BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 September 2010

	(Unaudited) As at 30 September 2010 RM'000	(Audited) As at 31 December 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	543,800	863,036
Land held for property development	88,958	93,934
Investment properties	1,019,205	572,626
Intangible assets	3,896	0
Prepaid lease rentals	18,261	18,468
Interest in associates	691	813
Available-for-sale investments	0	2
Interest in jointly controlled entities	12,791	13,056
Debt recoverable from an unquoted company	8,832	8,986
Deferred tax assets	6,999	13,946
Post-employment benefit surplus	1,496	1,496
	1,704,929	1,586,363
Current assets		
Inventories	90,978	94,791
Property development costs	569,302	568,694
Tax recoverable	16,363	8,889
Trade receivables	118,820	158,907
Other receivables	394,635	251,952
Financial assets held for trading	0	3,377
Short term deposits	33,853	116,626
Cash and bank balances	17,811	11,764
	1,241,762	1,215,000
TOTAL ASSETS	2,946,691	2,801,363
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	481,068	476,392
Share premium	243,708	242,689
Foreign currency reserve	(12,039)	(7,314)
Retained profits	974,041	889,293
	1,686,778	1,601,060
Non controlling interests	139,600	143,429
Warrant reserve	27,518	28,069
Total equity	1,853,896	1,772,558

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 September 2010 - continued

	(Unaudited) As at 30 September 2010 RM'000	(Audited) As at 31 December 2009 RM'000
Non current liabilities		
Post-employment benefit obligations	8,786	8,287
Provisions for other liabilities	17,820	17,632
Deferred tax liabilities	16,930	12,753
Borrowings	323,200	355,780
	366,736	394,452
Current liabilities		
Trade payables	104,467	162,894
Other payables and provisions	128,875	112,942
Derivative financial liabilities	791	0
Current tax payable	2,135	8,527
Borrowings	489,791	349,990
	726,059	634,353
Total liabilities	1,092,795	1,028,805
TOTAL EQUITY AND LIABILITIES	2,946,691	2,801,363
Net assets per share attributable to equity holders of the Company (RM)	3.51	3.36

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the explanatory notes attached to this interim financial report.

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2010
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2010 RM'000	**Preceding year quarter to 30 September 2009 RM'000**	**Current year to 30 September 2010 RM'000**	**Preceding year to 30 September 2009 RM'000**
Revenue	127,594	267,471	468,759	702,894
Other operating income	2,413	1,253	10,499	219
Operating profit before finance costs, depreciation, amortisation and tax	18,627	70,164	174,359	165,157
Depreciation and amortisation	(6,065)	(5,924)	(18,138)	(17,432)
Profit from operations	12,562	64,240	156,221	147,725
Finance costs	(8,554)	(6,629)	(25,756)	(20,824)
Share of results of associated companies	120	11	301	82
Share of results of jointly controlled entities	(1,125)	1,734	(365)	3,639
Profit before taxation	**3,003**	**59,356**	**130,401**	**130,622**
Tax expense	(2,662)	(17,931)	(18,211)	(38,693)
Profit for the period	**341**	**41,425**	**112,190**	**91,929**
Other comprehensive income				
Exchange differences on translating foreign operations	(1,791)	(810)	(4,728)	(2,144)
Total comprehensive (loss)/ income for the period	**(1,450)**	**40,615**	**107,462**	**89,785**

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2010 – continued
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2010 RM'000	**Preceding year quarter to 30 September 2009 RM'000**	**Current year to 30 September 2010 RM'000**	**Preceding year to 30 September 2009 RM'000**
(Loss)/Profit attributable to:				
Equity holders of the Company	(745)	40,918	105,566	98,508
Non-controlling interests	1,086	507	6,624	(6,579)
	341	41,425	112,190	91,929
Total comprehensive (loss)/ income attributable to:				
Equity holders of the Company	(2,538)	40,107	100,841	96,363
Non-controlling interests	1,088	508	6,621	(6,578)
	(1,450)	40,615	107,462	89,785
(Loss)/earnings per share attributable to equity holders of the Company:				
– basic (sen)	(0.2)	8.6	22.1	20.7
– diluted (sen) [See Part B Note 14(b)]	(0.1)	7.5	18.5	19.2

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the explanatory notes attached to this interim financial report.

