BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 June 2011

	(Unaudited) As at 30 June 2011 RM'000	(Audited) As at 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	569,175	572,918
Land held for property development	93,872	97,473
Investment properties	1,018,659	1,019,170
Goodwill	3,896	3,896
Investment in associates	799	852
Investment in jointly controlled entities	26,412	25,087
Debt recoverable from an unquoted entity	6,296	6,296
Receivables	63,901	62,946
Deferred tax assets	6,796	10,991
Post-employment benefit surplus	4,298	4,298
	1,794,104	1,803,927
Current assets		
Inventories	88,232	112,177
Property development costs	709,334	538,632
Tax recoverable	17,058	13,572
Trade receivables	180,734	162,083
Other receivables	148,986	385,804
Derivative financial instruments	31	76
Short term deposits	31,306	36,940
Cash and bank balances	41,567	23,374
	1,217,248	1,272,658
Non-current assets held for sale	-	5,169
TOTAL ASSETS	3,011,352	3,081,754
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	486,956	486,188
Share premium	244,991	244,823
Foreign currency reserve	(11,916)	(12,112)
Retained earnings	1,016,284	994,901
	1,736,315	1,713,800
Non controlling interests	140,213	138,469
Warrant reserve	26,824	26,915
Total equity	1,903,352	1,879,184

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Financial Position as at 30 June 2011 - continued

	(Unaudited) As at 30 June 2011 RM'000	(Audited) As at 31 December 2010 RM'000
Non-current liabilities		
Post-employment benefit obligations	9,635	9,241
Provisions for other liabilities	14,443	15,525
Deferred tax liabilities	18,145	18,876
Borrowings	461,203	354,551
	503,426	398,193
Current liabilities		
Trade payables	122,200	135,086
Other payables and provisions	170,360	143,199
Current tax payable	4,455	2,183
Borrowings	307,559	523,909
	604,574	804,377
Total liabilities	1,108,000	1,202,570
TOTAL EQUITY AND LIABILITIES	3,011,352	3,081,754
Net assets per share attributable to equity holders of the Company (RM)	3.57	3.52

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 June 2011
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 June 2011	**Preceding year quarter to 30 June 2010**	**Current year to 30 June 2011**	**Preceding year to 30 June 2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	198,897	151,361	336,082	341,165
Other operating income	4,063	2,653	8,290	8,086
Operating profit before finance costs, depreciation, amortisation and tax	36,818	109,046	62,976	155,732
Depreciation and amortisation	(6,968)	(5,794)	(14,019)	(12,073)
Profit from operations	29,850	103,252	48,957	143,659
Finance costs	(7,410)	(9,379)	(19,533)	(17,202)
Share of results of associates	112	136	227	181
Share of results of jointly controlled entities	658	76	1,377	760
Profit before taxation	**23,210**	**94,085**	**31,028**	**127,398**
Tax expense	(3,994)	(7,726)	(8,152)	(15,549)
Profit for the period	**19,216**	**86,359**	**22,876**	**111,849**
Other comprehensive income				
Exchange differences on translating foreign operations	(415)	(970)	197	(2,937)
Total comprehensive income for the period	**18,801**	**85,389**	**23,073**	**108,912**

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BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Comprehensive Income for the financial period ended 30 June 2011 – continued
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 June 2011	Preceding year quarter to 30 June 2010	Current year to 30 June 2011	Preceding year to 30 June 2010
	RM'000	RM'000	RM'000	RM'000
Profit attributable to:				
Equity holders of the Company	17,129	84,155	21,383	106,311
Non-controlling interests	2,087	2,204	1,493	5,538
	19,216	86,359	22,876	111,849
Total comprehensive income attributable to:				
Equity holders of the Company	16,713	83,190	21,579	103,379
Non-controlling interests	2,088	2,199	1,494	5,533
	18,801	85,389	23,073	108,912
Earnings per share attributable to equity holders of the Company:				
– basic (sen)	3.5	17.7	4.4	22.3
– diluted (sen) [See Part B Note 15(b)]	2.9	15.0	3.6	18.8

