



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the year ended 31 December 2008

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

	Note	CURRENT QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 12 months ended 31 December	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue		356	17,231	66,463	73,416
Cost of Sales		(280)	(17,307)	(56,512)	(75,356)
Gross Profit / (Loss)		76	(76)	9,951	(1,940)
Other Income		116	38	197	241
Net increment in net market value of nursery plants		-	13	28	41
Administrative Expenses		(1,546)	(2,374)	(7,454)	(8,380)
Selling and Marketing Expenses		(6)	(12)	(30)	(75)
Other expenses		(1,244)	(9)	(3,506)	(9)
Finance Costs		(381)	(351)	(1,913)	(1,585)
Loss Before Tax		(2,985)	(2,771)	(2,727)	(11,707)
Income Tax Expense	21	890	1,362	(769)	794
Loss for the Period Attributable to Equity Holders of the Company		(2,095)	(1,409)	(3,496)	(10,913)
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for loss for the period (Sen)	29	(2.11)	(1.42)	(3.51)	(10.97)
Diluted, for 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 31 December 2008 and 31 December 2007

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

	Note	Unaudited As at 31 December 2008 RM'000	Audited As at 31 December 2007 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		2,280	2,887
Land held for property development		75,342	74,685
Deferred tax assets		2,327	2,792
		79,949	80,364
Current Assets			
Property development costs		49,053	93,722
Inventories		1,864	11,654
Trade receivables	15	5,697	26,219
Other receivables		5,548	7,753
Deposits with licensed banks and finance companies		31	30
Short term investments		24,449	-
Cash and bank balances		2,786	7,176
		89,428	146,554
TOTAL ASSETS		169,377	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		37,075	44,253
Total Equity		144,302	151,480
Non-Current Liabilities			
Borrowings	25	8,902	18,902
Deferred tax liability		142	210
		9,044	19,112
Current Liabilities			
Borrowings	25	10,000	46,344
Trade payables	16	5,529	8,897
Other payables		497	1,071
Dividends payable		5	14
		16,031	56,326
Total Liabilities		25,075	75,438
TOTAL EQUITY AND LIABILITIES		169,377	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 year ended 31 December 2008

(The figures for 31 December 2008 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 year	-	-	(10,913)	(10,913)
At 31 December 2007	99,494	7,733	44,252	151,479
At 1 January 2008	99,494	7,733	44,252	151,479
Loss for the year	-	-	(3,496)	(3,496)
Dividends	-	-	(3,681)	(3,681)
At 31 December 2008	99,494	7,733	37,075	144,302

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 year ended 31 December 2008

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

	12 months ended 31 December	
	2008	2007
	RM'000	RM'000
Net cash generated from operating activities	71,865	48,827
Net cash generated from investing activities	144	6
Net cash used in financing activities	(51,560)	(40,329)
Net increase in cash and cash equivalents	20,449	8,504
Cash and cash equivalents at beginning of financial year	6,817	(1,687)
Cash and cash equivalents at end of financial year	27,266	6,817

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

	As at 31 December	
	2008	2007
	RM'000	RM'000
Cash and bank balances	2,786	7,176
Deposits with licensed banks and finance companies	31	30
Short term investments	24,449	-
Bank overdrafts (included in short-term borrowings in Note 25)	-	(389)
	27,266	6,817

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 31 December 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.



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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

Contingent liabilities arising from corporate guarantees issued in favour of financial institutions granting banking facilities to subsidiary companies were reduced from RM74.202 million since the last annual balance sheet as at 31 December 2007 to RM63.302 million as at the date of this quarterly report. Banking facilities amounted to RM18.902 million were utilised and remain outstanding as at the date of this quarterly report.

There were no 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 31 December	
	2008	2007
	RM'000	RM'000
Directors	259	283
Key management personnel	120	195



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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	
		31 December		31 December	
		2008	2007	2008	2007
		RM'000	RM'000	RM'000	RM'000
Ibraco Properties Sdn. Bhd.	(a)				
Landscape maintenance work		27	36	-	-
Rental of lands		28	28	-	-
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		-	1	-	-
Sharifah Deborah Sophia Ibrahim	(c)				
Sale of nursery plants		3	-	-	-

Notes

- (a) Companies in which Directors namely 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.

