

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 30 September 2009

	(Unaudited) As at 30 September 2009 RM'000	(Audited) As at 31 December 2008 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	833,161	739,350
Land held for property development	92,991	93,096
Investment properties	573,007	574,175
Prepaid lease rentals	18,537	18,744
Interest in associates	763	677
Other investment	2	2
Interest in a jointly controlled entity	12,648	8,593
Debt recoverable from an unquoted company	8,986	8,986
Deferred tax assets	11,384	12,955
	1,551,479	1,456,578
Current assets		
Inventories	100,587	138,144
Property development costs	566,737	572,719
Tax recoverable	17,223	13,851
Trade receivables	162,592	137,848
Other receivables	226,063	209,041
Marketable securities	2,814	2,427
Short term deposits	56,489	205,245
Cash and bank balances	12,625	19,520
	1,145,130	1,298,795
TOTAL ASSETS	2,696,609	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	(6,897)	(4,752)
Retained profits	872,276	780,628
	1,584,443	1,494,940
Minority interests	139,076	145,654
Warrant reserve	28,071	31,930
Total equity	1,751,590	1,672,524

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Balance Sheet as at 30 September 2009 - continued

	(Unaudited) As at 30 September 2009 RM'000	(Audited) As at 31 December 2008 RM'000
Non current liabilities		
Post-employment benefit obligations	8,845	9,008
Provisions for other liabilities	17,525	16,587
Deferred tax liabilities	14,182	14,796
Borrowings	371,499	390,645
	412,051	431,036
Current liabilities		
Trade payables	149,176	143,296
Other payables and provisions	90,345	121,221
Current tax payable	25,795	8,942
Borrowings	267,652	378,354
	532,968	651,813
Total liabilities	945,019	1,082,849
TOTAL EQUITY AND LIABILITIES	2,696,609	2,755,373
Net assets per share attributable to equity holders of the Company (RM)	3.33	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 30 September 2009

The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2009 RM'000	Preceding year quarter to 30 September 2008 RM'000	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000
Revenue	267,471	242,698	702,894	709,086
Other operating income/ (expenses)	1,253	(132)	219	3,531
Operating profit before finance costs, depreciation, amortisation and tax	70,164	40,279	165,157	111,126
Depreciation and amortisation	(5,924)	(4,973)	(17,432)	(14,305)
Profit from operations	64,240	35,306	147,725	96,821
Finance costs	(6,629)	(7,482)	(20,824)	(20,115)
Share of results of associated companies	11	(36)	82	(22)
Share of results of a jointly controlled entity	1,734	715	3,639	2,235
Profit before taxation	59,356	28,503	130,622	78,919
Tax expense	(17,931)	(12,607)	(38,693)	(18,207)
Net profit for the period	41,425	15,896	91,929	60,712
Attributable to:				
Equity holders of the Company	40,918	17,010	98,508	64,186
Minority interests	507	(1,114)	(6,579)	(3,474)
	41,425	15,896	91,929	60,712
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	8.6	3.6	20.7	13.5
– diluted (sen)	7.5	3.1	19.2	11.0
[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 30 September 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	-	-	(2,145)	-	(2,145)	1	-	(2,144)
Net profit for the period	-	-	-	98,508	98,508	(6,579)	-	91,929
Expiry of warrants	-	-	-	3,859	3,859	-	(3,859)	-
Dividend for financial year ended 31 December 2008	-	-	-	(10,719)	(10,719)	-	-	(10,719)
Balance as at 30 September 2009	<u>476,378</u>	<u>242,686</u>	<u>(6,897)</u>	<u>872,276</u>	<u>1,584,443</u>	<u>139,076</u>	<u>28,071</u>	<u>1,751,590</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	-	-	(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	<u>476,378</u>	<u>242,686</u>	<u>(5,009)</u>	<u>741,520</u>	<u>1,455,575</u>	<u>151,939</u>	<u>31,930</u>	<u>1,639,444</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 30 September 2009

The figures have not been audited.

