

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 30 June 2008

	(Unaudited) As at 30 June 2008 RM'000	(Restated) As at 31 December 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	732,785	699,195
Land held for property development	272,983	142,409
Investment properties	573,190	575,545
Prepaid lease rentals	18,881	19,020
Interest in associates	797	784
Other investment	2	2
Interest in a jointly controlled entity	7,154	5,634
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	91,866	87,287
Post-employment benefit surplus	2,766	2,766
	1,709,410	1,541,628
Current assets		
Inventories	96,902	91,831
Property development costs	468,807	514,195
Tax recoverable	11,587	13,459
Trade receivables	187,344	105,877
Other receivables	65,240	56,735
Marketable securities	3,051	3,597
Short term deposits	77,499	115,942
Cash and bank balances	18,156	30,360
	928,586	931,996
Non-current assets held for sale	8,860	8,937
TOTAL ASSETS	2,646,856	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	(3,662)	(1,851)
Retained profits	810,557	763,381
	1,525,959	1,480,594
Minority interests	198,384	200,814
Warrant reserve	31,930	31,930
Total equity	1,756,273	1,713,338

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 30 June 2008 - continued

	(Unaudited) As at 30 June 2008 RM'000	(Restated) As at 31 December 2007 RM'000
Non current liabilities		
Post-employment benefit obligations	8,576	7,974
Provisions for other liabilities	16,478	24,652
Deferred tax liabilities	5,579	5,579
Borrowings	400,884	325,630
	431,517	363,835
Current liabilities		
Trade payables	94,722	104,281
Other payables and provisions	128,185	144,674
Current tax payable	11,119	6,267
Borrowings	225,040	150,166
	459,066	405,388
Total liabilities	890,583	769,223
TOTAL EQUITY AND LIABILITIES	2,646,856	2,482,561
Net assets per share attributable to equity holders of the company (RM)	3.20	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 30 June 2008

The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 June 2008 RM'000	Preceding year quarter to 30 June 2007 (Restated) RM'000	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 (Restated) RM'000
Revenue	208,105	145,395	466,388	336,388
Other operating income	689	579	3,663	2,627
Operating profit before finance costs, depreciation, amortisation and tax	28,707	18,710	70,847	44,923
Depreciation and amortisation	(4,743)	(4,438)	(9,332)	(8,855)
Profit from operations	23,964	14,272	61,515	36,068
Finance costs	(6,445)	(5,620)	(12,633)	(12,181)
Share of results of associated companies	(46)	(72)	14	(13)
Share of results of a jointly controlled entity	741	(72)	1,520	(722)
Profit before taxation	18,214	8,508	50,416	23,152
Tax (expense)/credit	(3,118)	(3,442)	(5,600)	6,807
Net profit for the period	15,096	5,066	44,816	29,959
Attributable to:				
Equity holders of the company	16,021	7,653	47,176	32,449
Minority interests	(925)	(2,587)	(2,360)	(2,490)
	15,096	5,066	44,816	29,959
Earnings per share attributable to equity holders of the company:				
– basic (sen)	3.4	1.6	9.9	6.8
– diluted (sen)	2.7	N/a	8.0	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 30 June 2008

The figures have not been audited.

