

13. ACCOUNTANTS' REPORT

(Prepared for inclusion in this Prospectus)

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IBRACO BERHAD **ACCOUNTANTS' REPORT**

Prepared for inclusion in the Prospectus to be dated **12 MAY 2004**

05 MAY 2004

The Board of Directors
Ibraco Berhad
No. 898, Ibraco House
Jalan Wan Alwi, Tabuan Jaya
93350 Kuching
Sarawak.

Gentlemen

1.0 INTRODUCTION

The report has been prepared by Ernst & Young, approved company auditors, for inclusion in the Prospectus of Ibraco Berhad (Company No.: 11286-P) ("IB" or "the Company") in connection with the Public Issue of 15,879,200 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share and the listing and quotation for the entire enlarged issued and paid-up share capital of IB comprising 90,000,000 ordinary shares of RM1.00 each on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

2.0 GENERAL INFORMATION

2.1 The Company

IB was incorporated in Malaysia under the Companies Act, 1965 on 30 August 1971 as a private limited liability company under the name of Ibraco Realty Development Sendirian Berhad. It was converted to a public limited liability company on 28 July 2003 and assumed the name Ibraco Realty Development Berhad. It subsequently changed its name to Ibraco Berhad on 1 August 2003.

The Company is involved in real estate and property development, developing and selling innovative residential, commercial and industrial properties. The Company was founded by the late Wan Alwi bin Tuanku Ibrahim.

IB is the pioneer property developer responsible for the growth of the established Tabuan Jaya Township located 7 kilometres southeast of Kuching city. The township is easily accessible to Government offices, port, airport, businesses, educational facilities and recreation grounds.

13. ACCOUNTANTS' REPORT (cont'd)**2.0 GENERAL INFORMATION (CONTD.)****2.1 The Company**

IB is the flagship of the Ibraco Group. It has been a very active property development company. It has developed the nearby Tabuan Heights area into a high-medium residential area incorporating well laid out housing schemes completed with green belts, playgrounds, shops, etc, besides well designed houses. The Company has also formed joint venture companies with other esteemed organizations like Permodalan Peremba Berhad of West Malaysia and Pelita Holdings Sendirian Berhad, a wholly owned subsidiary of Sarawak Land Custody & Development Authority, with the aim of bringing speedier development to the Tabuan Jaya and Muara Tabuan areas.

2.2 Restructuring and Listing Exercise

In conjunction with, and as an integral part of the listing exercise, the Company implemented a restructuring scheme which was approved by the Securities Commission ("SC") and Ministry of International Trade and Industry ("MITI") on the dates set out below:

Authority	Date of approval
SC	23 December 2003
MITI	31 October 2003

The details of the restructuring and listing scheme undertaken or will undertake by IB involves the following:-

- (a) The disposal of an indirect subsidiary company, Ibraco-Peremba Holdings Sdn. Bhd. ("IPH") for a consideration of RM22,500,000 on 11 June 2003.
- (b) The acquisition of new land partially satisfied by the issuance of 361,060 new ordinary shares of RM1.00 each on 16 June 2003.
- (c) The issuance of new bonus issue shares totalling 18,674,214 shares to the existing shareholders of IB on the basis of approximately 11,509 new bonus shares for every 5,000 existing shares held prior to the land acquisition stated in Note (b). The bonus issue was capitalised entirely from the retained profits. The bonus issue was completed on 25 July 2003.
- (d) The acquisition of new land partially satisfied by the issuance of 37,697,100 new ordinary shares of RM1.00 each on 25 July 2003.
- (e) The issuance of Redeemable Preference Shares ("RPS") of RM1.00 each which will be redeemed before the Public Issue. The Redeemable Preference shares were issued on 24 July 2003 and redeemed on 3 March 2004.

