



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three-month period ended 30 September 2007

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		20,442	26,589	56,185	62,281
Cost of Sales		(16,496)	(21,661)	(58,049)	(52,834)
Gross Profit /(Loss)		3,946	4,928	(1,864)	9,447
Other Income		5	17	203	45
Net increment in net market value of nursery plants		8	-	28	-
Administrative Expenses		(1,815)	(2,529)	(6,006)	(8,061)
Selling and Marketing Expenses		(5)	(68)	(63)	(297)
Finance Costs		(401)	(7)	(1,234)	(11)
Profit /(Loss) Before Tax		1,738	2,341	(8,936)	1,123
Income Tax Expense	23	(6)	(986)	(568)	(740)
Profit /(Loss) for the Period Attributable to Equity Holders of the Company		1,732	1,355	(9,504)	383
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for profit/(loss) for the period (Sen)	31	1.74	1.51	(9.55)	0.43
Diluted, for profit/(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 September 2007 and 31 December 2006

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

	Note	Unaudited As at 30 September 2007 RM'000	Audited As at 31 December 2006 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment	10	3,037	3,471
Land held for property development		74,589	74,589
Deferred tax asset		2,278	2,780
		<u>79,904</u>	<u>80,840</u>
Current Assets			
Property development costs		105,138	130,585
Inventories		9,548	1,810
Trade receivables	17	38,337	62,142
Other receivables		6,642	5,301
Amount due from deemed ultimate holding company		-	9
Deposits with licensed banks and finance companies		28	3,467
Cash and bank balances		4,319	3,057
		<u>164,012</u>	<u>206,371</u>
TOTAL ASSETS		<u>243,916</u>	<u>287,211</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital		99,494	99,494
Share premium		7,733	7,733
Retained earnings		45,661	55,165
Total Equity		<u>152,888</u>	<u>162,392</u>
Non-Current Liabilities			
Borrowings	27	21,426	34,750
Deferred tax liabilities		252	252
		<u>21,678</u>	<u>35,002</u>
Current Liabilities			
Borrowings	27	60,110	76,857
Trade payables	18	8,212	11,134
Other payables		1,014	1,804
Amount due to deemed ultimate holding company		-	2
Dividends payable		14	20
		<u>69,350</u>	<u>89,817</u>
Total Liabilities		<u>91,028</u>	<u>124,819</u>
TOTAL EQUITY AND LIABILITIES		<u>243,916</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 nine-month period ended 30 September 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	-	-	-	383	383
Dividends	-	-	-	(3,240)	(3,240)
At 30 September 2006	90,000	2,416	-	50,198	142,614
At 1 January 2007	99,494	7,733	-	55,165	162,392
Loss for the period	-	-	-	(9,504)	(9,504)
At 30 September 2007	99,494	7,733	-	45,661	152,888

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 nine-month period ended 30 September 2007

(The figures have not been audited)

	9 months ended 30 September 2007 RM'000	2006 RM'000
Net cash generated from/(used in) operating activities	29,112	(30,382)
Net cash generated from/(used in) investing activities	21	(135)
Net cash (used in)/generated from financing activities	(23,571)	33,515
Net increase in cash and cash equivalents	5,562	2,998
Cash and cash equivalents at beginning of financial period	(1,687)	5,127
Cash and cash equivalents at end of financial period	3,875	8,125

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

	As at 30 September 2007 RM'000	2006 RM'000
Cash and bank balances	4,319	7,645
Deposits with licensed banks and finance companies	28	3,413
Bank overdrafts (included in short-term borrowings in Note 27)	(472)	(2,933)
	3,875	8,125

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.



