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

	(Unaudited) As at 30 September 2008 RM'000	(Audited) As at 31 December 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	754,254	699,195
Land held for property development	276,236	142,409
Investment properties	573,190	575,545
Prepaid lease rentals	18,813	19,020
Interest in associates	762	784
Other investment	2	2
Interest in a jointly controlled entity	7,869	5,634
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	459	490
Post-employment benefit surplus	2,760	2,766
	1,643,331	1,454,831
Current assets		
Inventories	106,020	91,831
Property development costs	482,038	514,195
Tax recoverable	12,178	13,459
Trade receivables	175,084	105,877
Other receivables	102,245	56,735
Marketable securities	3,015	3,597
Short term deposits	152,463	115,942
Cash and bank balances	19,948	30,360
	1,052,991	931,996
Non-current assets held for sale	8,860	8,937
TOTAL ASSETS	2,705,182	2,395,764
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	(5,009)	(1,851)
Retained profits	741,520	703,773
	1,455,575	1,420,986
Minority interests	151,939	155,403
Warrant reserve	31,930	31,930
Total equity	1,639,444	1,608,319

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

	(Unaudited) As at 30 September 2008 RM'000	(Audited) As at 31 December 2007 RM'000
Non current liabilities		
Post-employment benefit obligations	8,610	7,974
Provisions for other liabilities	16,587	24,652
Deferred tax liabilities	19,440	23,801
Borrowings	389,325	325,630
	433,962	382,057
Current liabilities		
Trade payables	128,751	104,281
Other payables and provisions	116,592	144,674
Current tax payable	16,849	6,267
Borrowings	369,584	150,166
	631,776	405,388
Total liabilities	1,065,738	787,445
TOTAL EQUITY AND LIABILITIES	2,705,182	2,395,764
Net assets per share attributable to equity holders of the company (RM)	3.06	2.98

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 September 2008

The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2008	**Preceding year quarter to 30 September 2007**	**Current year to 30 September 2008**	**Preceding year to 30 September 2007**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	242,698	176,671	709,086	513,058
Other operating income	(132)	4,886	3,531	7,513
Operating profit before finance costs, depreciation, amortisation and tax	40,279	35,005	111,126	79,928
Depreciation and amortisation	(4,973)	(4,489)	(14,305)	(13,344)
Profit from operations	35,306	30,516	96,821	66,584
Finance costs	(7,482)	(6,834)	(20,115)	(19,015)
Share of results of associated companies	(36)	43	(22)	30
Share of results of a jointly controlled entity	715	(415)	2,235	(1,137)
Profit before taxation	28,503	23,310	78,919	46,462
Tax (expense)/credit	(12,607)	(6,382)	(18,207)	80
Net profit for the period	15,896	16,928	60,712	46,542
Attributable to:				
Equity holders of the company	17,010	15,414	64,186	47,667
Minority interests	(1,114)	1,514	(3,474)	(1,125)
	15,896	16,928	60,712	46,542
Earnings per share attributable to equity holders of the company:				
– basic (sen)	3.6	3.2	13.5	10.0
– diluted (sen) [See Part B Note 13(b)]	3.1	3.2	11.0	10.0

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 September 2008
The figures have not been audited.

	← Attributable to equity holders of the company →							
	← Non-distributable		→	Distributable				
	Share capital	Share premium	Foreign currency reserve	Retained profits	Sub-total	Minority interests	Warrant reserve	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2008	476,378	242,686	(1,851)	703,773	1,420,986	155,403	31,930	1,608,319
Foreign exchange translation differences	-	-	(3,158)	-	(3,158)	(70)	-	(3,228)
Net profit for the period	-	-	-	64,186	64,186	(3,474)	-	60,712
Acquisition of a subsidiary company	-	-	-	-	-	80	-	80
Dividend for financial year ended 31 December 2007	-	-	-	(26,439)	(26,439)	-	-	(26,439)
Balance as at 30 September 2008	476,378	242,686	(5,009)	741,520	1,455,575	151,939	31,930	1,639,444
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	-	-	(360)	-	(360)	(156)	-	(516)
Net profit for the period	-	-	-	47,667	47,667	(1,125)	-	46,542
Issue of warrants	-	-	-	-	-	-	28,147	28,147
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 September 2007	476,378	242,686	(669)	682,090	1,400,485	153,575	32,006	1,586,066

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 September 2008
The figures have not been audited.

