



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the three-month period ended 30 June 2009

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 June		CUMULATIVE QUARTER 6 months ended 30 June	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue		560	55,720	955	60,629
Cost of Sales		(67)	(47,921)	(157)	(52,153)
Gross Profit		493	7,799	798	8,476
Other Income		131	31	293	44
Net (decrement)/increment in net market value of nursery plants		(1)	3	17	34
Administrative Expenses		(1,395)	(1,949)	(2,662)	(4,314)
Selling and Marketing Expenses		(14)	(12)	(22)	(19)
Other expenses		(2)	(5)	(3)	(7)
Finance Costs		(203)	(644)	(443)	(1,007)
(Loss)/ Profit Before Tax		(991)	5,223	(2,022)	3,207
Income Tax Expense	21	(148)	(1,493)	(151)	(1,786)
(Loss) / Profit for the Period Attributable to Equity Holders of the Company		(1,139)	3,730	(2,173)	1,421
Earnings Per Share Attributable to Equity Holders of the Company:					
Basic, for (loss)/ profit for the period (Sen)	29	(1.14)	3.75	(2.18)	1.43
Diluted, for (loss)/ profit for the period (Sen)	29	(1.14)	3.75	(2.18)	1.43

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 30 June 2009 and 31 December 2008

(The figures for 30 June 2009 have not been audited)

	Note	Unaudited As at 30 June 2009 RM'000	Audited As at 31 December 2008 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		2,043	2,280
Land held for property development		75,414	75,342
Deferred tax assets		2,323	2,326
		79,780	79,948
Current Assets			
Property development costs		49,848	49,053
Inventories		1,655	1,864
Trade receivables		5,209	5,697
Other receivables		5,144	5,548
Deposits with licensed finance companies		31	31
Short term investments	15	17,713	24,449
Cash and bank balances		1,717	2,786
		81,317	89,428
TOTAL ASSETS		161,097	169,376
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		34,901	37,074
Total Equity		142,128	144,301
Non-Current Liabilities			
Borrowings	26	3,902	8,902
Deferred tax liability		142	142
		4,044	9,044
Current Liabilities			
Borrowings	26	10,000	10,000
Trade payables	16	4,611	5,530
Other payables		311	496
Dividends payable		3	5
		14,925	16,031
Total Liabilities		18,969	25,075
TOTAL EQUITY AND LIABILITIES		161,097	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 six-month period ended 30 June 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	
At 1 January 2008	99,494	7,733	44,253	151,480
Profit for the period	-	-	1,421	1,421
At 30 June 2008	99,494	7,733	45,674	152,901
At 1 January 2009	99,494	7,733	37,074	144,301
Loss for the period	-	-	(2,173)	(2,173)
At 30 June 2009	99,494	7,733	34,901	142,128

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 six-month period ended 30 June 2009

(The figures have not been audited)

	6 months ended 30 June	
	2009	2008
	RM'000	RM'000
Net cash (used in)/generated from operating activities	(2,620)	20,552
Net cash generated from/(used in) investing activities	258	(1)
Net cash used in financing activities	(5,443)	(22,977)
Net decrease in cash and cash equivalents	(7,805)	(2,426)
Cash and cash equivalents at beginning of financial period	27,266	6,817
Cash and cash equivalents at end of financial period	19,461	4,391

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

	As at 30 June	
	2009	2008
	RM'000	RM'000
Cash and bank balances	1,717	2,361
Deposits with licensed finance companies	31	2,030
Short term investments	17,713	-
	19,461	4,391

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.



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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.

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 4 : Insurance Contracts	1 January 2010
FRS 7 : Financial Instruments : Disclosures	1 January 2010
FRS 8 : Operating Segments	1 July 2009
FRS 123 : Borrowing Costs	1 January 2010
FRS 139 : Financial Instruments : Recognition and measurement	1 January 2010
Amendments to FRS 1 : First-time Adoption of Financial Reporting Standards	1 January 2010
Amendments to FRS 2 : Share-based payment : Vesting Conditions and Cancellations	1 January 2010



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Amendments to FRS 127	: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
IC Interpretation 9	: Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	: Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	: FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 13	: Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010

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 FRS 7 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 30 June 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.



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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.

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 RM13.902 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.



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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	
	2009	2008
	RM'000	RM'000
Directors	349	339
Key management personnel	70	169

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 June		30 June	
		2009	2008	2009	2008
		RM'000	RM'000	RM'000	RM'000
Ibraco Properties Sdn. Bhd.	(a)				
Landscape maintenance work		27	27	9	9
Rental of lands		8	28	-	-
Syarikat Pemegang Palma Lilin Sdn. Bhd.	(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.