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 period ended 30 June 2011
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 earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity RM'000
Balance as at 1 January 2011	486,188	244,823	(12,112)	994,901	1,713,800	138,469	26,915	1,879,184
Conversion of warrants to ordinary shares	768	168	0	0	936	0	(91)	845
Subscription of additional shares in a subsidiary	0	0	0	0	0	250	0	250
Total comprehensive income for the period	0	0	196	21,383	21,579	1,494	0	23,073
Balance as at 30 June 2011	486,956	244,991	(11,916)	1,016,284	1,736,315	140,213	26,824	1,903,352

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 June 2011 – 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 earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Warrant reserve RM'000	Total equity RM'000
At 1 January 2010 - as previously stated	476,392	242,689	(7,314)	889,293	1,601,060	143,429	28,069	1,772,558
Effects of adopting FRS 139	0	0	0	6,086	6,086	578	0	6,664
At 1 January 2010 - restated	476,392	242,689	(7,314)	895,379	1,607,146	144,007	28,069	1,779,222
Conversion of warrants to ordinary shares	163	36	0	0	199	0	(19)	180
Total comprehensive income for the period	0	0	(2,932)	106,311	103,379	5,533	0	108,912
Balance as at 30 June 2010	476,555	242,725	(10,246)	1,001,690	1,710,724	149,540	28,050	1,888,314

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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 Cash Flow for the financial period ended 30 June 2011

The figures have not been audited.

	Current year to 30 June 2011 RM'000	Preceding year to 30 June 2010 RM'000
Cash flows from operating activities		
– Net profit for the period	22,876	111,849
– Adjustments for non-cash and non-operating items	35,943	(39,545)
	58,819	72,304
– Changes in working capital		
• Net change in current assets	244,930	(66,158)
• Net change in current liabilities	15,173	(14,650)
– Proceeds from disposal of land held for development	7,535	-
– Development expenditure incurred	(561)	(3,186)
– Capital commitment reserves (utilised)/received	(1,404)	56
– Infrastructure costs utilised	-	(15)
– Staff retirement benefits paid	(284)	(313)
– Income tax paid	(6,585)	(21,081)
Net cash flow from/(used in) operating activities	317,623	(33,043)
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	44	290
– Net proceeds from disposal of marketable securities	-	3,348
– Proceeds from disposal of investment properties	1,035	-
– Acquisition of land held for property development	(164,775)	-
– Purchase of property, plant and equipment	(8,658)	(2,503)
– Proceeds from disposal of non-current assets held for sale	140	-
– Interest received	1,050	1,311
– Dividend received	280	53
– Subsequent expenditure incurred on investment properties	(1,141)	(57,454)
Net cash flow used in investing activities	(172,025)	(54,955)
Cash flows from financing activities		
– Proceeds from term loan	128,676	76,702
– Repayment of revolving credit	(13,000)	(132,000)
– Proceeds from subscription of shares in a subsidiary by minority interests	250	-
– Proceeds from issuance of shares from conversion of warrants	845	179
– Repayment of term loans	(194,060)	(32,659)
– Proceeds/(repayment) of bankers acceptance	3,607	(3,312)
– (Repayment)/proceeds from issue of commercial papers	(35,000)	150,000
– Payment of hire purchase liabilities	(392)	(377)
– Interest paid	(18,976)	(19,196)
– Financing expenses	(6,030)	(163)
Net cash flow (used in)/from financing activities	(134,080)	39,174

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Cash Flow for the financial period ended 30 June 2011 – continued
The figures have not been audited.

	Current year to 30 June 2011 RM'000	Preceding year to 30 June 2010 RM'000
Net change in cash and cash equivalents	11,518	(48,824)
Cash and cash equivalents at 1 January	56,888	121,559
Effects of exchange rate changes	(114)	(167)
Cash and cash equivalents at 30 June	68,292	72,568
Cash and cash equivalents comprise:		
Short term deposits	31,306	56,249
Cash and bank balances	41,567	19,995
Bank overdraft (see Part B Note 10)	(4,581)	(3,676)
	68,292	72,568

Included in cash and cash equivalents is an amount of RM38.2 million (2010: RM19 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 2010 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 2010. 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 2010.