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2010
The figures have not been audited.

	Attributable to equity holders of the Company							
	Non-distributable			Distributable				
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity RM'000
Balance as at 1 January 2010	476,392	242,689	(7,314)	889,293	1,601,060	143,429	28,069	1,772,558
Effects on the adoption of FRS 139	0	0	0	6,043	6,043	578	0	6,621
	476,392	242,689	(7,314)	895,336	1,607,103	144,007	28,069	1,779,179
Conversion of warrants to ordinary shares	4,676	1,019	0	0	5,695	0	(551)	5,144
Allotment of shares of a subsidiary company	0	0	0	0	0	120	0	120
Acquisition of minority interests	0	0	0	0	0	(11,148)	0	(11,148)
Dividend for the financial year ended 31 December 2009	0	0	0	(26,861)	(26,861)	0	0	(26,861)
Total comprehensive income for the period	0	0	(4,725)	105,566	100,841	6,621	0	107,462
Balance as at 30 September 2010	481,068	243,708	(12,039)	974,041	1,686,778	139,600	27,518	1,853,896

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 2010 – continued
The figures have not been audited.

	Attributable to equity holders of the Company							
	Non-distributable			Distributable				
	Share capital RM'000	Share premium RM'000	Foreign currency reserve RM'000	Retained profits RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity 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
Conversion of warrants to ordinary shares	0	0	0	3,859	3,859	0	(3,859)	0
Dividend for the financial year ended 31 December 2008	0	0	0	(10,719)	(10,719)	0	0	(10,719)
Total comprehensive income for the period	0	0	(2,145)	98,508	96,363	(6,578)	0	89,785
Balance as at 30 September 2009	476,378	242,686	(6,897)	872,276	1,584,443	139,076	28,071	1,751,590

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the explanatory notes attached to this interim financial report.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flow for the financial period ended 30 September 2010
The figures have not been audited.

	Current year to 30 September 2010 RM'000	Preceding year to 30 September 2009 RM'000
Cash flows from operating activities		
– Net profit for the period	112,190	91,929
– Adjustments for non-cash and non-operating items	(20,828)	74,852
	91,362	166,781
– Changes in working capital		
• Net change in current assets	(94,907)	(24,074)
• Net change in current liabilities	(40,031)	(20,288)
– Development expenditure incurred	(3,737)	(367)
– Capital commitment reserves received	78	938
– Infrastructure costs utilised	(77)	-
– Staff retirement benefits paid	(344)	(1,011)
– Income tax paid	(21,096)	(24,905)
Net cash flow (used in)/from operating activities	(68,752)	97,074
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	328	26,340
– Net proceeds from disposal of marketable securities	6,444	1,066
– Proceeds from disposal of land held for property development	3,817	472
– Proceeds from disposal of investment properties	7,600	-
– Purchase of property, plant and equipment	(5,517)	(112,096)
– Investment in an associate	-	(4)
– Investment in a jointly controlled entity	-	(417)
– Acquisition of minority interests	(15,045)	-
– Interest received	1,514	1,709
– Dividend received	86	52
– Development expenditure incurred on investment properties	(67,555)	(324)
Net cash flow used in investing activities	(68,328)	(83,202)
Cash flows from financing activities		
– (Repayment)/drawdown of revolving credit	(100,000)	44,000
– Proceeds from allotment of shares from minority interest of a subsidiary	120	-
– Proceeds from issuance of shares arising from conversion of warrants	5,144	-
– Drawdown/(Repayment) of term loans	59,565	(49,328)
– Proceeds/(Repayment) of bankers acceptance	3,005	(44,369)
– Proceeds/(Repayment) of medium term notes and commercial papers	150,000	(75,000)
– Repayment of promissory note	-	(8,341)
– Payment of hire purchase liabilities	(569)	(570)
– Interest paid	(27,967)	(27,946)
– Financing expenses	(229)	(195)
– Dividend paid to shareholders of the Company	(26,861)	(10,719)
Net cash flow from/(used in) financing activities	62,208	(172,468)
Net change in cash and cash equivalents	(74,872)	(158,596)
Cash and cash equivalents at 1 January	121,559	224,765
Effects of exchange rate changes	(250)	(562)
Cash and cash equivalents at 30 September	46,437	65,607

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flow for the financial period ended 30 September 2010 – continued
The figures have not been audited.

