

Interim Financial Report for the three months ended 30 September 2010

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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 30.09.2010 RM' 000	Preceding Year Quarter 30.09.2009 RM' 000	Current Year To Date 30.09.2010 RM' 000	Preceding Year To Date 30.09.2009 RM' 000
Revenue	178,571	154,693	504,381	476,131
Cost of sales	(68,933)	(61,945)	(184,476)	(206,990)
Gross profit	109,638	92,748	319,905	269,141
Other operating income	5,475	13,496	39,517	49,325
Administrative expenses	(41,620)	(25,157)	(134,546)	(96,674)
Other operating expenses	(4,598)	(10,055)	(17,958)	(17,748)
Profit from operations	68,895	71,032	206,918	204,044
Finance costs	(13,217)	(14,375)	(40,190)	(44,952)
Share of after-tax results of associates	12,686	10,676	23,248	20,645
Profit before tax	68,364	67,333	189,976	179,737
Less tax:				
Company and subsidiaries	(19,684)	(11,434)	(48,140)	(36,080)
Profit for the period	48,680	55,899	141,836	143,657
Attributable to:				
Equity holders of the Company	41,889	50,618	121,227	127,841
Non-controlling interests	6,791	5,281	20,609	15,816
	48,680	55,899	141,836	143,657
Earnings per share (sen)				
- basic	2.88	3.45	8.32	8.71
- diluted ^{note 1}	na	na	na	na
Dividends per ordinary share (sen)	-	-	-	-

Note 1:

Computation of diluted earnings per share is not applicable as there are no outstanding shares to be issued.

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

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

	Current Year Quarter 30.09.2010 RM' 000	Preceding Year Quarter 30.09.2009 RM' 000	Current Year To Date 30.09.2010 RM' 000	Preceding Year To Date 30.09.2009 RM' 000
Profit for the period	48,680	55,899	141,836	143,657
Other comprehensive income:				
Exchange differences on translating foreign operations-equity holders	(784)	111	(19,274)	23,981
Exchange differences on translating foreign operations -non-controlling interests	396	101	742	(21)
Realisation of revaluation surplus on property, plant and equipment, net of tax	-	-	-	-
Realisation of deferred tax on property, plant and equipment	74	-	220	-
Total comprehensive income for the period, net of tax	48,366	56,111	123,524	167,617
Total comprehensive income attributable to:				
Equity holders of the Company	41,178	50,729	102,173	151,822
Non-controlling interests	7,188	5,382	21,351	15,795
	48,366	56,111	123,524	167,617

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2010 RM '000	Audited 31.12.2009 RM '000
Capital and reserves attributable to the Company's equity holders		
Share capital	745,148	745,148
Share premium	427,221	427,221
Treasury shares	(59,291)	(48,474)
Revaluation and other reserves	333,520	353,451
Retained earnings	1,477,594	1,379,147
	2,924,192	2,856,493
Non-controlling interests	130,342	114,908
TOTAL EQUITY	3,054,534	2,971,401
Non current liabilities		
Borrowings	791,330	891,354
Financial liabilities at amortised cost	22,422	-
Deferred taxation	86,662	82,036
	900,414	973,390
Current liabilities		
Payables	325,520	395,627
Amount owing to associates	25,865	25,583
Amount owing to a jointly controlled entity	(8,213)	3,417
Borrowings	123,233	83,491
Tax	17,937	14,266
	484,342	522,384
TOTAL LIABILITIES	1,384,756	1,495,774
TOTAL EQUITY AND LIABILITIES	4,439,290	4,467,175
Non current assets		
Property, plant and equipment	857,256	829,037
Long term prepaid lease	4,236	4,829
Investment property	1,632,360	1,663,106
Land held for property development	254,880	267,152
Associates	548,722	550,724
Available for sale investments	6,452	6,212
Deferred tax assets	14,022	14,875
	3,317,928	3,335,935
Current assets		
Property development costs	107,825	95,769
Inventories	64,784	65,377
Financial assets at fair value through profit and loss	58,120	60,046
Receivables	98,049	129,099
Amount owing by associates	122,097	121,090
Tax recoverable	12,718	13,606
Deposits with licensed banks	560,793	542,587
Cash and bank balances	96,976	103,666
	1,121,362	1,131,240
TOTAL ASSETS	4,439,290	4,467,175