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 31 December 2008 RM'000	Audited 31 December 2007 RM'000
Trade receivables	5,697	17,110
Accrued billings in respect of property development costs	-	9,109
	<u>5,697</u>	<u>26,219</u>

16. Trade Payables

	Unaudited 31 December 2008 RM'000	Audited 31 December 2007 RM'000
Trade payables	16	1,328
Provision for projects	5,513	7,569
	<u>5,529</u>	<u>8,897</u>



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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 31 December 2008 decreased to RM0.36 million from RM17.23 million in the corresponding financial quarter ended 31 December 2007.

The Group recorded a loss before tax of RM2.09 million compared to a loss before tax of RM2.77 million recorded in the corresponding financial quarter ended 31 December 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 twelve-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 project.

18. Comparison with Preceding Quarter's Results

The Group's turnover and loss before tax for the current quarter were RM0.36 million and RM2.09 million respectively. The Group's turnover and loss before tax for the immediate preceding quarter ended 30 September 2008 were RM5.48 million and RM2.95 million respectively. The loss recorded in the current quarter was largely due to the delayed launching of new project and further 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 would decline in the short term. Arising from the crisis, the Directors believe that the Company should be prudent with respect to any new launches in the short term. The Directors also believe that the Company is in a position to take advantage should circumstances become favourable in view of the fact that the Company has substantially reduced its corporate debts. Moreover, the Company has been granted approval for its mixed development schemes in a strategic



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location in the nearby Tabuan Jaya Baru area along the Kuching – Kota Samarahan highway.

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 31 December		12 months ended 31 December	
	2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Current income tax:				
Malaysian income tax	(1,235)	(42)	100	-
(Over)/underprovision of Malaysian income tax in prior years	-	(19)	272	6
Tax Recoverable arising from dividend income received	-	(746)	-	(746)
Deferred tax	345	(555)	397	(54)
Total income tax expense	<u>(890)</u>	<u>(1,362)</u>	<u>769</u>	<u>(794)</u>

An additional assessment of tax payable was raised by Inland Revenue Board against a subsidiary company. The Group has partially paid the additional tax based on the installments requested and has taken up the installments paid as under-provision of income tax for the purpose of these financial statements. However, as disclosed previously, the Group is appealing against the additional assessment, the outcome of which is unknown.

The effective tax rates of the Group for the financial period ended 31 December 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 and the financial year ended 31 December 2008.



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23. Quoted Securities

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

24. Status of Corporate Proposals

On 20 January 2009, Ibraco Berhad entered into a Memorandum of Understanding (MOU) with Ibraco Properties Sdn. Bhd., a related party, for the proposed acquisition of 14 parcels of mixed-zone lands with an aggregate land area of approximately 19.589 hectares all situated in the Muara Tebas Land District, Kuching.

Ibraco Berhad and Ibraco Properties Sdn Bhd shall use all reasonable endeavours to negotiate exclusively with each other during a period of two months from the date of the MOU or further periods as may be mutually agreed by both parties the followings:

- in respect of entering into a sale and purchase agreement for the proposed acquisition; and
- the total purchase consideration of these lands at about RM23.928 million as determined by an independent valuer appointed by both parties and to be satisfied via allotment and issuance of a commensurate number of new ordinary shares of Ibraco Berhad at a par value of RM1.00 per share.

25. Borrowings and Debt Securities

	Unaudited As at 31 December 2008 RM'000	Audited As at 31 December 2007 RM'000
Short term borrowings		
Secured: Bank overdrafts	-	25
Term loans	10,000	11,465
Trade financings	-	18,000
Unsecured : Bank overdrafts	-	363
Trade financings	-	16,491
	10,000	46,344
Long term borrowings		
Secured: Term loans	8,902	18,902
	18,902	65,246

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



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The Group did not issue any debt securities.

26. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 23 February 2009.

27. Changes in Material Litigation

There was no known material litigation as at 23 February 2009.

28. Dividend Payable

- (a) No interim ordinary dividend has been proposed or declared for the financial quarter ended 31 December 2008 (31 December 2007 : Nil).
- (b) An interim dividend of 5% less 26% taxation on 99,494,095 ordinary shares (3.7 sen per ordinary share) has been approved by the Board of Directors for financial year ended 31 December 2008. The interim dividend has been paid on 21 August 2008 to all shareholders who were registered in the record of depositors at the close of business on 11 August 2008.

29. Earnings Per Share

(a) Basic

	3 months ended 31 December		12 months ended 31 December	
	2008	2007	2008	2007
Loss for the period attributable to equity holders of the Company (RM'000)	(2,095)	(1,409)	(3,496)	(10,913)
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)	(2.11)	(1.42)	(3.51)	(10.97)

(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.



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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 24 February 2009.