

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 31 March 2009

	(Unaudited) As at 31 March 2009 RM'000	(Audited) As at 31 December 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	768,553	739,350
Land held for property development	93,288	93,096
Investment properties	573,865	574,175
Prepaid lease rentals	18,675	18,744
Interest in associates	702	677
Other investment	2	2
Interest in a jointly controlled entity	9,497	8,593
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	12,948	12,955
	1,486,516	1,456,578
Current assets		
Inventories	117,501	138,144
Property development costs	578,929	572,719
Tax recoverable	15,688	13,851
Trade receivables	84,406	137,848
Other receivables	212,813	209,041
Marketable securities	2,256	2,427
Short term deposits	184,056	205,245
Cash and bank balances	20,095	19,520
	1,215,744	1,298,795
TOTAL ASSETS	2,702,260	2,755,373
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	(4,295)	(4,752)
Retained profits	797,612	780,628
	1,512,381	1,494,940
Minority interests	136,036	145,654
Warrant reserve	31,930	31,930
Total equity	1,680,347	1,672,524

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 31 March 2009 - continued

	(Unaudited) As at 31 March 2009 RM'000	(Audited) As at 31 December 2008 RM'000
Non current liabilities		
Post-employment benefit obligations	8,944	9,008
Provisions for other liabilities	16,587	16,587
Deferred tax liabilities	17,310	14,796
Borrowings	353,852	390,645
	396,693	431,036
Current liabilities		
Trade payables	152,797	143,296
Other payables and provisions	89,905	121,221
Current tax payable	12,310	8,942
Borrowings	370,208	378,354
	625,220	651,813
Total liabilities	1,021,913	1,082,849
TOTAL EQUITY AND LIABILITIES	2,702,260	2,755,373
Net assets per share attributable to equity holders of the Company (RM)	3.17	3.14

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 March 2009	Preceding year quarter to 31 March 2008	Current year to 31 March 2009	Preceding year to 31 March 2008
	RM'000	RM'000	RM'000	RM'000
Revenue	204,235	258,283	204,235	258,283
Other operating (expenses)/ income	(6,151)	2,974	(6,151)	2,974
Operating profit before finance costs, depreciation, amortisation and tax	33,089	42,140	33,089	42,140
Depreciation and amortisation	(5,598)	(4,589)	(5,598)	(4,589)
Profit from operations	27,491	37,551	27,491	37,551
Finance costs	(7,662)	(6,188)	(7,662)	(6,188)
Share of results of associated companies	26	60	26	60
Share of results of a jointly controlled entity	904	779	904	779
Profit before taxation	20,759	32,202	20,759	32,202
Tax expense	(13,393)	(2,482)	(13,393)	(2,482)
Net profit for the period	7,366	29,720	7,366	29,720
Attributable to:				
Equity holders of the Company	16,984	31,155	16,984	31,155
Minority interests	(9,618)	(1,435)	(9,618)	(1,435)
	7,366	29,720	7,366	29,720
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	3.6	6.5	3.6	6.5
– diluted (sen)	N.A.	5.2	N.A.	5.2
[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 2008 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 period ended 31 March 2009**

The figures have not been audited.

	← Attributable to equity holders of the company →				Sub-total	Minority interests	Warrant reserve	Total equity
	Share capital	Share premium	Foreign currency reserve	Retained profits				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2009	476,378	242,686	(4,752)	780,628	1,494,940	145,654	31,930	1,672,524
Foreign exchange translation differences	-	-	457	-	457	-	-	457
Net profit for the period	-	-	-	16,984	16,984	(9,618)	-	7,366
Balance as at 31 March 2009	<u>476,378</u>	<u>242,686</u>	<u>(4,295)</u>	<u>797,612</u>	<u>1,512,381</u>	<u>136,036</u>	<u>31,930</u>	<u>1,680,347</u>
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	-	-	(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	<u>476,378</u>	<u>242,686</u>	<u>(2,909)</u>	<u>734,928</u>	<u>1,451,083</u>	<u>153,895</u>	<u>31,930</u>	<u>1,636,908</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)**Condensed Consolidated Cash Flow Statement for the financial period ended 31 March 2009**

The figures have not been audited.