13. ACCOUNTANTS' REPORT (cont'd)

**2.0 GENERAL INFORMATION (CONTD.)****2.2 Restructuring and Listing Exercise(contd.)**

- (f) The acquisition of 3,613,501 issued and fully paid up share capital of SIP satisfied by the issuance 4,415,800 new ordinary shares of RM1.00 each in IB at RM1.25 per share on 27 February 2004.
- (g) The acquisition of 800,000 issued and fully paid up shares capital of ILCDA satisfied by the issuance of 4,361,100 new ordinary shares of RM1.00 each in IB at RM1.25 per share on 27 February 2004.
- (h) The issuance of 5,500 new ordinary shares of RM1.00 each on 3 March 2004.
- (i) Public Issue by IB of 15,879,200 new ordinary shares of RM1.00 each at an issue price of RM1.20 per share, for cash ("Public Issue").
- (j) The listing and quotation for the entire enlarged issued and paid-up share capital of IB comprising 90,000,000 ordinary shares of RM1.00 each on the Main Board of Bursa Malaysia.

The Public issue of 15,879,200 new ordinary shares of IB and the listing of and quotation of the entire enlarged issued and paid-up share capital of IB are expected to be completed by May 2004.

Subsequent to the listing of and quotation of the entire enlarged issued and paid up share capital of IB comprising 90,000,000 ordinary shares of RM1.00 each on the Main Board of Bursa Malaysia and as part of the listing and quotation exercise IB by virtue of an option agreement signed between IB and Ibraco Properties Sdn. Bhd. ("IP"), IP has granted an option to IB to purchase approximately 255 acres of IP's lands (comprised about 78 parcels of land), to be exercised within certain option periods for each parcel specified in the option agreement and the option price for each parcel shall be fixed based on the market price for such land at the time of the exercise of the option. The consideration for such option land shall be satisfied by the issuance of shares where the number and issue price will be determined at a later date. There are certain development schemes planned by IB for the years 2004 to 2008 on the aforesaid parcels of land owned by IP.

13. ACCOUNTANTS' REPORT (cont'd)**2.0 GENERAL INFORMATION (CONTD.)****2.3 Share Capital****2.3.1 Authorised Share Capital**

The present authorised share capital of IB is RM500,000,000 comprising 500,000,000 ordinary shares of RM1.00 each and 100,000 Preference Shares.

2.3.2 Issued and paid up Capital

Detail of changes in issued and paid up share capital of IB since the date of incorporation is as follows:-.

Date of allotment	Number of Ordinary shares of RM1.00 each	Purpose	Amount RM
8 June 1971	2	Cash	2
5 October 1977	500,000	Cash	500,000
4 August 1983	1,500,000	Cash	1,500,000
26 September 2001	1,560,072	Acquisition of land	1,560,072
28 January 2003	5,045,952	Acquisition of land	5,045,952
16 June 2003	361,060	Acquisition of land	361,060
25 July 2003	18,674,214	Bonus issue	18,674,214
25 July 2003	37,697,100	Acquisition of land	37,697,100
27 February 2004	8,776,900	Acquisition of subsidiary companies via share swap	8,776,900
3 March 2004	5,500	Cash	5,500
*	15,879,200	Public Issue	15,879,200
	-----		-----
	90,000,000		90,000,000
	=====		=====

*Upon the completion of the Public issue as detailed in paragraph 2.2 (i), the issued and fully paid up share capital of IB will be enlarged to 90,000,000 ordinary shares of RM1.00 each.

Subsequent to the Public issue and on completion of the acquisitions of lands from IP as detailed in paragraph 2.2, the issued and fully paid up share capital of IB will be further enlarged.

13. ACCOUNTANTS' REPORT (cont'd)

**2.0 GENERAL INFORMATION (CONTD.)****2.4 The Subsidiary Companies**

The information on the subsidiary companies, all of which are private limited liability companies incorporated in Malaysia, is as follows:

2.4.1 Syarikat Ibraco Peremba Sendirian Berhad ("SIP")

In 1974, IB set up a joint venture company with Urban Development Authority (UDA) of Kuala Lumpur called Syarikat Ibraco-UDA Sendirian Berhad. It changed its name to SIP on 10 November 1986. In 1975, SIP undertook a housing schemes known as Tabuan Jaya comprising 256 acres for the development of approximately 2,100 units of various types of residential and commercial properties. The successful development of Tabuan Jaya was followed by Tabuan Dusun, Tabuan Heights and involvement with others in the Tabuan Desa and Tabuan Laru development projects all around the Tabuan Jaya area.

