



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three-month period ended 31 March 2007

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 3 months ended	
		31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Revenue		20,313	18,468	20,313	18,468
Cost of Sales		(23,116)	(14,702)	(23,116)	(14,702)
Gross (Loss)/Profit		(2,803)	3,766	(2,803)	3,766
Other Income		17	13	17	13
Net increment in net market value of nursery plants		12	-	12	-
Administrative Expenses		(2,186)	(2,938)	(2,186)	(2,938)
Selling and Marketing Expenses		(11)	(193)	(11)	(193)
Finance Costs		(511)	(4)	(511)	(4)
(Loss)/Profit Before Tax		(5,482)	644	(5,482)	644
Income Tax Expense	23	(607)	(231)	(607)	(231)
(Loss)/Profit for the Period Attributable to Equity Holders of the Company		(6,089)	413	(6,089)	413
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for (loss)/profit for the period (Sen)	31	(6.12)	0.46	(6.12)	0.46
Diluted, for (loss)/profit for the period (Sen)	31	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 March 2007 and 31 December 2006

(The figures for 31 March 2007 have not been audited)

	Note	Unaudited As at 31 March 2007 RM'000	Audited As at 31 December 2006 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment	10	3,374	3,471
Land held for property development		74,589	74,589
Deferred tax assets		2,172	2,780
		80,135	80,840
Current Assets			
Property development costs		123,084	130,585
Inventories		1,581	1,810
Trade receivables	17	49,163	62,142
Other receivables		5,818	5,301
Amount due from deemed ultimate holding company		-	9
Deposits with licensed banks and finance companies		28	3,467
Cash and bank balances		5,500	3,057
		185,174	206,371
TOTAL ASSETS		265,309	287,211
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		99,494	99,494
Share premium		7,733	7,733
Reserve on consolidation		-	-
Retained earnings		49,076	55,165
Total Equity		156,303	162,392
Non-Current Liabilities			
Borrowings	27	28,303	34,750
Deferred tax liabilities		252	252
		28,555	35,002
Current Liabilities			
Borrowings	27	69,299	76,857
Trade payables	18	9,772	11,134
Other payables		1,182	1,804
Amount due to deemed ultimate holding company		2	2
Current tax payable		181	-
Dividends payable		15	20
		80,451	89,817
Total Liabilities		109,006	124,819
TOTAL EQUITY AND LIABILITIES		265,309	287,211

The condensed consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2007

(The figures have not been audited)

	← Attributable to Equity Holders of the Company →				Total Equity RM'000
	Share Capital RM'000	← Non-Distributable → Share Premium RM'000	Reserve on Consolidation RM'000	Distributable Retained Earnings RM'000	
At 1 January 2006	90,000	2,416	3,837	49,218	145,471
Effects of adopting FRS 3	-	-	(3,837)	3,837	-
Profit for the period	-	-	-	413	413
At 31 March 2006	90,000	2,416	-	53,468	145,884
At 1 January 2007	99,494	7,733	-	55,165	162,392
Loss for the period	-	-	-	(6,089)	(6,089)
At 31 March 2007	99,494	7,733	-	49,076	156,303

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the three-month period ended 31 March 2007

(The figures have not been audited)

	3 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000
Net cash generated from operating activities	13,641	2,384
Net cash used in investing activities	(116)	(46)
Net cash used in financing activities	(8,752)	(980)
Net increase in cash and cash equivalents	4,773	1,358
Cash and cash equivalents at beginning of financial period	(1,687)	5,127
Cash and cash equivalents at end of financial period	3,086	6,485

Cash and cash equivalents at the end of the financial period comprised the following:

	As at 31 March 2007 RM'000	As at 31 March 2006 RM'000
Cash and bank balances	5,500	5,011
Deposits with licensed banks and finance companies	28	3,031
Bank overdrafts (included in short-term borrowings in Note 27)	(2,442)	(1,557)
	3,086	6,485

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (Company No. 011286-P)

PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

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 2006. 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 the year ended 31 December 2006.

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 2006 except for the adoption of the following new/revised Financial Reporting Standards (“FRSs”):

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of FRS 117 and FRS 124 does not have significant financial impact on the Group.

The Group has not early adopted the deferred FRS 139 - Financial Instruments : Recognition and measurement.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the financial year ended 31 December 2006 was not qualified.



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4. Comments about Seasonal or Cyclical Factors

The Group's performance was not materially affected by any seasonal or cyclical factors for the quarter under review.

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2007.

6. Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter's results.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current interim period.

8. Dividends Paid

There were no dividends paid during the quarter under review.

9. Segmental Information

Segmental information is not presented as the Group is principally engaged in realty development in Malaysia. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

10. Carrying Amount of Revalued Assets

There were no revalued assets carried in the financial statements of the Group for the year ended 31 December 2006 and in the current interim period.

The carrying amounts of property, plant and equipment have been brought forward without any amendment from the financial statements for the year ended 31 December 2006.



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11. Subsequent Events

There were no material events subsequent to the end of the current quarter that were not reflected in the financial statements for the said period, made up to the date of this interim report.

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

13. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2006 till the date of this quarterly report.

14. Capital Commitments

There were no capital commitments in respect of the Group that have arisen since 31 December 2006 to the date of this interim report.

