



IBRACO BERHAD (011286-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter and six-month period ended 30 June 2011

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue		28,509	676	47,896	744
Cost of sales		(23,543)	(300)	(37,886)	(319)
Gross profit		4,966	376	10,010	425
Other income		94	245	152	511
Net increment/(decrement) in net market value of nursery plants		5	(2)	31	(2)
Administrative expenses		(1,293)	(1,249)	(2,540)	(2,433)
Selling and marketing Expenses		(22)	-	(27)	-
Other expenses		-	(1)	(2)	(1)
Finance costs		(3)	(167)	(4)	(298)
Profit / (loss) before tax		3,747	(798)	7,620	(1,798)
Income tax expense	23	(1,045)	(9)	(2,067)	(9)
Profit / (loss) for the period		2,702	(807)	5,553	(1,807)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		2,702	(807)	5,553	(1,807)
Profit / (loss) for the period attributable to Owners of the Parent		2,702	(807)	5,553	(1,807)
Total Comprehensive Income attributable to Owners of the Parent		2,702	(807)	5,553	(1,807)



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd)

For the quarter and six-month period ended 30 June 2011

(The figures have not been audited)

**Profit / (loss) Per Share
attributable to Owners of
the Parent:**

Basic, for profit / (loss) for the period (Sen)	30	2.34	(0.81)	4.81	(1.82)
Diluted, for profit / (loss) for the period (Sen)	30	2.34	(0.81)	4.81	(1.82)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (011286-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2011 and 31 December 2010

(The figures for 30 June 2011 have not been audited)

	Note	Unaudited As at 30 June 2011 RM'000	Audited As at 31 December 2010 RM'000
ASSETS			
Property, plant & equipment		1,918	1,734
Land held for property development		21,033	21,033
Investment properties		37,562	21,524
Deferred tax assets		1,186	1,339
Total non-current assets		61,699	45,630
Property development costs		127,313	135,603
Inventories		3,441	163
Trade receivables		25,635	15,764
Other receivables		2,690	4,023
Deposits with licensed bank & finance companies		900	6
Short term investments	16	2,136	2,108
Cash and bank balances		4,424	6,170
Total current assets		166,539	163,837
TOTAL ASSETS		228,238	209,467
EQUITY			
Share capital		115,494	115,494
Share premium		7,733	7,733
Retained earnings	20	42,349	36,796
Total Equity attributable to Owners of the Parent		165,576	160,023
LIABILITIES			
Loans and borrowings	27	16,730	65
Deferred tax liabilities		82	78
Total non-current Liabilities		16,812	143
Loans and borrowings	27	7,287	9,012
Trade payables	17	35,193	37,863
Other payables		1,108	2,426
Tax payable		2,262	-
Total current liabilities		45,850	49,301
Total Liabilities		62,662	49,444
TOTAL EQUITY AND LIABILITIES		228,238	209,467

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2011

(The figures have not been audited)

Attributable to Owners of the Parent				
Note	Non-Distributable		Distributable	Total Equity
	Share Capital	Share Premium	Retained Earnings	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2010	99,494	7,733	29,566	136,793
Effect of adopting FRS 139	-	-	(519)	(519)
At 1 January 2010, as restated	99,494	7,733	29,047	136,274
Total comprehensive income for the period	-	-	(1,807)	(1,807)
At 30 June 2010	99,494	7,733	27,240	134,467
At 1 January 2011	115,494	7,733	36,796	160,023
Total comprehensive income for the period	-	-	5,553	5,553
At 30 June 2011	115,494	7,733	42,349	165,576

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (011286-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2011

(The figures have not been audited)

	6 months ended 30 June	
	2011	2010
	RM'000	RM'000
Net cash generated from / (used in) operating activities	460	(1,891)
Net cash (used in) / generated from investing activities	(16,071)	353
Net cash generated from financing activities	16,380	3,091
Net increase in cash and cash equivalents	769	1,553
Cash and cash equivalents at beginning of financial period	6,691	11,350
Cash and cash equivalents at end of financial period	7,460	12,903

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

	As at 30 June	
	2011	2010
	RM'000	RM'000
Cash and bank balances	4,424	5,498
Deposits with licensed bank & finance companies	900	11
Short term investments	2,136	7,394
	7,460	12,903

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2010 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

These condensed consolidated 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 condensed consolidated 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 condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. 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 2010.