SIP held 100% equity interest in IPH, in which its principal activities are those of property and management holding. SIP disposed off its entire shareholding to a third party, Vendu Sendirian Berhad on 11 June 2003.

As at the date of this report, the authorised share capital of SIP is RM15,000,000 comprising 15,000,000 ordinary shares of RM1.00 each. The issued and paid up capital is RM9,135,002 comprising 9,135,002 ordinary shares of RM1.00 each.

2.4.2 Ibraco-LCDA Sendirian Berhad ("ILCDA")

In 1983, IB set up another joint venture company with the Land Custody & Development Authority (LCDA), a Sarawak Government statutory organization, called Ibraco-LCDA Sendirian Berhad. ILCDA developed a housing scheme known as Muara Tabuan New Township which comprised a mixed development of residential, commercial and industrial properties.

ILCDA further developed the industrial area in Muara Tabuan with the commencement in July 2002 of its Muara Tabuan Phase 5 stage 3 project comprising 19 units of semi-detached factory buildings and some detached industrial lots.

As at the date of this report, the authorised share capital of ILCDA is RM4,000,000 comprising 4,000,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2,000,000 comprising 2,000,000 ordinary shares of RM1.00 each.

13. ACCOUNTANTS' REPORT (cont'd)



2.0 GENERAL INFORMATION (CONTD.)

2.4 The Subsidiary Companies (contd.)

2.4.3 Ibraco Construction Sendirian Berhad ("ICon")

ICon was incorporated on 10 September 2002 in Malaysia under the Companies Act, 1965. It commenced operation during the financial period ended 31 December 2003 and its principal activities are that of housing and property developer.

As at the date of this report, the authorized capital of ICon is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

ICon is a wholly owned subsidiary company of IB.

2.4.4 FOSO One Sendirian Berhad ("FOSO")

FOSO was incorporated on 15 April 2003 in Malaysia under the Companies Act, 1965. It commenced operations during the financial period ended 31 December 2003 and its principal activities are that of housing and property development.

As at the date of this report, the authorized capital of FOSO has been increased from RM100,000 to RM500,000 by the creation of 400,000 ordinary shares of RM1.00 each. The issued and fully paid up capital has been increased from RM2.00 to RM150,000 by the issuance of 149,998 ordinary shares of RM1.00 each.

FOSO is a wholly owned subsidiary company of IB.

2.4.5 Ibraco Crest Sendirian Berhad ("ICrest")

ICrest was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of ICrest is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

ICrest is a wholly owned subsidiary company of IB.

2.4.6 Ibracorange Sendirian Berhad ("IRange")

IRange was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IRange is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IRange is a wholly owned subsidiary company of IB.

13. ACCOUNTANTS' REPORT (cont'd)

**2.0 GENERAL INFORMATION (CONTD.)****2.4 The Subsidiary Companies (contd.)****2.4.7 Ibraco Dawn Sendirian Berhad (“IDawn”)**

IDawn was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IDawn is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IDawn is a wholly owned subsidiary company of IB.

2.4.8 Ibraco Peaks Sendirian Berhad (“IPeaks”)

IPeaks was incorporated on 20 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IPeaks is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IPeaks is a wholly owned subsidiary company of IB.

2.4.9 Ibraco Spectrum Sendirian Berhad (“ISpectrum”)

ISpectrum was incorporated on 1 April 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of ISpectrum is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

ISpectrum is a wholly owned subsidiary company of IB.

2.4.10 Ibraco Shine Sendirian Berhad (“IShine”)

IShine was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IShine is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IShine is a wholly owned subsidiary company of IB.

13. ACCOUNTANTS' REPORT (cont'd)**2.0 GENERAL INFORMATION (CONTD.)****2.4 The Subsidiary Companies (contd.)****2.4.11 Ibraco Rise Sendirian Berhad ("IRise")**

IRise was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IRise is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IRise is a wholly owned subsidiary company of IB.

