BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 31 December 2010

	(Unaudited) As at 31 December 2010 RM'000	(Audited) As at 31 December 2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	554,726	863,036
Land held for property development	97,473	93,934
Investment properties	1,019,197	572,626
Intangible assets	3,896	0
Prepaid lease rentals	18,192	18,468
Interest in associates	799	813
Available-for-sale investments	0	2
Interest in jointly controlled entities	25,110	13,056
Amount due from jointly controlled entity	62,946	0
Debt recoverable from an unquoted company	6,296	8,986
Deferred tax assets	10,991	13,946
Post-employment benefit surplus	4,298	1,496
	1,803,924	1,586,363
Current assets		
Inventories	112,155	94,791
Property development costs	538,633	568,694
Tax recoverable	13,081	8,889
Trade receivables	155,307	158,907
Other receivables	390,404	251,952
Derivative financial assets	76	0
Financial assets held for trading	0	3,377
Short term deposits	36,943	116,626
Cash and bank balances	23,368	11,764
	1,269,967	1,215,000
Non current assets held for sale	5,169	0
TOTAL ASSETS	3,079,060	2,801,363
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	486,189	476,392
Share premium	244,823	242,689
Foreign currency reserve	(12,086)	(7,314)
Retained profits	994,120	889,293
	1,713,046	1,601,060
Non controlling interests	138,469	143,429
Warrant reserve	26,915	28,069
Total equity	1,878,430	1,772,558

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BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 31 December 2010 - continued

	(Unaudited) As at 31 December 2010 RM'000	(Audited) As at 31 December 2009 RM'000
Non current liabilities		
Post-employment benefit obligations	9,241	8,287
Provisions for other liabilities	15,525	17,632
Deferred tax liabilities	18,874	12,753
Borrowings	319,977	355,780
	363,617	394,452
Current liabilities		
Trade payables	118,553	162,894
Other payables and provisions	157,855	112,942
Current tax payable	2,122	8,527
Borrowings	558,483	349,990
	837,013	634,353
Total liabilities	1,200,630	1,028,805
TOTAL EQUITY AND LIABILITIES	3,079,060	2,801,363
Net assets per share attributable to equity holders of the Company (RM)	3.52	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 year ended 31 December 2010
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 December 2010 RM'000	**Preceding year quarter to 31 December 2009 RM'000**	**Current year to 31 December 2010 RM'000**	**Preceding year to 31 December 2009 RM'000**
Revenue	157,451	204,044	626,210	906,938
Other operating income	9,573	6,193	20,072	6,412
Operating profit before finance costs, depreciation, amortisation and tax	38,032	37,024	212,391	202,181
Depreciation and amortisation	(7,402)	(6,017)	(25,540)	(23,449)
Profit from operations	30,630	31,007	186,851	178,732
Finance costs	(9,627)	(6,365)	(35,383)	(27,189)
Share of results of associated companies	109	51	410	133
Share of results of jointly controlled entities	(684)	404	(1,049)	4,043
Profit before taxation	**20,428**	**25,097**	**150,829**	**155,719**
Tax expense	(1,508)	(4,288)	(19,719)	(42,981)
Profit for the year	**18,920**	**20,809**	**131,110**	**112,738**
Other comprehensive income				
Exchange differences on translating foreign operations	(49)	(257)	(4,777)	(2,401)
Total comprehensive income for the year	**18,871**	**20,552**	**126,333**	**110,337**

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BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial year ended 31 December 2010 – continued
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 31 December 2010 RM'000	**Preceding year quarter to 31 December 2009 RM'000**	**Current year to 31 December 2010 RM'000**	**Preceding year to 31 December 2009 RM'000**
Profit/(loss) attributable to:				
Equity holders of the Company	20,036	17,016	125,602	115,524
Non-controlling interests	(1,116)	3,793	5,508	(2,786)
	18,920	20,809	131,110	112,738
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	19,989	16,599	120,830	112,962
Non-controlling interests	(1,118)	3,953	5,503	(2,625)
	18,871	20,552	126,333	110,337
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	4.1	3.6	26.2	24.3
– diluted (sen) [See Part B Note 15(b)]	3.3	3.1	21.6	22.0

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.