	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000
<u>Cash flows from operating activities</u>		
- Net profit for the period	91,929	60,712
- Adjustments for non-cash and non-operating items	74,852	50,791
	<u>166,781</u>	<u>111,503</u>
- Changes in working capital		
• Net change in current assets	(24,074)	(87,117)
• Net change in current liabilities	(20,288)	(14,836)
- Development expenditure incurred	(367)	(3,020)
- Capital commitment reserves received/(utilised)	938	(85)
- Staff retirement benefits paid	(1,011)	(379)
- Income tax paid	(24,905)	(11,820)
- Tax refund	-	916
Net cash flow from/(used in) operating activities	<u>97,074</u>	<u>(4,838)</u>
<u>Cash flows from investing activities</u>		
- Proceeds from disposal of property, plant and equipment	26,340	503
- Proceeds from disposal of quoted securities	1,066	1,440
- Proceeds from disposal of investment property	-	2,745
- Purchase of property, plant and equipment	(112,096)	(73,599)
- Investment in associate	(4)	-
- Investment in jointly controlled entity	(417)	-
- Acquisition of land held for development	-	(129,634)
- Acquisition of a subsidiary company	-	60
- Proceeds from disposal of land	472	-
- Interest received	1,709	1,605
- Dividend received	52	62
- Expenses incurred on investment properties	(324)	-
Net cash flow used in investing activities	<u>(83,202)</u>	<u>(196,818)</u>
<u>Cash flows from financing activities</u>		
- Drawdown of term loan	-	100,000
- Drawdown of revolving credit	44,000	100,000
- Proceeds from issuance of medium term notes and commercial papers	-	150,000
- Repayment of term loans	(49,328)	(30,630)
- Repayment of bankers acceptance	(44,369)	(6,403)
- Repayment of medium term notes and commercial papers	(75,000)	(30,000)
- Repayment of promissory note	(8,341)	-
- Payment of hire purchase liabilities	(570)	(514)
- Interest paid	(27,946)	(26,294)
- Financing expenses	(195)	(1,916)
- Dividend paid to shareholders of the Company	(10,719)	(26,439)
Net cash flow (used-in)/from financing activities	<u>(172,468)</u>	<u>227,804</u>
Net change in cash and cash equivalents	(158,596)	26,148
Cash and cash equivalents at 1 January	224,765	146,302
Effects of exchange rate changes	(562)	(39)
Cash and cash equivalents at 30 September	<u>65,607</u>	<u>172,411</u>

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Cash Flow Statement for the financial period ended 30 September 2009 – continued
The figures have not been audited.

	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000
Cash and cash equivalents comprise:		
Short term deposits	56,489	152,463
Cash and bank balances	12,625	19,948
Bank overdraft (see Part B Note 9)	(3,507)	-
	<hr/> 65,607 <hr/>	<hr/> 172,411 <hr/>

Included in cash and cash equivalents is an amount of RM44.1 million (2008: RM57.4 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 30 September 2009.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 30 September 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 30 September 2009 except for the expiry of MIECO Warrants 2004/2009 which lapsed on 21 April 2009 without any warrants being exercised.

8. Dividends paid

Payment of the first and final dividend of 3.0 sen per share less 25% income tax in respect of the financial year ended 31 December 2008 amounting to RM10.7 million, was made on 18 August 2009.

9. Segmental reporting

Primary segment – business segment

	Revenue		Profit/(loss) from operations	
	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000
Property development	477,430	333,153	154,125	85,964
Property investment	20,253	20,021	(1,280)	5,998
Property management	760	732	261	457
Recreation	666	1,000	60	269
Construction	62,768	49,904	4,116	4,351
Supermarket	1,943	-	(900)	-
	<u>563,820</u>	<u>404,810</u>	<u>156,382</u>	<u>97,039</u>
Manufacturing	137,956	302,628	(9,978)	(1,168)
Investment	1,118	1,648	1,321	950
	<u>702,894</u>	<u>709,086</u>	<u>147,725</u>	<u>96,821</u>

Secondary segment – geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000	Current year to 30 September 2009 RM'000	Preceding year to 30 September 2008 RM'000
Malaysia	639,009	617,789	2,637,167	2,660,519	111,975	73,715
Hong Kong & China	-	41,247	121	1,893	42	1
Pakistan	62,768	49,904	54,681	33,480	79	12
Others	1,117	146	4,640	9,290	-	-
	<u>702,894</u>	<u>709,086</u>	<u>2,696,609</u>	<u>2,705,182</u>	<u>112,096</u>	<u>73,728</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 September 2009

There were no material events subsequent to the end of the financial period ended 30 September 2009.

