BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

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

	(Unaudited) As at 30 September 2011 RM'000	(Audited) As at 31 December 2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	566,920	572,918
Land held for property development	94,003	97,473
Investment properties	1,018,277	1,019,170
Goodwill	3,896	3,896
Investment in associates	1,581	852
Investment in jointly controlled entities	26,527	25,087
Debt recoverable from an unquoted entity	6,296	6,296
Receivables	63,901	62,946
Deferred tax assets	13,644	10,991
Post-employment benefit surplus	4,298	4,298
	1,799,343	1,803,927
Current assets		
Inventories	93,582	112,177
Property development costs	706,712	538,632
Tax recoverable	24,657	13,572
Trade receivables	167,780	162,083
Other receivables	138,662	385,804
Derivative financial instruments	-	76
Short term deposits	435,609	36,940
Cash and bank balances	44,954	23,374
	1,611,956	1,272,658
Non-current assets held for sale	-	5,169
TOTAL ASSETS	3,411,299	3,081,754
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	487,703	486,188
Share premium	245,153	244,823
Foreign currency reserve	(10,479)	(12,112)
Retained earnings	1,017,261	994,901
	1,739,638	1,713,800
Non controlling interests	141,878	138,469
Warrant reserve	26,736	26,915
Total equity	1,908,252	1,879,184

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BANDAR RAYA DEVELOPMENTS BERHAD

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

	(Unaudited) As at 30 September 2011 RM'000	(Audited) As at 31 December 2010 RM'000
Non-current liabilities		
Post-employment benefit obligations	9,806	9,241
Provisions for other liabilities	14,611	15,525
Deferred tax liabilities	18,333	18,876
Borrowings	877,859	354,551
	920,609	398,193
Current liabilities		
Trade payables	146,859	135,086
Other payables and provisions	157,553	143,199
Derivative financial instruments	848	-
Current tax payable	2,607	2,183
Borrowings	274,571	523,909
	582,438	804,377
Total liabilities	1,503,047	1,202,570
TOTAL EQUITY AND LIABILITIES	3,411,299	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.

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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 September 2011
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2011	Preceding year quarter to 30 September 2010	Current year to 30 September 2011	Preceding year to 30 September 2010
	RM'000	RM'000	RM'000	RM'000
Revenue	142,333	127,594	478,415	468,759
Other operating income	1,609	2,413	9,900	10,499
Operating profit before finance costs, depreciation, amortisation and tax	32,148	18,627	95,124	174,359
Depreciation and amortisation	(7,054)	(6,065)	(21,073)	(18,138)
Profit from operations	25,094	12,562	74,051	156,221
Finance costs	(10,631)	(8,554)	(30,164)	(25,756)
Share of results of associates	782	120	1,009	301
Share of results of jointly controlled entities	150	(1,125)	1,527	(365)
Profit before taxation	**15,395**	**3,003**	**46,423**	**130,401**
Tax expense	14,671	(2,662)	6,519	(18,211)
Profit for the period	**30,066**	**341**	**52,942**	**112,190**
Other comprehensive income				
Exchange differences on translating foreign operations	1,437	(1,791)	1,634	(4,728)
Total comprehensive income/(loss) for the period	**31,503**	**(1,450)**	**54,576**	**107,462**

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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 September 2011 – continued
The figures have not been audited.

	Individual quarter		Cumulative quarter	
	Current year quarter to 30 September 2011	Preceding year quarter to 30 September 2010	Current year to 30 September 2011	Preceding year to 30 September 2010
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to:				
Equity holders of the Company	28,401	(745)	49,784	105,566
Non-controlling interests	1,665	1,086	3,158	6,624
	30,066	341	52,942	112,190
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	29,838	(2,538)	51,417	100,841
Non-controlling interests	1,665	1,088	3,159	6,621
	31,503	(1,450)	54,576	107,462
Earnings/(loss) per share attributable to equity holders of the Company:				
– basic (sen)	5.8	(0.2)	10.2	22.1
– diluted (sen) [See Part B Note 15(b)]	4.8	(0.1)	8.4	18.5

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.

BANDAR RAYA DEVELOPMENTS BERHAD (5521-A)
Condensed Consolidated Statement of Changes in Equity for the financial period ended 30 September 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	1,515	330	0	0	1,845	0	(179)	1,666
Subscription of additional shares in a subsidiary	0	0	0	0	0	250	0	250
Dividend for the financial year ended 31 December 2010	0	0	0	(27,424)	(27,424)	0	0	(27,424)
Total comprehensive income for the period	0	0	1,633	49,784	51,417	3,159	0	54,576
Balance as at 30 September 2011	487,703	245,153	(10,479)	1,017,261	1,739,638	141,878	26,736	1,908,252

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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 September 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	4,676	1,019	0	0	5,695	0	(551)	5,144
Subscription of additional shares in a subsidiary	0	0	0	0	0	120	0	120
Acquisition of additional shares of a subsidiary from minority interest	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)	974,084	1,686,821	139,600	27,518	1,853,939

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 September 2011
The figures have not been audited.