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BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2010
The figures have not been audited.

	← Attributable to equity holders of the Company →							
	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	6,086	6,086	578	0	6,664
	476,392	242,689	(7,314)	895,379	1,607,146	144,007	28,069	1,779,222
Conversion of warrants to ordinary shares	9,797	2,134	0	0	11,931	0	(1,154)	10,777
Allotment of shares of a subsidiary	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								
- to shareholders of the Company	0	0	0	(26,861)	(26,861)	0	0	(26,861)
- to minority shareholders	0	0	0	0	0	(13)	0	(13)
Total comprehensive income/(loss) for the financial year	0	0	(4,772)	125,602	120,830	5,503	0	126,333
Balance as at 31 December 2010	486,189	244,823	(12,086)	994,120	1,713,046	138,469	26,915	1,878,430

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BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial year ended 31 December 2010 – continued
The figures have not been audited.

	← Attributable to equity holders of the Company →							
	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	14	3	0	0	17	0	(1)	16
Expiry of warrants	0	0	0	3,860	3,860	0	(3,860)	0
Acquisition of a subsidiary	0	0	0	0	0	400	0	400
Dividend for the financial year ended 31 December 2008	0	0	0	(10,719)	(10,719)	0	0	(10,719)
Total comprehensive income/(loss) for the financial year	0	0	(2,562)	115,524	112,962	(2,625)	0	110,337
Balance as at 31 December 2009	476,392	242,689	(7,314)	889,293	1,601,060	143,429	28,069	1,772,558

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 Flows for the financial year ended 31 December 2010
The figures have not been audited.

	Current year to 31 December 2010 RM'000	Preceding year to 31 December 2009 RM'000
Cash flows from operating activities		
– Net profit for the year	131,110	112,738
– Adjustments for non-cash and non-operating items	(8,749)	90,560
	122,361	203,298
– Changes in working capital		
• Net change in current assets	(114,322)	(42,651)
• Net change in current liabilities	4,667	10,447
– Proceeds from disposal of land held for development	-	1,796
– Development expenditure incurred	(4,057)	(1,311)
– Capital commitment reserves received	392	605
– Infrastructure costs utilised	(77)	-
– Staff retirement benefits paid	(823)	(1,460)
– Income tax paid	(21,603)	(44,119)
– Income tax refund	220	2,430
Net cash flow (used in)/from operating activities	(13,242)	129,035
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	331	26,496
– Net proceeds from disposal of marketable securities	6,444	1,700
– Proceeds from disposal of investment properties	13,342	-
– Net acquisition of land held for property development	(9,453)	-
– Purchase of property, plant and equipment	(24,407)	(149,797)
– Purchase of marketable securities	-	(925)
– Investment in an associate	-	(4)
– Investment in a jointly controlled entity	-	(417)
– Reimbursement of advances upon acquisition of a jointly controlled entity	(76,000)	-
– Acquisition of minority interests	(15,045)	-
– Interest received	2,084	2,208
– Dividend received	86	53
– Development expenditure incurred on investment properties	(69,671)	(324)
Net cash flow used in investing activities	(172,289)	(121,010)
Cash flows from financing activities		
– (Repayment)/proceeds from revolving credit	(110,000)	57,000
– Proceeds from allotment of shares from minority interest of a subsidiary	120	400
– Proceeds from issuance of shares arising from conversion of warrants	10,777	15
– Proceeds from term loans	186,243	53,541
– Repayment of term loans	(46,163)	(49,328)
– Repayment of bankers acceptance	(2,040)	(46,879)
– Proceeds/(Repayment) of medium term notes and commercial papers	150,000	(75,000)
– Repayment of promissory note	-	(8,341)
– Payment of hire purchase liabilities	(750)	(398)
– Interest paid	(39,552)	(30,250)
– Financing expenses	(598)	(299)
– Dividend paid to shareholders of the Company	(26,861)	(10,719)
– Dividend paid to minority shareholders	(13)	-
Net cash flow from/(used in) financing activities	121,163	(110,258)

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flows for the financial year ended 31 December 2010 – continued
The figures have not been audited.