2. Changes in Accounting Policies

Except as described below, the significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2010.

On 1 January 2011, the group adopted the following FRSs and interpretations :-

FRSs and Interpretations

FRS 1	: First-time Adoption of Financial Reporting Standards
FRS 3	: Business Combinations (revised)
Amendment to FRS 1	: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendment to FRS 1	: Additional Exemptions for First-time Adopters
Amendment to FRS 1	: First-time Adoption of Financial Reporting Standards [Improvements for FRSs (2010)]
Amendment to FRS 2	: Share-based Payment
Amendment to FRS 2	: Group Cash-settled Share-based Payment Transactions
Amendment to FRS 3	: Business Combinations
Amendment to FRS 5	: Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 7	: Improving Disclosures about Financial Instruments
Amendment to FRS 7	: Financial Instruments : Disclosures [Improvements to FRSs (2010)]
Amendment to FRS 101	: Presentation to Financial Statements [Improvements to FRSs (2010)]
Amendment to FRS 121	: The Effects of Changes in Foreign Exchange Rates [Improvements to FRSs (2010)]
Amendment to FRS 127	: Consolidated and Separate Financial Statements
Amendment to FRS 128	: Investments in Associates [Improvements to FRSs (2010)]
Amendment to FRS 131	: Interests in Joint Ventures [Improvements to FRSs (2010)]
Amendment to FRS 132	: Financial Instruments : Presentation [Improvements to FRSs (2010)]
Amendment to FRS 134	: Interim Financial Reporting [Improvements to FRSs (2010)]
Amendment to FRS 138	: Intangible Assets
Amendment to FRS 139	: Financial Instruments : Recognition and Measurement [Improvements to FRSs (2010)]



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IC Interpretation 4	:	Determining Whether an Arrangement contains a Lease
Amendment to IC Int. 9	:	Reassessment of Embedded Derivatives
Amendment to IC Int. 12	:	Service Concession Arrangements
Amendment to IC Int. 13	:	Customer Loyalty Programmes [Improvements to FRSs (2010)]
Amendment to IC Int. 15	:	Agreements for the Construction of Real Estate
Amendment to IC Int. 16	:	Hedges of a Net Investment in a Foreign Operation
Amendment to IC Int. 17	:	Distributions of Non-cash Assets to Owners
Amendment to IC Int. 18	:	Transfers of Assets from Customers
Technical Release 3	:	Guidance on Disclosure of Transition to IFRSs

The application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

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 2011.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had a material effect in the current quarter's results.

6. Property, plant and equipment

(a) Acquisition and Disposals

During the six months ended 30 June 2011 the Group acquired assets with a cost of RM278,241 (six months ended 30 June 2010: RM116,861).

Assets with carrying amount of RM 1 were disposed off during the six months ended 30 June 2011 (six months ended 30 June 2010: RM11,947), resulting in a gain on disposal of RM 26,546 (six months ended 30 June 2010: gain of RM258,323), which is included in other income.

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current interim period.

8. Dividends Paid

There were no dividends paid during the quarter under review.



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9. 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.

10. Significant Events

- (a) On 10 May 2010, Ibraco Berhad announced that it has triggered prescribed criteria 2.1(h) of Practice Note 17 and hence is considered a PN17 company. Prescribed criteria 2.1(h) apply to listed issuer with an insignificant business or operations. As defined by paragraph 2.2(d) of the Practice Note "insignificant business or operations" means business or operations which generate revenue on a consolidated basis that represents 5% or less of the issued and paid-up capital of the listed issuer based on its latest annual audited or unaudited financial statements.

On 1 October 2010, Ibraco Berhad announced that the Company has on 30 September 2010 submitted the regularisation plan to the Bursa Malaysia Securities Berhad for approval.

On 6 December 2010, Ibraco Berhad announced that Bursa Malaysia Securities Berhad has on 3 December 2010 approved the Regularisation Plan and the Company has subsequently obtained the shareholders' approval on 23 December 2010 and completed the Regularisation Plan on 29 December 2010. The Company need to record a net profit in 2 consecutive quarterly results immediately after the completion of the implementation of the plan and to submit an application to the Exchange to demonstrate that it is no longer a PN17 Company, together with all the necessary documentary evidence.

