

Interim Financial Report for the three months ended 30 September 2011

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Note:

M1 to M12 are explanatory notes in accordance with FRS134.

K1 to K15 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 30.09.2011 RM' 000	Preceding Year Quarter 30.09.2010 RM' 000	Current Year To Date 30.09.2011 RM' 000	Preceding Year To Date 30.09.2010 RM' 000
Revenue	186,060	178,571	547,100	504,381
Cost of sales	(56,184)	(68,933)	(180,566)	(184,476)
Gross profit	129,876	109,638	366,534	319,905
Other operating income	13,709	5,475	37,920	39,517
Administrative expenses	(43,266)	(41,620)	(132,243)	(134,546)
Other operating expenses	4,659	(4,598)	(1,148)	(17,958)
Profit from operations	104,978	68,895	271,063	206,918
Finance costs	(16,519)	(13,217)	(44,259)	(40,190)
Share of after-tax results of associates	2,115	12,686	8,369	23,248
Profit before tax	90,574	68,364	235,173	189,976
Less tax:				
Company and subsidiaries	(24,514)	(19,684)	(67,431)	(48,140)
Profit for the period	66,060	48,680	167,742	141,836
Attributable to:				
Equity holders of the Company	59,488	41,889	145,772	121,227
Minority interests	6,572	6,791	21,970	20,609
	66,060	48,680	167,742	141,836
Earnings per share (sen)				
- basic	4.05	2.88	9.93	8.32
- diluted ^{note 1}	na	na	na	na
Dividends per ordinary share (sen)	-	-	5.0	-

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 30.09.2011 RM' 000	Preceding Year Quarter 30.09.2010 RM' 000	Current Year To Date 30.09.2011 RM' 000	Preceding Year To Date 30.09.2010 RM' 000
Profit for the period	66,060	48,680	167,742	141,836
Other comprehensive income:				
Exchange differences on translating foreign operations-equity holders	5,897	(784)	6,365	(19,274)
Exchange differences on translating foreign operations-minority interests	(323)	396	(179)	742
Share of an associate's realisation revaluation surplus on property, plant and equipment, net of tax	(58)	-	(177)	-
Realisation of deferred tax on property, plant and equipment	<u>-</u>	<u>74</u>	<u>4,900</u>	<u>220</u>
Total comprehensive income for the period, net of tax	<u>71,576</u>	<u>48,366</u>	<u>178,651</u>	<u>123,524</u>
Total comprehensive income attributable to:				
Equity holders of the Company	65,326	41,178	156,860	102,173
Minority interests	<u>6,250</u>	<u>7,188</u>	<u>21,791</u>	<u>21,351</u>
	<u>71,576</u>	<u>48,366</u>	<u>178,651</u>	<u>123,524</u>

Condensed Consolidated Statements of Financial Position

(The figures have not been audited)

	30.09.2011 RM '000	Audited 31.12.2010 RM '000
Capital and reserves attributable to the Company's equity holders		
Share capital	745,148	745,148
Share premium	404,112	427,221
Treasury shares	(48,788)	(59,301)
Revaluation and other reserves	448,258	437,827
Retained earnings	1,611,660	1,554,694
	3,160,390	3,105,589
Minority interests	211,240	149,613
TOTAL EQUITY	3,371,630	3,255,202
Represented by:		
Non current assets		
Property, plant and equipment	949,676	948,877
Long term prepaid lease	4,120	4,186
Investment properties	1,887,211	1,750,583
Land held for property development	290,159	277,564
Investments in associates	534,055	544,230
Available-for-sale financial assets	6,451	6,152
Deferred tax assets	9,293	9,209
	3,680,965	3,540,801
Current assets		
Property development costs	145,340	144,455
Inventories	67,392	64,809
Financial assets at fair value through profit or loss	26,875	60,438
Trade and other receivables	86,339	93,215
Amounts owing by associates	141,585	130,663
Amount owing by a jointly controlled entity	4,990	11,071
Tax recoverable	3,404	11,637
Cash held in Housing Development Accounts	27,800	47,901
Cash and bank balances	844,163	580,856
	1,347,888	1,145,045
Less: Current liabilities		
Trade and other payables	274,278	404,447
Amounts owing to associates	25,120	26,321
Borrowings	331,098	252,197
Current tax payable	29,462	23,394
	659,958	706,359
Net current assets	687,930	438,686
Less: Non current liabilities		
Trade and other payables	38,759	30,728
Borrowings	831,445	580,000
Deferred tax liabilities	127,061	113,557
	997,265	724,285
	3,371,630	3,255,202

