlled entity	6,413	5,634
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	89,000	87,287
Post-employment benefit surplus	2,760	2,766
	1,554,978	1,541,628
Current assets		
Inventories	92,916	91,831
Property development costs	452,381	514,195
Tax recoverable	12,845	13,459
Trade receivables	176,950	105,877
Other receivables	77,595	56,735
Marketable securities	3,590	3,597
Short term deposits	68,389	115,942
Cash and bank balances	24,203	30,360
	908,869	931,996
Non-current assets held for sale	8,860	8,937
TOTAL ASSETS	2,472,707	2,482,561
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	(2,909)	(1,851)
Retained profits	794,033	762,878
	1,510,188	1,480,091
Minority interests	199,809	201,317
Warrant reserve	31,930	31,930
Total equity	1,741,927	1,713,338

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 31 March 2008 - continued

	(Unaudited) As at 31 March 2008 RM'000	(Restated) As at 31 December 2007 RM'000
Non current liabilities		
Post-employment benefit obligations	8,305	7,974
Provisions for other liabilities	24,675	24,652
Deferred tax liabilities	5,579	5,579
Borrowings	300,470	325,630
	339,029	363,835
Current liabilities		
Trade payables	96,296	104,281
Other payables and provisions	136,600	144,674
Current tax payable	6,572	6,267
Borrowings	152,283	150,166
	391,751	405,388
Total liabilities	730,780	769,223
TOTAL EQUITY AND LIABILITIES	2,472,707	2,482,561
Net assets per share attributable to equity holders of the company (RM)	3.17	3.11

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Income Statement for the financial period ended 31 March 2008

The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 March 2008 RM'000	Preceding year quarter to 31 March 2007 (Restated) RM'000	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 (Restated) RM'000
Revenue	258,283	190,993	258,283	190,993
Other operating income	2,974	2,048	2,974	2,048
Operating profit before finance costs, depreciation, amortisation and tax	42,140	26,213	42,140	26,213
Depreciation and amortisation	(4,589)	(4,417)	(4,589)	(4,417)
Profit from operations	37,551	21,796	37,551	21,796
Finance costs	(6,188)	(6,561)	(6,188)	(6,561)
Share of results of associated companies	60	59	60	59
Share of results of a jointly controlled entity	779	(650)	779	(650)
Profit before taxation	32,202	14,644	32,202	14,644
Tax expense	(2,482)	10,249	(2,482)	10,249
Net profit for the period	29,720	24,893	29,720	24,893
Attributable to:				
Equity holders of the company	31,155	24,795	31,155	24,795
Minority interests	(1,435)	98	(1,435)	98
	29,720	24,893	29,720	24,893
Earnings per share attributable to equity holders of the company:				
– basic (sen)	6.5	5.2	6.5	5.2
– diluted (sen)	5.2	N/a	5.2	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 2007 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 March 2008

The figures have not been audited.

	← Attributable to equity holders of the company →							
	← Non-distributable →			Distributable		Minority interests RM'000	Warrant reserve RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained profits RM'000	Sub-total RM'000			
Balance as at 1 January 2008 (as previously reported)	476,378	242,686	(1,851)	703,773	1,420,986			
Effect of adoption of revised FRS 112	-	-	-	59,105	59,105	45,914	-	105,019
Balance as at 1 January 2008 (as restated)	476,378	242,686	(1,851)	762,878	1,480,091	201,317	31,930	1,713,338
Foreign exchange translation differences	-	-	(1,058)	-	(1,058)	(73)	-	(1,131)
Net profit for the period	-	-	-	31,155	31,155	(1,435)	-	29,720
Balance as at 31 March 2008	476,378	242,686	(2,909)	794,033	1,510,188	199,809	31,930	1,741,927
Balance as at 1 January 2007 (as previously reported)	476,378	242,686	(309)	660,505	1,379,260	155,764	3,859	1,538,883
Effect of adoption of revised FRS 112	-	-	-	57,952	57,952	45,018	-	102,970
Balance as at 1 January 2007 (as restated)	476,378	242,686	(309)	718,457	1,437,212	200,782	3,859	1,641,853
Foreign exchange translation differences	-	-	(153)	-	(153)	(80)	-	(233)
Net profit for the period (as restated)	-	-	-	24,795	24,795	98	-	24,893
Balance as at 31 March 2007 (as restated)	476,378	242,686	(462)	743,252	1,461,854	200,800	3,859	1,666,513

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 March 2008**

The figures have not been audited.