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2010
(The figures have not been audited)

	Attributable to equity holders										Non-controlling Interests
	Issued and fully paid ordinary shares of RM0.50 each		Treasury Shares ordinary shares of RM0.50 each		Non-distributable		Distributable		Total		
	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	RM '000	RM '000	
At 1 January 2010	1,490,296	745,148	(30,339)	(48,474)	427,221	353,451	1,379,147	114,908	2,971,401		
FRS 139 adjustments	-	-	-	-	-	-	3,717	-	3,717		
At 1 January 2010 - restated	1,490,296	745,148	(30,339)	(48,474)	427,221	353,451	1,382,864	114,908	2,975,118		
Total comprehensive income for the period	-	-	-	-	-	(19,931)	122,104	21,351	123,524		
Conversion of warrants to ordinary shares	-	-	-	-	-	-	-	860	860		
Share buy-back	-	-	(6,939)	(10,817)	-	-	-	(10,817)	(10,817)		
Issuance of redeemable preference shares in a subsidiary	-	-	-	-	-	-	-	469	469		
Dividends - ordinary shares	-	-	-	-	-	-	(27,374)	(7,246)	(34,620)		
At 30 September 2010	1,490,296	745,148	(37,278)	(59,291)	427,221	333,520	1,477,594	130,342	3,054,534		

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2009
(The figures have not been audited)

	Attributable to equity holders						Minority Interests		
	Issued and fully paid ordinary shares of RM0.50 each	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	Total RM '000
At 1 January 2009	1,490,296	745,148	(22,257)	(35,005)	427,221	332,206	1,218,811	90,616	2,778,997
Profit for the period	-	-	-	-	-	-	127,841	15,816	143,657
Purchase of treasury shares	-	-	(1,010)	(1,422)	-	-	-	-	(1,422)
Conversion of warrants to ordinary shares	-	-	-	-	-	-	-	13,299	13,299
Issuance of redeemable preference shares in a subsidiary	-	-	-	-	-	-	-	416	416
Currency translation differences from foreign associates	-	-	-	-	-	23,981	-	(21)	23,960
Dilution of shares in a subsidiary	-	-	-	-	-	-	-	(3,912)	(3,912)
Creation of a Capital Redemption Reserve by subsidiaries	-	-	-	-	-	24	(24)	-	-
Net gain not recognised in income statement	-	-	-	-	-	24,005	(24)	(3,933)	20,048
Dividends	-	-	-	-	-	-	-	(5,460)	(5,460)
At 30 September 2009	1,490,296	745,148	(23,267)	(36,427)	427,221	356,211	1,346,628	110,754	2,949,535

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

	30.09.2010 RM '000	30.09.2009 RM '000
Operating activities		
Receipts from customers	565,442	541,662
Payments to contractors, suppliers and employees	(311,535)	(326,931)
Cash flow from operations	253,907	214,731
Interest paid	(41,442)	(46,322)
Income taxes paid	(32,679)	(42,209)
Net cash generated from operating activities	179,786	126,200
Investing activities		
Dividends received from associates	15,263	18,449
Dividends received from investments	718	231
Interest received	8,796	7,100
Proceeds from disposal of property, plant and equipment	173	193
Purchase of property, plant and equipment	(64,936)	(68,211)
Repayments/(advances) from/(to) associates	(12,355)	(536)
Net cash used in investing activities	(52,341)	(42,774)
Financing activities		
Purchase of treasury shares	(10,817)	(1,422)
Repayment of bank borrowings, net of receipts	(61,220)	(97,896)
Dividends paid	(27,374)	-
Net cash used in financing activities	(99,411)	(99,318)
Foreign currencies exchange difference	(16,518)	1,595
Net decrease in cash and cash equivalents	11,516	(14,297)
Cash and cash equivalents at beginning of financial year	646,253	656,138
Cash and cash equivalents at end of period	657,769	641,841

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2010**

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 2009.

