

TEBRAU TEGUH BERHAD

(Company No. 8256-A)

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current quarter 31.12.08 RM'000	Previous year corresponding quarter 31.12.07 RM'000	12 months ended 31.12.08 RM'000	12 months ended 31.12.07 RM'000
Revenue	2,561	1,741	15,231	27,119
Cost of Sales	(5,033)	(96)	(12,906)	(23,068)
Gross Profit	(2,472)	1,645	2,325	4,051
Other operating income	(25)	25	176	2,104
Operating expenses	(2,252)	(1,712)	(9,902)	(5,800)
Profit/(Loss) from operations	(4,749)	(42)	(7,401)	355
Finance income /(costs), net	162	(97)	604	339
Share of results of associated companies	-	-	-	-
Profit/(Loss) before taxation	(4,587)	(139)	(6,797)	694
Taxation	(19)	155	(192)	367
Profit/(Loss) after taxation	(4,606)	16	(6,989)	1,061
Minority interest	-	-	-	-
Net profit/(loss) for the period	(4,606)	16	(6,989)	1,061
EARNINGS/ (LOSS) PER SHARE				
Basic (sen)	(0.69)	0.01	(1.04)	0.16
Diluted (sen)	(0.69)	0.01	(1.04)	0.16

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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2008**

	Unaudited as at 31.12.08 RM'000	Audited as at 31.12.07 RM'000
NON-CURRENT ASSETS		
Property, plant and machinery	1,254	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/> 191,306	<hr/> 193,565
CURRENT ASSETS		
Development properties	396,974	405,723
Inventories	4,186	4,527
Trade receivables	21,700	25,771
Other receivables	5,679	5,298
Cash and bank balances	26,248	25,755
	<hr/> 454,787	<hr/> 467,074
CURRENT LIABILITIES		
Trade payables	12,877	17,188
Other payables	8,388	10,124
Borrowings	8,397	8,235
Tax payable	0	69
	<hr/> 29,662	<hr/> 35,616
NET CURRENT ASSETS		
	<hr/> 425,125	<hr/> 431,458
	<hr/> 616,431	<hr/> 625,023
FINANCED BY:		
Share capital	334,864	334,864
Reserves	147,772	139,950
	<hr/> 482,636	<hr/> 474,814
NON-CURRENT LIABILITIES		
Borrowings	10,173	10,367
Deferred taxation	123,074	139,339
Sinking Fund	548	503
	<hr/> 616,431	<hr/> 625,023
Net assets per share (RM)	0.72	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.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2008

	Share capital	Share premium	Accumulated losses	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	334,864	225,821	(86,932)	473,753
Net profit for the period		-	1,061	1,061
At 31 December 2007	334,864	225,821	(85,871)	474,814
At 1 January 2008	334,864	225,821	(85,871)	474,814
Net profit for the period		-	(6,989)	(6,989)
Amount recognised directly in equity relating to changes in tax rate			14,811	14,811
At 31 December 2008	334,864	225,821	(78,049)	482,636

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.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2008

	12 months ended 31.12.08 RM'000	12 months ended 31.12.07 RM'000
Net cash generated from/(used in) operating activities	517	9,196
Net cash generated from/(used in) investing activities	(36)	306
Net cash generated from/(used in) financing activities	12	1,607
Net increase/(decrease) in cash and cash equivalents	493	11,109
Cash and cash equivalents at beginning of year	25,755	14,646
Cash and cash equivalents at the end of quarter	26,248	25,755
Cash and cash equivalents comprise:		
Cash and bank balances	1,168	5,612
Deposit with licensed banks	25,080	20,143
	26,248	25,755

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

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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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.

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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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:

	31.12.08	31.12.07
	RM'000	RM'000
		(restated)
Corporate guarantees given by the Company to financial institutions for facilities granted to subsidiaries	52,200	52,200
- Current Exposure	29,183	31,599
Performance bond issued by subsidiaries involved in construction activities	4,200	4,200

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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

13. SEGMENTAL REPORTING

Analysis by Activities

	Turnover Year To Date		Profit/(Loss) before Taxation Year To Date	
	31.12.08 RM'000	31.12.07 RM'000	31.12.08 RM'000	31.12.07 RM'000
Property development	13,927	3,913	960	2,792
Construction	5,760	36,412	(1,036)	152
Property Management	785	630	246	(140)
	<hr/>	<hr/>	<hr/>	<hr/>
	20,472	40,955	170	2,804
Share of results of associated company	-	-	-	-
Consolidation adjustment	(5,241)	(13,836)	(6,660)	(1,670)
	<hr/>	<hr/>	<hr/>	<hr/>
	15,231	27,119	(6,490)	1,134
Unallocated corporate expenses		-	(911)	(779)
Finance income /(costs), net		-	604	339
	<hr/>	<hr/>	<hr/>	<hr/>
	15,231	27,119	(6,797)	694

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

For the current quarter ended 31 December 2008 the Group has recorded higher losses before tax as compared to the profit before tax in the preceding quarter ended 30 December 2008 due to cancellation of land sales and slow activities in construction contracts and property development.

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

The Group has recorded higher losses in the current quarter and full year ended 31 December 2008 the Group as compared to previous corresponding quarter and year ended 31 December 2007. This was due to the cancellation of land sales and 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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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

15. PROSPECTS

The Group has been awarded with a RM303 million contract for the construction of 2,932 units of low cost apartment by State Secretary of Johor on 16 January 2009. The earnings from this project is expected to cushion the impact of the present global economic slowdown on the Group's future results. The Group will continue to bid for construction contracts especially the 9MP infrastructure projects. In view of the present slowdown in the property sector, the Group's strategy is to aggressively market its properties under development whilst revising its planning for future projects.

It is expected that the targeted inflow of investment into the Iskandar Malaysia 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.

Furthermore, 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

	Current year quarter	12 months cumulative to date
Income tax expense	31.12.2008 RM'000	31.12.2008 RM'000
Malaysian Income Tax		
- previous year	(16)	1,124
- current year	401	522
Transfer to/(from) deferred taxation	(366)	(1,454)
	<u>19</u>	<u>192</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.

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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 31 December 2008 are as follows:

	Current RM'000	Non current RM'000
Bridging loans (secured) – Note 1	8,233	9,950
Hire purchase & leasing liabilities	164	223
Total	8,397	10,173

Note 1 : As at 31 December 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 RM10.02 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 nd and 23 rd July 2009.

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NOTES TO 4th QUARTER FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2008

24. DIVIDEND PAYABLE

No interim ordinary dividend has been declared for the financial period ended 31 December 2008 (31 December 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 31 December 2008:

	Paradise Realty Sdn Bhd
<u>Development Status</u>	
Total land area	20.324 acres
% land under development	94.63%
<u>Joint Venture Consideration</u>	
Amount invoiced (RM'000)	3,838
Amount collected (RM'000)	(1,233)
Outstanding as at 31 December 2008 (RM'000)	2,605

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 25th February 2009.