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 2010, 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 2011 :-

FRS 1:	First-time Adoption of Financial Reporting Standards
FRS 3:	Business Combinations (Revised)
Amendments to FRS 127:	Consolidated and Separate Financial Statements
Amendments to FRS 138:	Intangible Assets
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives
IC Interpretation 16:	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17:	Distribution of Non-cash Assets to Owners
Amendments to FRS 132:	Classification of Right Issues
Amendments to FRS 1:	Limited Exemption from Comparative FRS 7 Disclosure for First-time Adopters
Amendments to FRS 1:	Additional Exemption for First-time Adopters
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
IC Interpretation 4:	Determining Whether an Arrangement contains a Lease
Improvements to FRSs (2010)	

The adoption of the above standards and interpretations are not expected to have any significant impact on the financial statements of the Group in the year of initial application except for those discussed below:

(i) FRS 3 Business Combinations (Revised) and Amendments to FRS 127 Consolidated and Separate Financial Statements

The FRS 3 Business Combinations (Revised) is effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from the revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

3. Audit report of preceding annual financial statements

The audit report of the Group's financial statements for the financial year ended 31 December 2010 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 June 2011.

6. Change in estimates

There were no changes in estimates that have had a material effect for the financial period ended 30 June 2011.

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 June 2011 except for the Company's issuance of 767,400 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

There were no dividends paid for the financial period ended 30 June 2011.

9. Segmental reporting

By operating segment

	Revenue		Profit/(loss) from operations	
	Current year to 30 June 2011 RM'000	Preceding year to 30 June 2010 RM'000	Current year to 30 June 2011 RM'000	Preceding year to 30 June 2010 RM'000
Property development	152,053	199,572	31,018	45,899
Property investment	28,249	22,062	10,622	90,201
Property management	160	325	154	320
Recreation	195	196	106	113
Construction	3,456	22,755	(408)	1,186
Supermarket and food hall	7,143	5,727	(578)	(982)
	191,256	250,637	40,914	136,737
Manufacturing	144,826	87,048	8,092	7,325
Investment	0	3,480	(49)	(403)
	336,082	341,165	48,957	143,659

By geographical segment
The Group operates in the following geographical areas:

	Revenue		Total assets		Capital expenditure	
	Current year to 30 June 2011	Preceding year to 30 June 2010	As at 30 June 2011	As at 30 June 2010	Current year to 30 June 2011	Preceding year to 30 June 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	289,801	289,706	2,943,322	2,881,153	8,637	2,503
Hong Kong and China	11,610	5,464	89	104	-	-
Pakistan	3,456	22,755	64,679	65,013	21	-
Others	31,215	23,240	3,262	6,107	-	-
	336,082	341,165	3,011,352	2,952,377	8,658	2,503

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 June 2011

There were no material events subsequent to the end of the financial period ended 30 June 2011.

12. Changes in the composition of the Group during the financial period ended 30 June 2011

There were no changes in the composition of the Group during the financial period ended 30 June 2011 except for:

(a) 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.

(b) 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.

(c) On 19 April 2011, the Company acquired 2 subscribers' shares of RM1.00 each in each of three shelf companies: Pinggir Mentari Sdn Bhd (PMSB), Orion Vibrant Sdn Bhd (OVSB) and Magna Senandung Sdn Bhd (MSSB), making them wholly-owned subsidiaries of the Company.

OVSB was incorporated on 1 March 2011 while PMSB and MSSB were both incorporated on 5 April 2011. OVSB, PMSB and MSSB each has an authorised share capital of RM100,000 divided into 100,000 shares of RM1.00 and an issued and paid up share capital of 2 ordinary shares of RM1.00 each. The intended principal activity of OVSB, PMSB and MSSB is property development.

On 29 April 2011, PMSB, OVSB and MSSB entered into three separate joint venture agreements with subsidiaries of Multi-Purpose Holdings Berhad : Tibanis Sdn Bhd (TSB), Magnum.Com Sdn Bhd (MCSB) and Mimaland Berhad (MB), (all three collectively known as Landowners) for the proposed development of the following lands owned by the Landowners :

i) 2 parcels of freehold and leasehold lands owned by TSB located in Daerah Gombak, Negeri Selangor and measuring approximately 265.13 acres for proposed link houses, bungalow lots and a commercial village;

ii) 20 parcels of freehold lands owned by MCSB located in Daerah Barat Daya, Negeri Pulau Pinang and measuring approximately 80.897 acres for proposed bungalows, semi-detached houses and a condominium; and

iii) 7 parcels of freehold and leasehold lands owned by MB located in Daerah Gombak, Negeri Selangor and measuring approximately 324.05 acres for proposed bungalows and condominiums.

