

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (contd.)**2.15 Land held for property development and property development costs (contd.)****(ii) Property development costs**

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within other current assets and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within other current liabilities.

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2. Summary of significant accounting policies (contd.)**2.16 Inventories**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land
- Amounts paid to contractors for construction
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Inventories for consumables are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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2. Summary of significant accounting policies (contd.)

2.18 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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2. Summary of significant accounting policies (contd.)**2.18 Financial liabilities (contd.)**

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.19 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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2. Summary of significant accounting policies (contd.)

2.21 Employee benefits

(i) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the country in which it has operations. The Group makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(iii) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

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2. Summary of significant accounting policies (contd.)**2.22 Leases****(a) As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.23(viii).

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2. Summary of significant accounting policies (contd.)

2.23 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable:

(i) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.14.

(iii) Sale of completed properties

A property is regarded as sold when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales are recognised only when all the significant conditions are satisfied.

(iv) Development properties

Where property is under development and agreement has been reached to sell such property when construction is complete, the directors consider whether the contract comprises:

- A contract to construct a property
Or
- A contract for the sale of a completed property

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

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2. Summary of significant accounting policies (contd.)**2.23 Revenue recognition (contd.)****(iv) Development properties (contd.)**

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:

- The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer; and
- All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when buyer cannot put the incomplete property back to the Group.

In such situations, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

(v) Revenue from landscaping and maintenance work

Revenue from landscaping and maintenance work are recognised upon completion at reporting date. Where the work outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(vi) Interest income

Interest income is recognised using the effective interest rate method.

(vii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

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Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.24 Income taxes**(a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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2. Summary of significant accounting policies (contd.)

2.24 Income taxes (contd.)

(b) Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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2. Summary of significant accounting policies (contd.)

2.24 Income taxes (contd.)

(b) Deferred tax (contd.)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.25 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36.

2.26 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

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2. Summary of significant accounting policies (contd.)

2.28 Fair value measurements

The Group measures financial instruments at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as disclosed in Note 33.

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3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification of property

The Group determines whether a property is classified as investment property or inventory property:

- Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
- Inventory property comprises property that is held for sale in the ordinary course of business.

(b) Investment property

Management judged that it retains all the significant risks and rewards of ownership of the investment property, thus accounted for the lease contracts with tenants as operating leases.

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3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 17.

(b) Construction contracts and property development

The Group recognises construction contracts and property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction contracts and property development costs incurred for work performed to date bear to the estimated total construction contracts and property development costs.

Significant judgement is required in determining the stage of completion, the extent of the construction contracts and property development costs incurred, the estimated total construction contracts and property development revenue and costs, as well as the recoverability of the construction contracts and property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of assets and liabilities of the Group arising from property development activities are disclosed in Note 14 respectively.

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3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(d) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 29.

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3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(e) Estimation of net realisable value for inventory

Inventory is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in the light of recent market transactions.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less an estimate of the time value of money to the date of completion.

4. Revenue

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Sales of developed properties and land	193,357,768	161,413,557	180,795,039	161,413,557
Construction revenue	32,769,254	12,914,161	-	-
Rental income from investment property	2,934,332	2,813,917	2,934,332	2,813,917
	<u>229,061,354</u>	<u>177,141,635</u>	<u>183,729,371</u>	<u>164,227,474</u>

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5. Cost of sales

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property development costs	139,460,706	106,472,997	136,599,731	109,404,404
Construction cost	28,003,762	10,585,855	-	-
Investment property maintenance cost	121,247	151,942	121,247	151,942
	<u>167,585,715</u>	<u>117,210,794</u>	<u>136,720,978</u>	<u>109,556,346</u>

6. Finance costs

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on:				
- Bank loans and bank overdrafts	5,153,670	4,734,610	5,153,670	4,734,610
- Obligation under finance lease	27,838	43,153	27,838	43,153
- Inter-company owing	-	-	38,500	105,002
Less: Interest expense capitalised in property development cost (Note 14(b))	(2,203,541)	(1,059,458)	(2,203,541)	(1,059,458)
Total finance costs	<u>2,977,967</u>	<u>3,718,305</u>	<u>3,016,467</u>	<u>3,823,307</u>