12. Changes in the composition of the Group during the financial period ended 30 September 2009

There were no changes in the composition of the Group during the financial period ended 30 September 2009 except for the following:

- (a) On 8 May 2009, the Company subscribed for 4,000 new ordinary shares of RM1.00 each at par in KL Arts City Sdn Bhd (KL Arts City) which represents a 40% equity stake, making KL Arts City an associate of the Company.

KL Arts City was incorporated on 6 May 2009. It has an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each and an issued and paid-up share capital of RM10,000 ordinary shares of RM1.00 each.

- (b) On 27 July 2009, BRDB (Oman) Limited, a wholly-owned subsidiary of the Company, entered into a Shareholders/Partners Agreement (SHA) with Mamas Loizou Ioanou Christodoulides and Mohammed Saleh Bin Eid Al Khaldi, both of Omani nationality, and Amouage Hotels & Resorts LLC, Oman (Amouage) for the purpose of undertaking a proposed development of an integrated real estate tourism project on about 99 acres of land in Seeb, Sultanate of Oman through Amouage, the joint venture entity.

On 28 July 2009, BRDB (Oman) Limited acquired 45,000 shares of RO1.00 each in Amouage representing 30% shareholding in Amouage for at total cash consideration of RO45,000 (approximately RM423,000).

Amouage is a limited liability company incorporated in the Sultanate of Oman on 24 June 2001. It has a paid-up share capital of RO150,000 divided into 150,000 shares of RO1.00 each.

- (c) On 4 September 2009, the Company's wholly-owned subsidiary, Vital Edition Sdn Bhd (VESB) incorporated a wholly-owned subsidiary under the name of O' Gourmet Sdn Bhd (O' Gourmet) with a paid-up capital of RM2.00. Subsequently, on 5 October 2009, VESB subscribed for a further 599,998 new ordinary shares of RM1.00 each, making O' Gourmet a 60% owned subsidiary of VESB.

O' Gourmet was incorporated on 4 September 2009 and has an authorised share capital of RM1,000,000 divided into 1,000,000 shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each. On 5 October 2009, O' Gourmet increased its paid-up share capital to RM1,000,000 divided into 1,000,000 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 2008 to period ended 30 September 2009 except for:

	As at 30 September 2009 RM'000	As at 31 December 2008 RM'000
Corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries	273,248	122,590

14. Capital commitments

Capital commitments not provided for in the financial statements as at 30 September 2009 were as follows:

Authorised and contracted	66,685
Authorised but not contracted	35,417
	102,102
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	94,984
- others	4,595
Investment properties	2,523
	102,102

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

Third quarter group revenue rose 10% quarter-on-quarter to RM267.5 million on the back of strengthening demand for the Group's properties and steady construction progress of the Troika and CapSquare Office Tower 2 in the property division. However, revenue from the manufacturing division under Mieco Chipboard Berhad (MIECO) fell 57% to RM47.1 million from RM108.5 million a year ago as the global economic downturn still affected sales volume and selling prices of particleboard and related products.

Group profit before tax in the quarter under review more than doubled to RM 59.4 million as compared to RM28.5 million a year ago, mostly attributable to the property division. Although sales were lower, MIECO registered a pre-tax profit of RM1.1 million as compared to a loss of RM1.2 million a year ago mainly due to reduced prices of raw materials and operational costs.

Year on Year review

Group revenue of RM702.9 million for the nine months under review was slightly less than the RM709.1 million a year ago. Whilst the property division's revenue climbed 39% arising from ongoing development projects in Kuala Lumpur and accounted for 80% of Group revenue, this was offset by MIECO's 55% revenue drop to RM138 million against RM304.1 million a year ago as a result of lower sales volume and decreased selling prices of particleboard and related products.

For the first 9 months of 2009, group profit before tax reached RM130.6 million, up 66% from RM78.9 million a year ago. Already surpassing 2008 full-year results of RM98.9 million, the strong performance in the current year to date is driven by the property division which is underpinned by ongoing One Menerung, Troika and CapSquare Office Tower 2 in Kuala Lumpur and completed Permas Jaya properties in Johor. MIECO's wider pre-tax loss of RM18.8 million against RM11.2 million a year ago was also due to a RM4.5 million foreign exchange loss.