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 2010 except for:

	As at 30 June 2011 RM'000	As at 31 December 2010 RM'000
Corporate guarantees (unsecured) issued by the Company to licensed financial institutions for banking facilities granted to certain subsidiaries	389,488	492,501

14. Capital commitments

Capital commitments not provided for in the financial statements as at 30 June 2011 were as follows:

	RM'000
Authorised and contracted	5,228
Authorised but not contracted	14,670
	19,898
Analysed as follows:	
Property, plant and equipment	18,535
Investment properties	1,363
	19,898

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

Revenue in the second quarter of this year of RM198.9 million increased 31% from RM151.3 million a year ago, with higher revenue reported in both property and manufacturing divisions. Revenue from the property division rose 12% to RM119.4 million from RM106.3 million in the same quarter a year ago, due to more sales of Troika and 6 CapSquare in Kuala Lumpur as well as progress income recognition from Straits View Residences in Johor. Revenue in the manufacturing division under Mieco Chipboard Bhd (MIECO) continued to grow, up 78% quarter-on-quarter as sales volume rose with the increased production capacity following the recommencement of Plant 3 operations in Kechau Tui, Pahang in January this year.

Despite the higher revenue, the Group's pre-tax profit of RM23.2 million in this second quarter was much lower when compared to RM94.1 million a year ago. This is due to the RM82.7 million gain from adjustment to fair value of the Bangsar Shopping Centre (BSC) in 2010 which when excluded, would make the second quarter group pre-tax profit of RM23.2 million this year twice that of last year's results. MIECO's pre-tax profit improved to RM4.1 million for this second quarter from RM1 million a year ago, derived mainly from its focus on high margin and value added products.

Year on Year review

Group revenue of RM336.1 million for the first 6 months of this year was marginally below that of RM341.1 million a year ago. Revenue in the property division slipped 24% with lower contributions from property development and construction activities. This was partially mitigated by greater contribution from investment properties with higher occupancy and rental of BSC and Menara BRDB than in the earlier year period. MIECO reported a strong 66% growth in revenue to RM144.8 million for the period under review from RM87.1 million a year ago, mainly driven by domestic sales whilst exports of particleboards and related products have increased as well.

Pre-tax profit of RM31.0 million in the first half of 2011 was down 76% against RM127.4 million a year ago due to the lower development profits in the current year and the earlier mentioned fair value gain on BSC last year. This was partially mitigated by MIECO's higher pre-tax profit of RM2.7 million, up 7% from RM2.5 million in 2010. Albeit a strong return to profit of RM4.1 million in the second quarter, MIECO's first-half results was offset by the loss of RM1.4 million in the first quarter which was attributable to Plant 3 startup costs and higher raw material cost due to shortage of raw wood caused by a delayed and prolonged monsoon season.

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

Group pre-tax profit of RM23.2 million for the quarter under review was up 197% against RM7.8 million in the immediate preceding quarter due to stronger profits from both property and manufacturing divisions. The property division sold twice the number of properties in Kuala Lumpur and Johor and accounted for progress income recognition from CapSquare Tower and Straits View Residences.

MIECO's turnaround in the second quarter achieving RM4.1 million pre-tax profit against RM1.4 million loss in the first quarter, is attributed to its focus on high margin, value added products and improved plant operations, especially at its Plant 3.

3. Prospects for the current financial year

Amidst a stalled global economic recovery, the Malaysian economy is expected to still be on course to meet its 5-6% growth target for 2011. The property division is cautiously optimistic of its performance in the current financial year derived from buoyant sales of 6 CapSquare in Kuala Lumpur and the Straits View Residences in Johor as well as contribution from sales of completed Troika and One Menerung. In addition, the Group's new projects during the first half of this year comprising Phase 3 of Straits View Residences and Elita, the long awaited final phase of the Straits View Condominium in Johor, have been well received. In August, the Group has offered for sale its first mid-range condominium in Kuala Lumpur : Verdana at North Kiara, which has enjoyed a strong take up rate.

The Group's recurring income base from its investment properties continues to grow with full occupancy of BSC and rising tenancies of Menara BRDB and Troika Commercial. The repositioning of CapSquare Centre is well in progress with renovation works ongoing and its re-opening as an IT mall anticipated in the fourth quarter of this year.