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15. Short Term Investments

	Unaudited 30 June 2009 RM'000	Audited 31 December 2008 RM'000
Quoted securities in Malaysia:		
Unit trusts, at cost	17,713	24,449

16. Trade Payables

	Unaudited 30 June 2009 RM'000	Audited 31 December 2008 RM'000
Trade payables	7	17
Provision for projects	4,604	5,513
	<u>4,611</u>	<u>5,530</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 recorded a loss before tax of RM0.99 million compared to a profit before tax of RM5.22 million recorded in the corresponding financial quarter ended 30 June 2008.

The Group's revenue for the current financial quarter ended 30 June 2009 decreased to RM0.60 million from RM55.72 million in the corresponding financial quarter ended 30 June 2008. Revenue for this reporting quarter was generated mainly from sale of inventories, landscaping and maintenance works. In the corresponding quarter ended 30 June 2008, there were sale of lands, inventories, and landscaping and maintenance works.

In the face of the prevailing financial and economic uncertainties, the Board has decided to adopt a more cautious approach to development activities for 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 RM0.031 million in the corresponding quarter to RM0.131 million in this reporting quarter. The increase is primarily due to dividends received from short term investments.

Administrative expenses decreased to RM1.395 million compared to RM1.949 million in the corresponding quarter. The decrease is mainly due to reduction in staff costs and a better control over expenses.

Finance costs were also reduced substantially to RM0.203 million from RM0.644 million in the corresponding quarter ended 30 June 2008. This is mainly due to a reduced outstanding amount arising from periodic repayments of banking facilities.

18. Comparison with Preceding Quarter's Results

The Group recorded a loss before tax of RM0.99 million compared to a loss before tax of RM1.03 million recorded in the immediate preceding financial quarter ended 31 March 2009.

The Group's revenue for the current financial quarter ended 30 June 2009 increased to RM0.60 million compared to RM0.40 million in the immediate preceding quarter ended 31 March 2009. Revenue for both quarters was primarily generated from sale of inventories. Revenue from landscaping and maintenance works was not significant in either quarter.



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Other income decreased from RM0.162 million in the immediate preceding quarter to RM0.131 million in this reporting quarter. The decrease is primarily due to lesser dividends received from a reduced amount of short term investments.

Administrative expenses increased to RM1.395 million compared to RM1.267 million in the immediate preceding quarter. The higher administrative expenses incurred in this reporting quarter is mainly arose from increase in printing expenses (for printing of annual report), professional fees for private placement exercise and expenses incurred for Audit Committee and Annual General Meeting.

Finance costs were also reduced to RM0.203 million from RM0.240 million in the immediate preceding quarter ended 31 March 2009. This is mainly due to a reduced outstanding amount arising from periodic repayments of banking facilities.

19. Prospects

The current global property market has been severely affected by crisis in the financial and banking sector. 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.



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21. Income Tax Expense

	3 months ended 30 June		6 months ended 30 June	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Current income tax:				
Malaysian income tax	148	1,480	148	1,480
Under-provision of Malaysian income tax in prior year	-	-	-	280
Deferred tax	-	13	3	26
Total income tax expense	<u>148</u>	<u>1,493</u>	<u>151</u>	<u>1,786</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 current quarter and financial period ended 30 June 2009 were higher than the statutory tax rate principally due to losses of the parent company and certain subsidiary companies which cannot be set off against taxable profits made by a subsidiary company and 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.



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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 at Muara Tebas Land District, Kuching for a purchase consideration of about RM23.928 million to be satisfied via the issuance of about 23.928 million new ordinary shares of RM1.00 each in the Company at the par value of RM1.00 per share. The original terms and conditions of the transactions have been varied slightly to allow for some cash payment instead of wholly via shares subject to the approval of Securities Commission. The Company shall enter into agreement to purchase

- 12 parcels of lands for a purchase consideration of approximately RM21.590 million to be satisfied via the issuance of about 21.590 million new ordinary shares of RM1.00 each at the par value of RM1.00 per share;
- 2 parcels of lands for a purchase consideration of approximately RM2.221 million to be satisfied via cash.

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. The 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 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. The said placement shares have yet to be subscribed by KKSWSST.

26. Borrowings and Debt Securities

	Unaudited As at 30 June 2009 RM'000	Audited As at 31 December 2008 RM'000
Short term borrowings		
Secured: Term loans	10,000	10,000
	<hr/> 10,000	<hr/> 10,000
Long term borrowings		
Secured: Term loans	3,902	8,902
Total borrowings	<hr/> 13,902	<hr/> 18,902

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.

27. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 18 August 2009.

28. Changes in Material Litigation

There was no known material litigation as at 18 August 2009.

29. Earnings Per Share

(a) Basic

	3 months ended 30 June		6 months ended 30 June	
	2009	2008	2009	2008
(Loss)/Profit for the period attributable to equity holders of the Company (RM'000)	(1,139)	3,730	(2,173)	1,421
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)	(1.14)	3.75	(2.18)	1.43

(b) Diluted

The Group has no potential ordinary shares in issue for the quarter under review and therefore, diluted earnings per share is presented as equal to basic earnings 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 19 August 2009.