



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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

For the three-month period ended 31 March 2009

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 31 March		CUMULATIVE QUARTER 3 months ended 31 March	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
<b>Revenue</b>		395	4,909	395	4,909
Cost of Sales		(90)	(4,232)	(90)	(4,232)
<b>Gross Profit</b>		305	677	305	677
Other Income		162	13	162	13
Net increment in net market value of nursery plants		17	31	17	31
Administrative Expenses		(1,267)	(2,365)	(1,267)	(2,365)
Selling and Marketing Expenses		(7)	(7)	(7)	(7)
Other expenses		(1)	(2)	(1)	(2)
Finance Costs		(240)	(363)	(240)	(363)
<b>Loss Before Tax</b>		(1,031)	(2,016)	(1,031)	(2,016)
Income Tax Expense	21	(3)	(293)	(3)	(293)
<b>Loss for the Period Attributable to Equity Holders of the Company</b>		(1,034)	(2,309)	(1,034)	(2,309)
<b>Loss Per Share Attributable to Equity Holders of the Company:</b>					
Basic, for loss for the period (Sen)	29	(1.04)	(2.32)	(1.04)	(2.32)
Diluted, for loss for the period (Sen)	29	(1.04)	(2.32)	(1.04)	(2.32)

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009 and 31 December 2008

(The figures for 31 March 2009 have not been audited)

	Note	Unaudited As at 31 March 2009 RM'000	Audited As at 31 December 2008 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		2,145	2,280
Land held for property development		75,414	75,342
Deferred tax assets		2,323	2,326
		79,882	79,948
<b>Current Assets</b>			
Property development costs		49,613	49,053
Inventories		1,694	1,864
Trade receivables		5,706	5,697
Other receivables		5,285	5,548
Deposits with licensed finance companies		31	31
Short term investments	15	20,601	24,449
Cash and bank balances		2,248	2,786
		85,178	89,428
<b>TOTAL ASSETS</b>		165,060	169,376
<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		36,040	37,074
<b>Total Equity</b>		143,267	144,301
<b>Non-Current Liabilities</b>			
Borrowings	26	6,402	8,902
Deferred tax liability		142	142
		6,544	9,044
<b>Current Liabilities</b>			
Borrowings	26	10,000	10,000
Trade payables	16	4,676	5,530
Other payables		569	496
Dividends payable		4	5
		15,249	16,031
<b>Total Liabilities</b>		21,793	25,075
<b>TOTAL EQUITY AND LIABILITIES</b>		165,060	169,376

The condensed consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 2009

(The figures have not been audited)

	Attributable to Equity Holders of the Company			Total Equity RM'000
	Non-Distributable		Distributable	
	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	
<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
<b>At 1 January 2009</b>	99,494	7,733	37,074	144,301
Loss for the period	-	-	(1,034)	(1,034)
<b>At 31 March 2009</b>	99,494	7,733	36,040	143,267

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 period ended 31 March 2009

(The figures have not been audited)

	<b>3 months ended 31 March</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash (used in)/generated from operating activities	(1,792)	11,852
Net cash generated from investing activities	147	-
Net cash used in financing activities	(2,741)	(13,864)
<b>Net decrease in cash and cash equivalents</b>	<b>(4,386)</b>	<b>(2,012)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>27,266</b>	<b>6,817</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>22,880</b>	<b>4,805</b>

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

	<b>As at 31 March</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	2,248	4,801
Deposits with licensed finance companies	31	30
Short term investments	20,601	-
Bank overdrafts	-	(26)
	<b>22,880</b>	<b>4,805</b>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2008 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 have been prepared on a historical basis, except for nursery plants (which are self-generating and regenerating assets), which have been measured at net market value.

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 2008. 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 2008.

#### **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 2008.

At the date of authorization of these financial statements, the following FRS and Interpretations were issued but not yet effective and have not been adopted by the Group.

<b>FRSs and Interpretations</b>	<b>Effective for financial periods beginning on or after</b>
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments : Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 139 : Financial Instruments : Recognition and measurements	1 January 2010
IC Interpretation 9 : Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 : Interim Financial Reporting and Impairment	1 January 2010



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

---

The adoptions of the above FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the interim financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS7 and FRS 139.

### **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 2009.

### **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.

### **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 and 25 of the Additional Information as required by Bursa Malaysia Securities Berhad's Listing Requirements.



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

---

### 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 is no change in contingent liabilities amounted to RM63.302 million arising from corporate guarantees issued in favour of financial institutions granting banking facilities to subsidiary companies at the date of this quarterly report. Banking facilities amounted to RM16.402 million were utilised and remained outstanding as at the date of this quarterly report.

There were no contingent assets since the last annual balance sheet as at 31 December 2008 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 2008 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:

	<b>3 months ended 31 March</b>	
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	329	320
Key management personnel	70	169



**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		Balance outstanding	
		3 months ended		3 months ended	
		31 March		31 March	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
<b>Ibraco Properties Sdn. Bhd.</b>	(a)				
Landscape maintenance work		27	27	-	9
Rental of lands		8	28	-	-
<b>Syarikat Pemegang Palma Lilin Sdn. Bhd.</b>	(a)				
Rental paid for office premises		119	119	-	-

**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.

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)**

---

**15. Short Term Investments**

	<b>Unaudited 31 March 2009 RM'000</b>	<b>Audited 31 December 2008 RM'000</b>
Quoted securities in Malaysia:		
Unit trusts, at cost	20,601	24,449

**16. Trade Payables**

	<b>Unaudited 31 March 2009 RM'000</b>	<b>Audited 31 December 2008 RM'000</b>
Trade payables	10	17
Provision for projects	4,666	5,513
	<u>4,676</u>	<u>5,530</u>



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

---

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

---

**17. Review of Performance**

The Group recorded a loss before tax of RM1.03 million compared to a loss before tax of RM2.02 million recorded in the corresponding financial quarter ended 31 March 2008.