This Interim 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 2009 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations that are effective from 1 January 2010:

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
(Effective for annual periods beginning on or after 1 July 2009)
- FRS 101 Presentation of financial statements
- FRS 123 Borrowing costs
- FRS 139 Financial instruments: Recognition and Measurement
- FRS 140 Investment property
- Amendment to FRS 1 First-time adoption of financial reporting standards
- Amendment to FRS 2 Share-based payment: Vesting conditions and cancellations
- Amendment to FRS 5 Non-current assets held for sale and discontinued operations
- Amendment to FRS 107 Statement of cash flows
- Amendment to FRS 110 Events after the balance sheet date
- Amendment to FRS 116 Property, plant and equipment
- Amendment to FRS 117 Leases
- Amendment to FRS 118 Revenue
- Amendment to FRS 119 Employee benefits
- Amendment to FRS 127 Consolidated and separate financial statements
- Amendment to FRS 128 Investments in associates
- Amendment to FRS 131 Interests in joint ventures
- Amendment to FRS 132 Financial instruments: Presentation
- Amendment to FRS 134 Interim financial reporting
- Amendment to FRS 136 Impairment of assets
- Amendment to FRS 138 Intangible assets
- IC Interpretation 9 Reassessment of embedded derivatives
- IC Interpretation 10 Interim financial reporting and impairment
- IC Interpretation 11 FRS 2 Group and treasury share transactions
- IC Interpretation 13 Customer loyalty programmes
- IC Interpretation 14 FRS 119 - The limit on a defined benefit asset, minimum funding requirements and their interaction

M1 Basis of preparation (continued..)

The adoption of the above FRSs, Amendments to FRSs and Interpretations does not have any material impact on the financial statements of the Group except for the following:

FRS 8

FRS 8 requires disclosure of information about the Group's operating segments and replaced the requirement to determine primary and secondary reporting segments of the Group. The Group has determined that the operating segments in accordance with FRS 8 are the same as the business segments adopted for the financial year ended 31 December 2009. This standard does not have any effect on the financial position and results of the Group.

FRS 101

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. This standard does not have any impact on the financial position and results of the Group.

FRS 117

The amendments to FRS 117 requires that leases of land should be classified as either finance or operating using the general principles of FRS 117. The Group has reclassified the existing long term prepaid lease to property, plant and equipment and investment properties following this reassessment as follows:

	As previously reported RM '000	Effect of changes in accounting policy RM '000	As restated RM '000
Property, plant and equipment	827,683	1,354	829,037
Investment properties	1,464,888	198,218	1,663,106
Long term prepaid lease	204,401	(199,572)	4,829

This standard does not have any impact on the financial position and results of the Group.

FRS 139

This standard establishes principles for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments.

The effects of adopting FRS 139 on the Group are as follows:

1. Designation of Other Investments as Available-for-sale investments;
2. Designation of Marketable Securities as Financial Assets at fair value through profit or loss; and
3. Restatement of retained earnings as follows:

	RM '000
Retained earnings as at 31 December 2009 (as previously reported)	1,379,147
Fair value adjustment on financial assets at fair value through profit or loss	431
Amortisation of financial liabilities	3,347
Impairment of available-for-sale investment	(61)
Retained earnings as at 1 January 2010 (as restated)	1,382,864

IGB Corporation Berhad (5745-A)
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M2 Qualification

The Audit Report of the Group's annual financial statements for the financial year ended 31 December 2009 was not subject to any audit qualification.