	Current year to 30 September 2010 RM'000	Preceding year to 30 September 2009 RM'000
Cash and cash equivalents comprise:		
Short term deposits	33,853	56,489
Cash and bank balances	17,811	12,625
Bank overdraft (see Part B Note 9)	(5,227)	(3,507)
	46,437	65,607

Included in cash and cash equivalents is an amount of RM30 million (2009: RM44.1 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 Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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, derivative financial instruments, available-for-sale investments and financial assets held for trading which have been stated at fair value.

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 2009. 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 2009.

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 2009, except for the adoption of the following new and revised Financial Reporting Standards (FRSs), Issues Committee (IC) Interpretations and amendments to FRSs and IC Interpretations which are relevant to the Group's operations with effect from 1 January 2010 :-

FRS 7	Financial Instruments : Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Amendment to FRS 5, Non-current assets held for sales and discontinued operations
Amendment to FRS 107, Statement of Cash Flows
Amendment to FRS 108,Accounting Policies, Changes in Accounting Estimates or Errors
Amendment to FRS 110, Events After the Reporting Period
Amendment to FRS 116, Property, Plant and Equipment
Amendment to FRS 117, Leases
Amendment to FRS 118, Revenue
Amendment to FRS 119, Employee Benefits
Amendment to FRS 120, Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 123, Borrowing Costs
Amendment to FRS 127, Consolidated and Separate Financial Statements
Amendment to FRS 128, Investment in Associates
Amendment to FRS 131, Interests in Joint Ventures
Amendment to FRS 134, Interim Financial Reporting
Amendment to FRS 136, Impairment of Assets
Amendment to FRS 138, Intangible Assets
Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
Amendment to FRS 140, Investment Property

2. Changes in Accounting Policies (Cont'd)

The adoption of the new and revised FRSs, amendments to FRSs and IC Interpretations has resulted in changes of certain accounting policies and classification adopted by the Group as well as presentation of financial statements as described hereunder :-

(a) FRS 101 "Presentation of Financial Statements (Revised)"

Prior to 1 January 2010, the components of a set of financial statements consisted of a balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the financial statements.

Upon the adoption of the revised FRS 101, a set of financial statements now comprises a statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements. The statement of comprehensive income consists of profit or loss for the period and other comprehensive income. All non-owner changes in equity previously presented in the consolidated statement of changes in equity are now presented in the statement of comprehensive income as components in other comprehensive income.

The comparative financial information on the consolidated statement of comprehensive income have been re-presented as summarised below so that it is in conformity with the revised standard :-

	Consolidated Income Statement As previously reported RM'000	Effects on adoption of FRS 101 RM'000	Consolidated Statement of Comprehensive Income As restated RM'000
Profit for the period	91,929	-	91,929
Other comprehensive income			
Exchange differences on translating foreign operations	-	(2,144)	(2,144)
Total comprehensive income	-	-	89,785

(b) FRS 139 "Financial Instruments : Recognition and Measurement"

The adoption of FRS 139 has resulted in financial instruments of the Group to be categorised and measured using the accounting policies summarised below :-

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instruments.

A financial instrument is recognised initially at its fair value. In the case of a financial instrument not categorised as fair value through profit or loss, the financial instrument is initially recognised at its fair value plus transaction costs that are directly attributable to acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. In the event that the embedded derivative is recognised separately, the host contract is accounted for in accordance with the policy applicable to the nature of the host contract.

2. Changes in Accounting Policies (Cont'd)

(b) FRS 139 "Financial Instruments : Recognition and Measurement" (Cont'd)

(ii) Financial assets

Financial assets at fair value through profit or loss

Fair value through profit or loss category comprises financial assets that are held for trading including derivatives, unless they are designated as hedges. Financial assets at fair value through profit or loss are subsequently measured at fair value with gain or loss recognised in profit or loss. This category of financial assets is classified as current assets.

Loans and receivables

Loans and receivables category comprises trade and other receivables and cash and cash equivalents. Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method. This category of financial assets is classified as current assets unless the maturities are greater than twelve months in which case they are classified as non-current assets.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are not held for trading. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other available-for-sale financial assets are subsequently measured at fair value with gain or loss recognised in other comprehensive income.