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7. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration:				
- statutory audit	86,400	86,400	56,000	56,000
- other services	10,000	10,000	10,000	10,000
Depreciation of property, plant and equipment (Note 12)	943,399	610,528	502,348	466,358
Dividends income received from investment securities	(325,874)	(379,565)	(48,539)	(75,468)
Employee benefit expenses (Note 8)	5,322,602	4,733,190	4,028,503	3,830,305
Gain on fair value of investment property	(6,229,846)	-	(6,212,362)	-
(Gain)/loss on disposal of property, plant and equipment	(294,728)	630,746	(13,236)	630,746
Interest income	(237,463)	(211,453)	(1,710,602)	(365,656)
Impairment loss on financial assets:				
- trade receivables (Note 17)	959,903	230,694	-	-
- other receivables	-	106,071	-	-
Inventories written down	-	259,206	-	-
Inventories written off	8,571	23,599	-	-
Impairment on investment in subsidiary	-	-	-	802,778
Non-executive directors' remuneration (Note 9)	646,171	360,900	453,714	298,000
Property, plant and equipment written off	5,211	-	4,936	-
Rental expense	642,260	648,740	642,260	648,740
Waiver of debts	-	-	2,236	6,160

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**Ibraco Berhad
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8. Employee benefit expenses

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages and salaries	4,695,728	4,026,744	3,565,440	3,267,613
Staff benefits	12,720	(32,991)	4,753	(38,971)
Contribution to defined contribution plan	569,877	485,937	430,896	392,331
Other benefits	44,277	35,687	27,414	24,222
	<u>5,322,602</u>	<u>4,515,377</u>	<u>4,028,503</u>	<u>3,645,195</u>
Share options granted under ESOS	-	217,813	-	185,110
	<u>5,322,602</u>	<u>4,733,190</u>	<u>4,028,503</u>	<u>3,830,305</u>

Included in employee benefit expenses of the Group and of the Company are executive directors' remuneration amounting to RM911,519 (2013: RM1,311,036) and RM828,240 (2013: RM1,292,786) respectively as further disclosed in Note 9.

9. Directors' remuneration

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors' remuneration (Note 8):				
Fees	83,279	-	-	-
Salaries and other emoluments	828,240	1,266,236	828,240	1,247,986
Share options granted under ESOS	-	44,800	-	44,800
	<u>911,519</u>	<u>1,311,036</u>	<u>828,240</u>	<u>1,292,786</u>
Non-executive directors' remuneration (Note 7):				
Fees	646,171	344,900	453,714	282,000
Share options granted under ESOS	-	16,000	-	16,000
	<u>646,171</u>	<u>360,900</u>	<u>453,714</u>	<u>298,000</u>
Total directors' remuneration	1,557,690	1,671,936	1,281,954	1,590,786
Estimated money value of benefits-in-kind	24,445	725,145	24,445	725,145
Total directors' remuneration including benefits-in-kind (Note 30(c))	<u>1,582,135</u>	<u>2,397,081</u>	<u>1,306,399</u>	<u>2,315,931</u>

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9. Directors' remuneration (contd.)

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive:				
Fees	83,279	-	-	-
Salaries and other emoluments	739,530	1,132,415	739,530	1,114,165
Defined contribution plans	88,710	133,821	88,710	133,821
Benefits-in-kind	24,445	725,145	24,445	725,145
Share options granted under ESOS	-	44,800	-	44,800
	<u>935,964</u>	<u>2,036,181</u>	<u>852,685</u>	<u>2,017,931</u>
Non-executive:				
Fees	462,114	290,400	453,714	282,000
Share options granted under ESOS	-	16,000	-	16,000
	<u>462,114</u>	<u>306,400</u>	<u>453,714</u>	<u>298,000</u>
	<u><u>1,398,078</u></u>	<u><u>2,342,581</u></u>	<u><u>1,306,399</u></u>	<u><u>2,315,931</u></u>