M3 Seasonality or cyclical

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

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

Date	No. of shares	Lowest Price RM	Highest Price RM	Cost RM
Balance as at 31 December 2009	30,338,200	1.15	2.82	48,474,059.90
26.05.10	6,339,400	1.54	1.54	9,793,164.03
02.06.10	600,000	1.70	1.70	1,023,566.00
Balance as at 30 September 2010	37,277,600	1.15	2.82	59,290,789.93

The number of treasury shares held as at the date of this report was 37,277,600 ordinary shares of RM0.50 each.

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities, share buy backs and share cancellations for the current financial period.

M7 Dividends paid

An interim dividend of 5% less tax at 25% for the financial year ended 31 December 2009 was paid on 15 April 2010.

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 2010						
Revenue						
Total revenue	29,612	329,430	148,497	18,653	25,007	551,199
Intersegment revenue	-	(13,814)	(3,916)	(11,955)	(17,133)	(46,818)
External revenue	<u>29,612</u>	<u>315,616</u>	<u>144,581</u>	<u>6,698</u>	<u>7,874</u>	<u>504,381</u>
Results						
Segment results (external)	10,570	174,544	33,525	16	(3,530)	215,125
Unallocated income						8,796
Unallocated expense						(17,003)
Profit from operations						206,918
Finance costs						(40,190)
Share of after-tax results of associates	3,956	997	15,930	-	2,365	23,248
Profit from ordinary activities before tax						189,976
Tax-Company and subsidiaries						(48,140)
Profit for the period						<u>141,836</u>
Attributable to:						
Equity holders of the Company						121,227
Non-controlling interests						<u>20,609</u>
						<u>141,836</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 2009						
Revenue						
Total revenue	72,229	301,364	110,680	45,110	23,396	552,779
Intersegment revenue	-	(12,817)	(2,795)	(45,110)	(15,926)	(76,648)
External revenue	<u>72,229</u>	<u>288,547</u>	<u>107,885</u>	<u>-</u>	<u>7,470</u>	<u>476,131</u>
Results						
Segment results (external)	34,965	128,551	28,848	(56)	22,967	215,275
Unallocated income						7,100
Unallocated expense						(18,331)
Profit from operations						204,044
Finance costs						(44,952)
Share of after-tax results of associates	<u>4,172</u>	<u>667</u>	<u>15,651</u>	<u>-</u>	<u>155</u>	<u>20,645</u>
Profit from ordinary activities before tax						179,737
Tax-Company and subsidiaries						(36,080)
Profit for the period						<u>143,657</u>
Attributable to:						
Equity holders of the Company						127,841
Minority interests						<u>15,816</u>
						<u>143,657</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.

M11 Changes in the composition of the Group

On 12 January 2010, the Company announced to Bursa Malaysia that the Company had acquired 100% of the issued and paid-up share capital of Idaman Spektra Sdn Bhd comprising two ordinary shares of RM1.00 each fully paid at par.

On 20 May 2010, the Company announced to Bursa Malaysia that the following dormant wholly-owned subsidiary companies of the Group will be undertaking members' voluntary liquidation under Section 254(1) of the Companies Act 1965: Ipoh Garden Shopping Complex Sdn Bhd, K Parking Sdn Bhd, Mid Valley City Residences Sdn Bhd, Express Management Consultants Sdn Bhd, Pinex Sdn Bhd, T-Bond Construction Sdn Bhd and Teamwork M & E Sdn Bhd.

On 15 June 2010, the Company announced to Bursa Malaysia that Angkasa Gagah Sdn Bhd, an indirect wholly-owned subsidiary of the Company and IJM Properties Sdn Bhd have mutually agreed to terminate a Joint Venture Agreement which had earlier been announced to Bursa Malaysia on 19 October 2006.

On 24 September 2010, the Company announced to Bursa Malaysia that following an application made by the Company to the Companies Commission of Malaysia ("CCM"), CCM had vide its letter dated 24 September 2010 advised that Permata Dunia Sdn Bhd, a dormant wholly-owned subsidiary of the Company, will be struck off the register and dissolved upon expiration of 3 months from 24 September 2010 under Section 308(2) of the Companies Act 1965.

