



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the three-month period ended 31 March 2008

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Revenue</b>		4,909	20,313	4,909	20,313
Cost of Sales		(4,232)	(23,116)	(4,232)	(23,116)
<b>Gross Profit / (Loss)</b>		677	(2,803)	677	(2,803)
Other Income		13	17	13	17
Net increment in net market value of nursery plants		31	12	31	12
Administrative Expenses		(2,365)	(2,186)	(2,365)	(2,186)
Selling and Marketing Expenses		(7)	(11)	(7)	(11)
Other expenses		(2)	-	(2)	-
Finance Costs		(363)	(511)	(363)	(511)
<b>Loss Before Tax</b>		(2,016)	(5,482)	(2,016)	(5,482)
Income Tax Expense	21	(293)	(607)	(293)	(607)
<b>Loss for the Period Attributable to Equity Holders of the Company</b>		(2,309)	(6,089)	(2,309)	(6,089)
<b>Earnings Per Share Attributable to Equity Holders of the Company:</b>					
Basic, for loss for the period (Sen)	29	(2.32)	(6.12)	(2.32)	(6.12)
Diluted, for (loss) /profit for the period (Sen)	29	-	-	-	-

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008 and 31 December 2007

(The figures for 31 March 2008 have not been audited)

	Note	Unaudited As at 31 March 2008 RM'000	Audited As at 31 December 2007 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		2,726	2,887
Land held for property development		75,430	74,685
Deferred tax assets		2,779	2,792
		<u>80,935</u>	<u>80,364</u>
<b>Current Assets</b>			
Property development costs		94,388	93,722
Inventories		8,765	11,654
Trade receivables	15	14,566	26,219
Other receivables		8,070	7,753
Deposits with licensed banks and finance companies		30	30
Cash and bank balances		4,801	7,176
		<u>130,620</u>	<u>146,554</u>
<b>TOTAL ASSETS</b>		<u>211,555</u>	<u>226,918</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
Retained earnings		41,944	44,253
<b>Total Equity</b>		<u>149,171</u>	<u>151,480</u>
<b>Non-Current Liabilities</b>			
Borrowings	25	16,402	18,902
Deferred tax liability		210	210
		<u>16,612</u>	<u>19,112</u>
<b>Current Liabilities</b>			
Borrowings	25	34,991	46,344
Trade payables	16	9,612	8,897
Other payables		1,166	1,071
Dividends payable		3	14
		<u>45,772</u>	<u>56,326</u>
<b>Total Liabilities</b>		<u>62,384</u>	<u>75,438</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>211,555</u>	<u>226,918</u>

The condensed consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2008

(The figures have not been audited)

**Attributable to Equity Holders of the Company**

	Share Capital	Non-Distributable Share Premium	Distributable Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2007</b>	99,494	7,733	55,165	162,392
Loss for the period	-	-	(6,089)	(6,089)
<b>At 31 March 2007</b>	99,494	7,733	49,076	156,303
<b>At 1 January 2008</b>	99,494	7,733	44,253	151,480
Loss for the period	-	-	(2,309)	(2,309)
<b>At 31 March 2008</b>	99,494	7,733	41,944	149,171

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 ended 31 March 2008

(The figures have not been audited)

	<b>3 months ended 31 March</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	11,852	13,641
Net cash used in investing activities	-	(116)
Net cash used in financing activities	(13,864)	(8,752)
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(2,012)</b>	<b>4,773</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>6,817</b>	<b>(1,687)</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>4,805</b>	<b>3,086</b>

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

	<b>As at 31 March</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	4,801	5,500
Deposits with licensed banks and finance companies	30	28
Bank overdrafts (included in short-term borrowings in Note 25)	(26)	(2,442)
	<b>4,805</b>	<b>3,086</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 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 2007. 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 2007.

**2. Changes in Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards (FRSs) and amendment to FRSs mandatory for financial periods beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Incomes Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	The Effects of Changes in Foreign Exchange Rates – Net Investments in foreign Operation



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

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The adoption of FRS 107, 111, 112, 118, 120, 134, 137 and amendment to FRS 121 do not have significant financial impact to the Group.

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

### **3. 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.

### **4. 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 quarter ended 31 March 2008.

### **5. Changes in Estimates**

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

### **6. Debt and Equity Securities**

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

### **7. Dividends Paid**

There were no dividends paid during the quarter under review.

### **8. 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.



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

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### 9. 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 24 of the Additional Information as required by Bursa Malaysia Securities Berhad's Listing Requirements.

### 10. Changes in Composition of the Group

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

### 11. 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 2007 till the date of this quarterly report.

### 12. Capital Commitments

There were no capital commitments in respect of the Group that have arisen since 31 December 2007 to the date of this interim report.