The Group's revenue for the current financial quarter ended 31 March 2009 decreased to RM0.40 million from RM4.91 million in the corresponding financial quarter ended 31 March 2008. In both quarters, there is no launching of new project and the Group' revenue are generated primarily from the sale of inventory.

In the face of the prevailing financial and economic uncertainties, the Board has decided to adopt a more cautious approach to development activities in 2009, taking care not to overstretch the Group's financial resources, and ensuring that the Group will be able "to ride through the storm" while remaining resilient at all times.

Other income increased from RM0.013 million in the corresponding quarter to RM0.162 million in this reporting quarter. The increase is primarily due to dividends received from short term investments.

Administrative expenses decreased to RM1.267 million compared to RM2.365 million in the corresponding quarter. The decrease is mainly due to reduction in staff cost and a better control over expenses.

Finance cost was also reduced substantially to RM0.240 million from RM0.363 million in the corresponding quarter ended 31 March 2008. This is mainly due to substantial repayments of banking facility in 2008.

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

The Group recorded a loss before tax of RM1.03 million compared to a loss before tax of RM2.98 million recorded in the immediate preceding financial quarter ended 31 December 2008.

The Group's revenue for the current financial quarter ended 31 March 2009 increased to RM0.40 million compared to RM0.36 million in the immediate preceding quarter ended 31 December 2008. Revenue for both quarters was



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

---

primarily generated from sale of inventory. Revenue from landscaping and maintenance works was not significant in either quarter.

Other income increased from RM0.116 million in the immediate preceding quarter to RM0.162 million in this reporting quarter. The increase is primarily due to dividends received from short term investments.

Administrative expenses decreased to RM1.267 million compared to RM2.789 million in the immediate preceding quarter. The higher administrative cost incurred in the immediate preceding quarter is mainly due to the write off of property development cost amounted to RM1.243 million incurred on option lands where their proposed acquisition were rejected by minority shareholders in June 2008. Reduction in staff cost and a better control over expenses contribute to a lower administrative expense for this reporting quarter.

Finance costs were also reduced substantially to RM0.240 million from RM0.381 million in the immediate preceding quarter ended 31 December 2008. This is mainly due to reduced banking facilities outstanding arising from substantial repayments of banking facilities in 2008.

### **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 costs would decline in the short term. Many banks started to impose stricter lending terms resulting in difficulties for potential property buyers to obtain bank financing. Arising from this, 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 of the opportunities that may arise with the eventual recovery of the local economy 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 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.



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

---

**21. Income Tax Expense**

	3 months ended 31 March		3 months ended 31 March	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current income tax:				
Malaysian income tax	-	-	-	-
Under-provision of Malaysian income tax in prior year	-	280	-	280
Deferred tax	3	13	3	13
Total income tax expense	<u>3</u>	<u>293</u>	<u>3</u>	<u>293</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 Malaysian statutory tax rate was reduced to 25% in the current year of assessment from the previous year's rate of 26%. The computation of deferred tax has reflected these changes.

The effective tax rates of the Group for the financial period ended 31 March 2009 were higher than the statutory tax rate principally due to the 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.

**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



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

---

acquisition of 14 parcels of mixed-zone lands with an aggregate land area of approximately 19.589 hectares all situated at Muara Tebas Land District, Kuching.

Ibraco Berhad and Ibraco Properties Sdn Bhd shall use all reasonable endeavours to negotiate exclusively with each other during the initial 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.

The initial two month exclusivity period which lapsed on 19 March 2009 has been extended to expire on 19 July 2009.

### 25. Subsequent Event

Ibraco Berhad proposed to issue 9,949,409 new ordinary shares, being 10% of the issued and paid-up capital of the Company via private placement to KKS World Science Technology Sdn Bhd (KKSWSST) at RM1.00 per share. This proposal has been approved by the Securities Commission, Foreign Investment Committee, Bursa Malaysia Securities Berhad and other relevant authorities. The approval from shareholders of Ibraco Berhad authorizing the Directors of the Company to allot and issue in aggregate new ordinary shares not exceeding 10% of the issued share capital of the Company pursuant to Section 132D of the Companies Act, 1965 was obtained at the Annual General Meeting of the Company held on 23 June 2008.

### 26. Borrowings and Debt Securities

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March</b>	<b>31 December</b>
	<b>2009</b>	<b>2008</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Short term borrowings</b>		
Secured: Term loans	10,000	10,000
	10,000	10,000
<b>Long term borrowings</b>		
Secured: Term loans	6,402	8,902
<b>Total borrowings</b>	16,402	18,902



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

---

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

The Group did not issue any debt securities.

### 27. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 28 May 2009.

### 28. Changes in Material Litigation

There was no known material litigation as at 28 May 2009.

### 29. Loss Per Share

#### (a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2009	2008	2009	2008
Loss for the period attributable to equity holders of the Company (RM'000)	(1,034)	(2,309)	(1,034)	(2,309)
Weighted average number of ordinary shares in issue	99,494,095	99,494,095	99,494,095	99,494,095
Basic loss per share (sen)	(1.04)	(2.32)	(1.04)	(2.32)

#### (b) Diluted

The Group has no potential ordinary shares in issue for the quarter under review and therefore, diluted loss per share is presented as equal to basic loss per share.

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

The auditors' report on the financial statements for the financial year ended 31 December 2008 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 29 May 2009.