	Current year to 31 December 2010 RM'000	Preceding year to 31 December 2009 RM'000
Net change in cash and cash equivalents	(64,368)	(102,233)
Cash and cash equivalents at 1 January	121,559	224,765
Effects of exchange rate changes	(306)	(973)
Cash and cash equivalents at 31 December	56,885	121,559
Cash and cash equivalents comprise:		
Short term deposits	36,943	116,626
Cash and bank balances	23,368	11,764
Bank overdraft (see Part B Note 10)	(3,426)	(6,831)
	56,885	121,559

Included in cash and cash equivalents is an amount of RM31.5 million (2009: RM96.3 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 year 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	Effects on adoption of FRS 101	Consolidated Statement of Comprehensive Income
	As previously reported		As restated
	RM'000	RM'000	RM'000
Profit for the year	112,738	-	112,738
Other comprehensive income			
Exchange differences on translating foreign operations	-	(2,401)	(2,401)
Total comprehensive income	-	-	110,337

(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 quarter ended 31 December 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	6,086	895,379
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
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	(2,689)	110,253
Derivative financial liabilities	-	36	36
Borrowings – current portion	349,990	(1)	349,989
Borrowings – non current portion	355,780	2,610	358,390

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 year ended 31 December 2010.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial year ended 31 December 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 year ended 31 December 2010 except for the Company's issuance of 9,796,594 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

By business segment

	Revenue		Profit/(loss) from operations	
	Current year to 31 December 2010 RM'000	Preceding year to 31 December 2009 RM'000	Current year to 31 December 2010 RM'000	Preceding year to 31 December 2009 RM'000
Property development	357,703	616,687	77,825	185,409
Property investment	45,172	28,870	95,973	(1,280)
Property management	475	801	103	519
Recreation	411	782	217	246
Construction	28,161	67,352	2,144	(1,729)
Supermarket and food hall	13,471	4,578	(1,414)	(1,327)
	445,393	719,070	174,848	181,838
Manufacturing	174,208	185,739	12,281	(4,706)
Investment	6,609	2,129	(278)	1,600
	626,210	906,938	186,851	178,732

By geographical segment

The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 31 December 2010	Preceding year to 31 December 2009 (Restated)	As at 31 December 2010	As at 31 December 2009	Current year to 31 December 2010	Preceding year to 31 December 2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	553,624	821,035	3,006,734	2,737,767	24,407	149,676
Hong Kong and China	10,091	16,473	59	108	-	42
Pakistan	28,161	67,352	68,745	56,536	-	79
Others	34,334	2,078	3,522	6,952	-	-
	626,210	906,938	3,079,060	2,801,363	24,407	149,797

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 2010

There were no material events subsequent to the end of the financial year ended 31 December 2010 except for:

(a) The acquisition of Bluwater Lands for cash consideration of RM160 million by Earth Pavilion Sdn Bhd, a 75% owned subsidiary of the Company's wholly owned subsidiary, Vibrant Light Sdn Bhd, pursuant to sale and purchase agreements dated 12 November 2010, is pending completion.

(b) On 7 January 2011, the Company acquired 2 subscribers' shares in a shelf company known as Nexus Flame Sdn Bhd (NFSB), for cash at par.

NFSB was incorporated on 10 December 2010 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. The principal activity of NFSB is property development and property investment.

(c) On 21 February 2011, the Company incorporated a wholly-owned subsidiary in Singapore known as BRDB (S) Pte. Ltd. (BRDBS). BRDBS has an issued and paid-up share capital of 1 ordinary share of S$1.00 and its intended principal activity is investment holding.

12. Changes in the composition of the Group during the financial year ended 31 December 2010

There were no changes in the composition of the Group during the financial year ended 31 December 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.

(c) 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 an investment holding company. 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 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.

(d) 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.

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 31 December 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	432,502	326,242

14. Capital commitments

Capital commitments not provided for in the financial statements as at 31 December 2010 were as follows:

	RM'000
Authorised and contracted	4,428
Authorised but not contracted	4,590
	9,018
Analysed as follows:	
Property, plant and equipment	6,514
Investment properties	2,504
	9,018

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 in the fourth and final quarter of 2010 fell 23% quarter on quarter to RM157.5 million. Although the Group saw increased number of properties sold for 6 CapSquare in Kuala Lumpur and Straits View Residences in Johor, revenue was lower as these projects are at early stages of construction. In addition, revenue in the last quarter of 2009 was bolstered by cumulative progress recognition of Troika and CapSquare Office Tower 2.

