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

	(Unaudited) As at 31 December 2008 RM'000	(Audited) As at 31 December 2007 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	739,485	699,195
Land held for property development	93,096	142,409
Investment properties	574,175	575,545
Prepaid lease rentals	18,744	19,020
Interest in associates	676	784
Other investment	2	2
Interest in a jointly controlled entity	8,555	5,634
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	12,955	490
Post-employment benefit surplus	1,587	2,766
	1,458,261	1,454,831
Current assets		
Inventories	140,248	91,831
Property development costs	571,950	514,195
Tax recoverable	13,851	13,459
Trade receivables	112,049	102,886
Other receivables	239,989	59,726
Marketable securities	2,427	3,597
Short term deposits	205,245	115,942
Cash and bank balances	19,521	30,360
	1,305,280	931,996
Non-current assets held for sale	-	8,937
TOTAL ASSETS	2,763,541	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	(4,754)	(1,851)
Retained profits	785,836	703,773
	1,500,146	1,420,986
Minority interests	147,887	155,403
Warrant reserve	31,930	31,930
Total equity	1,679,963	1,608,319

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

	(Unaudited) As at 31 December 2008 RM'000	(Audited) As at 31 December 2007 RM'000
Non current liabilities		
Post-employment benefit obligations	8,618	7,974
Provisions for other liabilities	16,587	24,652
Deferred tax liabilities	16,640	23,801
Borrowings	390,645	325,630
	432,490	382,057
Current liabilities		
Trade payables	143,290	104,281
Other payables and provisions	120,502	144,674
Current tax payable	8,942	6,267
Borrowings	378,354	150,166
	651,088	405,388
Total liabilities	1,083,578	787,445
TOTAL EQUITY AND LIABILITIES	2,763,541	2,395,764
Net assets per share attributable to equity holders of the Company (RM)	3.15	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 year ended 31 December 2008
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 December 2008	**Preceding year quarter to 31 December 2007**	**Current year to 31 December 2008**	**Preceding year to 31 December 2007**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	298,311	150,637	1,007,397	663,695
Other operating income	678	3,997	4,209	11,510
Operating profit before finance costs, depreciation, amortisation and tax	44,157	36,194	155,283	116,122
Depreciation and amortisation	(6,893)	(4,621)	(21,198)	(17,965)
Profit from operations	37,264	31,573	134,085	98,157
Finance costs	(8,617)	(5,420)	(28,732)	(24,435)
Share of results of associated companies	(85)	(2)	(107)	28
Share of results of a jointly controlled entity	686	(576)	2,921	(1,713)
Profit before taxation	29,248	25,575	108,167	72,037
Tax expense	10,807	(1,732)	(7,400)	(1,652)
Net profit for the year	40,055	23,843	100,767	70,385
Attributable to:				
Equity holders of the Company	44,316	21,683	108,502	69,350
Minority interests	(4,261)	2,160	(7,735)	1,035
	40,055	23,843	100,767	70,385
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	9.3	4.6	22.8	14.6
– diluted (sen) [See Part B Note 13(b)]	9.0	3.5	19.3	13.5

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 December 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	-	-	(2,903)	-	(2,903)	139	-	(2,764)
Net profit for the year	-	-	-	108,502	108,502	(7,735)	-	100,767
Acquisition of a subsidiary company	-	-	-	-	-	80	-	80
Dividend for financial year ended 31 December 2007	-	-	-	(26,439)	(26,439)	-	-	(26,439)
Balance as at 31 December 2008	476,378	242,686	(4,754)	785,836	1,500,146	147,887	31,930	1,679,963
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	-	-	(1,542)	-	(1,542)	(177)	-	(1,719)
Net profit for the year	-	-	-	69,350	69,350	1,035	-	70,385
Issue of warrants	-	-	-	-	-	-	28,071	28,071
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	-	-	-	-	-	(1,219)	-	(1,219)
Balance as at 31 December 2007	476,378	242,686	(1,851)	703,773	1,420,986	155,403	31,930	1,608,319

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 December 2008
The figures have not been audited.