Whilst MIECO is confident of the continuing improvement of its business and financial performance in 2011, the demand for particleboards and operating margins may however be affected by the ongoing debt crises in the US and Europe as well as inflationary pressures pushing up raw material and operating costs. MIECO will continue to focus on value-added sales and product mix optimisation, new offerings that meet stringent international environmental standards and management of key costs and productivity. MIECO also hopes to benefit from higher domestic demand with the implementation of the Economic Transformation Programme and from export sales to Japan on its reconstruction spending as well as to new markets in which it has made successful inroads.

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 June 2011 RM'000	Current year to 30 June 2011 RM'000
In respect of current year		
- Malaysian tax	3,370	4,683
- Foreign tax	3	3
	3,373	4,686
Deferred taxation		
- Malaysian tax	1,174	4,025
In respect of prior years		
- Malaysian tax	-	-
- Foreign tax	6	-
- Deferred tax	(559)	(559)
	(553)	(559)
Tax expense	3,994	8,152

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

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 and over provision of prior year's deferred tax now adjusted.

6. Retained earnings

	As at 30 June 2011 RM'000	As at 31 December 2010 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	312,092	291,000
- Unrealised	341,800	344,742
	653,892	635,742
Total share of retained earnings from associates:		
- Realised	1,098	871
- Unrealised	-	-
Total share of retained earnings from jointly controlled entities:		
- Realised	4,937	3,560
- Unrealised	(1,035)	(1,035)
	658,892	639,138
Add: Consolidation adjustments	357,392	355,763
Total Group retained earnings	1,016,284	994,901

The disclosure of realised and unrealised profits/(losses) above is solely for compliance with the directive issued by Bursa Malaysia Securities Berhad and should not be used for any other purpose.

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 period ended 30 June 2011.

8. Marketable securities

a) There were no purchases of marketable securities for the current quarter and financial year todate.

b) Total investment in marketable securities as at 30 June 2011 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 USD10.665 million term loan. The details of the Group's borrowings as at 30 June 2011 are as follows:

	Current		Non-current	
	RM'000	Foreign currency USD'000	RM'000	Foreign currency USD'000
Term loans (secured)	42,000		243,000	
Term loan (unsecured)	20,739	1,620	115,659	9,045
Bonds (unsecured)	-		102,135	
Revolving credit (unsecured)	77,000		-	
Medium term note (unsecured)	25,435		-	
Bankers acceptance (unsecured)	22,183		-	
Bank overdraft (unsecured)	4,581		-	
Commercial paper (unsecured)	115,000		-	
Hire purchase creditors (secured)	621		409	
	307,559		461,203	

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 June 2011.

11. Derivative Financial Instruments – Forward Foreign Currency Exchange Contracts

The outstanding forward foreign currency exchange contracts as at 30 June 2011 is as follows:-

Type of Derivatives	Contract/ Notional value RM'000	Fair Value RM'000
Foreign Exchange Contracts		
- Less than 1 year	12,365	12,396

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 creditworthy/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 30 June 2011.

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 2010.

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14. Dividend

The directors do not recommend the payment of any interim dividend for the financial period ended 30 June 2011. No interim dividend was declared for the same period last year.

Shareholders at the Company's Annual General Meeting on 23 June 2011 approved a first and final dividend of 7.5% per share less 25% income tax in respect of the financial year ended 31 December 2010. Payment of this dividend amounting to RM27.4 million was made on 18 August 2011.

15. Earnings per share

	Current year quarter to 30 June 2011	**Preceding year quarter to 30 June 2010**	**Current year to 30 June 2011**	**Preceding year to 30 June 2010**
a) Basic				
Net profit attributable to equity holders of the Company (RM'000)	17,129	84,155	21,383	106,311
Weighted average number of ordinary shares in issue ('000)	486,585	476,393	486,402	476,393
Earnings per share (sen)	3.5	17.7	4.4	22.3
b) Diluted				
Net profit attributable to equity holders of the Company (RM'000)	17,129	84,155	21,383	106,311
Weighted average number of ordinary shares in issue ('000)	486,585	476,393	486,402	476,393
Adjustment for effect of dilution on warrants issued ('000)	106,136	84,262	108,887	87,624
Weighted average number of ordinary shares for diluted earnings per share ('000)	592,721	560,655	595,289	564,017
Diluted earnings per share (sen)	2.9	15.0	3.6	18.8

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur

23 August 2011