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed as below:

	Number of directors	
	2014	2013
Executive directors:		
RM250,001 - RM300,000	1	1
RM300,001 - RM350,000	-	1
RM500,001 - RM600,000	1	1
RM600,001 - RM900,000	-	1
Non-executive directors:		
NIL - RM50,000	1	1
RM50,001 - RM100,000	3	4
RM200,001 - RM250,000	1	-

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10. Income tax expense

Major component of income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Statement of comprehensive income				
Current income tax:				
- Malaysian income tax	15,113,200	12,347,250	10,886,200	11,879,000
- (Over)/under provision in respect of previous years	(20,520)	50,393	(20,600)	49,752
	<u>15,092,680</u>	<u>12,397,643</u>	<u>10,865,600</u>	<u>11,928,752</u>
Deferred tax (Note 26):				
- Originating and reversal of temporary differences	(1,179,323)	(1,351,277)	368,900	(963,939)
- Effect of reduction in tax rates	124,813	-	85,000	-
- Under/(over) provision in respect of previous years	12,076	(56,961)	6,800	6,862
	<u>(1,042,434)</u>	<u>(1,408,238)</u>	<u>460,700</u>	<u>(957,077)</u>
Income tax expense recognised in profit or loss	<u>14,050,246</u>	<u>10,989,405</u>	<u>11,326,300</u>	<u>10,971,675</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The statutory tax rate will be reduced to 24% from the current year's tax rate of 25% effective year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected the change in tax rate.

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10. Income tax expense (contd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit before tax	52,816,697	44,013,083	42,725,779	40,507,890
Tax at Malaysian statutory rate of 25% (2013: 25%)	13,204,174	11,003,271	10,681,445	10,126,973
Effect of reduction in tax rates	124,813	-	85,000	-
Income not subject to tax	(81,919)	(94,960)	(12,135)	(18,867)
Expenses not deductible for tax purposes	907,526	1,215,379	585,790	806,955
Deferred tax assets not recognised	10,160	16,330	-	-
Deferred tax recognised on tax losses and unabsorbed capital allowances previously not recognised	(106,064)	(1,144,047)	-	-
(Over)/under provision of income tax expense in prior year	(20,520)	50,393	(20,600)	49,752
Under/(over) deferred tax in prior year	12,076	(56,961)	6,800	6,862
Income tax expense recognised in profit or loss	14,050,246	10,989,405	11,326,300	10,971,675

11. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

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11. Earnings per share (contd.)

(a) Basic (contd.)

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	2014	Group 2013
Profit attributable to owners of the Company (RM)	36,379,241	33,076,437
Weighted average number of ordinary shares in issue	126,511,555	123,967,268
Basic earnings per share (sen)	<u>29</u>	<u>27</u>

(b) Diluted

Diluted earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	2014	Group 2013
Profit attributable to owners of the Company (RM)	36,379,241	33,076,437
Weighted average number of ordinary shares in issue for diluted earnings per share computation*	126,515,735	124,031,798
Diluted earnings per share (sen)	<u>29</u>	<u>27</u>
Weighted average number of ordinary shares for basic earnings per share computation	126,511,555	123,967,268
Effects of dilution		
- Share options	4,180	64,530
Weighted average number of ordinary shares in issue for diluted earnings per share computation*	<u>126,515,735</u>	<u>124,031,798</u>

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12. Property, plant and equipment