	Current year to 30 September 2011 RM'000	Preceding year to 30 September 2010 RM'000
Cash flows from operating activities		
– Net profit for the period	52,942	112,190
– Adjustments for non-cash and non-operating items	38,464	(20,828)
	91,406	91,362
– Changes in working capital		
• Net change in current assets	269,289	(94,907)
• Net change in current liabilities	26,922	(40,031)
– Proceeds from disposal of land held for development	7,535	3,817
– Development expenditure incurred	(1,722)	(3,737)
– Capital commitment reserves (utilised)/received	(1,404)	78
– Infrastructure costs utilised	-	(77)
– Staff retirement benefits paid	(454)	(344)
– Income tax paid	(7,095)	(21,096)
Net cash flow from/(used in) operating activities	384,477	(64,935)
Cash flows from investing activities		
– Proceeds from disposal of property, plant and equipment	3,477	328
– Proceeds from disposal of financial assets held for trading	-	6,444
– Proceeds from disposal of investment properties	1,035	7,600
– Acquisition of land held for property development	(164,775)	-
– Purchase of property, plant and equipment	(17,000)	(5,517)
– Acquisition of additional shares in a subsidiary	-	(15,045)
– Proceeds from disposal of non-current assets held for sale	140	-
– Interest received	2,809	1,514
– Dividend received	280	86
– Subsequent expenditure incurred on investment properties	(1,141)	(67,555)
Net cash flow used in investing activities	(175,175)	(72,145)
Cash flows from financing activities		
– Proceeds from term loan	581,576	59,565
– Repayment of revolving credit	(26,000)	(100,000)
– Proceeds from subscription of shares in a subsidiary by minority interest	250	120
– Proceeds from issuance of shares from conversion of warrants	1,666	5,144
– Repayment of term loans	(231,369)	-
– Proceeds from bankers acceptance	8,201	3,005
– Proceeds from commercial papers	-	150,000
– Repayment of medium term notes and commercial papers	(60,000)	-
– Hire purchase principal payments	(606)	(569)
– Interest paid	(32,343)	(27,967)
– Financing expenses	(6,091)	(229)
– Dividend paid to shareholders of the Company	(27,424)	(26,861)
Net cash flow from financing activities	207,860	62,208

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

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

	Current year to 30 September 2011 RM'000	Preceding year to 30 September 2010 RM'000
Net change in cash and cash equivalents	417,162	(74,872)
Cash and cash equivalents at 1 January	56,888	121,559
Effects of exchange rate changes	(169)	(250)
Cash and cash equivalents at 30 September	473,881	46,437
Cash and cash equivalents comprise:		
Short term deposits	435,609	33,853
Cash and bank balances	44,954	17,811
Bank overdraft (see Part B Note 10)	(6,682)	(5,227)
	473,881	46,437

Included in cash and cash equivalents is an amount of RM66 million (2010: RM30 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.

BRDB
BANDAR RAYA DEVELOPMENTS BERHAD

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 September 2011.

6. Change in estimates
There were no changes in estimates that have had a material effect for the financial period ended 30 September 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 September 2011 except for the Company's issuance of 1,514,648 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 2010 amounting to RM27.4 million, was made on 18 August 2011.

9. Segmental reporting
By operating segment

	Revenue		**Profit/(loss) from operations**	
	Current year to 30 September 2011 RM'000	**Preceding year to 30 September 2010 RM'000**	**Current year to 30 September 2011 RM'000**	**Preceding year to 30 September 2010 RM'000**
Property development	204,611	265,929	43,112	51,254
Property investment	42,623	33,445	16,000	93,283
Property management	247	400	238	107
Recreation	292	298	141	159
Construction	4,031	23,498	(765)	1,129
Supermarket	10,412	9,577	2,164	(1,051)
	262,216	333,147	60,890	144,881
Manufacturing	216,199	129,003	13,224	11,602
Investment	-	6,609	(63)	(262)
	478,415	468,759	74,051	156,221

