

IGB Corporation Berhad (5745-A)
(Incorporated in Malaysia)

**Interim Financial Report
for the nine months ended 30 September 2008**

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Note:

M1 to M12 are explanatory notes in accordance with FRS134.

K1 to K13 are explanatory notes in accordance with paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

Condensed Consolidated Income Statements
(The figures have not been audited)

	Current Year Quarter 30.09.2008 RM' 000	Preceding Year Quarter 30.09.2007 RM' 000	Current Year To Date 30.09.2008 RM' 000	Preceding Year To Date 30.09.2007 RM' 000
Revenue	143,933	192,516	517,096	480,691
Cost of sales	(63,135)	(103,349)	(258,326)	(261,888)
Gross profit	80,798	89,167	258,770	218,803
Other operating income	12,817	5,263	32,630	44,573
Administrative expenses	(42,189)	(34,635)	(112,960)	(95,661)
Other operating expenses	(12,312)	(2,645)	(22,919)	(8,857)
Profit from operations	39,114	57,150	155,521	158,858
Finance costs	(13,941)	(10,283)	(38,316)	(30,806)
Share of after-tax results of associates	19,139	10,559	33,047	29,290
Gain on disposal of associate	-	-	-	3,281
Profit before tax	44,312	57,426	150,252	160,623
Less tax:				
Company and subsidiaries	(9,068)	(12,950)	(27,022)	(32,932)
Profit for the period	35,244	44,476	123,230	127,691
Attributable to:				
Equity holders of the Company	31,113	40,905	110,762	117,630
Minority interests	4,131	3,571	12,468	10,061
	35,244	44,476	123,230	127,691
Earnings per share (sen)				
- basic	2.10	2.77	7.49	7.96
- diluted	2.10	2.76	7.49	7.94
Dividends per ordinary share (sen)	-	-	2.50	-
Dividends per preference share (sen)	-	-	-	1.0

Condensed Consolidated Balance Sheets
(The figures have not been audited)

	30.09.2008 RM '000	31.12.2007 RM '000
Capital and reserves attributable to the Company's equity holders		
Share capital	745,148	744,862
Share premium	427,221	426,974
Treasury shares	(25,524)	(17,094)
Revaluation and other reserves	282,873	266,233
Retained earnings	1,241,763	1,218,626
	2,671,481	2,639,601
Minority interests	88,555	89,384
TOTAL EQUITY	2,760,036	2,728,985
Represented by:		
Non current assets		
Property, plant and equipment	1,070,702	949,496
Long term prepaid lease	207,485	216,840
Investment property	1,170,506	1,235,097
Land held for property development	268,811	265,211
Associates	553,503	574,734
Other investments	6,212	6,846
Deferred tax assets	2,079	3,674
	3,279,298	3,251,898
Current assets		
Property development costs	135,147	148,344
Inventories	68,897	66,576
Marketable securities	46,438	73,534
Receivables	145,541	200,587
Amount owing by associates	122,229	122,933
Amount owing by a jointly controlled entity	7,463	18,208
Tax recoverable	2,968	5,633
Deposits with licensed banks	428,703	335,247
Cash and bank balances	128,717	119,136
	1,086,103	1,090,198
Non-current asset held for sale	22,997	-
	1,109,100	1,090,198
Less: Current liabilities		
Payables	417,935	589,046
Amount owing to associates	26,426	27,582
Borrowings	122,536	332,137
Tax	18,926	25,606
	585,823	974,371
Net current assets	523,277	115,827
Less: Non current liabilities		
Borrowings	955,049	545,383
Deferred taxation	87,490	93,357
	1,042,539	638,740
	2,760,036	2,728,985

IGB Corporation Berhad (5745-A)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2008

(The figures have not been audited)