	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000
Cash flows from operating activities		
– Net profit for the period	60,712	46,542
– Adjustments for non-cash and non-operating items	50,791	20,897
	111,503	67,439
– Changes in working capital		
• Net change in current assets	(87,117)	(36,414)
• Net change in current liabilities	(14,836)	(22,905)
– Development expenditure incurred	(3,020)	(5,530)
– Capital commitment reserves (utilised)/received	(85)	2,690
– Staff retirement benefits paid	(379)	(481)
– Income tax paid	(11,820)	(4,363)
– Tax refund	916	-
– Payment of back dated wages	-	(786)
Net cash flow used in operating activities	(4,838)	(350)
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	503	572
– Proceeds from disposal of quoted securities	1,440	43,002
– Proceeds from disposal of associated company	-	3,430
– Proceeds from disposal of investment property	2,745	-
– Purchase of property, plant and equipment	(73,599)	(53,806)
– Acquisition of land held for development	(129,634)	-
– Acquisition of a subsidiary company	60	-
– Interest received	1,605	1,165
– Dividend received	62	144
– Expenses incurred on investment properties	-	(1)
Net cash flow used in investing activities	(196,818)	(5,494)
Cash flows from financing activities		
– Drawdown of term loan	100,000	47,253
– Drawdown of revolving credit	100,000	164,000
– Proceeds from issuance of warrants	-	21,064
– Proceeds from issuance of bonds	-	100,000
– Proceeds from issuance of medium term notes and commercial papers	150,000	65,000
– Proceeds from bankers acceptance financing	-	3,134
– Repayment of banker acceptance	(6,403)	-
– Repayment of medium term notes and commercial papers	(30,000)	(80,000)
– Repayment of term loans	(30,630)	(112,000)
– Repayment of revolving credit	-	(61,000)
– Payment of hire purchase liabilities	(514)	(669)
– Interest paid	(26,294)	(18,299)
– Financing expenses	(1,916)	(3,144)
– Dividend paid to shareholders of the Company	(26,439)	(26,082)
– Dividend paid to minority shareholders	-	(908)
Net cash flow from financing activities	227,804	98,349
Net change in cash and cash equivalents	26,148	92,505
Cash and cash equivalents at 1 January	146,302	63,781
Effects of exchange rate changes	(39)	-
Cash and cash equivalents at 30 September	172,411	156,286

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Cash Flow Statement for the financial year ended 30 September 2008 – continued
The figures have not been audited.

	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000
Cash and cash equivalents comprise:		
Short term deposits	152,463	129,091
Cash and bank balances	19,948	40,579
Bank overdraft (see Part B Note 9)	-	(13,384)
	172,411	156,286

Included in cash and cash equivalents is an amount of RM57.4 million (2007: RM55.5 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

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. The Group had at the beginning of this financial year changed its accounting policy retrospectively in accordance with FRS 112 and adjusted the opening retained earnings and restated certain comparative amounts as at 31 December 2007 and for the prior periods. However, the Group has since reviewed this policy and has in this current quarter under review, reversed the recognition of deferred tax asset on unutilised investment tax allowances. As at 30 September 2008, the Group has unrecognised deferred tax asset on unutilised investment tax allowances (which has no expiry date) of RM428.8 million.

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 cyclicality 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 September 2008.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 30 September 2008.

7. Issuance and repayment of debt and equity securities

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

The Company has issued RM150 million face value of CP/MTN and made repayment of RM30 million during the financial period ended 30 September 2008.

8. Dividends paid

Payment of the first and final dividend of 7.5 sen per share less 26% income tax in respect of the financial year ended 31 December 2007 amounting to RM26.4 million, was made on 18 August 2008.