	Current year to 31 March 2008	Preceding year to 31 March 2007 (Restated)
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
- Net profit for the period	29,720	24,893
- Adjustments for non-cash and non-operating items	11,239	(6,956)
	<u>40,959</u>	<u>17,937</u>
- Changes in working capital		
• Net change in current assets	(6,137)	(18,681)
• Net change in current liabilities	(18,033)	(8,090)
- Development expenditure incurred	(27,085)	(8,537)
- Capital commitment reserves received	11	535
- Staff retirement benefits paid	(3)	(289)
- Income tax paid	(3,500)	(3,415)
- Tax refund	4	-
- Payment of back dated wages	-	(785)
Net cash flow used in operating activities	<u>(13,784)</u>	<u>(21,325)</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	303	157
- Proceeds from disposal of quoted securities	-	41,593
- Proceeds from disposal of investment property	2,745	-
- Purchase of property, plant and equipment	(16,188)	(18,522)
- Interest received	516	289
- Dividend received	1	4
- Expenses incurred on investment properties	-	(1)
Net cash flow from investing activities	<u>(12,623)</u>	<u>23,520</u>
<u>Cash flows from financing activities</u>		
- Drawdown of term loan	-	179,253
- Drawdown of revolving credit	-	8,000
- Proceeds from export credit refinancing	79	-
- Repayment of term loan	(7,500)	-
- Repayment of banker acceptance	(13,573)	(8,888)
- Redemption of bonds and commercial papers	-	(80,000)
- Repayment of term loans	-	(104,500)
- Payment of hire purchase liabilities	(205)	(153)
- Interest paid	(6,019)	(3,809)
- Financing expenses	(289)	(1,662)
Net cash flow used in financing activities	<u>(27,507)</u>	<u>(11,759)</u>
Net change in cash and cash equivalents	(53,914)	(9,564)
Cash and cash equivalents at 1 January	146,302	63,781
Effects of exchange rate changes	(46)	-
Cash and cash equivalents at 31 March	<u>92,342</u>	<u>54,217</u>

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)**Condensed Consolidated Cash Flow Statement for the financial year ended 31 March 2008 – continued**

The figures have not been audited.

	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000
Cash and cash equivalents comprise:		
Short term deposits	68,389	28,733
Cash and bank balances	24,203	26,464
Bank overdraft (see Part B Note 9)	(250)	(980)
	<hr/> 92,342	<hr/> 54,217

Included in cash and cash equivalents is an amount of RM38.5 million (2007: RM18.72 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 2007 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 2007. 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 2007.

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 2007 except for the adoption of the following revised Financial Reporting Standards ('FRS') effective for financial periods beginning 1 January 2008 that are applicable to the Group:

Revised FRS 107	Cash Flow Statements
Revised FRS 111	Construction Contracts
Revised FRS 112	Income Taxes
Revised FRS 118	Revenue
Amendment to FRS 121	The effect of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
Revised FRS 134	Interim Financial Reporting
Revised FRS 137	Provisions, Contingent Liabilities and Contingent Assets

Aside from the revision of FRS 112, the adoption of the above revised FRS does not have significant financial impact on the Group.

Revised FRS 112: Income taxes

The adoption of Revised FRS 112 has allowed the Group to recognise deferred tax assets on unutilised investment tax allowances, to the extent it is probable that future taxable profit will be available against which unutilised investment tax allowances can be utilised.

