

# TEBRAU TEGUH BERHAD

(Company No. 8256-A)

## CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 30.09.08 RM'000	Previous year corresponding quarter 30.09.07 RM'000	9 months ended 30.09.08 RM'000	9 months ended 30.09.07 RM'000
Revenue	1,101	3,603	12,670	25,378
Cost of Sales	(562)	(2,952)	(7,873)	(22,972)
Gross Profit	539	651	4,797	2,406
Other operating income	72	823	201	2,077
Operating expenses	(1,499)	(1,475)	(7,651)	(4,086)
Profit/(Loss) from operations	(888)	(1)	(2,653)	397
Finance income /(costs), net	169	290	442	436
Share of results of associated companies	-	-	-	-
Profit/(Loss) before taxation	(719)	289	(2,211)	833
Taxation	(118)	(13)	(172)	213
Profit/(Loss) after taxation	(837)	276	(2,383)	1,046
Minority interest	-	-	-	-
Net profit/(loss) for the period	(837)	276	(2,383)	1,046
<b>EARNINGS/ (LOSS) PER SHARE</b>				
Basic (sen)	(0.13)	0.04	(0.36)	0.15
Diluted (sen)	N/A	N/A	N/A	N/A

The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

# TEBRAU TEGUH BERHAD

(Company No. 8256-A)

## CONDENSED CONSOLIDATED BALANCE SHEETS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

	Unaudited as at 30.09.08 RM'000	Audited as at 31.12.07 RM'000
<b>NON-CURRENT ASSETS</b>		
Property, plant and machinery	1,398	3,513
Investments in associated companies	-	-
Investment properties	1,075	1,075
Other investments	61	61
Land held for future development	188,916	188,916
	<hr/> 191,450	<hr/> 193,565
<b>CURRENT ASSETS</b>		
Development properties	404,939	405,723
Inventories	4,072	4,527
Trade receivables	19,282	25,771
Other receivables	5,991	5,298
Cash and bank balances	28,638	25,755
	<hr/> 462,922	<hr/> 467,074
<b>CURRENT LIABILITIES</b>		
Trade payables	14,856	17,188
Other payables	7,459	10,124
Borrowings	9,218	8,235
Tax payable	1,204	69
	<hr/> 32,737	<hr/> 35,616
<b>NET CURRENT ASSETS</b>		
	<hr/> 430,185	<hr/> 431,458
	<hr/> <hr/> 621,635	<hr/> <hr/> 625,023
<b>FINANCED BY:</b>		
Share capital	334,864	334,864
Reserves	152,379	139,950
	<hr/> 487,243	<hr/> 474,814
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	10,345	10,367
Deferred taxation	123,440	139,339
Sinking Fund	607	503
	<hr/> 621,635	<hr/> 625,023
Net assets per share (RM)	0.73	0.71

The Condensed Consolidated Balance Sheets should be read in conjunction with the annual audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statement.

**TEBRAU TEGUH BERHAD**  
(Company No. 8256-A)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

	<b>Share capital</b>	<b>Share premium</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2007</b>	334,864	225,821	(86,932)	473,753
Net profit for the period		-	1,046	1,046
<b>At 30 September 2007</b>	334,864	225,821	(85,886)	474,799
<b>At 1 January 2008</b>	334,864	225,821	(85,870)	474,815
Net profit for the period		-	(2,383)	(2,383)
Amount recognised directly in equity relating to changes in tax rate			14,811	14,811
<b>At 30 September 2008</b>	334,864	225,821	(73,442)	487,243

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statement.

