



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three-month period ended 30 September 2008

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		5,478	20,442	66,107	56,185
Cost of Sales		(4,079)	(16,496)	(56,231)	(58,049)
Gross Profit / (Loss)		1,399	3,946	9,876	(1,864)
Other Income		37	5	82	203
Net (decrement)/ increment in net market value of nursery plants		(6)	8	28	28
Administrative Expenses		(1,595)	(1,815)	(5,909)	(6,006)
Selling and Marketing Expenses		(5)	(5)	(24)	(63)
Other expenses		(2,256)	-	(2,263)	-
Finance Costs		(524)	(401)	(1,532)	(1,234)
(Loss)/Profit Before Tax		(2,950)	1,738	258	(8,936)
Income Tax Expense	21	128	(6)	(1,659)	(568)
(Loss)/Profit for the Period Attributable to Equity Holders of the Company		(2,822)	1,732	(1,401)	(9,504)
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for (loss)/profit for the period (Sen)	29	(2.84)	1.74	(1.41)	(9.55)
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 30 September 2008 and 31 December 2007

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

	Note	Unaudited As at 30 September 2008 RM'000	Audited As at 31 December 2007 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		2,424	2,887
Land held for property development		75,471	74,685
Deferred tax assets		2,740	2,792
		80,635	80,364
Current Assets			
Property development costs		50,165	93,722
Inventories		2,076	11,654
Trade receivables	15	47,419	26,219
Other receivables		7,344	7,753
Amount due from deemed ultimate holding company		18	-
Deposits with licensed banks and finance companies		31	30
Cash and bank balances		2,025	7,176
		109,078	146,554
TOTAL ASSETS		189,713	226,918
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		39,170	44,253
Total Equity		146,397	151,480
Non-Current Liabilities			
Borrowings	25	11,402	18,902
Deferred tax liability		210	210
		11,612	19,112
Current Liabilities			
Borrowings	25	22,038	46,344
Trade payables	16	6,915	8,897
Other payables		1,013	1,071
Current Tax Payable		1,300	-
Dividends payable		438	14
		31,704	56,326
Total Liabilities		43,316	75,438
TOTAL EQUITY AND LIABILITIES		189,713	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 nine-month period ended 30 September 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
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
At 1 January 2008	99,494	7,733	44,253	151,480
Loss for the period	-	-	(1,401)	(1,401)
Dividends	-	-	(3,682)	(3,682)
At 30 September 2008	99,494	7,733	39,170	146,397

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.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the nine-month period ended 30 September 2008

(The figures have not been audited)

	9 months ended 30 September	
	2008	2007
	RM'000	RM'000
Net cash generated from operating activities	31,406	29,112
Net cash generated from investing activities	40	21
Net cash used in financing activities	(36,246)	(23,571)
Net (decrease) /increase in cash and cash equivalents	(4,800)	5,562
Cash and cash equivalents at beginning of financial period	6,817	(1,687)
Cash and cash equivalents at end of financial period	2,017	3,875

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

	As at 30 September	
	2008	2007
	RM'000	RM'000
Cash and bank balances	2,025	4,319
Deposits with licensed banks and finance companies	30	28
Bank overdrafts (included in short-term borrowings in Note 25)	(38)	(472)
	2,017	3,875

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.



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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 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



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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 September 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

Dividends paid on 21 August 2008 was declared on 25 July 2008, in respect of the year ending 31 December 2008 being interim dividend of 5% less 26% taxation, on 99,494,095 ordinary shares, amounting to RM3,681,282.

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.



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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 September	
	2008	2007
	RM'000	RM'000
Directors	257	272
Key management personnel	153	217



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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		Balance outstanding	
		3 months ended		3 months ended	
		30 September		30 September	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Ibraco Properties Sdn. Bhd.	(a)				
Landscape maintenance work		27	27	18	-
Rental of lands		28	28	3	-
Syarikat Pemegang Palma Lilin Sdn. Bhd.	(a)				
Rental paid for office premises		119	119	-	-
Irama Tabuan Sdn. Bhd.	(b)				
Purchase of goods and other sundries		-	2	-	-
Sharifah Deborah Sophia Ibrahim	(c)				
Sale of one unit double storey semi-detached house		469	-	375	-

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.
- (c) Sharifah Deborah Sophia Ibrahim is a Non-executive Director of Ibraco Berhad. As per payment schedule in the Sale and Purchase agreement, the RM375,200 outstanding amount is yet to be due for payment.