9. Segmental reporting

Primary segment – business segment

	Revenue		Profit/(loss) from operations	
	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000
Property development	333,153	173,932	85,964	28,581
Property investment	20,021	25,598	5,998	17,648
Property management	732	3,809	457	3,264
Recreation	1,000	1,199	269	(221)
Construction	49,904	7,883	4,351	1,107
	404,810	212,421	97,039	50,379
Manufacturing	302,628	257,607	(1,168)	8,807
Investment	1,648	43,030	950	7,398
	709,086	513,058	96,821	66,584

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000	Current year to 30 September 2008 RM'000	Preceding year to 30 September 2007 RM'000
Malaysia	617,789	420,950	2,660,519	2,302,960	73,715	56,155
Hong Kong & China	41,247	41,223	1,893	8,215	1	3
Pakistan	49,904	7,883	33,480	30,552	12	37
Others	146	43,002	9,290	7,772	-	-
	709,086	513,058	2,705,182	2,349,499	73,728	56,195

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 September 2008

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

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

There were no changes in the composition of the Group during the financial period ended 30 September 2008 except for the following :

(a) On 4 January 2008, the Company acquired 2 subscribers' shares in Impiana Impresif Sdn Bhd (IISB). IISB was incorporated on 24 December 2007 and 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 announced the commencement of members' voluntary winding up of its dormant wholly-owned subsidiary, Mieco Holdings Berhad (MHB). MHB was dissolved on 9 August 2008.

(c) On 13 August 2008, the Company acquired 1 share in Lansbury Limited (Lansbury), an unquoted company incorporated in Hong Kong, as its new subsidiary. Lansbury was incorporated on 4 July 2008 and has an authorised share capital of HK$1,000 divided into 1,000 shares of HK$1.00 each and a paid-up share capital of 1 share of HK$1.00. On 26 August 2008, this wholly-owned subsidiary changed its name to 'BRDB (Oman) Limited'.

(d) On 10 September 2008, the Company's wholly-owned subsidiary, Vital Edition Sdn Bhd (VESB) acquired 1 subscriber's share in Midwest Profits Sdn Bhd (MPSB). Subsequently, on 25 September 2008, VESB subscribed for 119,999 new ordinary shares of RM1.00 each, making MPSB a 60% owned subsidiary.

MPSB was incorporated on 31 July 2008 and 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 RM2.00. On 25 September 2008, MPSB increased its authorised share capital and paid-up share capital to RM500,000 and RM200,000 respectively in ordinary shares of RM1.00 each.

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 September 2008 were as follows:

	RM'000
Authorised and contracted	172,788
Authorised but not contracted	75,304
	248,092
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	235,251
- others	12,841
	248,092

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 RM242.7 million in the third quarter of 2008, up 37% with revenue increases in property and manufacturing divisions of 46% and 28% respectively from a year ago. Group profit before tax of RM28.5 million was up 22% against RM23.3 million profit in the same quarter a year ago.

The property division continued to perform well with sustained contribution from development projects in Kuala Lumpur and Johor, and from construction contract revenue in Pakistan.

Revenue in the manufacturing division increased due to higher selling prices and favourable sales mix of particleboard and related products. However, higher raw material and energy costs resulted in a loss before tax of RM1.2 million against a pretax profit of RM3.4 million a year ago, which was attributable to a gain on disposal of an associated company in the manufacturing division last year.

Year on Year Review

Group revenue grew 38% to RM709.1 million from RM513.1 million as a result of revenue growth in both property and manufacturing divisions in the nine months of this year under review. The property division saw its sales value jump by 91% as a result of strong sales of completed units of CapSquare Residences and Signature Offices, more progress completion for both The Troika and One Menerung in Kuala Lumpur and higher contract revenue arising from construction projects in Pakistan. Revenue in the manufacturing division was up 18% to RM304.1 million mainly due to higher selling prices of particleboard and related products.