	Buildings and renovation RM	Motor vehicles, office equipment, furniture and fittings RM	Plant and equipment RM	Work- in-progress RM	Total RM
Group					
At 31 December 2014					
Cost					
At 1 January 2014	2,572,902	4,164,595	4,914,397	805,970	12,457,864
Additions	48,567	1,838,707	118,529	94,820	2,100,623
Disposals	-	(200,500)	(434,482)	-	(634,982)
Written off	-	(251,634)	(21,193)	-	(272,827)
At 31 December 2014	<u>2,621,469</u>	<u>5,551,168</u>	<u>4,577,251</u>	<u>900,790</u>	<u>13,650,678</u>
Accumulated depreciation					
At 1 January 2014	997,569	2,958,861	1,070,172	-	5,026,602
Depreciation charge for the year:					
Recognised in profit or loss (Note 7)	152,385	401,591	389,423	-	943,399
Disposals	-	(200,498)	(409,712)	-	(610,210)
Written off	-	(246,430)	(21,186)	-	(267,616)
At 31 December 2014	<u>1,149,954</u>	<u>2,913,524</u>	<u>1,028,697</u>	<u>-</u>	<u>5,092,175</u>
Net carrying amount	<u>1,471,515</u>	<u>2,637,644</u>	<u>3,548,554</u>	<u>900,790</u>	<u>8,558,503</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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12. Property, plant and equipment (contd.)

	Buildings and renovation RM	Motor vehicles, office equipment, furniture and fittings RM	Plant and equipment RM	Work- in-progress RM	Total RM
Group (contd.)					
At 31 December 2013					
Cost					
At 1 January 2013	1,958,057	4,832,667	998,809	-	7,789,533
Additions	614,845	402,235	3,915,588	805,970	5,738,638
Disposals	-	(1,070,307)	-	-	(1,070,307)
At 31 December 2013	<u>2,572,902</u>	<u>4,164,595</u>	<u>4,914,397</u>	<u>805,970</u>	<u>12,457,864</u>
Accumulated depreciation					
At 1 January 2013	903,943	2,984,230	967,462	-	4,855,635
Depreciation charge for the year:					
Recognised in profit or loss (Note 7)	93,626	414,192	102,710	-	610,528
Disposals	-	(439,561)	-	-	(439,561)
At 31 December 2013	<u>997,569</u>	<u>2,958,861</u>	<u>1,070,172</u>	<u>-</u>	<u>5,026,602</u>
Net carrying amount	<u>1,575,333</u>	<u>1,205,734</u>	<u>3,844,225</u>	<u>805,970</u>	<u>7,431,262</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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12. Property, plant and equipment (contd.)

Company	Buildings and renovation RM	Motor vehicles, office equipment, furniture and fittings RM	Plant and equipment RM	Total RM
At 31 December 2014				
Cost				
At 1 January 2014	920,209	2,591,851	240,285	3,752,345
Additions	48,567	1,786,965	-	1,835,532
Disposals	-	(118,900)	(66,482)	(185,382)
Written off	-	(204,376)	(15,195)	(219,571)
At 31 December 2014	<u>968,776</u>	<u>4,055,540</u>	<u>158,608</u>	<u>5,182,924</u>
Accumulated depreciation				
At 1 January 2014	344,205	1,551,562	213,054	2,108,821
Depreciation charge for the year:				
Recognised in profit or loss (Note 7)	127,553	372,653	2,142	502,348
Disposals	-	(118,899)	(41,719)	(160,618)
Written off	-	(199,444)	(15,191)	(214,635)
At 31 December 2014	<u>471,758</u>	<u>1,605,872</u>	<u>158,286</u>	<u>2,235,916</u>
Net carrying amount	<u>497,018</u>	<u>2,449,668</u>	<u>322</u>	<u>2,947,008</u>

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12. Property, plant and equipment (contd.)