# TEBRAU TEGUH BERHAD

(Company No. 8256-A)

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2008

	<b>9 months ended 30.09.08 RM'000</b>	<b>9 months ended 30.09.07 RM'000</b>
Net cash generated from/(used in) operating activities	1,853	6,726
Net cash generated from/(used in) investing activities	(35)	414
Net cash generated from/(used in) financing activities	1,065	906
Net increase/(decrease) in cash and cash equivalents	2,883	8,046
Cash and cash equivalents at beginning of year	25,755	14,646
Cash and cash equivalents at the end of quarter	28,638	22,692
Cash and cash equivalents comprise:		
Cash and bank balances	1,072	3,165
Deposit with licensed banks	27,566	19,527
	28,638	22,692

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the annual audited financial statements for the year ended 31 December 2007.

# **TEBRAU TEGUH BERHAD**

(Company No. 8256-A)

## **NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008**

### **1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment and the following assets and liabilities that are stated at fair values: financial assets at fair value through profit or loss, available-for-sale financial assets, derivative financial instruments and investment properties.

The interim financial statements are unaudited and have 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.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 year ended 31 December 2007.

### **2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007. The adoption of all FRS does not have significant financial impact on the group.

### **3. AUDITORS' REPORT OF THE PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2007**

The Auditors' Report of the financial statements of the Company and of the Group for the year ended 31 December 2007 was not subject to any qualification.

### **4. SEASONAL OR CYCLICAL FACTORS**

The Group's business operations are not seasonal but cyclical in nature, which is dependent on the economic conditions in Malaysia.

### **5. UNUSUAL ITEMS**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review because of their nature, size, or incidence.

### **6. CHANGES IN ESTIMATES**

There were no changes in estimates of amounts reported in previous quarters of the current financial year or changes in estimates of amounts reported in prior financial years that have had a material effect in the current quarter.

# TEBRAU TEGUH BERHAD

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## NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 7. DEBTS AND EQUITY SECURITIES

There were no issuances and repayment of debts and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the financial period ended 31 December 2007.

### 8. DIVIDENDS

No dividends are recommended, have been declared, or have been paid during the financial quarter ended 31 December 2007.

### 9. VALUATION OR PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without amendment from the audited financial statements for the year ended 31 December 2007.

### 10. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter that have not been reflected in the quarterly financial statements.

### 11. GROUP COMPOSITION

There were no material changes in the composition of the Group during the financial quarter under review.

### 12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

Contingent liabilities of the Group comprise the following:

	<b>30.09.08</b>	<b>31.12.07</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	52,200	52,200
- Current Exposure	19,128	18,029
Performance bond issued by subsidiaries involved in construction activities	4,200	4,200

# TEBRAU TEGUH BERHAD

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## NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 13. SEGMENTAL REPORTING

#### Analysis by Activities

	Turnover Year To Date		Profit/(Loss) before Taxation Year To Date	
	30.09.08 RM'000	30.09.07 RM'000	30.09.08 RM'000	30.09.07 RM'000
Property development	11,777	2,265	3,244	2,591
Construction	4,123	29,919	(496)	(103)
Property Management	687	485	182	(40)
	<hr/>	<hr/>	<hr/>	<hr/>
	16,587	32,669	2,929	2,448
Share of results of associated company	-	-	-	-
Consolidation adjustment	(3,917)	(7,291)	(4,730)	(1,485)
	<hr/>	<hr/>	<hr/>	<hr/>
	12,670	25,378	(1,801)	963
Unallocated corporate expenses			(852)	(566)
Finance income /(costs), net			442	436
	<hr/>	<hr/>	<hr/>	<hr/>
	12,670	25,378	(2,211)	833

No segmental reporting on geographical location is prepared as the Group's activities are carried out in Malaysia.

### 14. REVIEW OF PERFORMANCE

(i) Comparison with the preceding quarter

The Group has recorded loss before tax for the current quarter ended 30 September 2008 as compared to the profit before tax in the preceding quarter ended 30 September 2007 due to slow activities in construction contracts and property development.

(ii) Comparison with the previous corresponding quarter and financial period

Even though the gross profit for the current quarter ended 30 September 2008 is higher as compared to previous corresponding quarter ended 30 September 2007, the Group recorded loss before tax due to the cost of the office building which was written off. The temporary office building was demolished to make way for a commercial development on the same plot of land.