2.4.12 Ibraco Infinity Sendirian Berhad ("IInfinity")

IInfinity was incorporated on 18 February 2003 in Malaysia under the Companies Act, 1965. Its intended principal activity is property development and it has not commenced operation as at the date of this report.

As at the date of this report, the authorized capital of IInfinity is RM100,000 comprising 100,000 ordinary shares of RM1.00 each. The issued and fully paid up capital is RM2.00 comprising 2 ordinary shares of RM1.00 each.

IInfinity is a wholly owned subsidiary company of IB.

2.5 Dividends

Details of dividends declared and paid by IB and its subsidiaries in respect of the financial years/period under review are as follows:

Year/period ended	Type	Gross dividend rate (%)	Net dividend RM
IB			
31 January 1999	-	-	-
31 January 2000	-	-	-
31 January 2001	-	-	-
31 January 2002	-	-	-
31 January 2003	Final in respect of Year ended 31 January 2002	16.5	1,025,302
31 December 2003	1st interim	219.5	13,599,754
	2nd interim	217.9	13,500,000

13. ACCOUNTANTS' REPORT (cont'd)**2.0 GENERAL INFORMATION (CONTD.)****2.5 Dividends (contd.)**

Year /period ended	Type	Gross dividend rate (%)	Net dividend RM
SIP			
31 January 1999	-	-	-
31 January 2000	-	-	-
31 January 2001	-	-	-
31 January 2002	-	-	-
31 January 2003	Final in respect of Year ended 31 January 2002	6	394,560
31 December 2003	Final in respect of Year ended 31 January 2003 1st interim	6 342.1	394,632 22,500,000
LCDA			
31 January 1999	-	-	-
31 January 2000	-	-	-
31 January 2001	-	-	-
31 January 2002	-	-	-
31 January 2003	Final in respect of Year ended 31 January 2002	10	144,000
31 December 2003	Final in respect of Year ended 31 January 2003	45	648,000

Save as disclosed above, the Company and its subsidiary companies have not declared or paid any dividend for all the financial years/period under review.

3.0 AUDITORS

We are the auditors of IB Group since financial year ended 31 January 2002. The financial statements have been reported on without any qualification and/or emphasis of matter. The financial statements from 1999 to 2001 were audited by other firms of Chartered Accountants and were reported on without any qualification and/or emphasis of matter.

4.0 ACCOUNTING POLICIES AND STANDARDS

This report has been prepared based on the accounting policies consistent with those previously adopted in the preparation of the audited financial statements of IB Group and in accordance with the provisions of the Companies Act 1965 and applicable Approved Accounting Standards issued by the Malaysian Accounting Standards Board in those relevant financial years under review.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS

5.1 Pro Forma IB Group

The summarised Pro Forma Consolidated Income Statements of the IB Group for the past five financial years ended 31 January 2003 and the latest financial period ended 31 December 2003 which have been prepared based on the consolidation of the audited financial statements of IB and its subsidiary companies for the relevant years, are provided for illustrative purposes, on the assumption that the IB Group had been in existence throughout the financial years under review and after making such adjustments considered necessary:

	Years ended 31 January					Period ended 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Revenue	50,755	34,071	28,630	52,002	48,907	69,198
Profit before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	5,468	5,914	4,034	16,901	17,671	16,863
Gain on disposal of subsidiary	-	-	-	-	-	16,900
Finance cost	(10)	(52)	(27)	(35)	(22)	(87)
Depreciation	(349)	(248)	(298)	(486)	(645)	(725)
Profit before taxation	5,109	5,614	3,709	16,380	17,004	32,951
Taxation	98	(1,484)	(1,588)	(4,580)	(5,638)	(4,371)
Profit after taxation	5,207	4,130	2,121	11,800	11,366	28,580
Number of ordinary shares assumed in issue ('000) #	74,121	74,121	74,121	74,121	74,121	74,121
Gross earnings per share (RM)	0.07	0.08	0.05	0.22	0.23	* 0.46
Net earnings per share (RM)	0.07	0.06	0.03	0.16	0.15	** 0.40

The issued and paid-up capital of 74,120,800 ordinary shares of RM1.00 each is based on the issued and paid-up capital of IB after the acquisition of land, bonus issue, issuance of ordinary shares and acquisition of subsidiary companies.