Group profit before tax rose to RM78.9 million in the nine months of this year under review, up 70% from RM46.5 million profit a year ago. This was on the back of a strong performance in the property division which was lowered by losses in the manufacturing division. The manufacturing division suffered a loss before tax of RM11.2 million against RM3.9 million loss a year ago as a result of increases in raw material prices which overtook improved selling prices and increased production volume.

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

Group profit before tax rose to RM28.5 million in the third quarter from RM18.2 million profit in the preceding quarter, reflecting favourable results in the property division and a narrowed loss in the manufacturing division. The property division saw higher income from sales and recognition from ongoing progress construction of its development projects. The manufacturing division saw increased selling prices and value added products which were partially offset by higher raw material and energy costs.

3. Prospects for the current financial year

With substantial unbilled sales from One Menerung and Troika, the property division is confident of favourable results in the remaining quarter of 2008. However, export revenue in the manufacturing division will be adversely affected by the global economic crisis and operating conditions will remain very challenging in the last quarter of the current financial year.

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 September 2008	Current year to 30 September 2008
	RM'000	**RM'000**
In respect of current year		
- Malaysia tax	11,495	21,438
- Foreign tax	(247)	-
	11,248	21,438
Deferred taxation		
- Malaysia tax	249	(4,330)
- Foreign tax	-	-
	249	4,330
In respect of prior years		
- Malaysia tax	1,110	1,099
Tax expense	12,607	18,207

The Group's effective tax rate for the current quarter is higher than the statutory tax rate of 26% due mainly to:

- reversal of deferred tax asset on unutilised investment tax allowances previously recognised ; and
- losses that are only partially available for set-off against taxable profits within the Group; and
- under provision of tax in prior year.

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

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 30 September 2008 RM'000	Current year to 30 September 2008 RM'000
Total purchases	-	-
Total sale proceeds	146	1,586
Total profit on sale	24	928

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

	RM'000
At cost	11,147
At carrying value (after allowance for impairment loss)	3,015
At market value	4,645

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 Utilisation RM'000	Actual Utilisation RM'000	Intended timeframe for Utilisation	Deviation RM'000	%	Explanations
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 USD12.5 million term loan.
The details of the Group's borrowings as at 30 September 2008 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	57,000		125,000	
Term loan (unsecured)	26,685	1,013	137,873	11,475
Bonds (unsecured)	-		100,000	
Revolving credit (Secured)	40,000		-	
Revolving credit (unsecured)	60,000		-	
Medium term notes (unsecured)	20,000		25,000	
Commercial papers (unsecured)	105,000		-	
Bankers acceptance (unsecured)	60,334		-	
Hire purchase creditors (secured)	565		1,452	
	369,584		389,325	

Finance cost of RM4.4 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 September 2008.

10. Off balance sheet financial instruments

As at 14 November 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 3.627 million	11,753	1 USD = RM 3.2407
Future sales of goods:		
USD 18.888 million	62,685	1 USD = RM 3.3187
Trade payables		
Euro 0.819 million	4,065	1 EURO = RM 4.9649
Future purchase of goods:		
Euro 0.781 million	3,909	1 EURO = RM 5.0023

The settlement dates of the above open forward contracts range between 1 to 5 months.

The unrecognised loss as at 14 November 2008 on open contracts which hedge anticipated future foreign currency sales amounted to RM6.031 million and future foreign currency purchases amounted to RM0.597 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 September 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 sen 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 September 2008	**Preceding year quarter to 30 September 2007**	**Current year to 30 September 2008**	**Preceding year to 30 September 2007**
a) Basic				
Net profit attributable to equity holders of the company (RM'000)	17,010	15,414	64,186	47,667
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	3.6	3.2	13.5	10.0
b) Diluted				
Net profit attributable to equity holders of the company (RM'000)	17,010	15,414	64,186	47,667
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 ('000)	65,954	6,925	105,446	1,979
Weighted average number of ordinary shares for diluted earnings per share ('000)	542,332	483,303	581,824	478,357
Diluted earnings per share (sen)	3.1	3.2	11.0	10.0

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
21 November 2008