(iii) Financial liabilities

Financial liabilities of the Group comprise trade and other payables, borrowings and derivative financial liabilities. All financial liabilities are subsequently measured at amortised cost using effective interest method other than derivative financial liabilities which are categorised as fair value through profit or loss. Derivative financial liabilities are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. The Company has provided various financial guarantees for credit facilities granted to various subsidiaries. Such financial guarantees are recognised initially at fair value. Subsequent to initial measurement, the financial guarantee contracts are measured at the higher of the (a) amount determined in accordance with FRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and (b) the initial fair value less cumulative amortisation.

2. Changes in Accounting Policies (Cont'd)

(b) FRS 139 "Financial Instruments : Recognition and Measurement" (Cont'd)

Following the adoption of FRS 139, the changes to accounting policies relating to recognition and measurement of the Group's financial instruments are as follows :-

(i) Investments

Prior to 1 January 2010, investments in other non-current unquoted investments are stated at cost less allowance for diminution in value which was other than temporary in nature. Marketable securities are carried at the lower of cost and market value, determined on an individual portfolio basis.

With the adoption of FRS 139, other non-current unquoted investments and marketable securities are now categorised as available-for-sale investment and financial assets held for trading and measured as follows :-

(a) Unquoted investment- at cost
(b) Marketable securities - at fair value through profit or loss.

(ii) Derivative financial instruments

Prior to 1 January 2010, outstanding financial derivatives as at balance sheet date were not recognised in the financial statements. They were only recognised on settlement dates.

Upon the adoption of FRS 139, derivative financial instruments are recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of those instruments. A derivative financial instrument is categorised as fair value through profit or loss and measured at its fair value with gain or loss recognised in profit or loss.

FRS 139 has been applied prospectively in accordance with the transitional provisions of the standard. In accordance to the transitional provisions for first-time adoption of FRS 139, adjustments arising from re-measuring the financial instruments as at 1 January 2010 were recognised as adjustments of the opening balance of retained profits or other appropriate reserves. Comparatives are not adjusted.

Since FRS 139 is applied prospectively, its adoption does not affect the profit or loss for the preceding year corresponding period ended 30 September 2009.

2. Changes in Accounting Policies (Cont'd)

(b) FRS 139 "Financial Instruments : Recognition and Measurement" (Cont'd)

Following the adoption of FRS 139, the effect of the changes to accounting policies relating to recognition and measurement of the Group's financial instruments are as follows :-

	Balance as at 1 January 2010 before the adoption of FRS 139 RM'000	Increase/ (decrease) Effects adoption of FRS 139 RM'000	Balance as at 1 January 2010 after the adoption of FRS 139 RM'000
Retained profits	889,293	6,043	895,336
Non-controlling interests	143,429	578	144,007
Debt recoverable from an unquoted company	8,986	(617)	8,369
Trade receivables	158,907	374	159,281
Other receivables	251,952	(382)	251,570
Financial assets held for trading	3,377	3,403	6,780
Trade payables	162,894	(3,459)	159,435
Other payables and provisions	112,942	(3,029)	109,913
Derivative financial liabilities	-	36	36
Borrowings – current portion	349,990	(1)	349,989
Borrowings – non current portion	355,780	2,610	358,390

(c) Amendments to FRS 116 "Property, Plant and Equipment" and FRS 140 "Investment property"

Prior to 1 January 2010, property being constructed or developed for future use as investment property is classified as property, plant and equipment until the construction or development is completed.

Upon the adoption of the Amendments to FRS 116 and FRS 140, such property is accounted for as investment property rather than property, plant and equipment.

The effects arising from the adoption of the Amendments to FRS 116 and FRS 140 are as follows :-

(i) Effects on the statement of financial position as at 30 September 2010

	Increase/(decrease) RM'000
Property, plant and equipment	(71,815)
Investment properties	71,815

(ii) Since Amendments to FRS 116 and FRS 140 are applied prospectively, no restatement of comparative figures is required to the statement of financial position as at 31 December 2009.

The adoption of other new and revised FRSs, IC Interpretations and amendments to FRSs and IC Interpretations has no financial impact on the current interim financial statements or on the consolidated financial statements of the previous financial year.

3. Audit report of preceding annual financial statements
The audit report of the Group's financial statements for the financial year ended 31 December 2009 was not subject to any qualification.