	Buildings and renovation RM	Motor vehicles, office equipment, furniture and fittings RM	Plant and equipment RM	Total RM
Company (contd.)				
At 31 December 2013				
Cost				
At 1 January 2013	286,450	3,352,640	240,285	3,879,375
Additions	633,759	309,518	-	943,277
Disposals	-	(1,070,307)	-	(1,070,307)
At 31 December 2013	<u>920,209</u>	<u>2,591,851</u>	<u>240,285</u>	<u>3,752,345</u>
Accumulated depreciation				
At 1 January 2013	275,411	1,597,363	209,250	2,082,024
Depreciation charge for the year:				
Recognised in profit or loss (Note 7)	68,794	393,760	3,804	466,358
Disposals	-	(439,561)	-	(439,561)
At 31 December 2013	<u>344,205</u>	<u>1,551,562</u>	<u>213,054</u>	<u>2,108,821</u>
Net carrying amount	<u>576,004</u>	<u>1,040,289</u>	<u>27,231</u>	<u>1,643,524</u>

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,320,000 (2013: RM Nil) by means of finance lease. The cash outflow on acquisition of property, plant and equipment for the Group and the Company amounted to RM780,623 (2013: RM5,738,638) and RM515,532 (2013: RM943,277) respectively.

The carrying amount of property, plant and equipment held under hire purchase and finance lease arrangements at the reporting date were RM1,720,220 (2013: RM510,515).

Details of the terms and conditions of the hire purchase and finance lease arrangements are disclosed in Note 25.

Leased asset is pledged as security for the related finance lease liabilities (Note 25). The net carrying amount of motor vehicles pledged for borrowings as referred to Note 25 are RM1,720,220 (2013: RM510,515).

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13. Investments in subsidiary companies

	Company	
	2014 RM	2013 RM
Unquoted shares, at cost	33,879,946	33,179,948
Impairment losses	(802,778)	(802,778)
	33,077,168	32,377,170

Details of subsidiary companies, all of which are incorporated and domiciled in Malaysia, and their principal activities are as set out below:

Name of subsidiary companies	Principal activities	Proportion of ownership interest	
		2014	2013
Greater Tabuan Sdn. Bhd.	Housing and property development	100%	100%
Syarikat Ibraco-Peremba Sdn. Bhd.	Land and property development	100%	100%
Foso One Sdn. Bhd.	Construction	100%	100%
Ibraco Construction Sdn. Bhd.	Construction	100%	100%
Ibraco HGS Sdn. Bhd.	Property development and construction	70%	70%
Ibraco Pelita Sdn. Bhd.	Property development and construction	75%	75%
Ibraco Plantation Sdn. Bhd.	Plantation and investment holdings	70%	70%
Ibraco Spectrum Sdn. Bhd.	Landscaping and trading of building materials and related products	100%	100%
Ibraco Infinity Sdn. Bhd.	Dormant	100%	100%
Ibraco Rise Sdn. Bhd.	Dormant	-	100%
Subsidiary company of Ibraco HGS Sdn. Bhd.			
Warisar Sdn. Bhd.	Property development and construction	80%	80%

All subsidiary companies are audited by Ernst & Young Malaysia.

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13. Investments in subsidiary companies (contd.)

(a) The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statements of financial position

	Ibraco HGS Sdn. Bhd. and its subsidiary		Ibraco Pelita Sdn. Bhd.		Ibraco Plantations Sdn. Bhd.		Total	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Current assets	80,733,339	17,572,996	1,959,804	1,024,651	1,021,861	1,000,000	83,715,004	19,597,647
Current liabilities	72,736,474	15,371,064	2,235,741	1,048,641	1,700	6,575	74,973,915	16,426,280
Net assets	7,996,865	2,201,932	(275,937)	(23,990)	1,020,161	993,425	8,741,089	3,171,367
Equity attributable to owners of the Company	4,717,131	1,664,374	(206,953)	(17,992)	714,113	695,397	5,224,291	2,341,779
Non-controlling interests	3,279,734	537,558	(68,984)	(5,998)	306,048	298,028	3,516,798	829,588
	7,996,865	2,201,932	(275,937)	(23,990)	1,020,161	993,425	8,741,089	3,171,367



Ernst & Young (AF: 0039)
Chartered Accountants, Kuching
For identification purposes only

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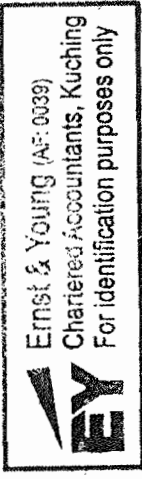
Notes to the Financial Statements
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13. Investments in subsidiary companies (contd.)

