



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the year ended 31 December 2007

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

	Note	CURRENT QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 12 months ended 31 December	
		2007 RM'000	2006 RM'000	2007 RM'000	2006 RM'000
Revenue		17,231	33,656	73,416	95,937
Cost of Sales		(17,307)	(24,388)	(75,356)	(77,222)
Gross (Loss)/Profit		(76)	9,268	(1,940)	18,715
Other Income		37	84	240	129
Net increment in net market value of nursery plants		13	127	41	127
Administrative Expenses		(2,342)	(2,873)	(8,348)	(10,934)
Selling and Marketing Expenses		(12)	(71)	(75)	(368)
Other expenses		-	(43)	-	(43)
Finance Costs		(351)	(173)	(1,585)	(184)
(Loss) /Profit Before Tax		(2,731)	6,319	(11,667)	7,442
Income Tax Expense	23	1,361	(1,352)	793	(2,092)
(Loss)/ Profit for the Period Attributable to Equity Holders of the Company		(1,370)	4,967	(10,874)	5,350
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for (loss) /profit for the period (Sen)	31	(1.38)	5.43	(10.93)	5.85
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 December 2007 and 31 December 2006

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

	Note	Unaudited As at 31 December 2007 RM'000	Audited As at 31 December 2006 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment	10	2,887	3,471
Land held for property development		74,685	74,589
Deferred tax assets		2,810	2,780
		<u>80,382</u>	<u>80,840</u>
Current Assets			
Property development costs		93,722	130,585
Inventories		11,654	1,810
Trade receivables	17	26,219	62,142
Other receivables		7,733	5,301
Amount due from deemed ultimate holding company		-	9
Deposits with licensed banks and finance companies		30	3,467
Cash and bank balances		7,176	3,057
		<u>146,534</u>	<u>206,371</u>
TOTAL ASSETS		<u>226,916</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		44,291	55,165
Total Equity		<u>151,518</u>	<u>162,392</u>
Non-Current Liabilities			
Borrowings	27	18,902	34,750
Deferred tax liability		211	252
		<u>19,113</u>	<u>35,002</u>
Current Liabilities			
Borrowings	27	46,345	76,857
Trade payables	18	8,875	11,134
Other payables		1,051	1,804
Amount due to deemed ultimate holding company		-	2
Dividends payable		14	20
		<u>56,285</u>	<u>89,817</u>
Total Liabilities		<u>75,398</u>	<u>124,819</u>
TOTAL EQUITY AND LIABILITIES		<u>226,916</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 year ended 31 December 2007

(The figures for 31 December 2007 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 year	-	-	-	5,350	5,350
Issue of ordinary shares for acquisition of lands	9,494	5,317	-	-	14,811
Dividends	-	-	-	(3,240)	(3,240)
At 31 December 2006	99,494	7,733	-	55,165	162,392
Loss for the year	-	-	-	(10,874)	(10,874)
At 31 December 2007	99,494	7,733	-	44,291	151,518

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 year ended 31 December 2007

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

	12 months ended 31 December 2007 RM'000	2006 RM'000
Net cash generated from/(used in) operating activities	48,722	(36,151)
Net cash used in investing activities	(89)	(219)
Net cash (used in)/generated from financing activities	(40,129)	29,556
Net increase / (decrease) in cash and cash equivalents	8,504	(6,814)
Cash and cash equivalents at beginning of financial year	(1,687)	5,127
Cash and cash equivalents at end of financial year	6,817	(1,687)

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

	As at 31 December 2007 RM'000	2006 RM'000
Cash and bank balances	7,176	3,057
Deposits with licensed banks and finance companies	30	3,467
Bank overdrafts (included in short-term borrowings in Note 27)	(389)	(8,211)
	6,817	(1,687)

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 year ended 31 December 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 save as disclosed in Note 26 of the Additional Information as required by Bursa Malaysia Securities Berhad's Listing Requirements.