	Attributable to equity holders						Minority Interests		
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		Non-distributable		Distributable		
	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000	Retained earnings RM '000	RM '000	Total RM '000
At 1 January 2008	1,489,724	744,862	(8,909)	(17,094)	426,974	266,233	1,218,626	89,384	2,728,985
Profit for the period	-	-	-	-	-	-	110,762	12,468	123,230
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	(200)	(200)
Purchase of treasury shares	-	-	(5,697)	(8,430)	-	-	-	-	(8,430)
Redemption of ICULS from minority interests	-	-	-	-	-	-	-	(4,000)	(4,000)
Issuance of ordinary shares in a subsidiary from the exercise of warrants	-	-	-	-	-	-	-	1,225	1,225
Issue of shares:									
Employees' Share Options	572	286	-	-	247	-	-	-	533
Currency translation differences	-	-	-	-	-	(7,544)	-	(327)	(7,871)
Dilution of shares in a subsidiary	-	-	-	-	-	295	(295)	128	128
Reversal of capital reserve and revaluation reserve on liquidation of foreign subsidiary	-	-	-	-	-	(686)	-	-	(686)
Reversal of deferred tax due to change in tax legislation	-	-	-	-	-	1,550	-	-	1,550
Creation of capital redemption reserve in subsidiaries	-	-	-	-	-	23,025	(23,025)	-	-
Net gain not recognised in income statement	-	-	-	-	-	16,640	(23,320)	(199)	(6,879)
Dividends	-	-	-	-	-	-	(64,305)	(10,123)	(74,428)
At 30 September 2008	1,490,296	745,148	(14,606)	(25,524)	427,221	282,873	1,241,763	88,555	2,760,036

IGB Corporation Berhad (5745-A)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2007

(The figures have not been audited)

	Attributable to equity holders								Minority Interests		
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		1% Irredeemable Convertible Preference Shares of RM1 each		Non-distributable	Distributable	Retained earnings	Minority Interests	Total
	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Number of shares '000	Nominal value RM '000	Share premium RM '000	Revaluation and other reserves RM '000			
At 1 January 2007	1,465,046	732,523	(17,330)	(20,066)	28,340	28,340	386,723	239,519	1,110,564	90,479	2,568,082
Profit for the period	-	-	-	-	-	-	-	-	117,630	10,061	127,691
Acquisition of additional shares in subsidiary	-	-	-	-	-	-	-	-	-	(11)	(11)
Disposal of treasury shares	-	-	14,675	16,992	-	-	21,010	-	-	-	38,002
Share buy-back	-	-	(5,086)	(11,579)	-	-	-	-	-	-	(11,579)
Redemption of ICULS from Minority Interest	-	-	-	-	-	-	-	-	-	(2,000)	(2,000)
Issue of shares:											
Employees' Share Options	3,175	1,588	-	-	-	-	1,419	-	-	-	3,007
Conversion of ICPS 2002/2007	21,225	10,627	-	-	(28,340)	(28,340)	17,713	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-	292	-	259	551
Creation of capital redemption reserve in a subsidiary	-	-	-	-	-	-	-	43	(43)	-	-
Realisation of revaluation reserve on disposal of an associate	-	-	-	-	-	-	-	(464)	-	-	(464)
Surplus on revaluation of property	-	-	-	-	-	-	-	4,363	-	-	4,363
Net gain not recognised in income statement	-	-	-	-	-	-	-	4,234	(43)	259	4,450
Dividends	-	-	-	-	-	-	-	-	(37,363)	(6,634)	(43,997)
At 30 September 2007	1,489,446	744,738	(7,741)	(14,653)	-	-	426,865	243,753	1,190,788	92,154	2,683,645

Condensed Consolidated Cash Flow Statements
(The figures have not been audited)

	30.09.2008 RM '000	30.09.2007 RM '000
Operating activities		
Receipts from customers	587,685	484,567
Payments to contractors, suppliers and employees	(454,829)	(259,335)
Cash flow from operations	132,856	225,232
Interest paid	(40,648)	(33,015)
Income taxes paid	(35,269)	(31,937)
Net cash generated from operating activities	56,939	160,280
Investing activities		
Proceeds from sale of shares in an associate	-	19,999
Disposal of subsidiary		2,036
Interest received	9,186	12,709
Proceeds from sale of investments	17,941	-
Proceeds from disposal of property, plant and equipment	1,395	4,200
Purchase of property, plant and equipment	(141,912)	(459,522)
Dividends received from associates	13,902	20,759
Repayments from associates	13,747	12,802
Net cash used in investing activities	(85,741)	(387,017)
Financing activities		
Proceeds from shares issued by the Company	533	3,007
Purchase of treasury shares	(8,430)	(11,579)
Proceeds from disposal of treasury shares	-	38,002
Dividends paid	(64,304)	(37,363)
Receipt of bank borrowings, net of repayments	200,275	41,641
Net cash generated from/(used in) financing activities	128,074	33,708
Foreign currencies exchange difference	4,914	(2,915)
Net decrease in cash and cash equivalents	104,186	(195,944)
Cash and cash equivalents at beginning of financial year	453,234	555,191
Cash and cash equivalents at end of period	557,420	359,247