* Based on annualised profit before taxation of approximately RM34.41 million.

** Based on annualised profit after taxation of approximately RM29.64 million.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.1 Pro Forma IB Group(contd.)

Notes:

- (i) The summarised Pro Forma consolidated results are based on the audited financial statements of IB and its subsidiary companies.
- (ii) There were no exceptional or extraordinary items for the financial years under review other than the gain on disposal of IPH amounted to approximately RM16,900,000.
- (iii) The net earnings per share have been calculated based on the profit after taxation and the number of ordinary shares assumed in issue after the Acquisitions but before the Public Issue.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.2 IB – Group level

	Year ended 31 January					Period ended 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Revenue	53,305	36,548	31,262	54,538	51,061	70,202
Profit before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	7,297	7,651	5,767	18,594	19,079	17,579
Gain on disposal of subsidiary	-	-	-	-	-	15,484
Finance cost	(946)	(688)	(580)	(530)	(299)	(177)
Depreciation	(672)	(572)	(638)	(827)	(974)	(839)
Profit before taxation	5,679	6,391	4,549	17,237	17,806	32,047
Taxation	34	(1,769)	(1,898)	(4,890)	(5,941)	(4,505)
Profit after taxation	5,713	4,622	2,651	12,347	11,865	27,542
Minority interest	(1,153)	(409)	(170)	(475)	(2,200)	(7,870)
Profit attributable to shareholders	4,560	4,213	2,481	11,872	9,665	19,672
Weighted average number of ordinary shares in issue ('000)	20,674	20,674	20,674	22,234	22,289	45,533
Gross earnings per share (RM)	0.22	0.29	0.21	0.75	0.70	0.53
Net earnings per share (RM)	0.22	0.20	0.12	0.53	0.43	0.43

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.2 IB – Group level (contd.)

Notes:

- (i) Revenue and profit of the Group mainly arise from property development activities which fluctuate from year to year depending on the percentage of completion of the projects carried out.

Year ended 31 January 1999

The major projects contributing to the Group revenue included the development of Tabuan Heights Phase 4 and Tabuan Jaya Phase 4 stage 6 mixed residential projects whereby they contributed approximately RM48.4 million to the revenue. In 1999, 243 units of mixed residential properties at Tabuan Heights Phase 5 were launched.

Year ended 31 January 2000

In year 2000, Group revenue decreased substantially as compared to those achieved in 1999. This was mainly due to the completion of other development projects and no major project was launched during that year. The only project was Tabuan Heights Phase 5, which contributed approximately RM31.3 million or 85% of the total revenue. The Group registered a slight increase in profit before tax as compared to 1999 due to higher profit margin resulting from sale of developed detached lots and developed light industrial building lots.

Year ended 31 January 2001

Group revenue for financial year 2001 decreased by RM5.3 million due to completion of Tabuan Heights Phase 5 at the beginning of the year and the late commencement of Tabuan Heights Extension and Tabuan Height Phase 6 projects. These reduced revenue being recognised in year 2001 and hence lower profit before tax.

Year ended 31 January 2002

Group revenue for 2002 increased due to the contributions from the Tabuan Heights Extension and Tabuan Phase 6 projects which were projects carried forward from 2001. The revenue from sales of developed detached lots at Tabuan Courts further improved the Group's revenue and profit before tax in 2002.

Year ended 31 January 2003

Completion of Tabuan Height Phase 6 and Tabuan Heights Junction at the beginning of the year and the construction of Tabuan Height Phase 8 toward the end of the year reduced revenue being recognised for the year. However despite the decrease in revenue recognised, profit before tax increased as a result of higher gross profit margin resulted from the sales of developed and undeveloped land in 2003.