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(Company No. 8256-A)

## NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 15. PROSPECTS

The impact of projects under Iskandar Malaysia to the Group prospect is expected to be positive. The proposed implementation of the 9MP infrastructure projects and targeted inflow of investment into the Iskandar Malaysia development will ensure strong and sustainable economic growth within the region. Both property development and construction arms of the Group are expected to benefit from these initiatives.

However the Group do not expect any substantial change in the results of the company due to current economic uncertainties.

Nevertheless, the Group will continue to seek new opportunities for its core businesses i.e. property development and construction to further expand its future earnings.

### 16. PROFIT FORECAST

The Group has not provided any profit forecast in a public document.

### 17. TAXATION

	<b>Current year quarter</b>	<b>9 months cumulative to date</b>
<b>Income tax expense</b>	<b>30.09.2008</b>	<b>30.09.2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Malaysian Income Tax		
- previous year	126	126
- current year	-	1,134
Transfer to/(from) deferred taxation		(1,088)
	<u>118</u>	<u>172</u>

### 18. UNQUOTED INVESTMENTS AND PROPERTIES

There were no purchases or sales of unquoted investments and properties for the current quarter and financial year to date.

### 19. QUOTED INVESTMENTS

There were no purchases or sale of quoted securities for the current quarter and financial year to date.

There were no investments in quoted securities as at the end of the current quarter.



# TEBRAU TEGUH BERHAD

(Company No. 8256-A)

## NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 20. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals involving the company as at the end of the current quarter.

### 21. BORROWING AND DEBT EQUITIES

Details of the Group's borrowings as at 30 September 2008 are as follows:

	Current RM'000	Non current RM'000
Bridging loans (secured) – Note 1	9,178	9,950
Hire purchase & leasing liabilities	40	395
Total	9,218	10,345

Note 1 : As at 30 September 2008, RM28.20 million has been drawdown from the bridging facilities of RM35 million under the Principle of Bai'bithaman Ajil with Bank Kerjasama Rakyat Malaysia Bhd. Approximately RM9.07 million has been repaid through the redemption from sale of development properties products. The non-current portion of the bridging loan expected to be fully repaid by 2012.

### 22. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off-balance sheet financial instruments.

### 23. MATERIAL LITIGATION

Case No./Parties	Remarks and status
Johor Bahru High Court No. 24-2894-2003(4)  Tebrau Bay Sdn Bhd ("TBSB") vs United Victoria Sdn Bhd ("UVSB") and Kong Sun Enterprise Sdn Bhd ("KSE")	This legal case is in relation to a claim of RM12.6 million by TBSB, a wholly owned subsidiary of the Company, against the Defendants in respect of the sale of 51% equity interest in Asset Nusantara Development Sdn Bhd to the Defendants.  The matter came up for case management on 24 January 2008. The Defendant's witness statements are not ready and their solicitors requested for more time.  The matter has been fixed for further case management on 22 <sup>nd</sup> and 23 <sup>rd</sup> July 2009.

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(Company No. 8256-A)

## NOTES TO 3<sup>rd</sup> QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

### 24. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 30 September 2008 (30 September 2007 : Nil).

### 25. EARNINGS AND LOSS PER SHARE

The basic earnings/ (loss) per share for the financial period has been calculated based on the Group's earnings/ (loss) after taxation and divided by the 669,727,143 ordinary shares of RM0.50 each in issue during the financial period.

### 26. STATUS OF JOINT VENTURE PROJECTS

Following is the status of the existing joint venture projects as at 30 September 2008:

	<b>Paradise Realty Sdn Bhd</b>
<u>Development Status</u>	
Total land area	20.324 acres
% land under development	94.63%
<u>Joint Venture Consideration</u>	
Amount invoiced (RM'000)	1,000
Amount collected (RM'000)	(1,000)
Outstanding as at 30 September 2008 (RM'000)	-

### 27. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 November 2008.