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

Group profit before tax of RM59.4 million in the third quarter was up 18% from the preceding quarter profit of RM50.5 million as a result of improved performance across both property and manufacturing divisions. The property division enjoyed higher sales and advance progress income recognition of ongoing development projects. MIECO's pre-tax profit of RM1.1 million increased by RM0.9 million as compared to RM0.2 million in the immediate preceding quarter, due to higher selling prices and favourable sales mix of chipboard and related products, though partially offset by lower sales quantity.

3. Prospects for the current financial year

The Group expects to maintain a favourable performance in the last quarter of this year. Earnings continue to be driven by the property division from unbilled sales of ongoing developments as well as income from investment properties which includes the recently refurbished Bangsar Shopping Centre. MIECO has seen demand improve since the second quarter but anticipates an overall loss in the current financial year as a result of its large first-quarter loss and the temporary cessation of Plant 3 operations in Kechau Tui, Pahang.

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 2009 RM'000	Current year to 30 September 2009 RM'000
In respect of current year		
- Malaysia tax	13,999	37,560
- Foreign tax	232	333
	<u>14,231</u>	<u>37,893</u>
Deferred taxation		
- Malaysia tax	2,177	(725)
- Foreign tax	-	-
	<u>2,177</u>	<u>(725)</u>
In respect of prior years		
- Malaysia tax	(139)	(137)
- Foreign tax	(18)	(18)
- Deferred tax	1,680	1,680
	<u>1,523</u>	<u>1,525</u>
Tax expense	<u>17,931</u>	<u>38,693</u>

The Group's effective tax rate for the current quarter and year to date is higher than the statutory tax rate of 25% due mainly to :

- deferred tax assets arising from tax losses for current year were not recognised; and
- expenses not deductible for tax purposes; and
- under provision of tax in prior year.

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 2009.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 30 September 2009 RM'000	Current year to 30 September 2009 RM'000
Total purchases	-	-
Total sales proceeds	764	1,066
Total profit on sale	571	697

b) Details of investment in marketable securities as at 30 September 2009:

	RM'000
At cost	10,946
At carrying value (after allowance for impairment loss)	2,814
At market value	5,241

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 USD11.4 million term loan. The details of the Group's borrowings as at 30 September 2009 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	47,000		100,000	
Term loan (unsecured)	6,261	473	144,897	10,935
Bonds (unsecured)	-		100,000	
Revolving credit (secured)	40,000		-	
Revolving credit (unsecured)	147,000		-	
Medium term note (unsecured)	-		25,000	
Bankers acceptance (unsecured)	23,127		-	
Bank overdraft (unsecured)	3,507		-	
Hire purchase creditors (secured)	757		1,602	
	<u>267,652</u>		<u>371,499</u>	

Finance cost of RM4.6 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to property development costs during the financial period ended 30 September 2009.

10. Off balance sheet financial instruments

As at 13 November 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 0.205 million	1,027	1 EURO = RM 5.0115
Trade receivables USD 1.047 million	3,564	1 USD = RM 3.4043
Future sales USD 0.571 million	1,926	1 USD = RM 3.3722

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

The unrecognised gains as at 13 November 2009 on open contracts which hedge anticipated future foreign currency purchases and sales amounted to gains of RM0.007 million and RM0.031 million respectively. These exchange gains are deferred until the related purchases and sales 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 30 September 2009. No interim dividend was declared for the same period last year.

Shareholders at the Company's Annual General Meeting on 24 June 2009 approved the payment of the first and final dividend of 3.0% per share less 25% income tax in respect of the financial year ended 31 December 2008. Payment of this dividend amounting to RM10.7 million was made on 18 August 2009.

13. Earnings per share

	Current year quarter to 30 September 2009	Preceding year quarter to 30 September 2008	Current year to 30 September 2009	Preceding year to 30 September 2008
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	40,918	17,010	98,508	64,186
Weighted average number of ordinary shares in issue ('000)	476,378	476,378	476,378	476,378
Earnings per share (sen)	8.6	3.6	20.7	13.5
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	40,918	17,010	98,508	64,186
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)	69,573	65,954	37,534	105,446
Weighted average number of ordinary shares for diluted earnings per share ('000)	545,951	542,332	513,912	581,824
Diluted earnings per share (sen)	7.5	3.1	19.2	11.0

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur

20 November 2009