



**IBRACO BERHAD (Company No. 011286-P)**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the three-month period ended 30 June 2007

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended		CUMULATIVE QUARTER 6 months ended	
		30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
<b>Revenue</b>		15,430	17,224	35,743	35,692
Cost of Sales		(18,437)	(16,471)	(41,553)	(31,173)
<b>Gross (Loss)/Profit</b>		(3,007)	753	(5,810)	4,519
Other Income		181	15	198	28
Net increment in net market value of nursery plants		8	-	20	-
Administrative Expenses		(2,005)	(2,594)	(4,191)	(5,532)
Selling and Marketing Expenses		(47)	(36)	(58)	(229)
Finance Costs		(322)	-	(833)	(4)
<b>Loss Before Tax</b>		(5,192)	(1,862)	(10,674)	(1,218)
Income Tax Expense	23	45	477	(562)	246
<b>Loss for the Period Attributable to Equity Holders of the Company</b>		(5,147)	(1,385)	(11,236)	(972)
<b>Earnings Per Share Attributable to Equity Holders of the Company:</b>					
Basic, for loss for the period (Sen)	31	(5.17)	(1.54)	(11.29)	(1.08)
Diluted, for loss 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 30 June 2007 and 31 December 2006

(The figures for 30 June 2007 have not been audited)

	<b>Note</b>	<b>Unaudited As at 30 June 2007 RM'000</b>	<b>Audited As at 31 December 2006 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment	10	3,213	3,471
Land held for property development		74,589	74,589
Deferred tax asset		2,218	2,780
		<u>80,020</u>	<u>80,840</u>
<b>Current Assets</b>			
Property development costs		107,622	130,585
Inventories		14,019	1,810
Trade receivables	17	35,842	62,142
Other receivables		6,581	5,301
Amount due from deemed ultimate holding company		-	9
Deposits with licensed banks and finance companies		28	3,467
Cash and bank balances		2,731	3,057
		<u>166,823</u>	<u>206,371</u>
<b>TOTAL ASSETS</b>		<u>246,843</u>	<u>287,211</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		99,494	99,494
Share premium		7,733	7,733
Reserve on consolidation		-	-
Retained earnings		43,929	55,165
<b>Total Equity</b>		<u>151,156</u>	<u>162,392</u>
<b>Non-Current Liabilities</b>			
Borrowings	27	23,926	34,750
Deferred tax liabilities		252	252
		<u>24,178</u>	<u>35,002</u>
<b>Current Liabilities</b>			
Borrowings	27	60,733	76,857
Trade payables	18	9,772	11,134
Other payables		833	1,804
Amount due to deemed ultimate holding company		2	2
Current tax payable		155	-
Dividends payable		14	20
		<u>71,509</u>	<u>89,817</u>
<b>Total Liabilities</b>		<u>95,687</u>	<u>124,819</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>246,843</u>	<u>287,211</u>

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 six-month period ended 30 June 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	
<b>At 1 January 2006</b>	90,000	2,416	3,837	49,218	145,471
Effects of adopting FRS 3	-	-	(3,837)	3,837	-
Loss for the period	-	-	-	(972)	(972)
Dividends	-	-	-	(3,240)	(3,240)
<b>At 30 June 2006</b>	<u>90,000</u>	<u>2,416</u>	<u>-</u>	<u>48,843</u>	<u>141,259</u>
<b>At 1 January 2007</b>	99,494	7,733	-	55,165	162,392
Loss for the period	-	-	-	(11,236)	(11,236)
<b>At 30 June 2007</b>	<u>99,494</u>	<u>7,733</u>	<u>-</u>	<u>43,929</u>	<u>151,156</u>

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 six-month period ended 30 June 2007

(The figures have not been audited)

	<b>6 months ended</b>	
	<b>30 June 2007 RM'000</b>	<b>30 June 2006 RM'000</b>
Net cash generated from/(used in) operating activities	23,998	(26,706)
Net cash generated from/(used in) investing activities	23	(197)
Net cash (used in)/generated from financing activities	(20,272)	25,670
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,749</b>	<b>(1,233)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>(1,687)</b>	<b>5,127</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>2,062</b>	<b>3,894</b>

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

	<b>As at 30 June 2007 RM'000</b>	<b>As at 30 June 2006 RM'000</b>
Cash and bank balances	2,731	5,777
Deposits with licensed banks and finance companies	28	28
Bank overdrafts (included in short-term borrowings in Note 27)	(697)	(1,911)
	<b>2,062</b>	<b>3,894</b>

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)**

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**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134**

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**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.



## **IBRACO BERHAD (Company No. 011286-P)**

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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 30 June 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.