	← Attributable to equity holders of the company →							
	← Non-distributable →			Distributable				
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained profits RM'000	Sub-total RM'000	Minority interests RM'000	Warrant reserve RM'000	Total equity RM'000
Balance as at 1 January 2008 (as previously reported)	476,378	242,686	(1,851)	703,773	1,420,986	155,403	31,930	1,608,319
Effect of adoption of revised FRS 112	-	-	-	59,608	59,608	45,411	-	105,019
Balance as at 1 January 2008 (as restated)	476,378	242,686	(1,851)	763,381	1,480,594	200,814	31,930	1,713,338
Foreign exchange translation differences	-	-	(1,811)	-	(1,811)	(70)	-	(1,881)
Net profit for the period	-	-	-	47,176	47,176	(2,360)	-	44,816
Balance as at 30 June 2008	476,378	242,686	(3,662)	810,557	1,525,959	198,384	31,930	1,756,273
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	-	-	-	58,445	58,445	44,525	-	102,970
Balance as at 1 January 2007 (as restated)	476,378	242,686	(309)	718,950	1,437,705	200,289	3,859	1,641,853
Foreign exchange translation differences	-	-	(111)	-	(111)	(158)	-	(269)
Net profit for the period (as restated)	-	-	-	32,449	32,449	(2,490)	-	29,959
Dividend payable in respect of financial year ended 31 December 2006:								
• To shareholders of the company	-	-	-	(26,082)	(26,082)	-	-	(26,082)
• To minority shareholders	-	-	-	-	-	(908)	-	(908)
Balance as at 30 June 2007 (as restated)	476,378	242,686	(420)	725,317	1,443,961	196,733	3,859	1,644,553

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 30 June 2008
The figures have not been audited.

	Current year to 30 June 2008	Preceding year to 30 June 2007 (Restated)
	RM'000	RM'000
<u>Cash flows from operating activities</u>		
- Net profit for the period	44,816	29,959
- Adjustments for non-cash and non-operating items	24,668	6,425
	<u>69,484</u>	<u>36,384</u>
- Changes in working capital		
• Net change in current assets	(42,191)	(33,904)
• Net change in current liabilities	(38,758)	(18,060)
- Development expenditure incurred	(1,732)	(8,398)
- Capital commitment reserves (utilised)/received	(340)	1,542
- Staff retirement benefits paid	(73)	(404)
- Income tax paid	(5,041)	(2,032)
- Tax refund	1,072	-
- Payment of back dated wages	-	(786)
Net cash flow used in operating activities	<u>(17,579)</u>	<u>(25,658)</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	479	263
- Proceeds from disposal of quoted securities	1,440	43,002
- Proceeds from disposal of investment property	2,745	-
- Purchase of property, plant and equipment	(43,872)	(35,103)
- Acquisition of land held for development	(129,634)	-
- Interest received	1,041	611
- Dividend received	36	121
- Expenses incurred on investment properties	-	(1)
Net cash flow (used in)/from investing activities	<u>(167,765)</u>	<u>8,893</u>
<u>Cash flows from financing activities</u>		
- Drawdown of term loan	100,000	47,253
- Drawdown of revolving credit	60,000	164,000
- Proceeds from issuance of medium term notes and commercial papers	75,000	30,000
- Repayment of banker acceptance	(12,811)	(1,689)
- Repayment of medium term notes and commercial papers	(30,000)	(80,000)
- Repayment of term loans	(7,500)	(104,500)
- Repayment of revolving credit	(40,000)	(37,000)
- Payment of hire purchase liabilities	(376)	(298)
- Interest paid	(15,597)	(11,486)
- Financing expenses	(1,187)	(2,473)
Net cash flow from financing activities	<u>127,529</u>	<u>3,807</u>
Net change in cash and cash equivalents	(57,815)	(12,958)
Cash and cash equivalents at 1 January	146,302	63,781
Effects of exchange rate changes	(44)	-
Cash and cash equivalents at 30 June	<u><u>88,443</u></u>	<u><u>50,823</u></u>

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)

Condensed Consolidated Cash Flow Statement for the financial year ended 30 June 2008 – continued

The figures have not been audited.

	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000
Cash and cash equivalents comprise:		
Short term deposits	77,499	47,004
Cash and bank balances	18,156	15,053
Bank overdraft (see Part B Note 9)	(7,212)	(11,234)
	<u>88,443</u>	<u>50,823</u>

Included in cash and cash equivalents is an amount of RM54.6 million (2007: RM36.3 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	59,608	763,381
Minority interest	155,403	45,411	200,814
Deferred tax liabilities	(23,801)	18,222	(5,579)
Deferred tax assets	490	86,797	87,287
6 months ended 30 June 2007			
Deferred tax credit	14,696	345	15,041
Minority interests	(2,639)	149	(2,490)
Net profit for the period	32,253	196	32,449

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 30 June 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 30 June 2008.