### 13. 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	
	2008	2007
	RM'000	RM'000
Directors	320	319
Key management personnel	169	194



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

### 14. 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	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
<b>Ibraco Berhad</b>				
Sale of developed property to Deanna Ibrahim @ Sorayah bt Abdullah (a)	-	486	-	462
<b>Ibraco Properties Sdn. Bhd. (b)</b>				
Landscape maintenance work	27	27	9	9
Rental of lands	28	28	-	-
<b>Syarikat Pemegang Palma Lilin Sdn. Bhd. (b)</b>				
Rental paid for office premises	119	119	-	-
<b>Irama Tabuan Sdn. Bhd. (c)</b>				
Purchase of goods and other sundries	-	3	-	-

#### Notes

- (a) Deanna Ibrahim @ Sorayah bt Abdullah is the Executive Chairman and major shareholder of Ibraco Berhad.
- (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.





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

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**15. Trade Receivables**

	<b>Unaudited 31 March 2008 RM'000</b>	<b>Audited 31 December 2007 RM'000</b>
Trade receivables	14,203	17,110
Accrued billings in respect of property development costs	363	9,109
	<u>14,566</u>	<u>26,219</u>

**16. Trade Payables**

	<b>Unaudited 31 March 2008 RM'000</b>	<b>Audited 31 December 2007 RM'000</b>
Trade payables	269	1,328
Deposit	2,655	-
Provision for projects	6,688	7,569
	<u>9,612</u>	<u>8,897</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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**17. Review of Performance**

The Group's revenue for the current financial quarter ended 31 March 2008 decreased to RM4.909 million from RM20.313 million in the corresponding financial quarter ended 31 March 2007.

The Group recorded a loss before tax of RM2.016 million compared to a loss before tax of RM5.482 million recorded in the corresponding financial quarter ended 31 March 2007. The loss for the quarter is largely due to absence of new project launching and the Group is currently promoting the sale of the remaining completed properties. Increased and imminent increase in cost of major construction materials coupled with the generally soft property market is the main reason for the Group to hold back the launching of new project.

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

The Group's turnover and loss before tax for the current quarter were RM4.909 million and RM2.016 million respectively. The Group's turnover and loss before tax for the immediate preceding quarter ended 31 December 2007 were RM17.231 million and RM2.771 million respectively. The quarter's result was affected by the delayed launching of new projects and increased expenses incurred for active promotion of the unsold properties.

**19. 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.

**20. 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)**

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**21. Income Tax Expense**

	3 months ended 31 March		3 months ended 31 March	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	-	-	-	-
Underprovision of				
Malaysian income tax				
In prior year	280	-	280	-
Deferred tax	13	607	13	607
Total income tax expense	293	607	293	607

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 ended 31 March 2007 is higher than the statutory tax rate due to under-provision of Malaysian income tax in prior year and partial reversal of deferred tax assets arising from reduction of inter-company profit.

**22. Sale of Unquoted Investments and Properties**

There were no sale of unquoted investments and properties during the current quarter under review.

**23. Quoted Securities**

There was no purchase or sale of quoted investments during the current quarter under review.



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

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### **24. Status of Corporate Proposals**

Ibraco Berhad had on 3 October 2007, entered into a Conditional Sale and Purchase Agreement with Ibraco Properties Sdn. Bhd., a major shareholder and deemed holding company of Ibraco Berhad, 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 Berhad 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 Ibraco Berhad and Ibraco Properties Sdn. Bhd.

The Proposed Acquisition was not approved by the minority shareholders at the Extraordinary General Meeting convened on 20 May 2008.

On 5 February 2008, a wholly owned subsidiary company, Ibraco Shine Sdn. Bhd. had 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.

The Proposed Disposals were approved by shareholders at the Extraordinary General Meeting convened on 20 May 2008.



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

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**25. Borrowings and Debt Securities**

	<b>Unaudited As at 31 March 2008 RM'000</b>	<b>Audited As at 31 December 2007 RM'000</b>
<b>Short term borrowings</b>		
Secured: Bank overdrafts	26	25
Term loans	10,965	11,465
Trade financings	11,000	18,000
Unsecured : Bank overdrafts	-	363
Trade financings	13,000	16,491
	<hr/> 34,991	<hr/> 46,344
<b>Long term borrowings</b>		
Secured: Term loans	16,402	18,902
	<hr/> 51,393	<hr/> 65,246

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

The Group did not issue any debt securities.

**26. Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments as at 19 May 2008.

**27. Changes in Material Litigation**

There was no known material litigation as at 19 May 2008.

**28. Dividend Payable**

No interim ordinary dividend has been proposed or declared for the financial period ended 31 March 2008 (31 March 2007: Nil).



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

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**29. Earnings Per Share**

(a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2008	2007	2008	2007
Loss for the period attributable to equity holders of the Company (RM'000)	(2,309)	(6,089)	(2,309)	(6,089)
Weighted average number of ordinary shares in issue	99,494,095	99,494,095	99,494,095	99,494,095
Basic earnings per share for loss for the period (sen)	(2.32)	(6.12)	(2.32)	(6.12)

(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.

**30. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2007 was not qualified.

**31. 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 May 2008.