## IBRACO BERHAD (Company No. 011286-P)

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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	
	30 June 2007 RM'000	30 June 2006 RM'000
Directors	289	462
Key management personnel	192	276



**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		Balance outstanding	
		3 months ended		3 months ended	
		30 June		30 June	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
<b>Ibraco Properties Sdn. Bhd.</b>	(a)				
Landscape maintenance work		27	9	9	-
Rental of lands		28	36	-	-
<b>Syarikat Pemegang Palma Lilin Sdn. Bhd.</b>	(a)				
Rental paid for office premises		119	119	-	-
<b>Irama Tabuan Sdn. Bhd.</b>	(b)				
Purchase of goods and other sundries		3	7	-	-

**Notes**

- (a) 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.
- (b) 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.





**IBRACO BERHAD (Company No. 011286-P)**

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**17. Trade Receivables**

	<b>Unaudited 30 June 2007 RM'000</b>	<b>Audited 31 December 2006 RM'000</b>
Trade receivables	18,437	24,318
Accrued billings in respect of property development costs	17,405	37,824
	<u>35,842</u>	<u>62,142</u>

**18. Trade Payables**

	<b>Unaudited 30 June 2007 RM'000</b>	<b>Audited 31 December 2006 RM'000</b>
Trade payables	3,960	5,527
Provision for projects	5,812	5,607
	<u>9,772</u>	<u>11,134</u>



**IBRACO BERHAD (Company No. 011286-P)**

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

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**19. Review of Performance**

The Group's revenue for the current financial quarter ended 30 June 2007 decreased to RM15.43 Million from RM17.22 Million in the corresponding financial quarter ended 30 June 2006.

The Group recorded a loss before tax of RM5.19 million compared to a loss before tax of RM1.86 Million recorded in the prior financial quarter ended 30 June 2006, due largely to the slower take-up rate and increase in project cost arising from increased prices of major building materials and unforeseen site cost as well as additional expenses incurred for intensive promotion.

**20. Comparison with Preceding Quarter's Results**

The Group's turnover and loss before tax for the current quarter were RM15.43 Million and RM5.19 Million respectively. The Group's turnover and profit before tax for the immediate preceding quarter ended 31 March 2007 were RM20.31 Million and RM5.48 Million respectively. The results for the two quarters reflect the prevailing sluggish market environment.

**21. Prospects**

The outlook for the group's operations remains challenging. 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		6 months ended	
	30 June 2007 RM'000	30 June 2006 RM'000	30 June 2007 RM'000	30 June 2006 RM'000
Current tax:				
Malaysian income tax	-	431	-	636
Deferred tax	(45)	(908)	562	(882)
Total income tax expense	<u>(45)</u>	<u>(477)</u>	<u>562</u>	<u>(246)</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 lower than the statutory tax rate mainly due to the deferred tax assets arising from current quarter additional unrecognized inter-company profit.

The effective tax rate for the financial period ended 30 June 2007 was higher than the statutory tax rate mainly due to the reversal of deferred tax assets arising from an overall reduction of unrecognized inter-company profit.

**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 30 June 2007.

**25. Quoted Securities**

There was no purchase or sale of quoted investments during the current quarter under review and the financial period ended 30 June 2007.

**26. Status of Corporate Proposals**

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



**IBRACO BERHAD (Company No. 011286-P)**

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**27. Borrowings and Debt Securities**

	<b>Unaudited As at 30 June 2007 RM'000</b>	<b>Audited As at 31 December 2006 RM'000</b>
<b>Short term borrowings</b>		
Secured: Bank overdrafts	95	3,627
Term loans	12,472	10,500
Trade financings	25,000	25,000
Unsecured : Bank overdrafts	601	4,584
Trade financings	22,565	33,146
	<hr/>	<hr/>
	60,733	76,857
 <b>Long term borrowings</b>		
Secured: Term loans	23,926	34,750
	<hr/>	<hr/>
	84,659	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 19 August 2007.

**29. Changes in Material Litigation**

There was no known material litigation as at 19 August 2007.

**30. Dividend Payable**

No interim ordinary dividend has been proposed or declared for the financial period ended 30 June 2007 (30 June 2006: Nil).



**IBRACO BERHAD (Company No. 011286-P)**

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**31. Earnings Per Share**

(a) Basic

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Loss for the period attributable to equity holders of the Company (RM'000)	(5,147)	(1,385)	(11,236)	(972)
Number of ordinary shares in issue	99,494,095	90,000000	99,494,095	90,000,000
Basic earnings per share (sen)	(5.17)	(1.54)	(11.29)	(1.08)

(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 20 August 2007.