Period ended 31 December 2003

Group revenue improved significantly due to revenue recognised from Tabuan Jaya Baru 1, Tabuan Height Phase 8 and Tabuan Height Phase 7 which were projects carried forward from the previous year. However despite the significant increase in revenue, contribution decreased by RM1million due mainly to increase in the land cost for the projects. Group profit before tax was however improved by about RM14 million due to the gain on disposal on an indirect subsidiary company, IPH amounted to approximately RM15 million. Taxation charges were lower as compared to the previous year as the gain on disposal of IPH is not subject to tax.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.2 IB – Group level (Contd.)

- (ii) There were no exceptional or extraordinary items for the financial years under review other than the gain on disposal of an indirect subsidiary company, IPH, amounted to approximately RM15 million for the period ended 31 December 2003.

- (iii) The net earnings per share have been calculated based on the profit after taxation and the weighted average number of ordinary shares in issue for each financial year/period under review adjusted for 18,674,214 bonus issue as if the bonus issue had occurred since 1999.

13. ACCOUNTANTS' REPORT (cont'd)**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.3 IB – Company level**

	Years ended 31 January					Period ended 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Revenue	46,060	28,060	23,954	47,592	35,842	42,362
Profit before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	8,925	6,417	5,415	16,015	11,666	32,026
Gain on disposal of subsidiary	-	-	-	-	-	-
Finance cost	(1,469)	(1,010)	(1,629)	(34)	(58)	(56)
Depreciation	(175)	(115)	(162)	(349)	(589)	(601)
Profit before taxation	7,281	5,292	3,624	15,632	11,019	31,369
Taxation	(97)	(1,475)	(1,397)	(4,482)	(3,718)	(8,877)
Profit after taxation	7,184	3,817	2,227	11,150	7,301	22,492
Weighted average number of ordinary shares in issue ('000)	20,674	20,674	20,674	22,234	22,289	45,533
Gross earnings per share (RM)	0.22	0.29	0.21	0.75	0.70	0.53
Net earnings per share (RM)	0.22	0.20	0.12	0.53	0.43	0.43

Notes:

- (i) There were no exceptional or extraordinary items for the financial years/period under review.
- (ii) The net earnings per share have been calculated based on the profit after taxation and the weighted average number of ordinary shares in issue for each financial year/period under review adjusted for 18,674,214 bonus issue as if the bonus issue had occurred since 1999.

13. ACCOUNTANTS' REPORT (cont'd)**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.4 SIP – Company level**

	Years ended 31 January					Period ended 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Revenue	10,507	3,820	545	2,356	3,070	21,086
Profit/(loss) before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	1,677	587	(672)	427	1,370	4,039
Gain on disposal of subsidiary	-	-	-	-	-	16,900
Finance cost	(4)	(50)	(2)	(1)	(3)	(193)
Depreciation	(115)	(64)	(65)	(66)	(57)	(66)
Profit/(loss) before taxation	1,558	473	(739)	360	1,310	20,680
Taxation	179	15	132	(22)	(424)	(990)
Profit/(loss) after taxation	1,737	488	(607)	338	886	19,690
Number of ordinary shares in issue ('000)	9,135	9,135	9,135	9,135	9,135	9,135
Gross earnings/(loss) per share (RM)	0.17	0.05	(0.08)	0.04	0.14	2.26
Net earnings/(loss) per share (RM)	0.19	0.05	(0.07)	0.04	0.10	2.16

Notes:

- (i) There were no exceptional or extraordinary items for the financial years/period under review other than the gain on disposal of subsidiary, IPH, amounted to RM16,900,000 for the period ended 31 December 2003.
- (ii) The net earnings/(loss) per share have been calculated based on the profit/(loss) after taxation and the number of ordinary shares in issue for each financial year/period under review.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.5 ILCDA – Company level

	Years ended 31 January					Period ended 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Revenue	1,841	2,694	4,635	2,558	12,495	5,865
Profit before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	724	160	907	460	5,794	415
Gain on disposal of subsidiary	-	-	-	-	-	-
Finance cost	(15)	(13)	(11)	-	-	(7)
Depreciation	(85)	(82)	(83)	(84)	(41)	(58)
Profit before taxation	624	65	813	376	5,753	350
Taxation	15	(24)	(322)	(75)	(1,622)	(146)
Profit after taxation	639	41	491	301	4,131	204
Number of ordinary shares in issue ('000)	2,000	2,000	2,000	2,000	2,000	2,000
Gross earnings per share (RM)	0.31	0.03	0.41	0.19	2.88	0.18
Net earnings per share (RM)	0.32	0.02	0.25	0.15	2.07	0.10