	Current year to 31 December 2008 RM'000	Preceding year to 31 December 2007 RM'000
Cash flows from operating activities		
– Net profit for the year	100,767	70,385
– Adjustments for non-cash and non-operating items	62,243	8,648
	163,010	79,033
– Changes in working capital		
• Net change in current assets	(84,985)	(56,945)
• Net change in current liabilities	3,424	43,897
– Development expenditure incurred	(4,093)	(4,467)
– Capital commitment reserves (utilised)/received	(85)	3,152
– Infrastructure costs utilised	-	100
– Staff retirement benefits paid	(877)	(866)
– Income tax paid	(25,691)	(11,420)
– Tax refund	730	-
Net cash flow from operating activities	51,433	52,484
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	17,957	1,056
– Proceeds from disposal of quoted securities	1,413	43,660
– Proceeds from disposal of associated company	-	3,362
– Proceeds from disposal of investment property	23,490	1,058
– Purchase of property, plant and equipment	(119,036)	(94,762)
– Acquisition of land held for development	(129,634)	-
– Acquisition of subsidiary companies	(20)	-
– Interest received	4,084	2,330
– Dividend received	62	187
– Expenses incurred on investment properties	-	(1)
Net cash flow used in investing activities	(201,684)	(43,110)
Cash flows from financing activities		
– Drawdown of term loan	100,000	82,253
– Drawdown of revolving credit	143,000	24,000
– Proceeds from issuance of warrants	-	28,071
– Proceeds from allotment of shares in a subsidiary company	80	-
– Proceeds from issuance of bonds	-	99,780
– Proceeds from issuance of medium term notes and commercial papers	70,000	65,000
– Proceeds from bankers acceptance financing	759	12,853
– Proceeds from promissory note	8,341	-
– Repayment of medium term notes and commercial papers	-	(115,000)
– Repayment of term loans	(30,630)	(15,000)
– Repayment of revolving credit	-	(53,000)
– Payment of hire purchase liabilities	(671)	(825)
– Interest paid	(32,799)	(22,561)
– Financing expenses	(2,896)	(5,123)
– Dividend paid to shareholders of the Company	(26,439)	(26,082)
– Dividend paid to minority shareholders	-	(1,219)
Net cash flow from financing activities	228,745	73,147
Net change in cash and cash equivalents	78,494	82,521
Cash and cash equivalents at 1 January	146,302	63,781
Effects of exchange rate changes	(30)	-
Cash and cash equivalents at 31 December	224,766	146,302

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Cash Flow Statement for the financial year ended 31 December 2008 – continued
The figures have not been audited.

	Current year to 31 December 2008 RM'000	Preceding year to 31 December 2007 RM'000
Cash and cash equivalents comprise:		
Short term deposits	205,245	115,942
Cash and bank balances	19,521	30,360
	224,766	146,302

Included in cash and cash equivalents is an amount of RM118.9 million (2007: RM37.5 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 financial 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 financial 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 Effects 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 a 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. As at 31 December 2008, the Group has not recognised deferred tax asset on unutilised investment tax allowances (which has no expiry date) of RM435.0 million.

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the financial 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 global economic conditions.

5. Exceptional items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial year ended 31 December 2008.

6. Change in estimates

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

8. Dividends paid

Payment of a first and final dividend of 7.5% 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 31 December 2008	**Preceding year to 31 December 2007**	**Current year to 31 December 2008**	**Preceding year to 31 December 2007**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Property development	546,285	214,331	134,762	45,191
Property investment	26,035	35,384	8,085	25,952
Property management	1,201	4,958	215	1,732
Recreation	1,306	1,227	335	(334)
Construction	61,667	13,234	4,777	1,064
Other	479	-	59	-
	636,973	269,134	148,233	73,605
Manufacturing	368,776	350,714	(14,434)	16,674
Investment	1,648	43,847	286	7,878
	1,007,397	663,695	134,085	98,157

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 December 2008	**Preceding year to 31 December 2007**	**Current year to 31 December 2008**	**Preceding year to 31 December 2007**	**Current year to 31 December 2008**	**Preceding year to 31 December 2007**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Malaysia	899,796	546,951	2,720,452	2,210,551	120,624	97,111
Hong Kong & China	45,788	57,072	160	4,571	6	5
Pakistan	61,667	16,670	35,198	33,389	12	35
Others	146	43,002	7,731	147,253	-	-
	1,007,397	663,695	2,763,541	2,395,764	120,642	97,151

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 2008

There were no material events subsequent to the end of the financial year ended 31 December 2008.

12. Changes in the composition of the Group during the financial year ended 31 December 2008

There were no changes in the composition of the Group during the financial year ended 31 December 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 a further 119,999 new ordinary shares of RM1.00 each, making MPSB a 60% owned subsidiary of VESB.

    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 31 December 2008 were as follows:

	RM'000
Authorised and contracted	147,499
Authorised but not contracted	58,878
	206,377
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	202,469
- others	1,303
Investment properties	2,605
	206,377

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 for the fourth quarter doubled from RM150.6 million in 2007 to RM298.3 million in 2008. Revenue in the property division was driven by steady progress income recognition of property development projects in Kuala Lumpur and higher construction contract revenue in Lahore, Pakistan. This was in spite of a lower fourth quarter revenue of RM66.1 million from sales of particleboard and related products in the manufacturing division, which declined 29% as compared to RM93.8 million revenue in the same quarter a year ago.

Fourth quarter 2008 group profit before tax of RM29.2 million was up 14% against the same quarter results in 2007. A strong performance in the property division in the fourth quarter under review offset a RM18.2 million loss in the manufacturing division, which saw its sales volume fall at a steep pace especially for exports while raw material prices remained high. In addition, the manufacturing division incurred a RM5.9 million loss on disposal of plant and equipment.