**Explanatory notes to the Interim Financial Statements
for the nine months ended 30 September 2008**

M1 Basis of preparation

This Interim Report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard 134 – “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 together with Part A, Appendix 9B of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Listing Requirements, and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2007.

This interim financial report has been prepared based on accounting policies and methods of computation which are consistent with those adopted for the annual audited financial statements for the year financial ended 31 December 2007 except for the adoption of the following FRSs that are mandatory for financial periods beginning on or after 1 July 2007:

FRS 107 – Cash Flow Statements
FRS 111 – Construction Contracts
FRS 112 – Income Taxes
FRS 118 – Revenue
Amendment to FRS 121 – The Effects of Changes in Foreign Exchange Rates
FRS 137 – Provisions, Contingent Liabilities and Contingent Assets

M2 Qualification

The Audit Report of the Group’s annual financial statements for the financial year ended 31 December 2007 was not subject to any audit qualification.

M3 Seasonality or cyclicity

The Group’s operations were not materially affected by seasonal or cyclical factors.

M4 Significant unusual items

There were no significant unusual items that affect the assets, liabilities, equity, net income or cash flows other than those disclosed elsewhere in these notes.

M5 Material changes in estimates

Not applicable.

M6 Debt and equity securities

The Company's issued and paid-up share capital increased from RM744,862,003.50 on 31 December 2007 to RM745,148,003.50 on 30 September 2008 as follows:

Date of allotment	No. of shares allotted	Par Value RM	Type of issue	Total issued & paid-up RM
As at 31 December 2007				744,862,003.50
12.02.08	235,000	0.50	Exercise of IGB ESOS at RM0.93 per share	744,979,503.50
12.02.08	5,000	0.50	Exercise of IGB ESOS at RM1.05 per share	744,982,003.50
08.05.08	332,000	0.50	Exercise of IGB ESOS at RM0.93 per share	745,148,003.50

Shares repurchased during the current financial year to-date were as follows:

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
07.03.08 to 19.03.08	645,700	1.51	1.59	1,013,013.75
03.06.08 to 25.06.08	4,651,500	1.45	1.71	6,893,173.45
16.09.08 to 18.09.08	400,000	1.30	1.31	524,446.60
08.10.08 to 28.10.08	4,035,000	1.13	1.30	5,004,640.32
17.11.08 to 24.11.08	3,441,600	1.15	1.29	4,269,026.23
	13,173,800			17,704,300.35

The number of treasury shares held as at the date of this Report was 22,082,400 ordinary shares of RM0.50 each.

Other than the above, there were no issuances, cancellations, resale or repayments of debt and equity securities for the current year to-date.

M7 Dividends paid

An interim dividend of 2.5% tax exempt and 2.5% less tax for the financial year ended 31 December 2007 was paid on 23 May 2008.

An interim dividend of 2.5% tax exempt and 2.5% less tax for the financial year ended 31 December 2008 was paid on 26 September 2008.

(Incorporated in Malaysia)

M8 Segment Reporting

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
9 months ended 30 September 2008						
Revenue						
Total revenue	188,868	274,654	108,352	110,325	18,272	700,471
Intersegment revenue	(41,608)	(4,657)	(13,382)	(110,325)	(13,403)	(183,375)
External revenue	<u>147,260</u>	<u>269,997</u>	<u>94,970</u>	<u>-</u>	<u>4,869</u>	<u>517,096</u>
Results						
Segment results (external)	34,036	116,568	22,273	(249)	(9,629)	162,999
Unallocated income						9,186
Unallocated expense						(16,664)
Profit from operations						155,521
Finance costs						(38,316)
Share of after-tax results of associates	4,158	(881)	29,767	-	3	33,047
Profit from ordinary activities before tax						150,252
Tax-Company and subsidiaries						(27,022)
Profit for the period						<u>123,230</u>
Attributable to:						
Equity holders of the Company						110,762
Minority interests						<u>12,468</u>
						<u>123,230</u>

Unallocated income represents interest income while unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M8 Segment Reporting (continued..)