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 December	
	2007	2006
	RM'000	RM'000
Directors	283	397
Key management personnel	195	225



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	
	31 December		31 December	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Ibraco Berhad				
Sale of landed property to Kathleen Yong Chiew Lian (a)	-	438	-	-
Ibraco Properties Sdn. Bhd. (b)				
Landscape maintenance work	36	36	-	-
Rental of lands	28	28	-	-
Syarikat Pemegang Palma Lilin Sdn. Bhd. (b)				
Rental paid for office premises	119	114	-	-
Irama Tabuan Sdn. Bhd. (c)				
Purchase of goods and other sundries	1	3	-	-

Notes

- (a) Kathleen Yong Chiew Lian is the wife of Mr. Henry Yeo Hap Soon, the alternate director to Wan Aziz Ibrahim of Ibraco Berhad and resigned on 30 September 2006.
- (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 December 2007 RM'000	Audited 31 December 2006 RM'000
Trade receivables	17,110	24,318
Accrued billings in respect of property development costs	9,109	37,824
	<hr/> 26,219	<hr/> 62,142

18. Trade Payables

	Unaudited 31 December 2007 RM'000	Audited 31 December 2006 RM'000
Trade payables	1,307	5,527
Provision for projects	7,568	5,607
	<hr/> 8,875	<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 31 December 2007 decreased to RM17.23 million from RM33.66 million in the corresponding financial quarter ended 31 December 2006.

The Group recorded a loss before tax of RM2.73 million compared to a profit before tax of RM6.32 million recorded in the corresponding financial quarter ended 31 December 2006. The higher profit achieved in the corresponding quarter in 2006 was largely due to profit recognised from the development of exclusive detached lots which generally give a much higher profit margin compared to a mixed development project. There were no such profits 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 margin.

20. Comparison with Preceding Quarter's Results

The Group's turnover and loss before tax for the current quarter were RM17.23 million and RM2.73 million respectively. The Group's turnover and profit before tax for the immediate preceding quarter ended 30 September 2007 were RM20.44 million and RM1.74 million respectively. The quarter's result was affected by unforeseen site expenses and expenses incurred for active promotion of the unsold properties.

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		12 months ended	
	31 December		31 December	
	2007	2006	2007	2006
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	(42)	2,524	-	4,015
Underprovision of Malaysian income tax in prior year	-	-	25	329
Tax recoverable arising from dividend income received	(746)	-	(746)	-
Deferred tax	(573)	(1,172)	(72)	(2,252)
Total income tax expense	<u>(1,361)</u>	<u>1,352</u>	<u>(793)</u>	<u>2,092</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 of the Group for the current quarter and financial year ended 31 December 2007 is lower than the statutory tax rate as there is no tax provision in view of the current year tax loss position, tax recoverable arising from dividend income received and also due to recognition of deferred tax assets arising from origination of temporary differences.

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 year ended 31 December 2007.

25. Quoted Securities

There was no purchase or sale of quoted investments during the current quarter under review and the financial year ended 31 December 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 second quarter of 2008.

Ibraco Shine Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad had on 5 February 2008, entered into the following Conditional Sale and Purchase Agreements:

- (i) a Conditional Sale and Purchase Agreement with Silverdrum Corporation Sdn Bhd for the disposal of mixed-zone lands of an aggregate land area of approximately 46.3 acres located at Muara Tebas Land District, Kuching, Sarawak for a total cash consideration of RM40.3 million; and
- (ii) a Conditional Sale and Purchase Agreement with Coramax Sdn Bhd for the disposal of mixed-zone lands of an aggregate land area of approximately 12.8 acres located at Muara Tebas Land District, Kuching, Sarawak for a total cash consideration of RM11.2 million.

The Proposed Disposal (i) is expected to be completed within nine months from the date of agreement, whereas the Proposed Disposal (ii) is expected to be completed within six months from the date of the agreement.



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27. Borrowings and Debt Securities

	Unaudited As at 31 December 2007 RM'000	Audited As at 31 December 2006 RM'000
Short term borrowings		
Secured: Bank overdrafts	26	3,627
Term loans	11,465	10,500
Trade financings	18,000	25,000
Unsecured : Bank overdrafts	363	4,584
Trade financings	16,491	33,146
	<hr/>	<hr/>
	46,345	76,857
 Long term borrowings		
Secured: Term loans	18,902	34,750
	<hr/>	<hr/>
	65,247	111,607
	<hr/>	<hr/>

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 27 February 2008.

29. Changes in Material Litigation

There was no known material litigation as at 27 February 2008.

30. Dividend Payable

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



IBRACO BERHAD (Company No. 011286-P)

31. Earnings Per Share

(a) Basic

	3 months ended 31 December		12 months ended 31 December	
	2007	2006	2007	2006
(Loss) /Profit for the period attributable to equity holders of the Company (RM'000)	(1,370)	4,967	(10,874)	5,350
Weighted average number of ordinary shares in issue	99,494,095	91,404,606	99,494,095	91,404,606
Basic earnings per share for (loss) /profit for the period (sen)	(1.38)	5.43	(10.93)	5.85

(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 February 2008.