Year on Year Review

For the full year, the Group posted record revenue of RM1.0 billion in 2008, up 52% from a year ago. Sales of a major office tower and 3 signature office blocks in CapSquare, ongoing progress income recognition of One Menerung and Troika all in Kuala Lumpur and higher construction contract revenue in Pakistan have collectively bolstered revenue in the property division. Overall the manufacturing division registered 5% revenue growth as a result of higher selling prices and favourable sales mix of particleboard and related products in 2008 when compared to 2007.

Group profit before tax rose 50% to RM108.2 million in 2008 from RM72.0 million profit in 2007 due to solid results in the property division which mitigated a RM29.4 million loss in the manufacturing division. During 2008, the manufacturing division grappled with increased raw material prices and energy costs whilst demand for particleboard and related products marked by intense competition was aggravated by the global economic slump.

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

Fourth quarter profit before tax of RM29.2 million was up 3% against RM28.5 million in the preceding quarter as the Group accounted for income recognition from its sale of CapSquare Office Tower 2 on top of its ongoing progress profit from One Menerung and Troika. Despite a more favourable sales mix and higher selling prices, the manufacturing division incurred a greater fourth quarter loss before tax of RM18.2 million as a result of lower sales quantity, increased raw material prices and a RM5.9 million loss on disposal of plant and equipment.

3. Prospects for the current financial year

The Group expects to face revenue challenges in 2009 from a struggling economy and deteriorating global economic conditions. However, the Directors remain cautiously optimistic that the property division will be able to withstand softening market conditions given its still substantial unbilled sales from the ongoing One Menerung, Troika and CapSquare Office Tower 2. The Group also anticipates that in view of the increasingly difficult business conditions in the face of a worldwide recession threat, the manufacturing division will incur losses in the current financial year but hopes to reduce these losses by proactive efforts to restructure the business, manage costs and improve operational efficiencies.

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 2008	Current year to 31 December 2008
	RM'000	RM'000
In respect of current year		
- Malaysia tax	3,245	24,684
- Foreign tax	810	810
	4,055	25,494
Deferred taxation		
- Malaysia tax	(14,860)	(19,190)
- Foreign tax	(2)	(2)
	(14,862)	(19,192)
In respect of prior years		
- Malaysia tax	-	1,098
Tax expense/(credit)	(10,807)	7,400

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 31 December 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 year ended 31 December 2008.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 31 December 2008 RM'000	Current year to 31 December 2008 RM'000
Total purchases	-	-
Total sales proceeds	-	1,586
Total profit/(loss) on sale	(27)	901

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

	RM'000
At cost	11,147
At carrying value (after allowance for impairment loss)	2,427
At market value	2,960

8. Status of corporate proposals

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

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 31 December 2008 are as follows:

	Current		Non-current	
		Foreign currency		Foreign currency
	RM'000	USD'000	RM'000	USD'000
Term loans (secured)	57,000		125,000	
Term loan (unsecured)	26,853	2,025	138,741	10,463
Bonds (unsecured)	-		100,000	
Revolving credit (secured)	40,000		-	
Revolving credit (unsecured)	103,000		-	
Medium term note (unsecured)	20,000		25,000	
Commercial papers (unsecured)	55,000		-	
Bankers acceptance (unsecured)	67,496		-	
Promissory notes (unsecured)	8,341			
Hire purchase creditors (secured)	664		1,904	
	378,354		390,645	

Finance cost of RM5.6 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to property development costs during the financial year ended 31 December 2008.

10. Off balance sheet financial instruments

As at 13 February 2009, 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 2.017 million	7,289	1 USD = RM 3.6136
Future sales of goods:		
USD 18.406 million	63,541	1 USD = RM 3.4522
Trade payables		
Euro 1.218 million	6,064	1 EURO = RM 4.9784
Future purchase of goods:		
Euro 0.374 million	1,871	1 EURO = RM 5.0015

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

The unrecognised losses as at 13 February 2009 on open contracts which hedge anticipated future foreign currency sales amounted to RM2.816 million and future foreign currency purchases amounted to RM0.500 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 recommend the payment of a first and final dividend of 3.0 sen per share less income tax at 25%, for the financial year ended 31 December 2008 (2007: first and final dividend of 7.5 sen per share less income tax 26%). The proposed dividend payment amounting to RM10.7 million (2007: RM26.4 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 2008	Preceding year quarter to 31 December 2007	Current year to 31 December 2008	Preceding year to 31 December 2007
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	44,316	21,683	108,502	69,350
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	9.3	4.6	22.8	14.6
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	44,316	21,683	108,502	69,350
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)	14,922	139,690	85,463	36,740
Weighted average number of ordinary shares for diluted earnings per share ('000)	491,300	616,068	561,841	513,118
Diluted earnings per share (sen)	9.0	3.5	19.3	13.5

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
20 February 2009