7. Issuance and repayment of debt and equity securities

The following are the debt and equity securities issuances and repayments for the financial period ended 30 June 2008:

RM200 million nominal value Commercial Papers ('CP')/Medium Term Notes ('MTN') programme

Date	Type of debt/equity securities	Nominal value RM'000
Issuances:		
17 April 2008	MTN	20,000
27 May 2008	CP	20,000
23 June 2008	CP	35,000
Repayment:		
23 May 2008	CP	30,000

8. Dividends paid

There were no dividends paid for the financial period ended 30 June 2008.

9. Segmental reporting

Primary segment – business segment

	Revenue		Profit/(loss) from operations	
	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000
Property development	220,766	99,903	52,087	14,785
Property investment	14,772	17,067	8,653	11,861
Property management	368	2,538	54	874
Recreation	674	851	181	(207)
Construction	34,250	-	3,221	-
	<u>270,830</u>	<u>120,359</u>	<u>64,196</u>	<u>27,313</u>
Manufacturing	194,082	173,022	(3,589)	1,352
Investment	1,476	43,007	908	7,403
	<u>466,388</u>	<u>336,388</u>	<u>61,515</u>	<u>36,068</u>

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000 (Restated)	Current year to 30 June 2008 RM'000	Preceding year to 30 June 2007 RM'000
Malaysia	401,567	267,291	2,601,959	2,284,670	43,998	36,872
Hong Kong & China	30,571	26,095	3,159	7,468	3	3
Pakistan	34,250	-	32,503	22,211	-	15
Others	-	43,002	9,235	9,149	-	-
	<u>466,388</u>	<u>336,388</u>	<u>2,646,856</u>	<u>2,323,498</u>	<u>44,001</u>	<u>36,890</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 30 June 2008

There were no material events subsequent to the end of the financial period ended 30 June 2008.

12. Changes in the composition of the Group during the financial period ended 30 June 2008

There were no changes in the composition of the Group during the financial period ended 30 June 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, Mieco 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 30 June 2008 were as follows:

	RM'000
Authorised and contracted	60,857
Authorised but not contracted	<u>170,553</u>
	<u>231,410</u>
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	216,833
- others	<u>14,577</u>
	<u>231,410</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 rose to RM208.1 million in the second quarter of 2008, up 43% with revenue increases in property and manufacturing divisions of 62% and 30% respectively from a year ago.

The property division saw strong sales of the completed CapSquare Residences and Permas Jaya condominiums in Kuala Lumpur and Johor respectively and revenue recognition from progress construction of the One Menerung and The Troika projects in Kuala Lumpur and from construction contract revenue in Pakistan.

With higher selling prices and sales volume of particleboard and related products, the manufacturing division narrowed its loss in the second quarter to RM5 million from RM7.7 million a year earlier, although still a loss as a result of increased raw material costs.

Group pretax profit for this second quarter of 2008 of RM18.2 million was up 114% against the RM8.5 million profit a year ago.

Year on Year Review

Revenue for the first half of 2008 was RM466.4 million, up 39% over the same period in 2007 due to revenue growth in both property and manufacturing divisions. The sale of 3 blocks of completed CapSquare Signature Offices in the first quarter 2008, higher contract revenue arising from Pakistan construction projects and more advanced stage of progress completion for both The Troika and One Menerung, have boosted revenue in the property division. Revenue in the manufacturing division was up 13% to RM195.5 million for the first half of 2008 mainly due to higher sales volume of particleboard and related products.

The Group registered profit before tax of RM50.4 million for the first half of this year which was more than double the RM23.2 million profit a year ago on the back of a strong performance in the property division. This was after accounting for the RM10 million loss in the manufacturing division which was affected by increased fuel prices resulting in higher raw material costs, which negated its improvement in sales volume and production output.

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

Group profit before tax of RM18.2 million in this quarter under review was 43% lower than the RM32.2 million profit in the first quarter which was boosted by the sale of 3 blocks of completed CapSquare Signature Offices.