2. Changes in Accounting Policies (Cont'd)

Comparatives

The Group has applied the change in accounting policy retrospectively in respect of the above in accordance with the transitional provisions of FRS 112 and adjusted the opening retained earnings. Certain comparative amounts as at 31 December 2007 and for the prior periods have been restated as follows:

	Previously reported RM'000	Effect of adoption of revised FRS 112 RM'000	Restated RM'000
At 31 December 2007			
Retained earnings	703,773	59,105	762,878
Minority interest	155,403	45,914	201,317
Deferred tax liabilities	(23,801)	18,222	(5,579)
Deferred tax assets	490	86,797	87,287
3 months ended 31 March 2007			
Deferred tax credit	12,863	247	13,110
Minority interest	(10)	108	98
Net profit for the period	24,656	139	24,795

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the year ended 31 December 2007 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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2008 except as disclosed in Note 2.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 31 March 2008.

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 period ended 31 March 2008.

8. Dividends paid

There were no dividends paid for the financial period ended 31 March 2008.

9. Segmental reporting

Primary segment – business segment

	Revenue		Results	
	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000
Property development	135,442	44,167	30,415	3,480
Property investment	8,095	8,180	5,557	5,914
Property management	1,713	1,198	944	413
Recreation	273	528	36	(159)
Construction	18,762	-	1,945	-
	<u>164,285</u>	<u>54,073</u>	<u>38,897</u>	<u>9,648</u>
Manufacturing	93,997	95,323	(1,330)	5,217
Investment	1	41,597	(16)	6,931
	<u>258,283</u>	<u>190,993</u>	<u>37,551</u>	<u>21,796</u>

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000	Current year to 31 March 2008 RM'000	Preceding year to 31 March 2007 RM'000
Malaysia	227,165	136,091	2,427,583	2,254,718	16,187	18,507
Hong Kong & China	12,356	13,309	1,311	8,959	1	-
Pakistan	18,762	-	34,640	24,598	-	15
Others	-	41,593	9,173	8,658	-	-
	<u>258,283</u>	<u>190,993</u>	<u>2,472,707</u>	<u>2,296,933</u>	<u>16,188</u>	<u>18,522</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 period ended 31 March 2008

There were no material events subsequent to the end of the current quarter except for the completion on 6 May 2008 of the acquisition of 102,201 sq. metres freehold land held under title GRN 152076, Lot 20922, Pekan Country Height, District of Petaling, Selangor Darul Ehsan by the Company's wholly owned subsidiary, Impiana Impresif Sdn Bhd pursuant to a sale and purchase agreement dated 11 January 2008 for cash consideration of RM125.9 million.

12. Changes in the composition of the Group during the financial period ended 31 March 2008

There were no changes in the composition of the Group during the financial period ended 31 March 2008 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 18 February 2008, the Company approved the members' voluntary winding up of its dormant wholly-owned subsidiary, Mico Holdings Berhad.

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 2007 to the date of this report.

14. Capital commitments

Capital commitments not provided for in the financial statements as at 31 March 2008 were as follows:

	RM'000
Authorised and contracted	188,799
Authorised but not contracted	173,890
	<u>362,689</u>
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	349,693
- others	12,995
	<u>362,688</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 of RM258.3 million in the first quarter of 2008 was up 35%, compared with RM191 million a year ago. Revenue in the property division of RM164.3 million was more than triple when compared to RM54.1 million a year earlier, mainly derived from the sale of 3 blocks of completed CapSquare Signature Offices. Revenue in the manufacturing division, however, decreased marginally by 1% to RM94 million from RM95.1 million a year ago due mainly to lower selling prices for particleboards.

First quarter 2008 group profit before tax rose to RM32.2 million, as compared to RM14.6 million a year earlier, attributable to the property division. The manufacturing division registered a first quarter loss before tax of RM5.0 million as compared to RM0.3 million profit a year earlier, mainly due to lower sales and increased raw material prices, which were partially mitigated by lower unit production cost.