IBRACO BERHAD (Company No. 011286-P)

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 September 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)

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 September	
	2007	2006
	RM'000	RM'000
Directors	272	474
Key management personnel	217	292



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 September		30 September	
		2007	2006	2007	2006
		RM'000	RM'000	RM'000	RM'000
Ibraco Properties Sdn. Bhd.	(a)				
Landscape maintenance work		27	18	-	-
Rental of lands		28	28	-	-
Syarikat Pemegang Palma Lilin Sdn. Bhd.	(a)				
Rental paid for office premises		119	125	-	-
Irama Tabuan Sdn. Bhd.	(b)				
Purchase of goods and other sundries		2	4	-	-

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)

17. Trade Receivables

	Unaudited 30 September 2007 RM'000	Audited 31 December 2006 RM'000
Trade receivables	15,974	24,318
Accrued billings in respect of property development costs	22,363	37,824
	<hr/> 38,337	<hr/> 62,142

18. Trade Payables

	Unaudited 30 June 2007 RM'000	Audited 31 December 2006 RM'000
Trade payables	2,447	5,527
Provision for projects	5,765	5,607
	<hr/> 8,212	<hr/> 11,134



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 30 September 2007 decreased to RM20.44 Million from RM26.59 Million in the corresponding financial quarter ended 30 September 2006.

The Group recorded a profit before tax of RM1.74 Million compared to a profit before tax of RM2.34 Million recorded in the prior financial quarter ended 30 September 2006. The higher profit achieved in the corresponding quarter in 2006 is largely due to profit from sale of lands and the completion of two profitable projects where no profit was recognised during the quarter in 2007. The slower take up rate, increase in project cost arising from increased prices of major building materials and additional expenses incurred for intensive promotion of unsold properties also reduces the profit achieved.

20. Comparison with Preceding Quarter's Results

The Group's turnover and profit before tax for the current quarter were RM20.44 Million and RM1.74 Million respectively. The Group's turnover and loss before tax for the immediate preceding quarter ended 30 June 2007 were RM15.43 Million and RM5.19 Million respectively. The improved performance for the current quarter is largely due to improved sales achieved through active promotion of unsold properties.

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 30 September		9 months ended 30 September	
	2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Current tax:				
Malaysian income tax	42	855	42	1,491
Underprovision of Malaysian income tax in prior year	25	329	25	329
Deferred tax	(61)	(198)	501	(1,080)
Total income tax expense	6	986	568	740

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 principally due to an overall tax loss position.

The effective tax rate for the financial period ended 30 September 2007 was higher than the statutory tax rate mainly due to the reversal of deferred tax assets arising from an overall reduction of unrecognised 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 September 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 September 2007.



IBRACO BERHAD (Company No. 011286-P)

26. Status of Corporate Proposals

The Company had on 3 October 2007, entered into a Conditional Sale and Purchase Agreement with Ibraco Properties Sdn Bhd, a major shareholder of the Company, for the proposed acquisition of 22 parcels of mixed-zone land with an aggregate land area of approximately 34.642 hectares located at Muara Tebas Land District, Kuching, Sarawak for a purchase consideration of RM34,089,614.00 to be satisfied via the issuance of 34,089,614 new ordinary shares of RM1.00 each in Ibraco at the par value of RM1.00 per share. The Proposed Acquisition is pursuant to the option agreement dated 26 July 2003 entered into between the Company and Ibraco Properties Sdn Bhd. An announcement was also made to Bursa Malaysia on the same date. The Company is now in the process of submitting the proposal to Securities Commission for approval. Barring any unforeseen circumstance, the proposed acquisition is expected to be completed in the first quarter of 2008.

27. Borrowings and Debt Securities

	Unaudited As at 30 September 2007 RM'000	Audited As at 31 December 2006 RM'000
Short term borrowings		
Secured: Bank overdrafts	4	3,627
Term loans	11,972	10,500
Trade financings	28,000	25,000
Unsecured : Bank overdrafts	468	4,584
Trade financings	19,666	33,146
	<hr/> 60,110	<hr/> 76,857
Long term borrowings		
Secured: Term loans	21,426	34,750
	<hr/> 81,536	<hr/> 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 29 November 2007.



IBRACO BERHAD (Company No. 011286-P)

29. Changes in Material Litigation

There was no known material litigation as at 29 November 2007.

30. Dividend Payable

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

31. Earnings Per Share

(a) Basic

	3 months ended 30 September		9 months ended 30 September	
	2007	2006	2007	2006
Profit/(Loss) for the period attributable to equity holders of the Company (RM'000)	1,732	1,355	(9,504)	383
Number of ordinary shares in issue	99,494,095	90,000,000	99,494,095	90,000,000
Basic earnings per share for profit/(loss) for the period (sen)	1.74	1.51	(9.55)	0.43

(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 30 November 2007.