On 26 April 2011, AmInvestment Bank Berhad (a member of AmInvestment Bank Group) had made an application on behalf of Ibraco Berhad to Bursa Malaysia Securities Berhad in relation to a waiver to comply with the requirement to record a net profit in 2 consecutive quarterly results immediately upon the implementation of the Regularisation Plan ("Waiver Application") and to uplift the Company from its Practice Note 17 ("PN17") status.

On 23 May 2011, Bursa Malaysia Securities Berhad has decided to approve the Waiver Application and has informed that the Company will be uplifted from PN17 status effective 24 May 2011.

- (b) On 24 May 2011, the Company has proposed an establishment of an employees' share option scheme ("**ESOS**") of up to fifteen percent (15%) of the issued and paid-up share capital of Ibraco ("**Proposed ESOS**"). On 8 June 2011, Bursa Malaysia Securities Berhad had approved the listing of such number of additional new ordinary shares of RM1.00 each. The company had obtained shareholders' on 29 June 2011 and make an offer of 12,490,000 share options to eligible directors and employee of the company and two active subsidiary companies.

11. Changes in Composition of the Group

The Board of Directors of Ibraco berhad had approved and given consent for six subsidiaries to make application to the Companies Commission of Malaysia to strike off its name pursuant to Section 308 of the Companies Act,1965. These subsidiaries have been dormant since incorporation and have no intention to commence any business in the future. The strike-off is in the best interest of the Company and is expected to be completed upon receipt of the notification form the Companies Commission of Malaysia.



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12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since the last annual balance sheet as at 31 December 2010 till the date of this quarterly report.

13. Capital Commitments

	As at 30 June	
	2011	2010
	RM'000	RM'000
Contracted for but not provided for in interim financial statements		
Construction of a single storey commercial mall	7,225	-

14. Directors and Key Management Personnel Compensation

The total compensation paid to Directors of the Group and other members of key management during the quarter under review were as follows:

	3 months ended 30 June	
	2011	2010
	RM'000	RM'000
Directors	252	185
Key management personnel	213	137

15. Related Party Transactions

The following are transactions entered into by the Group with Directors of the Company and with companies in which certain directors have substantial financial interest:

	Note	Transaction value		Balance outstanding	
		3 months ended 30 June		3 months ended 30 June	
		2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Ibraco Properties Sdn. Bhd.	(a)				
Landscape maintenance work		-	54	-	18
Rental of lands		-	3	-	-
Sale of computer		-	1	-	-
Syarikat Pemegang Palma Lilin Sdn. Bhd.	(a)				
Rental paid for office premises		-	102	-	-



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15. Related Party Transactions (contd)

Sharifah Deborah Sophia Ibrahim (b)

Rental paid for office premises	102	-	-	-
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Sii Kie Wong (c)

Sale of motor vehicle	-	45	-	-
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Notes

- (a) Companies in which Non-executive Director and major shareholder namely Sharifah Deborah Sophia Ibrahim have significant interest.
- (b) Sharifah Deborah Sophia Ibrahim is a Non-executive Director and major shareholder of Ibraco Berhad.
- (c) Sii Kie Wong is the former Chief Executive Officer of Ibraco Berhad who retired on 30 April 2010.

The Directors are of the opinion that the related party transactions and balances described above were carried out in the ordinary course of business and on mutually agreed terms.

16. Short Term Investments

	Unaudited 30 June 2011 RM'000	Audited 31 December 2010 RM'000
Quoted securities in Malaysia:		
Unit trusts, at cost	2,136	2,108

17. Trade Payables

	Unaudited 30 June 2011 RM'000	Audited 31 December 2010 RM'000
Trade payables	18,737	30,927
Provision for projects	16,456	6,936
	<u>35,193</u>	<u>37,863</u>



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

18. Review of Performance

The Group recorded a profit before tax of RM3.75 million compared to a loss before tax of RM0.80 million recorded in the corresponding financial quarter ended 30 June 2010.

The Group's revenue for the current financial quarter ended 30 June 2011 increased to RM28.51 million from RM0.676 million in the corresponding financial quarter ended 30 June 2010. The Group's current quarter revenue was mainly recognised from the current development project whereas, the revenue for the corresponding quarter was generated from sales of inventories and landscaping and maintenance works.

Other income decreased from RM0.245 million in the corresponding quarter to RM0.094 million in this reporting quarter. Other income of the group primarily comprised of dividends received from short term investments, tender documents fee, administrative charges for sub-sale and refinancing by purchasers and interest from short term deposits with licensed banks, whilst for the corresponding quarter there was also gain from disposal of property, plant and equipment.