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

Group profit before tax of RM32.2 million improved 26% against the preceding quarter, arising from the strong performance of the property division. This is net of the manufacturing division's loss before tax of RM5.0 million in this first quarter of 2008 against its RM4.5 million pretax profit in the fourth quarter of 2007 as a result of increased raw materials prices despite higher selling prices and production volume. The results in the preceding quarter were also attributable to fair value gains on investment properties of RM24.4 million.

3. Prospects for the current financial year

Rising costs particularly of building materials, raw materials and fuel, pose more challenging operating conditions for the Group. Notwithstanding this, the Board is cautiously optimistic of better results in the current financial year, underpinned by the RM1.2 billion unbilled property sales and planned project launches in prime locations. The manufacturing division anticipates that firmer selling prices for particleboard and more value-added products and services will buffer the pressure on margins of higher production costs arising from increased costs of raw materials and oil prices.

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 March 2008 RM'000
In respect of current year	
- Malaysia tax	4,195
- Foreign tax	-
	<hr/> 4,195 <hr/>
Deferred taxation	
- Malaysia tax	(1,713)
- Foreign tax	-
	<hr/> (1,713) <hr/>
In respect of prior years	
- Malaysia tax	-
	<hr/> - <hr/>
Tax expense / (credit)	<hr/> <hr/> 2,482 <hr/> <hr/>

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 26% for the financial period ended 31 March 2008 due mainly to utilisation of previously unrecognised tax losses.

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 period ended 31 March 2008.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 31 March 2008 RM'000
Total purchases	-
Total sale proceeds	-
Total profit on sale	-

b) Details of investment in marketable securities as at 31 March 2008:

	RM'000
At cost	11,710
At carrying value (after allowance for impairment loss)	3,590
At market value	8,597

8. Status of corporate proposals

a) There are no corporate proposals announced but not completed as at the date of this report

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	117,716	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 March 2008 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	42,000		50,000	
Term loan (unsecured)	26,260	1,013	36,605	12,487
Bonds (unsecured)	-		100,000	
Revolving credit (unsecured)	-		112,200	
Commercial papers (unsecured)	30,000		-	
Bankers acceptance (unsecured)	53,164		-	
Hire purchase creditors (secured)	530		1,665	
Overdraft (unsecured)	250		-	
Export credit refinancing (unsecured)	79		-	
	<u>152,283</u>		<u>300,470</u>	

Finance cost of RM0.9 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 period ended 31 March 2008.

10. Off balance sheet financial instruments

As at 16 May 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 4.579 million	14,610	1 USD = RM 3.1908
Future sales of goods : USD 10.719 million	34,446	1 USD = RM 3.2134

The settlement dates of the above open forward contracts range between 1 to 6 months.

The unrecognised loss as at 16 May 2008 on open contracts which hedge anticipated future foreign currency sales amounted to RM0.510 million. This exchange loss is deferred until the related sales are transacted, at which time it is 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 2007.

12. Dividend

The directors do not recommend the payment of an interim dividend for the financial period ended 31 March 2008. No interim dividend was declared for the same period last year.

13. Earnings per share

	Current year quarter to 31 March 2008	Preceding year quarter to 31 March 2007 (Restated)	Current year to 31 March 2008	Preceding year to 31 March 2007 (Restated)
a) Basic				
Net profit attributable to equity holders of the company (RM'000)	31,155	24,795	31,155	24,795
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	6.54	5.20	6.54	5.20
b) Diluted				
Net profit attributable to equity holders of the company (RM'000)	31,155	N/a	31,155	N/a
Weighted average number of ordinary shares in issue ('000)	476,378	N/a	476,378	N/a
Adjustment for effect of dilution on warrants issued (RM'000)	123,758	N/a	123,758	N/a
Weighted average number of ordinary shares for diluted earnings per share ('000)	600,136	N/a	600,136	N/a
Diluted earnings per share (sen)	5.19	N/a	5.19	N/a

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
23 May 2008