Condensed Consolidated Statement of Changes in Equity for the nine months ended 30 September 2011
(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		Total 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	Retained earnings RM '000	RM '000	RM '000		
At 1 January 2011	1,490,296	745,148	(37,283)	(59,301)	427,221	437,827	1,554,694	149,613	3,255,202		
Total comprehensive income for the period	-	-	-	-	-	10,431	146,429	21,791	178,651		
Purchase of treasury shares	-	-	(6,424)	(12,596)	-	-	-	-	(12,596)		
Distribution of treasury shares as dividend	-	-	14,528	23,109	(23,109)	-	-	-	-		
Conversion of warrants to ordinary shares of a subsidiary	-	-	-	-	-	-	205	25,572	25,777		
Disposal of shares in a subsidiary which does not result in a change in control	-	-	-	-	-	-	(7,579)	7,579	-		
Equity portion of convertible bonds of a subsidiary	-	-	-	-	-	-	-	14,628	14,628		
Dividends	-	-	-	-	-	-	(82,089)	(7,943)	(90,032)		
At 30 September 2011	1,490,296	745,148	(29,179)	(48,788)	404,112	448,258	1,611,660	211,240	3,371,630		

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							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	Total RM '000
At 1 January 2010	1,490,296	745,148	(30,339)	(48,474)	427,221	353,451	1,379,147	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	2,975,118
Total comprehensive income for the period	-	-	-	-	-	(19,931)	122,104	123,524
Conversion of warrants to ordinary shares	-	-	-	-	-	-	-	860
Share buy-back	-	-	(6,939)	(10,817)	-	-	-	(10,817)
Issuance of redeemable preference shares in a subsidiary	-	-	-	-	-	-	-	469
Dividends - ordinary shares	-	-	-	-	-	-	(27,374)	(7,246)
At 30 September 2010	1,490,296	745,148	(37,278)	(59,291)	427,221	333,520	1,477,594	3,054,534

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

	30.09.2011 RM '000	30.09.2010 RM '000
Operating activities		
Receipts from customers	572,181	565,442
Payments to contractors, suppliers and employees	(363,016)	(311,535)
Cash flow from operations	209,165	253,907
Interest paid	(48,767)	(41,442)
Income taxes paid	(29,628)	(32,679)
Net cash generated from operating activities	130,770	179,786
Investing activities		
Dividends received from associates	31,675	15,263
Dividends received from investments	432	718
Interest received	17,418	8,796
Proceeds from disposal of property, plant and equipment	183	173
Proceeds from disposal of financial assets	33,932	-
Purchase of property, plant and equipment	(221,361)	(64,936)
Repayments/(advances) from/(to) associates	(6,042)	(12,355)
Net cash from/(used in) investing activities	(143,763)	(52,341)
Financing activities		
Purchase of treasury shares	(12,596)	(10,817)
Receipts from bank borrowings, net of repayments	78,901	(61,220)
Proceeds from issuance of Redeemable Convertible Bonds	267,790	-
Dividends paid	(82,089)	(27,374)
Net cash from/(used) in financing activities	252,006	(99,411)
Foreign currencies exchange difference	4,193	(16,518)
Net decrease in cash and cash equivalents	243,206	11,516
Cash and cash equivalents at beginning of financial year	628,757	646,253
Cash and cash equivalents at end of period	871,963	657,769

**Explanatory notes to the Interim Financial Statements
for the three months ended 30 September 2011**

M1 Basis of preparation

This Interim Financial 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 2010.

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 2010 except for the adoption of the following revised Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations that are applicable for the current financial year:

(Effective for annual periods beginning on or after 1 March 2010)

- Amendment to FRS 132 Financial instruments: Presentation

(Effective for annual periods beginning on or after 1 July 2010)

- Revised FRS 3 Business combinations
- Revised FRS 127 Consolidated and separate financial statements
- Amendments to FRS 138 Intangible assets
- IC Interpretation 9 Reassessment of embedded derivatives

(Effective for annual periods beginning on or after 1 January 2011)

- Amendments to FRS 1 First-time adoption of financial reporting standards
- Amendments to FRS 7 Financial instruments: Disclosures
- IC Interpretation 14 Interim financial reporting and impairment

The adoption of the above revised FRSs, Amendments to FRSs and Interpretations did not have any material impact on the financial statements of the Group.