Administrative expenses increased to RM1.29 million compared to RM1.25 million in the corresponding quarter ended 30 June 2010. The higher administrative cost incurred in this reporting quarter is mainly due to increase in staff costs and legal and professional fees.

Finance cost was reduced to merely RM2,577 from RM0.167 million in the corresponding quarter ended 30 June 2010. This is mainly due to full settlement of term loan facility towards the end of prior year, while the finance cost incurred from the utilised banking facilities in this reporting quarter has been charged to the property development costs as deferred interest and commitment fee.

19. Comparison with Immediate Preceding Quarter's Results

The Group recorded a profit before tax of RM3.75 million compared to a profit before tax of RM3.87 million recorded in the immediate preceding financial quarter ended 31 March 2011.

The Group's revenue for the current financial quarter ended 30 June 2011 increased to RM28.51 million compared to RM19.39 million in the immediate preceding quarter ended 31 March 2011. Revenue for the current financial quarter was primarily generated from the on-going development projects, while the immediate preceding quarter revenue was generated from the current on-going development project and sales of inventories.

Other income increased from RM0.058 million in the immediate preceding quarter to RM0.094 million in this reporting quarter. The slight increase is primarily due to dividends received from short term investments and interest from short term deposits with licensed banks and disposal of motor vehicle.

Administrative expenses increased to RM1.29 million compared to RM1.25 million in the immediate preceding quarter ended 31 March 2011. Higher administrative expenses comprising mainly professional fees and staff costs incurred in the current financial quarter.



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20. Realised and Unrealised Profits

	RM'000
Total retained profits as at 31 December 2010 :	
Realised profit	38,109
Unrealised loss	<u>(1,313)</u>
	<u>36,796</u>
Total retained profits as at 30 June 2011 :	
Realised profit	43,829
Unrealised loss	<u>(1,480)</u>
	<u>42,349</u>

21. Prospects

Although the world economy appears to be recovering from the global recession, there is significant volatility in the financial and equity markets, which, with the high cost of energy, commodities and food, represents a serious potential threat to the overall recovery process.

The Group plan to launch more projects comprising mainly residential properties during the financial year 2011. Nevertheless, the Company would continue to monitor the market demand and adopt a prudent and cautious approach with respect to any new launches in the short term. The take up rates and physical progress achieved for on-going projects is likely to enable the Group to achieve the projected financial results for financial year ending 31 December 2011.

22. 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.

23. Income Tax Expense

	3 months ended 30 June		6 months ended 30 June	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current income tax:				
Malaysian income tax	939	-	1,911	-
Deferred tax	106	9	156	9
Total income tax expense	<u>1,045</u>	<u>9</u>	<u>2,067</u>	<u>9</u>



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23. Income Tax Expense (contd)

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated taxable profit for the year.

The effective tax rates of the Group for the current quarter and financial period ended 30 June 2011 were slightly higher than the statutory tax rate principally due to deferred tax asset movement arising from realised inter-company profit.

24. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties during the current quarter under review.

25. Quoted Securities

There was no purchase or sale of quoted investments during the current quarter under review.

26. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

27. Loans and borrowings

	Unaudited As at 30 June 2011 RM'000	Audited As at 31 December 2010 RM'000
Short term borrowings		
Secured: Bank overdrafts	-	1,593
Finance lease liabilities	67	19
Revolving credits	5,800	7,400
Term loans	1,420	-
	7,287	9,012
Long term borrowings		
Secured: Finance lease liabilities	147	65
Term Loans	16,583	-
	16,730	65
Total borrowings	24,017	9,077

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

The Group did not issue any debt securities.

28. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 15 August 2011, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.



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29. Changes in Material Litigation

There was no known material litigation as at 15 August 2011.

30. Profit / (loss) Per Share

(a) Basic

	3 months ended		6 months ended	
	30 June		30 June	
	2011	2010	2011	2010
Profit / (loss) for the period attributable to owners of the Company (RM'000)	2,702	(807)	5,553	(1,807)
Weighted average number of ordinary shares in issue	115,494,095	99,494,095	115,494,095	99,494,095
Basic profit / (loss) per share (sen)	2.34	(0.81)	4.81	(1.82)

(b) Diluted

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

31. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2010 was not qualified.

32. 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 18 August 2011.