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

	Revenue		Total assets		Capital expenditure	
	Current year to 30 September 2011	Preceding year to 30 September 2010	As at 30 September 2011	As at 30 September 2010	Current year to 30 September 2011	Preceding year to 30 September 2010
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	405,458	406,206	3,342,503	2,878,153	16,979	5,517
Hong Kong and China	19,825	6,574	31	77	-	-
Pakistan	4,031	23,498	65,183	62,325	21	-
Others	49,101	32,481	3,582	6,136	-	-
	478,415	468,759	3,411,299	2,946,691	17,000	5,517

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 2011

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

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

There were no changes in the composition of the Group during the financial period ended 30 September 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 September 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	353,683	492,501

14. Capital commitments

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

	RM'000
Authorised and contracted	6,581
Authorised but not contracted	11,909
	18,490
Analysed as follows:	
Property, plant and equipment	17,127
Investment properties	1,363
	18,490

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 third quarter of this year of RM142.3 million increased 12% from RM127.6 million a year ago, with higher revenue reported in the manufacturing division. Revenue from the property division fell 14% quarter-on-quarter to RM71.0 million from RM82.3 million, despite strong sales of the Group's new projects: Verdana at North Kiara in Kuala Lumpur, Straits View Residences and Elita at Straits View in Johor. These projects are however still at initial stages of construction as compared to the same quarter last year, which had included substantial contributions from completed projects: CapSquare Tower and One Menerung. Revenue in the manufacturing division under Mieco Chipboard Bhd (MIECO) increased 70% quarter-on-quarter to RM71.4 million from RM42.0 million a year ago as sales volume rose with the re-opening of Plant 3 operations in Kechau Tui, Pahang early this year.

Third-quarter group pre-tax profit increased to RM15.4 million when compared to RM3.0 million a year ago due to better property development gross margins, higher rental income and gain from disposal of the gourmet delicatessen and foodhall business in the property division. In addition, MIECO's pre-tax profit improved to RM2.3 million from RM1.6 million a year ago due to higher sales, which was partly offset by unrealised translation losses mainly arising on its USD loan and from FRS 139 fair value accounting.

Year on Year review
Group revenue of RM478.4 million for the 9 months ended 30 September 2011 was slightly ahead, up 2% on RM468.8 million a year ago. Revenue in the property division slipped 21% with lower contributions from property development and construction, which were partially mitigated by higher rental income from Bangsar Shopping Centre (BSC) and Menara BRDB. MIECO posted revenue of RM216.2 million for the period under review, up 67% from RM129.1 million a year ago, as sales volume of particleboards and related products doubled.

The Group posted pre-tax profit of RM46.4 million for the period under review, down 64% against RM130.4 million a year ago due to lower development profits from projects in Kuala Lumpur although profit contribution from Johor projects improved significantly. In addition, the results last year had accounted for an RM82.7 million gain from adjustment to fair value of BSC which when excluded, would show a comparable group pre-tax profit of RM47.7 million for the earlier period. MIECO's pre-tax profit increased to RM5 million, up 22% from RM4.1 million for the same period a year ago. The better results for the period was mainly due to increased sales, which made up for its first-quarter loss of RM1.4 million arising from Plant 3 startup costs and higher raw wood cost 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 RM15.4 million for the quarter under review was down 34% against RM23.2 million in the immediate preceding quarter as both the property and manufacturing divisions posted lower profits. Although the Group sold more properties, income recognition was lower as mainly derived from early stages of work done on new projects. MIECO's pre-tax profit of RM2.3 million for the quarter under review was down 44% against RM4.1 million in the immediate preceding quarter due to higher raw material costs and the earlier mentioned unrealised translation losses in the third quarter this year.

3. **Prospects for the current financial year**
The property division hopes to achieve a satisfactory performance in the current financial year given the favourable take-up rates of its new projects mentioned earlier and contributions from ongoing projects in Kuala Lumpur and Johor as well as steady rental income growth.

Operating conditions for MIECO are expected to be difficult and challenging in the last quarter of this year as prices of particleboards remain weak due to sluggish demand whilst there are signs of upward pressures on cost of key raw materials such as wood and glue, due to disruption in supply from anticipated inclement weather and volatile fuel prices. Notwithstanding, MIECO expects its current year financial results to be better than the previous year.

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 2011 RM'000	Current year to 30 September 2011 RM'000
In respect of current year		
- Malaysian tax	(568)	4,115
- Foreign tax	(3)	-
	(571)	4,115
Deferred taxation		
- Malaysian tax	(6,661)	(2,636)
In respect of prior years		
- Malaysian tax	(7,431)	(7,431)
- Foreign tax	(8)	(8)
- Deferred tax	-	(559)
	(7,439)	(7,998)
Tax expense/(credit)	(14,671)	(6,519)

The Group's effective tax rate for the current year to date and current quarter differs from the statutory tax rate of 25% mainly due to recognition of deferred tax assets on previous years' tax losses and over provision of tax in prior year.