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 period ended 30 September 2010.

6. Change in estimates
There were no changes in estimates that have had a material effect for the financial period ended 30 September 2010.

7. Issuance and repayment of debt and equity securities
There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period ended 30 September 2010 except for the Company's issuance of 4,676,344 ordinary shares of RM1.00 each for cash, arising from the exercise of BRDB Warrants 2007/2012 at the exercise price of RM1.10 per ordinary share.

8. Dividends paid
Payment of the first and final dividend of 7.5 sen per share less 25% income tax in respect of the financial year ended 31 December 2009 amounting to RM26.8 million, was made on 18 August 2010.

9. Segmental reporting
Primary segment – business segment

	Revenue		**Profit/(loss) from operations**	
	Current year to 30 September 2010 RM'000	**Preceding year to 30 September 2009 RM'000**	**Current year to 30 September 2010 RM'000**	**Preceding year to 30 September 2009 RM'000**
Property development	265,929	477,430	51,254	154,125
Property investment	33,445	20,253	93,283	(1,280)
Property management	400	760	107	261
Recreation	298	666	159	60
Construction	23,498	62,768	1,129	4,116
Supermarket and food hall	9,577	1,943	(1,051)	(900)
	333,147	563,820	144,881	156,382
Manufacturing	129,003	137,956	11,602	(9,978)
Investment	6,609	1,118	(262)	1,321
	468,759	702,894	156,221	147,725

Secondary segment – geographical segment
The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 September 2010	Preceding year to 30 September 2009 (Restated)	As at 30 September 2010	As at 30 September 2009	Current year to 30 September 2010	Preceding year to 30 September 2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	406,206	597,704	2,878,153	2,637,167	5,517	111,975
Hong Kong and China	6,574	12,796	77	121	-	42
Pakistan	23,498	62,768	62,325	54,681	-	79
Others	32,481	29,626	6,136	4,640	-	-
	468,759	702,894	2,946,691	2,696,609	5,517	112,096

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 2010

There were no material events subsequent to the end of the financial period ended 30 September 2010 except for:

(a) On 3 November 2010, the Company's wholly-owned subsidiary, Ardent Heights Sdn Bhd completed its purchase of 60% shareholding in Haute Property Sdn Bhd.

(b) On 29 October 2010, the Company acquired 2 subscribers' shares in a shelf company known as Vibrant Light Sdn Bhd (VLSB), for cash at par. On the same date, VLSB acquired 2 subscribers' shares in a shelf company known as Earth Pavilion Sdn Bhd (EPSB), for cash at par.

VLSB was incorporated on 9 September 2010 and is dormant since incorporation. It has an authorised share capital of RM100,000 divided into 100,000 shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each.

EPSB was incorporated on 7 October 2010 and is dormant since incorporation. It has an authorised share capital of RM100,000 divided into 100,000 shares of RM1.00 each and an issued and paid-up share capital of 2 ordinary shares of RM1.00 each.

On 12 November 2010, VLSB entered into a Joint Venture cum Shareholders Agreement with Country Heights Land Sdn Bhd (CHLSB) to undertake the proposed development of 66 parcels of leasehold lands of approximately 192,561 sq. metres or 47.58 acres (Bluwater Lands) located at Bluwater Estate, The Mines, Seri Kembangan. The proposed development of Bluwater Lands will be carried out through EPSB in which the equity participation of VLSB and CHLSB will be in the proportion of 75% and 25% respectively. As an integral part of the proposed joint venture, EPSB has on the same date entered into separate sale and purchase agreements (SPAs) with the vendors of the Bluwater Lands to purchase the said lands for a total cash consideration of RM160 million subject to fulfillment of conditions precedent contained in the SPAs. The vendors of the Bluwater Lands: Bluwater Developments Berhad and Wonderful Portfolio Sdn Bhd will receive RM100 million and RM60 million respectively of the said consideration.

12. Changes in the composition of the Group during the financial period ended 30 September 2010

There were no changes in the composition of the Group during the financial period ended 30 September 2010 except for:

(a) On 26 August 2010, the Company's wholly-owned subsidiary, Ardent Heights Sdn Bhd acquired the remaining 2 ordinary shares of RM1.00 each in Puncak Estetik Sdn Bhd , making it a wholly-owned subsidiary.