M2 Qualification

The Audit Report of the Group’s annual financial statements for the financial year ended 31 December 2010 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

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 2010	37,282,600	1.15	2.82	59,300,914
Distribution as Share Dividend	(14,528,233)			(23,108,607)
Purchased in May 2011	10,000	2.12	2.12	21,356
Balance as at 30 June 2010	22,764,367	1.15	2.82	36,213,662
Purchased in August 2011	4,955,600	1.92	2.03	9,820,895
Purchased in September 2011	1,459,000	1.80	1.93	2,753,578
Balance as at 30 September 2011	29,178,967	1.15	2.82	48,788,135
Purchased in October 2011	117,500	1.80	1.80	212,398
As at reporting date	29,296,467	1.15	2.82	49,000,533

The number of treasury shares held as at the date of this report was 29,296,467 ordinary shares of RM0.50 each.

Other than the above, there were no other 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 2010 was paid on 8 April 2011.

A share dividend by way of distribution of 14,528,233 treasury shares on the basis of one (1) treasury share for every one hundred (100) existing shares held was also completed on 8 April 2011, on which date the treasury shares were credited into the entitled Depositors' Securities Accounts.

An interim dividend of 10% less tax at 25% for the financial year ending 31 December 2011 was paid on 30 September 2011.

IGB Corporation Berhad (5745-A)
(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 2011						
Revenue						
Total revenue	20,118	357,234	168,626	25,248	26,930	598,156
Intersegment revenue	-	(14,360)	(4,595)	(14,594)	(17,507)	(51,056)
External revenue	<u>20,118</u>	<u>342,874</u>	<u>164,031</u>	<u>10,654</u>	<u>9,423</u>	<u>547,100</u>
Results						
Segment results (external)	21,327	198,827	51,267	(594)	1,753	272,580
Unallocated income						17,418
Unallocated expense						<u>(18,935)</u>
Profit from operations						271,063
Finance costs						(44,259)
Share of after-tax results of associates	<u>2,250</u>	<u>693</u>	<u>5,350</u>	<u>-</u>	<u>76</u>	<u>8,369</u>
Profit from ordinary activities before tax						235,173
Tax-Company and subsidiaries						<u>(67,431)</u>
Profit for the period						<u>167,742</u>
Attributable to:						
Equity holders of the Company						145,772
Minority interests						<u>21,970</u>
						<u>167,742</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 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	29,612	315,616	144,581	6,698	7,874	504,381
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						141,836
Attributable to:						
Equity holders of the Company						121,227
Non-controlling interests						20,609
						141,836

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 27 January 2011, the Company announced to Bursa Malaysia that the following wholly-owned subsidiaries will be dissolved on 28 January 2011 pursuant to Section 272(5) of the Companies Act 1965 ie K Parking Sdn Bhd, Mid Valley Residences Sdn Bhd and T-Bond Construction Sdn Bhd.

On 28 March 2011, the Company announced to Bursa Malaysia that Cititel Hotel Management Sdn Bhd, a 60%-owned subsidiary, had on 28 March 2011 incorporated a wholly-owned subsidiary known as St Giles Hotels (Asia) Limited under the Labuan Companies Act 1990.

Further to the Company's announcement on 20 May 2010 in respect of the members' voluntary winding-up of the following four wholly-owned subsidiaries, the Company had on 13 September 2011, announced to Bursa Malaysia that the Liquidator had convened the final meetings of these four wholly-owned subsidiaries on 12 September 2011 and on the expiration of 3 months from 12 September 2011, the four companies will be dissolved. The four companies are Teamwork M & E Sdn Bhd, Ipoh Garden Shopping Complex Sdn Bhd, Pinex Sdn Bhd and Express Management Consultants Sdn Bhd.

M12 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 December 2010.

K1 Review of performance

For the three months ended 30 September 2011, Group revenue increased by 4% to RM186.1 million when compared to the corresponding period in 2010 of RM178.6 million due to higher contributions from the Property Investment and Hotel divisions.

Correspondingly, Group pre-tax profit increased by 32% to RM90.6 million when compared to pre-tax profit of RM68.4 million achieved in the corresponding period in 2010 due mainly to improved performance by the Hotel division.

K2 Comparison with immediate preceding quarter

Group revenue for the three months ended 30 September 2011 increased by 3% to RM186.1 million when compared to the RM181.0 million for the three months ended 30 June 2011 due to higher contributions from all operating divisions.