Notes:

- (i) There were no exceptional or extraordinary items for the financial years/period under review.
- (ii) The net earnings per share have been calculated based on the profit after taxation and the number of ordinary shares in issue for each financial year/period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.6 ICon – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(8,099)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(8,099)
Taxation	-
Loss after taxation	(8,099)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(4,049)
Net loss per share (RM)	(4,049)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.7 FOSO – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal subsidiary, finance cost, depreciation and taxation charges	(7,630)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(7,630)
Taxation	-
Loss after taxation	(7,630)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(3,815)
Net loss per share (RM)	(3,815)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.8 ICrest – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal subsidiary, finance cost, depreciation and taxation charges	(4,948)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(4,948)
Taxation	-
Loss after taxation	(4,948)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,474)
Net loss per share (RM)	(2,474)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.9 IRange – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,563)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.10 IDawn – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,653)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)



5.0 SUMMARISED INCOME STATEMENTS (CONTD.)

5.11 IPeaks – Company level

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,653)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.12 ISpectrum – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary finance cost, depreciation and taxation charges	(4,779)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(4,779)
Taxation	-
Loss after taxation	(4,779)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,389)
Net loss per share (RM)	(2,389)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.13 IShine – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,653)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.14 IRise – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,653)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)

**5.0 SUMMARISED INCOME STATEMENTS (CONTD.)****5.15 Infinity – Company level**

	Period ended 31 December
	2003 RM
Revenue	-
Loss before gain on disposal of subsidiary, finance cost, depreciation and taxation charges	(5,126)
Gain on disposal of subsidiary	-
Finance cost	-
Depreciation	-
Loss before taxation	(5,126)
Taxation	-
Loss after taxation	(5,126)
Number of ordinary shares in issue	2
Gross loss per share (RM)	(2,563)
Net loss per share (RM)	(2,653)

Notes:

- (i) There were no exceptional or extraordinary items for the financial period under review.
- (ii) The net loss per share have been calculated based on the loss after taxation and the number of ordinary shares in issue for the financial period under review.

13. ACCOUNTANTS' REPORT (cont'd)**6.0 SUMMARISED BALANCE SHEETS**

The summarised balance sheets of IB and its subsidiary companies for the relevant financial years covered in this report are as follows:

6.1 IB – Group level

	As at 31 January					As at 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Property, plant and equipment	16,576	16,068	16,517	17,221	19,372	3,193
Land and development expenditure	1,531	1,531	1,254	3,526	14,066	71,330
Current assets	73,855	75,204	68,588	78,871	98,204	107,938
Current liabilities	(44,316)	(41,525)	(32,158)	(33,645)	(49,392)	(59,622)
Net current assets	29,539	33,679	36,430	45,226	48,812	48,316
	47,646	51,278	54,201	65,973	82,250	122,839
Financed by:						
Share capital	2,000	2,000	2,000	3,560	8,606	65,338
Non-distributable capital reserve	3,084	3,084	3,084	3,084	3,084	2,475
Revenue reserve	22,349	26,562	29,043	40,915	49,342	23,276
Shareholders' funds	27,433	31,646	34,127	47,559	61,032	91,089
Minority interests	11,370	11,779	11,950	12,426	14,624	11,977
Long term and deferred liabilities	8,843	7,853	8,124	5,988	6,594	19,773
	47,646	51,278	54,201	65,973	82,250	122,839

Certain comparative figures have been reclassified to conform with the format prescribed in Malaysian Accounting Standard Board (MASB) Standard 1- Presentation of Financial Statements.