(b) On 29 September 2010, the Company completed the acquisition of the remaining 30% equity interest being 3,750,000 ordinary shares of RM1.00 each in Capital Square Sdn Bhd for a cash consideration of RM15 million, making it a wholly-owned subsidiary.

13. Changes in contingent liabilities and contingent assets

There were no material changes in contingent liabilities and contingent assets since the last statement of financial position as at 31 December 2009 except for:

	As at 30 September 2010 RM'000	**As at 31 December 2009 RM'000**
Corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries	406,979	326,242

14. Capital commitments

Capital commitments not provided for in the financial statements as at 30 September 2010 were as follows:

	RM'000
Authorised and contracted	35,572
Authorised but not contracted	21,447
	57,019
Analysed as follows:	
Property, plant and equipment:	
- capital work-in-progress	884
- others	5,737
Investment properties	50,398
	57,019

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 third-quarter 2010 was RM127.6 million, down 52% quarter-on-quarter when compared to RM267.5 million a year ago, as both property and manufacturing divisions reported lower revenues.

The property division sold more properties with the well received previews of its new projects: 6 CapSquare in Kuala Lumpur and Straits View Residences in Johor. However, there is little progress income contribution as both these projects are at early stages of construction, whilst there are few remaining units of the completed One Menerung project available for sale.

Third-quarter revenue from the manufacturing division under Mieco Chipboard Berhad (MIECO) was RM42.0 million, 11% lower against RM47.1 million a year ago mainly due to lower export sales of particleboard. The decline in export sales was mitigated by higher domestic demand and more sales of value added products.

The Group registered a pre-tax profit of RM3.0 million in this quarter under review as compared to pre-tax profit of RM59.4 million a year ago. Apart from lower revenue, the results in this third quarter included the share of loss in a jointly controlled entity and higher expenses.

MIECO recorded pre-tax profit of RM1.6 million in third-quarter 2010, an increase of 45% when compared to RM1.1 million a year ago, which was partly attributable to unrealised foreign exchange gains.

Year on Year review

For the nine months of 2010, the Group reported revenue of RM468.8 million, 33% below RM702.9 million a year ago. Revenue in the property division fell 44% with the completion of One Menerung and Troika although supported by progress income recognition from CapSquare Office Tower 2.

Group pre-tax profit was RM130.4 million, marginally down 0.2% as compared to RM130.6 million a year ago, mainly due to lower progress income recognition from property development construction and higher expenses. This was mitigated by higher rental and car park income from investment properties: Bangsar Shopping Centre (BSC) and Menara BRDB and included a fair value gain on BSC.

In the manufacturing division, MIECO maintained its profitability with pre-tax profit of RM4.1 million for the nine months under review as compared to a loss of RM18.8 million a year ago. This was attributable to improved margins, lower operational costs and foreign exchange gains.

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

When compared to the preceding quarter's pre-tax profit of RM94.1 million, the third-quarter 2010 group pre-tax profit was RM3.0 million as a result of lower development profits and higher expenses, whereas the preceding quarter's results were boosted by the fair value gain on BSC.

MIECO's third-quarter pretax profit this year increased to RM1.6 million from RM1 million in the preceding quarter as domestic sales volume grew with more value added sales as well as the inclusion of foreign exchange gains. This was despite a plant shutdown for major repairs and maintenance work in September.

3. Prospects for the current financial year

Although the outlook for developed economies remain grim and consumer confidence still volatile, the Directors are cautiously optimistic that domestic demand will continue to sustain growth. The property division is expected to achieve satisfactory results in the current financial year with the execution of planned development projects in Kuala Lumpur and Johor and as it continues to build positive leasing momentum by signing new and expansion leases for BSC and Menara BRDB.

Despite challenging conditions particularly in the export markets, MIECO has seen steady growth in domestic demand and continues to manage costs and productivity whilst increasing value-added products for better margins. MIECO is closely monitoring market conditions with the intention to recommence operations at its Kuala Lipis plant as soon as possible.