	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000
<u>Cash flows from operating activities</u>		
- Net profit for the period	7,366	29,720
- Adjustments for non-cash and non-operating items	30,143	11,239
	<u>37,509</u>	<u>40,959</u>
- Changes in working capital		
• Net change in current assets	49,790	(32,822)
• Net change in current liabilities	(19,032)	(18,033)
- Development expenditure incurred	(192)	(400)
- Capital commitment reserves (utilised)/received	-	11
- Staff retirement benefits paid	(347)	(3)
- Income tax paid	(9,423)	(3,500)
- Tax refund	-	4
Net cash flow from operating activities	<u>58,305</u>	<u>(13,784)</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	13,301	303
- Proceeds from disposal of quoted securities	65	-
- Proceeds from disposal of investment property	-	2,745
- Purchase of property, plant and equipment	(35,343)	(16,188)
- Interest received	887	516
- Dividend received	38	1
- Expenses incurred on investment properties	(71)	-
Net cash flow used in investing activities	<u>(21,123)</u>	<u>(12,623)</u>
<u>Cash flows from financing activities</u>		
- Drawdown of revolving credit	7,000	-
- Proceeds from export credit refinancing	-	79
- Repayment of term loans	(23,434)	(7,500)
- Repayment of banker acceptance	(38,557)	(13,573)
- Repayment of promissory notes	(5,340)	-
- Payment of hire purchase liabilities	(180)	(205)
- Interest paid	(10,653)	(6,019)
- Financing expenses	(177)	(289)
Net cash flow from financing activities	<u>(71,341)</u>	<u>(27,507)</u>
Net change in cash and cash equivalents	(34,159)	(53,914)
Cash and cash equivalents at 1 January	224,765	146,302
Effects of exchange rate changes	9	(46)
Cash and cash equivalents at 31 March	<u>190,615</u>	<u>92,342</u>

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)**Condensed Consolidated Cash Flow Statement for the financial period ended 31 March 2009 – continued**

The figures have not been audited.

	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000
Cash and cash equivalents comprise:		
Short term deposits	184,056	68,389
Cash and bank balances	20,095	24,203
Bank overdraft (see Part B Note 9)	(13,536)	(250)
	<u>190,615</u>	<u>92,342</u>

Included in cash and cash equivalents is an amount of RM111.2 million (2008: RM38.5 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 2008 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 2008. 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 2008.

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 2008.

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the financial year ended 31 December 2008 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 global 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 2009.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 31 March 2009.

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 2009.

8. Dividends paid

There were no dividends paid for the financial period ended 31 March 2009.

9. Segmental reporting

Primary segment – business segment

	Revenue		Profit/(loss) from operations	
	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000
Property development	136,260	135,442	43,267	30,415
Property investment	7,026	8,095	118	5,557
Property management	326	1,713	221	944
Recreation	294	273	33	36
Construction	15,439	18,762	952	1,945
	<hr/> 159,345	<hr/> 164,285	<hr/> 44,591	<hr/> 38,897
Manufacturing	44,787	93,997	(16,945)	(1,330)
Investment	103	1	(155)	(16)
	<hr/> 204,235	<hr/> 258,283	<hr/> 27,491	<hr/> 37,551

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000	Current year to 31 March 2009 RM'000	Preceding year to 31 March 2008 RM'000
Malaysia	188,731	227,165	2,650,626	2,427,583	35,222	16,187
Hong Kong & China	-	12,356	104	1,311	42	1
Pakistan	15,439	18,762	43,956	34,640	79	-
Others	65	-	7,574	9,173	-	-
	<hr/> 204,235	<hr/> 258,283	<hr/> 2,702,260	<hr/> 2,472,707	<hr/> 35,343	<hr/> 16,188

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 2009

There were no material events subsequent to the end of the financial period ended 31 March 2009.

12. Changes in the composition of the Group during the financial period ended 31 March 2009

There were no changes in the composition of the Group during the financial period ended 31 March 2009.

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 2008 to the date of this report.

14. Capital commitments

Capital commitments not provided for in the financial statements as at 31 March 2009 were as follows:

	RM'000
Authorised and contracted	118,443
Authorised but not contracted	48,599
	<hr/>
	167,042
	<hr/>
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	163,669
- others	839
Investment properties	2,534
	<hr/>
	167,042
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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 RM204.2 million for the first quarter of 2009 was down 21% against RM258.3 million a year ago due to the drop in revenue from the manufacturing division under Mieco Chipboard Bhd (MIECO). Despite favourable sales mix and higher selling prices, MIECO's first quarter revenue decreased 52% to RM44.8 million when compared to RM94.0 million revenue a year ago due to lower sales quantity, reflecting the demand slump for particleboard and related products arising from the global economic downturn. Revenue in the property division contracted marginally with fewer properties sold and lower construction contract revenue, but was well supported by progress income recognition on properties sold earlier.

