



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the three-month period ended 30 June 2008

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Revenue</b>		55,720	15,430	60,629	35,743
Cost of Sales		(47,921)	(18,437)	(52,153)	(41,553)
<b>Gross Profit / (Loss)</b>		7,799	(3,007)	8,476	(5,810)
Other Income		31	181	44	198
Net increment in net market value of nursery plants		3	8	34	20
Administrative Expenses		(1,949)	(2,005)	(4,314)	(4,191)
Selling and Marketing Expenses		(12)	(47)	(19)	(58)
Other expenses		(5)	-	(7)	-
Finance Costs		(644)	(322)	(1,007)	(833)
<b>Profit/(Loss) Before Tax</b>		5,223	(5,192)	3,207	(10,674)
Income Tax Expense	21	(1,493)	45	(1,786)	(562)
<b>Profit/(Loss) for the Period Attributable to Equity Holders of the Company</b>		3,730	(5,147)	1,421	(11,236)
<b>Earnings Per Share Attributable to Equity Holders of the Company:</b>					
Basic, for Profit/(Loss) for the period (Sen)	29	3.75	(5.17)	1.43	(11.29)
Diluted, for profit/(loss) 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 30 June 2008 and 31 December 2007

(The figures for 30 June 2008 have not been audited)

	Note	Unaudited As at 30 June 2008 RM'000	Audited As at 31 December 2007 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		2,572	2,887
Land held for property development		75,574	74,685
Deferred tax assets		2,765	2,792
		80,911	80,364
<b>Current Assets</b>			
Property development costs		52,429	93,722
Inventories		5,247	11,654
Trade receivables	15	54,548	26,219
Other receivables		8,658	7,753
Amount due from deemed ultimate holding company		9	-
Deposits with licensed banks and finance companies		2,030	30
Cash and bank balances		2,361	7,176
		125,282	146,554
<b>TOTAL ASSETS</b>		206,193	226,918
<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		45,674	44,253
<b>Total Equity</b>		152,901	151,480
<b>Non-Current Liabilities</b>			
Borrowings	25	13,902	18,902
Deferred tax liability		210	210
		14,112	19,112
<b>Current Liabilities</b>			
Borrowings	25	29,000	46,344
Trade payables	16	7,415	8,897
Other payables		1,285	1,071
Current Tax Payable		1,480	-
Dividends payable		-	14
		39,180	56,326
<b>Total Liabilities</b>		53,292	75,438
<b>TOTAL EQUITY AND LIABILITIES</b>		206,193	226,918

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 six-month period ended 30 June 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	-	-	(11,236)	(11,236)
<b>At 30 June 2007</b>	99,494	7,733	43,929	151,156
<b>At 1 January 2008</b>	99,494	7,733	44,253	151,480
Profit for the period	-	-	1,421	1,421
<b>At 30 June 2008</b>	99,494	7,733	45,674	152,901

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 six-month period ended 30 June 2008

(The figures have not been audited)

	<b>6 months ended 30 June</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	20,552	23,998
Net cash (used in)/generated from investing activities	(1)	23
Net cash used in financing activities	(22,977)	(20,272)
<b>Net (decrease) /increase in cash and cash equivalents</b>	<b>(2,426)</b>	<b>3,749</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>4,391</b>	<b>2,062</b>

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

	<b>As at 30 June</b>	
	<b>2008</b>	<b>2007</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	2,361	2,731
Deposits with licensed banks and finance companies	2,030	28
Bank overdrafts (included in short-term borrowings in Note 25)	-	(697)
	<b>4,391</b>	<b>2,062</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 30 June 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 quarterly 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 30 June	
	2008	2007
	RM'000	RM'000
Directors	339	289
Key management personnel	169	192



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

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**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 30 June		Balance outstanding 3 months ended 30 June	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
<b>Ibraco Properties Sdn. Bhd.</b>	(a)				
Landscape maintenance work		27	27	9	9
Rental of lands		28	28	-	-
<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	-	-

**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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**15. Trade Receivables**

	<b>Unaudited 30 June 2008 RM'000</b>	<b>Audited 31 December 2007 RM'000</b>
Trade receivables	54,548	17,110
Accrued billings in respect of property development costs	-	9,109
	<u>54,548</u>	<u>26,219</u>

**16. Trade Payables**

	<b>Unaudited 30 June 2008 RM'000</b>	<b>Audited 31 December 2007 RM'000</b>
Trade payables	1,357	1,328
Provision for projects	6,058	7,569
	<u>7,415</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 30 June 2008 increased to RM55.720 million from RM15.430 million in the corresponding financial quarter ended 30 June 2007.

The Group achieved a profit before tax of RM5.223 million compared to a loss before tax of RM5.192 million recorded in the corresponding financial quarter ended 30 June 2007. The profit for the quarter is mainly generated from the sale of 12 parcels of land by one of the wholly owned subsidiary. There is no new project launching during the quarter 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 profit before tax for the current quarter were RM55.720 million and RM5.223 million respectively. The Group's turnover and loss before tax for the immediate preceding quarter ended 31 March 2008 were RM4.909 million and RM2.016 million respectively. The loss recorded in the preceding quarter result was largely due to the delayed launching of new project 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 30 June		6 months ended 30 June	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	1,480	-	1,480	-
Underprovision of Malaysian income tax In prior years	-	-	280	-
Deferred tax	13	(45)	26	562
Total income tax expense	1,493	(45)	1,786	562

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 rates of the Group for the current quarter and financial period ended 30 June 2008 were higher than the statutory tax rate principally due to under-provision of Malaysian income tax in prior years, partial reversal of deferred tax assets arising from reduction of unrecognized inter-company profit and losses of the parent company and certain subsidiary companies which cannot be set off against taxable profits made by a subsidiary company.

**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**

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.

All conditions precedent were satisfied after the approval of the transaction by shareholders of Ibraco Berhad during the extraordinary general meeting held on 20 May 2008. 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.



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

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**25. Borrowings and Debt Securities**

	<b>Unaudited As at 30 June 2008 RM'000</b>	<b>Audited As at 31 December 2007 RM'000</b>
<b>Short term borrowings</b>		
Secured: Bank overdrafts	-	25
Term loans	10,000	11,465
Trade financings	11,000	18,000
Unsecured : Bank overdrafts	-	363
Trade financings	8,000	16,491
	<hr/>	<hr/>
	29,000	46,344
 <b>Long term borrowings</b>		
Secured: Term loans	13,902	18,902
	<hr/>	<hr/>
	42,902	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 24 July 2008.

**27. Changes in Material Litigation**

There was no known material litigation as at 24 July 2008.

**28. Dividend Payable**

An interim dividend of 5% less 26% taxation on 99,494,095 ordinary share (3.7 sen per ordinary share) has been approved by the Board of Directors for financial period ended 30 June 2008 (30 June 2007: Nil). The interim dividend shall be paid to all shareholders who are registered in the Record of Depositors at the close of business on 11 August 2008 and is payable on 21 August 2008.



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

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**29. Earnings Per Share**

(a) Basic

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
Profit/(Loss) for the period attributable to equity holders of the Company (RM'000)	3,730	(5,147)	1,421	(11,236)
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 Profit/(loss) for the period (sen)	3.75	(5.17)	1.43	(11.29)

(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 25 July 2008.