13. ACCOUNTANTS' REPORT (cont'd)**6.0 SUMMARISED BALANCE SHEETS (CONTD.)****6.2 IB – Company level**

	As at 31 January					As at 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Property, plant and equipment	994	910	1,469	2,627	5,546	2,392
Investment in subsidiary companies	6,762	7,027	4,984	4,984	4,984	4,984
Land and development expenditure	1,100	1,100	822	3,094	13,923	71,330
Current assets	48,928	50,397	48,307	59,676	81,359	72,996
Current liabilities	(38,041)	(36,120)	(29,695)	(31,559)	(52,338)	(49,063)
Net current assets	10,887	14,277	18,612	28,117	29,021	23,933
	19,743	23,314	25,887	38,822	53,474	102,639
Financed by:						
Share capital	2,000	2,000	2,000	3,560	8,606	65,338
Reserves	17,654	21,242	23,469	34,619	40,895	17,614
Shareholders' funds	19,654	23,242	25,469	38,179	49,501	82,952
Long term and deferred liabilities	89	72	418	643	3,973	19,687
	19,743	23,314	25,887	38,822	53,474	102,639

Certain comparative figures have been reclassified to conform with the format prescribed in Malaysian Accounting Standard Board (MASB) Standard 1- Presentation of Financial Statements.

13. ACCOUNTANTS' REPORT (cont'd)**6.0 SUMMARISED BALANCE SHEETS (CONTD.)****6.3 SIP – Company level**

	As at 31 January					As at 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Property, plant and equipment	360	322	263	201	292	233
Investment in subsidiary company	5,600	5,600	5,600	5,600	5,600	-
Current assets	15,226	16,620	13,159	13,364	15,692	32,387
Current liabilities	(2,183)	(3,075)	(297)	(102)	(2,005)	(16,236)
Net current assets	13,043	13,545	12,862	13,262	13,687	16,151
	19,003	19,467	18,725	19,063	19,579	16,384
Financed by:						
Share capital	9,135	9,135	9,135	9,135	9,135	9,135
Reserves	9,711	10,199	9,590	9,928	10,419	7,214
Shareholders' funds	18,846	19,334	18,725	19,063	19,554	16,349
Long term and deferred liabilities	157	133	-	-	25	35
	19,003	19,467	18,725	19,063	19,579	16,384

Certain comparative figures have been reclassified to conform with the format prescribed in Malaysian Accounting Standard Board (MASB) Standard 1- Presentation of Financial Statements.

13. ACCOUNTANTS' REPORT (cont'd)**6.0 SUMMARISED BALANCE SHEETS (CONTD.)****6.4 ILCDA – Company level**

	As at 31 January					As at 31 December
	1999 RM'000	2000 RM'000	2001 RM'000	2002 RM'000	2003 RM'000	2003 RM'000
Property, plant and equipment	454	378	299	232	320	289
Land and development expenditure	565	565	565	565	276	-
Current assets	12,334	12,592	11,057	9,548	13,263	13,689
Current liabilities	(2,841)	(3,042)	(951)	(682)	(191)	(743)
Net current assets	9,493	9,550	10,106	8,866	13,072	12,946
	10,512	10,493	10,970	9,663	13,668	13,235
Financed by:						
Share capital	2,000	2,000	2,000	2,000	2,000	2,000
Revenue reserve	6,809	6,850	7,341	7,642	11,629	11,185
Shareholders' funds	8,809	8,850	9,341	9,642	13,629	13,185
Long term and deferred liabilities	1,703	1,643	1,629	21	39	50
	10,512	10,493	10,970	9,663	13,668	13,235

Certain comparative figures have been reclassified to conform with the format prescribed in Malaysian Accounting Standard Board (MASB) Standard 1- Presentation of Financial Statements.

13. ACCOUNTANTS' REPORT (cont'd)

**6.0 SUMMARISED BALANCE SHEETS (CONTD.)****6.5 ICon – Company level**

	As at 31 December
	2003 RM
Capital work-in-progress	277,988
Current assets	2,592,170
Current liabilities	(2,878,255)
Net current liabilities	(286,085)
	(8,097)
Financed by:	
Share capital	2
Accumulated loss	(8,099)
Shareholders' deficit	(8,097)