Group pre-tax profit increased by 20% to RM90.6 million when compared to the RM75.3 million reported in the immediate preceding quarter as a result of better performances by all operating divisions.

K3 Prospects for 2011

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 30.09.2011 RM '000	Cumulative current Year-To-Date ended 30.09.2011 RM '000
Malaysian income tax		
- Company and subsidiaries	14,995	48,315
Under provision in previous year	-	77
Transferred from deferred tax	9,481	15,681
	<u>24,476</u>	<u>64,073</u>
Overseas tax		
- Company and subsidiaries	38	104
Under provision of previous year's deferred tax	-	3,254
	<u>24,514</u>	<u>67,431</u>

The effective tax rate of the Group for the current quarter and for the financial year to-date was higher than the statutory tax rate as Group relief is not available for set-off of losses of certain subsidiaries.

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 2011 were as follows:

	RM '000
Total financial assets at cost	<u>29,093</u>
Total financial assets at fair value (after provision for diminution in value)	<u>26,874</u>
Total financial assets at market value at 30 September 2011	<u>26,874</u>

Subsequent to the end of the current quarter, financial assets at cost amounting to RM5.5 million were disposed off, realizing net cash proceeds of RM6.1 million.

K8 Corporate proposals

Disposal of Mid Valley City Gardens Sdn Bhd ("MVCG") by the Company to KrisAssets Holdings Berhad ("KrisAssets"), a 75%-owned subsidiary.

On 14 February 2011, it was announced to Bursa Malaysia that the Company had on 14 February 2011 entered into a Heads of Agreement with KrisAssets for the proposed disposal of 100,000 ordinary shares of RM1.00 each representing the entire issued and paid-up ordinary share capital in MVCG for a cash consideration.

On 25 March 2011, it was announced to Bursa Malaysia that the Company had on 25 March 2011 entered into a conditional share sale agreement with KrisAssets for the proposed disposal of its 100% equity interest in MVCG for a cash consideration of RM215,710,000 upon the terms and subject to the conditions contained therein.

On 28 April 2011, it was announced to Bursa Malaysia that KriAssets had on 28 April 2011 submitted the valuation report dated 25 April 2011 prepared by the independent valuer, Jordan Lee & Jaafar Sdn Bhd in respect of the Gardens Mall.

On 1 August 2011, it was announced to Bursa Malaysia that the disposal consideration has been adjusted from RM215,710,000 to RM222,679,000 pursuant to the adjustment clause in the Share Sale Agreement dated 25 March 2011 and that the disposal was completed on 29 July 2011.

K9 Group borrowings and debt securities

Group borrowings as at 30 September 2011 were as follows:

	RM '000
Long term borrowings:	
Secured	
Term Loan	380,000
Redeemable Bonds	451,445
	<u>831,445</u>
Short term borrowings:	
Secured	
Current portion of term loan	100,000
Short term loan	117,828
Unsecured	
Short term loan	113,270
	<u>331,098</u>
TOTAL	<u>1,162,543</u>
Total equity as at 30 September 2011	<u>3,371,630</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 dividend

No dividend has been declared during the current quarter.

K13 Earnings per share

		Current Quarter ended 30.09.2011	Preceding Year Quarter ended 30.09.2010	Current Year To Date ended 30.09.2011	Preceding Year To Date ended 30.09.2010
Profit for the period	RM '000	<u>59,488</u>	<u>41,889</u>	<u>145,772</u>	<u>121,227</u>
Weighted average number of ordinary shares in issue	'000	<u>1,468,433</u>	<u>1,456,720</u>	<u>1,468,433</u>	<u>1,456,720</u>
Basic earnings per share	sen	<u>4.05</u>	<u>2.88</u>	<u>9.93</u>	<u>8.32</u>

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

K14 Realised and unrealised retained earnings

	As at 30.09.2011 RM '000	As at 31.12.2010 RM '000
Total retained earnings		
i) Company and subsidiaries		
- realised profit	1,840,433	1,747,262
- unrealised loss	(148,103)	(110,162)
	1,692,330	1,637,100
ii) Associates		
- realised profit	196,669	200,431
- unrealised (loss)/profit	6,550	(277)
	203,219	200,154
iii) Group consolidation adjustments	(280,452)	(282,560)
Total Group retained earnings as per unaudited consolidated statement of financial position	1,615,097	1,554,694

K15 Authorisation for issue

This Interim Financial Report was authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 23 November 2011.