First quarter 2009 group profit before tax of RM20.8 million was 36% lower when compared to RM32.2 million a year earlier. MIECO suffered a loss before tax of RM20.1 million against RM5.0 million a year ago as a result of lower volume and an RM8 million foreign exchange loss on USD hedging contracts. This was mitigated by higher property division profit before tax, which was up 10% due to advance progress recognition of properties under construction in Kuala Lumpur.

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

Group profit of RM20.8 million in the current quarter improved by 4% from RM20.0 million in the immediate preceding quarter due to a smaller loss in the manufacturing division. MIECO's loss before tax in the first quarter of 2009 narrowed to RM20.1 million from RM25.1 million in the last quarter of 2008, which had included substantial impairment allowances for receivables and inventories as well as loss on disposal of property, plant and equipment.

The property division saw a 9% decrease in profit before tax in the first quarter of 2009 due to the cumulative progress profit recognition on CapSquare Office Tower 2 in the fourth quarter of 2008 upon fulfillment of the conditions precedent to its sale.

3. Prospects for the current financial year

With the outlook for consumer spending staying weak and the timeframe for economic recovery remaining uncertain, the Group faces a challenging year in 2009. With the particleboard industry hit hard by the global downturn, the manufacturing division expects its losses to persist in the current financial year. On the bright side, however, in view of substantial unbilled sales and strong progress collections, the property division expects to perform well in 2009 with focus on delivery of ongoing projects in Kuala Lumpur and disposal of completed properties in Johor.

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 2009 RM'000	Current year to 31 March 2009 RM'000
In respect of current year		
- Malaysia tax	10,815	10,815
- Foreign tax	55	55
	<u>10,870</u>	<u>10,870</u>
Deferred taxation		
- Malaysia tax	2,521	2,521
- Foreign tax	-	-
	<u>2,521</u>	<u>2,521</u>
In respect of prior years		
- Malaysia tax	2	2
	<u>2</u>	<u>2</u>
Tax expense/(credit)	<u><u>13,393</u></u>	<u><u>13,393</u></u>

The Group's effective tax rate for the current year to date and current quarter are higher than the statutory tax rate of 25% for the financial period ended 31 March 2009 due mainly to deferred tax assets arising from unabsorbed capital allowances and tax losses for current year were not recognised.

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 2009.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 31 March 2009 RM'000	Current year to 31 March 2009 RM'000
Total purchases	-	
Total sales proceeds	65	65
Total loss on sale	(45)	(45)

b) Details of investment in marketable securities as at 31 March 2009:

	RM'000
At cost	11,114
At carrying value (after allowance for impairment loss)	2,256
At market value	2,806

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 USD11.5 million term loan.

The details of the Group's borrowings as at 31 March 2009 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	72,000		100,000	
Term loan (unsecured)	27,186	2,025	126,869	9,450
Bonds (unsecured)	-		100,000	
Revolving credit (secured)	40,000		-	
Revolving credit (unsecured)	110,000		-	
Medium term note (unsecured)	20,000		25,000	
Commercial papers (unsecured)	55,000		-	
Bankers acceptance (unsecured)	28,939		-	
Promissory notes (unsecured)	3,001		-	
Bank overdraft (unsecured)	13,536		-	
Hire purchase creditors (secured)	546		1,983	
	<u>370,208</u>		<u>353,852</u>	

Finance cost of RM1.7 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to property development costs during the financial period ended 31 March 2009.

10. Off balance sheet financial instruments

As at 15 May 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 payables Euro 0.592 million	2,764	1 EURO = RM 4.6723

The settlement dates of the above open forward contracts range between 1 to 4 months.

The unrecognised gain as at 15 May 2009 on open contracts which hedge anticipated future foreign currency purchases amounted to RM0.105 million. This exchange gain is deferred until the related 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 2008.

12. Dividend

The directors do not recommend the payment of any interim dividend for the financial period ended 31 March 2009. No interim dividend was declared for the same period last year.

13. Earnings per share

	Current year quarter to 31 March 2009	Preceding year quarter to 31 March 2008	Current year to 31 March 2009	Preceding year to 31 March 2008
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	16,984	31,155	16,984	31,155
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	3.6	6.5	3.6	6.5
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	N.A.	31,155	N.A.	31,155
Weighted average number of ordinary shares in issue ('000)	N.A.	476,378	N.A.	476,378
Adjustment for effect of dilution on warrants issued ('000)	N.A.	123,758	N.A.	123,758
Weighted average number of ordinary shares for diluted earnings per share ('000)	N.A.	600,136	N.A.	600,136
Diluted earnings per share (sen)	N.A.	5.2	N.A.	5.2

The diluted earnings per share for the current quarter and financial period ended 31 March 2009 is not applicable as the assumed exercise of warrants have an antidilutive effects.

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur
22 May 2009