Revenue from the manufacturing division under Mieco Chipboard Berhad (MIECO) fell 5% to RM45.2 million from RM47.8 million in the same quarter a year ago as a result of lower export sales volume of particleboard. However, this was mitigated by increased volume of domestic sales as well as sales of more value added products.

The Group posted a lower pre-tax profit of RM20.4 million in the quarter under review as compared to pre-tax profit of RM25.1 million a year ago, mainly attributable to the manufacturing division. MIECO recorded a pre-tax loss of RM2.4 million in the last quarter of 2010, when compared to pre-tax profit of RM2.2 million a year ago, due mainly to costs incurred to recommence Plant 3 operations.

Year on Year review

For the full year of 2010, the Group reported revenue of RM626.2 million, 31% below RM906.9 million in 2009. Revenue in the property division fell 38% with completion of construction of One Menerung and Troika in Kuala Lumpur and Defence Raya Golf Course in Lahore, Pakistan. In 2010, the Group derived almost half of its revenue from progress construction of CapSquare Office Tower 2 with increasing contribution from investment properties and supermarket/food hall operations.

MIECO recorded RM174.3 million revenue for 2010, 6% down against RM185.7 million in 2009. This was attributable to lower export sales volume but mitigated by increased domestic demand with more sales of value-added products.

Group pre-tax profit for 2010 was RM150.8 million, 3% lower when compared to RM155.7 million in 2009 largely due to lower development profit which was cushioned by higher rental income and fair value gains from investment properties as well as the turnaround in the manufacturing division. However, profit for the year under review of RM131.1 million was up 16% against the corresponding profit in 2009 of RM112.7 million, attributable to a decrease in tax expense due to the lower tax rate for deferred tax on fair value gains on investment properties and the utilisation of previously unrecognised tax losses.

MIECO doubled its operating profit to RM31.4 million in 2010 from the RM14 million operating profit in 2009 due to lower raw material and operational costs as well as foreign exchange gains. However, MIECO's profit before tax was reduced to RM1.6 million after accounting for finance cost, depreciation and maintenance of its plant in Kechau Tui, Pahang (Plant 3) which was not operational in 2010. Nevertheless, MIECO's results in 2010 is a turnaround from its previous year's loss of RM16.5 million.

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

Group profit before tax of RM20.4 million in the current quarter was substantially higher when compared to the immediate preceding quarter's pre-tax profit of RM3.0 million, mainly attributable to progress income recognition from CapSquare Office Tower 2 and more sales of 6 CapSquare.

Despite improving gross profit, MIECO incurred a pre-tax loss of RM2.4 million in the fourth quarter of 2010 as compared to a pre-tax profit of RM1.6 million in the immediate preceding quarter. This was primarily due to costs incurred in the quarter under review to recommence Plant 3 operations and the lower foreign exchange gains as compared to the previous quarter.

3. Prospects for the current financial year

The Group started the year well with the successful delivery of vacant possession of CapSquare Office Tower 2 in January 2011. The Group's investment properties now generate higher recurring income with rising occupancy and rental income from BSC and Menara BRDB. As such, the Directors are optimistic of achieving satisfactory results for the property division in the current financial year with progress income contribution from 6 CapSquare and Straits View Residences, expected sales of completed properties and planned new launches in the Klang Valley and Johor.

Following a steady recovery in demand for particleboard and related products, MIECO recommenced operations in January this year at its Plant 3, which had been suspended since the global economic turmoil in late 2008. Business conditions remain challenging for MIECO in the face of increasing inflationary pressures globally of raw materials and energy costs which affect economic growth. However, MIECO is cautiously optimistic of lifting its performance in the current financial year by improving margins through more value-added sales and continuing management of raw material costs and increasing productivity.