Business segments	Property development RM '000	Property investment RM '000	Hotel RM '000	Construction RM '000	Others RM '000	Group RM '000
9 months ended 30 September 2007						
Revenue						
Total revenue	256,078	179,113	103,021	215,762	36,898	790,872
Intersegment revenue	(64,718)	(3,979)	(2,719)	(215,762)	(23,003)	(310,181)
External revenue	<u>191,360</u>	<u>175,134</u>	<u>100,302</u>	<u>-</u>	<u>13,895</u>	<u>480,691</u>
Results						
Segment results (external)	42,085	86,648	36,100	-	(1,728)	163,105
Unallocated income						12,710
Unallocated expense						(16,957)
Profit from operations						158,858
Finance costs						(30,806)
Share of after-tax results of associates	660	577	25,003	-	3,050	29,290
Gain on disposal of an associate	-	-	3,281	-	-	3,281
Profit from ordinary activities before tax						160,623
Tax-Company and subsidiaries						(32,932)
Profit for the period						<u>127,691</u>
Attributable to:						
Equity holders of the Company						117,630
Minority interests						<u>10,061</u>
						<u>127,691</u>

Unallocated income represents interest income while unallocated expenses relates to head-office general administrative expenses that arise at the Group level and relate to the Group as a whole.

M9 Valuations

Valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

M10 Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period up to the date of this report other than as disclosed elsewhere in this report.

M11 Changes in the composition of the Group

On 24 January 2008, the Company announced to Bursa Malaysia that the Company had acquired the remaining 50% of the issued and paid-up share capital of Rapid Alpha Sdn Bhd resulting in Rapid Alpha Sdn Bhd becoming a wholly-owned subsidiary of the Company.

On 14 March 2008, the Company announced to Bursa Malaysia that TTD Sdn Bhd, a wholly-owned subsidiary of Tan & Tan Developments Berhad, which is in turn a wholly-owned subsidiary of the Company, had on 13 March 2008 acquired 100% in Sigma Setiaria Sdn Bhd comprising two ordinary shares of RM1.00 each fully paid at par.

On 1 July 2008, the Company announced to Bursa Malaysia that Tan & Tan Developments Berhad ('TTDB'), a wholly-owned subsidiary of the Company had entered into a conditional Share Purchase Agreement with Insas Berhad ('Insas') and Pantai Irama Ventures Sdn Bhd ('PIVSB') for the sale of 6,337,500 ordinary shares of RM1.00 each and 7,650,000 redeemable preference shares on RM0.05 each representing TTDB's entire equity interest in Gleneagles Hospital (Kuala Lumpur) Sdn Bhd ('GH') to be sold jointly with Insas's 4,225,000 ordinary shares of RM1.00 each and 5,100,000 redeemable preference shares on RM0.05 each in GH to PIVSB.

On 31 October 2008, the Company announced to Bursa Malaysia that in connection with the Members' Voluntary Liquidation of the Company's wholly-owned subsidiaries, namely City Beauty Sdn Bhd, IGB Credit Sdn Bhd, IGB Real Estate Sdn Bhd, Kilat Security Sdn Bhd, Lucravest Holdings Sdn Bhd and Mid Valley Food Management Sdn Bhd, the liquidator had on 31 October 2008 lodged Form 75 with the Companies Commission of Malaysia and Official Receiver pursuant to Section 281 of the Companies Act, 1965 and accordingly the six wholly-owned dormant subsidiaries have been dissolved.

On 19 November 2008, the Company announced to Bursa Malaysia that the disposal of Gleneagles Hospital (Kuala Lumpur) Sdn Bhd was completed.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2007.

K1 Review of performance

For the three months ended 30 September 2008, Group revenue achieved decreased by 25% to RM143.9 million when compared to the corresponding period in 2007 of RM192.5 million due mainly to lower contribution from the Property Development division.