3. Prospects for the current financial year

Operating conditions remain challenging for the Group in the light of inflation and slowing economies resulting from high energy prices affecting raw material and building costs and affecting consumer sentiment.

Nevertheless, the Group is cautiously confident of satisfactory results in the current financial year. This positive outlook is supported by the substantial unbilled sales in excess of RM1 billion in the property division.

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 30 June 2008 RM'000	Current year to 30 June 2008 RM'000
In respect of current year		
- Malaysia tax	5,748	9,943
- Foreign tax	247	247
	<u>5,995</u>	<u>10,190</u>
Deferred taxation		
- Malaysia tax	(2,866)	(4,579)
- Foreign tax	-	-
	<u>(2,866)</u>	<u>(4,579)</u>
In respect of prior years		
- Malaysia tax	(11)	(11)
	<u>(11)</u>	<u>(11)</u>
Tax expense / (credit)	<u>3,118</u>	<u>5,600</u>

The Group's effective tax rate for the current year to date and current quarter are lower than the statutory tax rate of 26% for the financial period ended 30 June 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 30 June 2008.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 30 June 2008 RM'000	Current year to 30 June 2008 RM'000
Total purchases	-	-
Total sale proceeds	1,440	1,440
Total profit on sale	904	904

b) Details of investment in marketable securities as at 30 June 2008:

	RM'000
At cost	11,174
At carrying value (after allowance for impairment loss)	3,051
At market value	5,178

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	Deviation		Explanations
	Utilisation	Utilisation		RM'000	%	
	RM'000	RM'000	Utilisation			
Working capital	128,583	128,583	3 years from completion of corporate exercise	Nil		Full utilisation

9. Borrowings and debt securities

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

The details of the Group's borrowings as at 30 June 2008 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	42,000		150,000	
Term loan (unsecured)	26,345	1,013	149,287	12,487
Bonds (unsecured)	-		100,000	
Revolving credit (unsecured)	20,000		-	
Medium term note (unsecured)	20,000		-	
Commercial papers (unsecured)	55,000		-	
Bankers acceptance (unsecured)	53,926		-	
Hire purchase creditors (secured)	557		1,597	
Overdraft (unsecured)	7,212		-	
	<u>225,040</u>		<u>400,884</u>	

Finance cost of RM3.6 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 period ended 30 June 2008.

10. Off balance sheet financial instruments

As at 15 August 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 4.674 million	14,968	1 USD = RM 3.2023
Future sales of goods: USD 15.884 million	51,803	1 USD = RM 3.2614
Trade payables Euro 1.000 million	5,004	1 EURO = RM 5.0035

The settlement dates of the above open forward contracts range between 3 to 6 months.

The unrecognised loss as at 15 August 2008 on open contracts which hedge anticipated future foreign currency sales amounted to RM1.542 million and future foreign currency purchases amounted to RM0.015 million. These exchange losses 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 2007.

12. Dividend

The directors do not recommend the payment of an interim dividend for the financial period ended 30 June 2008. No interim dividend was declared for the same period last year.

The shareholders at the Company's Annual General Meeting on 27 June 2008 approved the payment of the first and final dividend of 7.5% per share less 26% income tax in respect of the financial year ended 31 December 2007. Payment of this dividend amounting to RM26.4 million was made on 18 August 2008.

13. Earnings per share

	Current year quarter to 30 June 2008	Preceding year quarter to 30 June 2007 (Restated)	Current year to 30 June 2008	Preceding year to 30 June 2007 (Restated)
a) Basic				
Net profit attributable to equity holders of the company (RM'000)	16,021	7,653	47,176	32,449
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	3.4	1.6	9.9	6.8
b) Diluted				
Net profit attributable to equity holders of the company (RM'000)	16,021	N/a	47,176	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 ('000)	109,438	N/a	116,724	N/a
Weighted average number of ordinary shares for diluted earnings per share ('000)	585,816	N/a	593,102	N/a
Diluted earnings per share (sen)	2.7	N/a	8.0	N/a

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
22 August 2008