On 26 October 2010, the Company announced to Bursa Malaysia that following an application made by the Company to the Companies Commission of Malaysia ("CCM"), CCM had vide its letter dated 25 October 2010 advised that Amanbest Sdn Bhd, a dormant wholly-owned subsidiary of the Company, will be struck off the register and dissolved upon expiration of 3 months from 25 October 2010 under Section 308(2) of the Companies Act 1965.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2009.

K1 Review of performance

For the three months ended 30 September 2010, Group revenue increased by 15% to RM178.6 million when compared to the corresponding period in 2009 of RM154.7 million due mainly to higher contributions from the Property Investment and Hotel divisions.

Accordingly, Group pre-tax profit increased by 2% to RM68.4 million when compared to pre-tax profit of RM67.3 million achieved in the corresponding period in 2009.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2010 increased by 5% to RM178.6 million when compared to Group revenue of RM169.7 million for the three months ended 30 June 2010 as a result of higher contributions from most operating divisions.

Accordingly, Group pre-tax profit increased by 8% to RM68.4 million when compared to the RM63.3 million reported in the immediate preceding quarter.

K3 Prospects for 2010

Barring unforeseen circumstances, the Board is optimistic that the Group's operational results for the current financial year will be better than the previous financial year.

K4 Profit forecast/profit guarantee

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

K5 Tax

	Current quarter ended 30.09.2010 RM '000	Cumulative current Year-To-Date ended 30.09.2010 RM '000
Malaysian income tax		
- Company and subsidiaries	10,232	35,082
Under provision in previous year	3,185	2,156
Transferred from deferred tax	6,317	10,902
	<u>19,734</u>	<u>48,140</u>
Overseas tax		
- Company and subsidiaries	(50)	-
	<u>19,684</u>	<u>48,140</u>

The effective tax rate of the Group for the current quarter as well as for the financial year to-date was higher than the statutory tax rate as certain expenses were not allowable for tax deductions.

K6 Unquoted investments

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

K7 Financial assets at fair value

Total financial assets at fair value as at 30 September 2010 were as follows:

	RM '000
Total financial assets at cost	<u>61,382</u>
Total financial assets at fair value (after provision for diminution in value)	<u>58,118</u>
Total financial assets at market value at 30 Sept 2010	<u>58,118</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 2010 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	240,000
Redeemable Bonds	349,715
Unsecured	
Term Loan	201,615
	<u>791,330</u>
Short term borrowings:	
Secured	
Current portion of Redeemable Bonds	50,000
Unsecured	
Current portion of term loan	63,108
Short term loan	10,125
	<u>123,233</u>
TOTAL	<u>914,563</u>
Total equity as at 30 September 2010	<u>3,054,534</u>

K10 Financial instruments

The Group does not have any financial instruments with off-balance sheet risk. With the adoption of FRS 139, off-balance sheet financial instruments will be recognized in the balance sheet.

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 interim dividend has been declared for this quarter.

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

K13 Earnings per share

		Current Quarter ended 30.09.2010	Preceding Year Quarter ended 30.09.2009	Current Year To Date ended 30.09.2010	Preceding Year To Date ended 30.09.2009
Profit for the period	RM '000	<u>41,889</u>	<u>50,618</u>	<u>121,227</u>	<u>127,841</u>
Weighted average number of ordinary shares in issue	'000	<u>1,456,720</u>	<u>1,467,347</u>	<u>1,456,720</u>	<u>1,467,347</u>
Basic earnings per share	sen	<u><u>2.88</u></u>	<u><u>3.45</u></u>	<u><u>8.32</u></u>	<u><u>8.71</u></u>

Note: Computation of diluted earnings for share is not applicable as there are no outstanding shares to be issued.

BY ORDER OF THE BOARD
TINA CHAN LAI YIN
Secretary

Kuala Lumpur
23 November 2010