Accordingly, Group pre-tax profit decreased by 23% to RM44.3 million when compared to pre-tax profit of RM57.4 million achieved in the corresponding period in 2007.

K2 Comparison with immediate preceding quarter

Group revenue achieved for the three months ended 30 September 2008 decreased by 32% to RM143.9 million when compared to RM211.2 million achieved for the three months ended 31 June 2008 due mainly to lower contribution from the Property Development division.

Accordingly, Group pre-tax profit achieved decreased by 23% to RM44.3 million when compared to the RM57.2 million reported in the immediate preceding quarter.

K3 Prospects for 2008

Based on results achieved to-date and barring unforeseen circumstances, the Board is cautiously optimistic that the Group's operational results for the current financial year will be satisfactory.

K4 Profit forecast/profit guarantee

The Group did not issue any profit forecast or profit guarantee.

K5 Tax

	Current quarter ended 30.09.2008 RM '000	Cumulative current Year-To-Date ended 30.09.2008 RM '000
Malaysian income tax		
- Company and subsidiaries	(11,686)	(36,869)
Transferred to deferred tax	2,684	9,938
	<u>(9,002)</u>	<u>(26,931)</u>
Overseas tax		
- Company and subsidiaries	(66)	(90)
	<u>(9,068)</u>	<u>(27,021)</u>

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate as losses incurred by certain subsidiaries were not allowed, for tax purposes, to be set-off against income of other subsidiaries.

The effective tax rate of the Group for the financial year to-date was lower than the statutory tax rate as certain income were not subjected to tax.

K6 Unquoted investments

There was no sale of unquoted investments for the current quarter and financial year to-date.

K7 Quoted securities

Total investments in quoted securities as at 30 September 2008 were as follows:

	RM '000
Total investments at cost	<u>61,382</u>
Total investments at carrying value/book value (after provision for diminution in value)	<u>46,437</u>
Total investments at market value at 30 September 2008	<u>48,374</u>

K8 Corporate proposals

No corporate proposals have been announced during the financial quarter under review up to the date of this report.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2008 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	300,000
Redeemable Bonds	447,207
Unsecured	
Term Loan	207,842
	<u>955,049</u>
Short term borrowings:	
Secured	
Current portion of Redeemable Bonds	40,000
Short term loan	
Unsecured	
Current portion of term loan	52,286
Short term loan	30,250
	<u>122,536</u>
TOTAL	<u><u>1,077,585</u></u>
Total equity as at 30 September 2008	<u><u>2,760,036</u></u>

K10 Financial instruments

The Group does not have any financial instruments with off balance sheet risk.

K11 Material litigation

There was no pending material litigation as at the date of this report which exceeds 5% of the net assets of the Group.

K12 Proposed dividends

No dividend is declared or proposed.

IGB Corporation Berhad (5745-A)
(Incorporated in Malaysia)

K13 Earnings per share

		Current Quarter ended 30.09.2008	Preceding Year Quarter ended 30.09.2007	Current Year To Date ended 30.09.2008	Preceding Year To Date ended 30.09.2007
Profit attributable to Equity Holders of the Company	RM '000	<u>31,113</u>	40,905	<u>110,762</u>	117,630
Weighted average number of ordinary shares in issue	'000	<u>1,478,167</u>	1,477,119	<u>1,478,167</u>	1,477,119
Basic earnings per share	sen	<u>2.10</u>	2.77	<u>7.49</u>	7.96
Profit for the period	RM '000	<u>31,113</u>	40,905	<u>110,762</u>	117,630
Weighted average number of ordinary shares in issue	'000	1,478,167	1,477,119	1,478,167	1,477,119
Adjustments for ICPS2002/2007	'000	-	3,961	-	3,961
Adjustments for share options	'000	78	1,049	78	1,049
Weighted average number of ordinary shares for diluted earnings per share	'000	<u>1,478,245</u>	1,482,129	<u>1,478,245</u>	1,482,129
Diluted earnings per share	sen	<u>2.10</u>	2.76	<u>7.49</u>	7.94

BY ORDER OF THE BOARD
TINA CHAN LAI YIN
Secretary

Kuala Lumpur
26 November 2008