15. Directors and Key Management Personnel Compensation

The total compensation to Directors of Ibraco Berhad and other members of key management during the quarter under review were as follows:

	3 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000
Directors	319	418
Key management personnel	194	392



IBRACO BERHAD (Company No. 011286-P)

16. Related Party Transactions

The following are transactions entered into with Directors of the Company and with companies in which certain directors have substantial financial interest:

	Transaction value 3 months ended 31 March		Balance outstanding 3 months ended 31 March	
	2007	2006	2007	2006
Directors & Key Management personnel	RM'000	RM'000	RM'000	RM'000
Sale of developed property to Deanna Ibrahim @ Sorayah bt. Abdullah (a)	486	-	462	-
Ibraco Properties Sdn. Bhd. (b)				
Landscape maintenance work	27	-	9	-
Rental of lands	28	20	-	-
Acquisition of certain landed properties	-	26,796	-	-
Syarikat Pemegang Palma Lilin Sdn. Bhd. (b)				
Rental paid for office premises	119	119	-	-
Irama Tabuan Sdn. Bhd. (c)				
Purchase of goods and other sundries	3	6	-	-

Notes

- (a) Deanna Ibrahim @ Sorayah bt. Abdullah is the Executive Chairman and Non-Independent Director of Ibraco Berhad. The transaction was entered into on 26 March 2007.
- (b) Companies in which Deanna Ibrahim @ Sorayah bt Abdullah, Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Sharifah Deborah Sophia Ibrahim and Wan Aziz Ibrahim have significant interest.
- (c) Company in which Wan Kamal Ibrahim bin Wan Alwi Ibrahim holds a majority interest.

All the transactions above were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the normal course of business of the Group.



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17. Trade Receivables

	Unaudited 31 March 2007 RM'000	Audited 31 December 2006 RM'000
Trade receivables	18,383	24,318
Accrued billings in respect of property development costs	30,780	37,824
	<u>49,163</u>	<u>62,142</u>

18. Trade Payables

	Unaudited 31 March 2007 RM'000	Audited 31 December 2006 RM'000
Trade payables	5,927	5,527
Provision for projects	3,845	5,607
	<u>9,772</u>	<u>11,134</u>



IBRACO BERHAD (Company No. 011286-P)

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

19. Review of Performance

The Group's revenue for the current financial quarter ended 31 March 2007 increased to RM20.31 Million from RM18.47 Million in the corresponding financial quarter ended 31 March 2006.

However, the Group recorded a loss before tax of RM5.48 million compared to a profit before tax of RM0.6 Million achieved in the prior financial quarter ended 31 March 2006, due largely to the substantial increase in project construction cost arising from increased prices of major building materials and unforeseen site costs.

20. Comparison with Preceding Quarter's Results

The Group's turnover and loss before tax for the current quarter were RM20.31 Million and RM5.48 Million respectively. The Group's turnover and profit before tax for the immediate preceding quarter ended 31 December 2006 were RM33.66 Million and RM6.32 Million respectively. The immediate preceding quarter's performance was mainly contributed by sale of exclusive detached lots which generally give a much higher profit margin compared to a mixed development project. The current quarter's subdued performance was the result of increased project construction cost and reduced sales due to the prevailing sluggish market environment.

21. Prospects

The Directors maintain the view that the overall performance of the Group will depend substantially on the performance of the property market in Kuching and the cost of major construction materials.

22. Actual Profit against Forecast Profit and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.



IBRACO BERHAD (Company No. 011286-P)

23. Income Tax Expense

	3 months ended		3 months ended	
	31 March 2007 RM'000	31 March 2006 RM'000	31 March 2007 RM'000	31 March 2006 RM'000
Current tax:				
Malaysian income tax	-	205	-	205
Deferred tax	607	26	607	26
Total income tax expense	<u>607</u>	<u>231</u>	<u>607</u>	<u>231</u>

An additional assessment of tax payable was raised by Inland Revenue Board against a subsidiary company. The Group has however not recognised this additional assessment as the Group is appealing against the assessment, the outcome of which is unknown.

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to the reversal of deferred tax assets arising from reduction of inter-company profit and losses of certain subsidiaries which cannot be set off against taxable profit made by the parent company.

24. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties during the current quarter under review and the financial period ended 31 March 2007.

25. Quoted Securities

There was no purchase or sale of quoted investments during the current quarter under review and the financial period ended 31 March 2007.

26. Status of Corporate Proposals

All announced corporate proposals have been completed as at the date of this quarterly report.



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27. Borrowings and Debt Securities

	Unaudited As at 31 March 2007 RM'000	Audited As at 31 December 2006 RM'000
Short term borrowings		
Secured: Bank overdrafts	91	3,627
Term loans	11,000	10,500
Trade financings	25,000	25,000
Unsecured : Bank overdrafts	2,351	4,584
Trade financings	30,857	33,146
	69,299	76,857
Long term borrowings		
Secured: Term loans	28,303	34,750
	97,602	111,607

All the above borrowings are from domestic Malaysian sources and are denominated in Ringgit Malaysia.

The Group did not issue any debt securities.

28. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 26 May 2007.

29. Changes in Material Litigation

There was no known material litigation as at 26 May 2007.

30. Dividend Payable

No interim ordinary dividend has been proposed or declared for the financial period ended 31 March 2007 (31 March 2006: Nil).



IBRACO BERHAD (Company No. 011286-P)

31. Earnings Per Share

(a) Basic

	3 months ended	
	31 March 2007	31 March 2006
(Loss)/profit for the period attributable to equity holders of the Company (RM'000)	(6,089)	413
Number of ordinary shares in issue	99,494,095	90,000,000
Basic earnings per share (sen)	(6.12)	0.46

(b) Diluted

The Group has no potential ordinary shares in issue for the quarter under review, and therefore diluted earnings per share have not been presented.

32. 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 28 May 2007.