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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15. Trade Receivables

	Unaudited 30 September 2008 RM'000	Audited 31 December 2007 RM'000
Trade receivables	47,419	17,110
Accrued billings in respect of property development costs	-	9,109
	<hr/> 47,419	<hr/> 26,219

16. Trade Payables

	Unaudited 30 September 2008 RM'000	Audited 31 December 2007 RM'000
Trade payables	92	1,328
Provision for projects	6,823	7,569
	<hr/> 6,915	<hr/> 8,897



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

17. Review of Performance

The Group's revenue for the current financial quarter ended 30 September 2008 decreased to RM5.48 million from RM20.44 million in the corresponding financial quarter ended 30 September 2007.

The Group recorded a loss before tax of RM2.95 million compared to a profit before tax of RM1.74 million recorded in the corresponding financial quarter ended 30 September 2007. There is no new project launching during the quarter and the Group is currently promoting the sale of the remaining completed properties.

The high inflation rate during the last nine-month period has accelerated the increase in both energy and material cost. The situation was worsened by the crisis in the financial and banking sector which has had a great impact on the Company's sale performance. As a result, the Directors adopted a prudent approach and decided to hold back the launching of new projects.

18. Comparison with Preceding Quarter's Results

The Group's turnover and loss before tax for the current quarter were RM5.48 million and RM2.95 million respectively. The Group's turnover and profit before tax for the immediate preceding quarter ended 30 June 2008 were RM55.72 million and RM5.22 million respectively. The loss recorded in the current quarter was largely due to the delayed launching of new project and the write off of expenses incurred on some option lands wherein their proposed acquisition were rejected by minority shareholders or where the option period had lapsed and/or Ibraco Berhad has rescinded the option.

19. Prospects

The current global property market has been severely affected by crisis in the financial and banking sector although it is anticipated that the energy and material cost could reduced in the short term. Arising from the crisis, the Directors believe that the Company should be prudent with regards to any new launches in the short term. The Directors believe that the Company is in a position to take advantage should circumstances become favourable in view of the fact that the Company has successfully reduced its corporate debts.



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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.

21. Income Tax Expense

	3 months ended 30 September		9 months ended 30 September	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	(145)	42	1,335	42
(Over)/underprovision of Malaysian income tax in prior years	(8)	25	272	25
Deferred tax	25	(61)	52	501
Total income tax expense	(128)	6	1,659	568

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 financial period ended 30 September 2008 were higher than the statutory tax rate principally due to under-provision of Malaysian income tax in prior years and financial effect on deferred tax asset movement arising from realized 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.



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24. Status of Corporate Proposals

On 5 February 2008, a wholly owned subsidiary company, Ibraco Shine Sdn. Bhd. entered into a Conditional Sale and Purchase Agreements with Silverdrum Corporation Sdn. Bhd. for the disposal of mixed-zone lands with 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.

All conditions precedent was 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 is expected to be completed within nine months from the date of agreement i.e. November 2008.

25. Borrowings and Debt Securities

	Unaudited As at 30 September 2008 RM'000	Audited As at 31 December 2007 RM'000
Short term borrowings		
Secured: Bank overdrafts	32	25
Term loans	10,000	11,465
Trade financings	6,000	18,000
Unsecured : Bank overdrafts	6	363
Trade financings	6,000	16,491
	<hr/> 22,038	<hr/> 46,344
Long term borrowings		
Secured: Term loans	11,402	18,902
	<hr/> 33,440	<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 20 November 2008.



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27. Changes in Material Litigation

There was no known material litigation as at 20 November 2008.

28. Dividend Payable

No interim ordinary dividend has been proposed or declared for the financial quarter ended 30 September 2008 (30 September 2007 : Nil)

29. Earnings Per Share

(a) Basic

	3 months ended 30 September		9 months ended 30 September	
	2008	2007	2008	2007
(Loss)/profit for the period attributable to equity holders of the Company (RM'000)	(2,822)	1,732	(1,401)	(9,504)
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)/profit for the period (sen)	(2.84)	1.74	(1.41)	(9.55)

(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 21 November 2008.