6. Retained earnings

	As at 30 September 2011 RM'000	As at 31 December 2010 RM'000
Total retained earnings of the Company and its subsidiaries:		
- Realised	313,439	291,000
- Unrealised	342,162	344,742
	655,601	635,742
Total share of retained earnings from associates:		
- Realised	1,880	871
- Unrealised	-	-
Total share of retained earnings from jointly controlled entities:		
- Realised	5,087	3,560
- Unrealised	(1,035)	(1,035)
	661,533	639,138
Add: Consolidation adjustments	355,728	355,763
Total Group retained earnings	1,017,261	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 September 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 September 2011 is nil.

9. Status of corporate proposals

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this report.

On 5 September 2011, the Board of Directors of BRDB (Board) received an offer from the Company's major shareholder, Ambang Sehati Sdn Bhd (Ambang Sehati) to acquire certain assets (Assets) of the Group: CapSquare Retail Centre, Permas Jusco Mall and the entire equity interest in BR Property Holdings Sdn Bhd (BRPH) which holds The Bangsar Shopping Centre and Menara BRDB. Ambang Sehati proposed to acquire the Assets collectively at a cash consideration to be based on the fair value of the Assets to be determined by independent valuers to be mutually agreed.

On 19 September 2011, the Board agreed to the disposal of the Assets to Ambang Sehati, subject to the signing of the relevant sales and purchase agreements for:

i) CapSquare Retail Centre at a minimum consideration of RM146.0 million;

ii) Permas Jusco Mall at a minimum consideration of RM68.0 million; and

iii) 62,574,357 ordinary shares of RM1.00 each in BRPH at a preliminary consideration of RM216.0 million.

In addition, BRDB proposed to distribute part of the disposal proceeds to the ordinary shareholders of the Company via a net cash dividend of RM0.80 per ordinary share.

On 26 September 2011, BRDB and Ambang Sehati mutually agreed to cease all negotiations and for the Company to dispose the relevant assets by way of a tender exercise, whereby Ambang Sehati will be invited to participate in the tender.

On 22 November 2011, the Board decided that the tender exercise in respect of the disposal of the relevant assets will be carried out in the first quarter of 2012.

10. Borrowings and debt securities

The Group's borrowings are all denominated in Ringgit Malaysia except for a USD9.855 million term loan.
The details of the Group's borrowings as at 30 September 2011 are as follows:

	Current		Non-current	
	RM'000	**Foreign currency USD'000**	**RM'000**	**Foreign currency USD'000**
Term loans (secured)	33,500		674,500	
Term loan (unsecured)	27,986	2,160	102,498	7,695
Bonds (unsecured)	-		100,672	
Revolving credit (unsecured)	64,000		-	
Bankers acceptance (unsecured)	26,777		-	
Bank overdraft (unsecured)	6,682		-	
Commercial paper (unsecured)	115,000		-	
Hire purchase creditors (secured)	626		189	
	274,571		877,859	

Finance cost of RM6.7 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 2011.

11. Derivative Financial Instruments – Forward Foreign Currency Exchange Contracts

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

Type of Derivatives	Contract/ Notional value RM'000	Fair Value RM'000
Foreign Exchange Contracts		
- Less than 1 year	17,122	16,274

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 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 strengthens.

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 September 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.

14. Dividend

The directors do not recommend the payment of any interim dividend for the financial period ended 30 September 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 September 2011	Preceding year quarter to 30 September 2010	Current year to 30 September 2011	Preceding year to 30 September 2010
a) Basic				
Net profit/(loss) attributable to equity holders of the Company (RM'000)	28,401	(745)	49,784	105,566
Weighted average number of ordinary shares in issue ('000)	487,512	478,937	486,776	477,297
Earnings/(loss) per share (sen)	5.8	(0.2)	10.2	22.1
b) Diluted				
Net profit/(loss) attributable to equity holders of the Company (RM'000)	28,401	(745)	49,784	105,566
Weighted average number of ordinary shares in issue ('000)	487,512	478,937	486,776	477,297
Adjustment for effect of dilution on warrants issued ('000)	108,594	109,228	108,594	94,843
Weighted average number of ordinary shares for diluted earnings per share ('000)	596,106	588,165	595,370	572,140
Diluted earnings/(loss) per share (sen)	4.8	(0.1)	8.4	18.5

BY ORDER OF THE BOARD
BANDAR RAYA DEVELOPMENTS BERHAD

Ho Swee Ling
Company Secretary
Kuala Lumpur

22 November 2011