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 2010 RM'000	Current year to 31 December 2010 RM'000
In respect of current year		
- Malaysian tax	3,301	10,134
- Foreign tax	438	757
	3,739	10,891
Deferred taxation		
- Malaysian tax	(2,303)	8,812
In respect of prior years		
- Malaysian tax	72	4
- Foreign tax	-	3
- Deferred tax	-	9
	72	16
Tax expense	1,508	19,719

The Group's effective tax rate for the current year is lower than the statutory tax rate of 25% mainly due to the lower tax rate for deferred tax on fair value gains on investment properties and utilisation of previously unrecognised tax losses.

The Group's effective tax rate for the current quarter is lower than the statutory tax rate of 25% mainly due to utilisation of previously unrecognised tax losses.

6. Retained earnings

	As at 31 December 2010 RM'000	As at 30 September 2010 RM'000
Total retained earnings of the Company and subsidiaries:		
- Realised	292,591	277,380
- Unrealised	344,707	336,751
	637,298	614,131
Total share of retained earnings from associated companies:		
- Realised	819	711
- Unrealised	-	-
Total share of retained earnings from jointly controlled entities:		
- Realised	3,669	3,232
- Unrealised	(1,121)	-
	640,665	618,074
Add: Consolidation adjustments	353,455	355,967
Total Group retained earnings	994,120	974,041

7. 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 2010.

8. Marketable securities

a) Total purchases and sales of marketable securities:

	Current quarter to 31 December 2010 RM'000	Current year to 31 December 2010 RM'000
Total purchases	-	-
Total sales proceeds	-	6,524
Total profit on sale	-	-

b) Total investment in marketable securities as at 31 December 2010 is nil.

9. Status of corporate proposals

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

10. 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 31 December 2010 are as follows:

	Current		**Non-current**	
	RM'000	**Foreign currency USD'000**	**RM'000**	**Foreign currency USD'000**
Term loans (secured)	281,784		65,000	
Term loan (unsecured)	13,889	1,080	126,738	9,855
Bonds (unsecured)	-		102,185	
Revolving credit (unsecured)	90,000		-	
Medium term note (unsecured)	-		25,440	
Bankers acceptance (unsecured)	18,576		-	
Bank overdraft (unsecured)	3,426		-	
Commercial paper (unsecured)	150,000		-	
Hire purchase creditors (secured)	808		614	
	558,483		319,977	

Finance cost of RM4.9 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 2010.

11. Derivative Financial Instruments – Forward Foreign Currency Contracts

The outstanding forward foreign currency exchange contracts as at 31 December 2010 are as follows:

Type of Derivatives	Contract/ Notional value RM'000	Fair Value RM'000
Foreign Exchange Contracts		
- Less than 1 year	1,950	2,027

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.

12. Fair value changes of financial liabilities

There are no financial liabilities measured at fair value through profit or loss as at 31 December 2010.

13. 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.

14. Dividend

The directors recommend the payment of a first and final dividend of 7.5 sen per share less income tax at 25%, for the financial year ended 31 December 2010 (2009: first and final dividend of 7.5 sen per share less income tax 25%). Based on the current share capital of 486,219,183 ordinary shares, the proposed dividend payment amounting to RM27.3 million (2009:RM26.8 million) is subject to shareholders' approval at the Annual General Meeting to be held at a date which shall be announced later.

Shareholders at the Company's Annual General Meeting on 24 June 2010 approved a first and final dividend of 7.5 sen 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.

15. Earnings per share

	Current year quarter to 31 December 2010	**Preceding year quarter to 31 December 2009**	**Current year to 31 December 2010**	**Preceding year to 31 December 2009**
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	20,036	17,016	125,602	115,524
Weighted average number of ordinary shares in issue ('000)	484,045	476,383	478,998	476,379
Earnings per share (sen)	4.1	3.6	26.2	24.3
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	20,036	17,016	125,602	115,524
Weighted average number of ordinary shares in issue ('000)	484,045	476,383	478,998	476,379
Adjustment for effect of dilution on warrants issued ('000)	122,367	77,678	101,871	49,565
Weighted average number of ordinary shares for diluted earnings per share ('000)	606,412	554,061	580,869	525,944
Diluted earnings per share (sen)	3.3	3.1	21.6	22.0

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur

28 February 2011