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 2010	Current year to 30 September 2010
	RM'000	RM'000
In respect of current year		
- Malaysian tax	1,060	6,833
- Foreign tax	(17)	319
	1,043	7,152
Deferred taxation		
- Malaysian tax	1,666	11,115
In respect of prior periods		
- Malaysian tax	(56)	(68)
- Foreign tax	-	3
- Deferred tax	9	9
	(47)	(56)
Tax expense	2,662	18,211

The Group's effective tax rate for the current year to date is lower than the statutory tax rate of 25% mainly due to the lower tax rate for deferred tax on fair value gain on an investment property.

The Group's effective tax rate for the current quarter is higher than the statutory tax rate of 25% mainly due to expenses not deductible for tax purposes.

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 2010.

7. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 30 September 2010 RM'000	Current year to 30 September 2010 RM'000
Total purchases	-	-
Total sales proceeds	3,096	6,524
Total profit on sale	-	-

b) Total investment in marketable securities as at 30 September 2010 is nil.

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 Malaysia except for a USD10.935 million term loan. The details of the Group's borrowings as at 30 September 2010 are as follows:

	Current		**Non-current**	
	RM'000	**Foreign currency USD'000**	**RM'000**	**Foreign currency USD'000**
Term loans (secured)	196,269		70,000	
Term loan (unsecured)	13,888	1,080	126,731	9,855
Bonds (unsecured)	-		100,672	
Revolving credit (unsecured)	100,000		-	
Medium term note (unsecured)	-		24,993	
Bankers acceptance (unsecured)	23,621		-	
Bank overdraft (unsecured)	5,227		-	
Commercial paper (unsecured)	150,000		-	
Hire purchase creditors (secured)	786		804	
	489,791		323,200	

Finance cost of RM3.7 million arising from funds specifically borrowed for the acquisitions of freehold lands had been capitalised to property development costs during the financial period ended 30 September 2010.

10. Derivative Financial Instruments – Forward Foreign Currency Contracts

The outstanding forward foreign currency exchange contracts as at 30 September 2010 are as follows:

Type of Derivatives	Contract/ Notional value RM'000	Fair Value RM'000
Foreign Exchange Contracts		
- Less than 1 year	37,841	37,050

Forward foreign currency exchange contracts are entered into with licensed banks to hedge the Group's exposure to foreign exchange risk in respect of its export sales and imported purchases by establishing the rate at which foreign currency assets or liabilities will be settled.

These contracts are executed with credit-worthy/reputable financial institutions in Malaysia and as such, credit risk and liquidity risk in respect of non-performance by counterparties to these contracts is minimal.

The fair value of the forward foreign currency exchange contracts are subject to market risk. The fair value of the forward contracts may decline if the exchange rate of the underlying currency decreases.

There are no cash requirements for these derivatives.

Forward foreign currency exchange contracts are recognised on the contract dates and are measured at fair value with changes in fair value recognised in profit or loss.

11. Fair value changes of financial liabilities

There are no financial liabilities measured at fair value through profit or loss as at 30 September 2010.

12. Changes in material litigation

As at the date of this report, there were no changes in material litigation since the last statement of financial position date as at 31 December 2009.

13. Dividend

The directors do not recommend payment of interim dividend for the financial period ended 30 September 2010. No interim dividend was declared for the same period last year.

Shareholders at the Company's Annual General Meeting on 24 June 2010 approved a first and final dividend of 7.5% per share less 25% income tax in respect of the financial year ended 31 December 2009. Payment of this dividend amounting to RM26.8 million was made on 18 August 2010.

14. Earnings per share

	Current year quarter to 30 September 2010	**Preceding year quarter to 30 September 2009**	**Current year to 30 September 2010**	**Preceding year to 30 September 2009**
a) Basic				
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(745)	40,918	105,566	98,508
Weighted average number of ordinary shares in issue ('000)	478,937	476,378	477,297	476,378
(Loss)/earnings per share (sen)	(0.2)	8.6	22.1	20.7
b) Diluted				
Net (loss)/profit attributable to equity holders of the Company (RM'000)	(745)	40,918	105,566	98,508
Weighted average number of ordinary shares in issue ('000)	478,937	476,378	477,297	476,378
Adjustment for effect of dilution on warrants issued ('000)	109,228	69,573	94,843	37,534
Weighted average number of ordinary shares for diluted earnings per share ('000)	588,165	545,951	572,140	513,912
Diluted (loss)/earnings per share (sen)	(0.1)	7.5	18.5	19.2

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur

16 November 2010