(a) The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination. (contd.)

(ii) Summarised statements of profit or loss and other comprehensive income

	Ibraco HGS Sdn. Bhd. and its subsidiary		Ibraco Pelita Sdn. Bhd.		Ibraco Plantations Sdn. Bhd.		Total
	2014	2013	2014	2013	2014	2013	
	RM	RM	RM	RM	RM	RM	RM
Revenue	44,131,983	12,914,161	-	-	-	-	44,131,983
Profit/(loss) for the year	4,794,933	1,216,723	(251,947)	(1,023,990)	26,737	(6,575)	4,569,723
Profit/(loss) attributable to:							
Owners of the Company	2,352,757	1,011,512	(188,960)	(767,993)	18,716	(4,602)	2,182,513
Non-controlling interests	2,442,176	205,211	(62,987)	(255,997)	8,021	(1,973)	2,387,210
	<u>4,794,933</u>	<u>1,216,723</u>	<u>(251,947)</u>	<u>(1,023,990)</u>	<u>26,737</u>	<u>(6,575)</u>	<u>4,569,723</u>
							<u>186,158</u>



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13. Investments in subsidiary companies (contd.)

(a) The Group's subsidiaries that have material non-controlling interests ("NCI") are set out below. The summarised financial information presented below is the amount before inter-company elimination. (contd.)

(iii) Summarised cash flows

	Ibraco HGS Sdn. Bhd. and its subsidiary		Ibraco Pelita Sdn. Bhd.		Ibraco Plantations Sdn. Bhd.		Total	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Net cash (used in)/generated from operating activities	(71,236)	190,585	(193,856)	(493,598)	(6,665)	-	(271,757)	(303,013)
Net cash generated from/ (used in) investing activities	816,485	(777,985)	210,868	(488,778)	(924,297)	-	103,056	(1,266,763)
Net cash generated from financing activities	996,058	-	-	1,000,000	-	1,000,000	996,058	2,000,000
Net increase/(decrease) in cash and cash equivalents	1,741,307	(587,400)	17,012	17,624	(930,962)	1,000,000	827,357	430,224
Cash and cash equivalents at the beginning of the year	379,516	966,916	17,624	-	1,000,000	-	1,397,140	966,916
Cash and cash equivalents at the end of the year	2,120,823	379,516	34,636	17,624	69,038	1,000,000	2,224,497	1,397,140

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13. Investments in subsidiary companies (contd.)

On 12 July 2013, the Company had made application to the Companies Commission of Malaysia to strike off Ibraco Rise Sdn. Bhd.'s name pursuant to Section 308 of the Companies Act, 1965. This subsidiary has been dormant since incorporation and has no intention to commence any business in the future. The strike off has been completed as at 18 August 2014.

On 19 August 2014, Ibraco HGS Sdn. Bhd. issued additional 1,000,000 new shares of RM1.00 each at par for cash. As a result, Ibraco HGS Sdn. Bhd.'s issued and paid-up capital of RM2,000,000 is 70% owned by the Company and 30% owned by Hiap Ghee Seng Development Sdn. Bhd.

14. Land held for property development and property development costs

(a) Land held for property development

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group				
At 31 December 2014				
Cost				
At 1 January 2014	26,874,668	49,902,188	48,561,961	125,338,817
Additions	-	9,674	9,754,820	9,764,494
Transfer to property development costs	(3,525,896)	(731,576)	-	(4,257,472)
At 31 December 2014	<u>23,348,772</u>	<u>49,180,286</u>	<u>58,316,781</u>	<u>130,845,839</u>
Carrying amount at 31 December 2014	<u>23,348,772</u>	<u>49,180,286</u>	<u>58,316,781</u>	<u>130,845,839</u>

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14. Land held for property development and property development costs (contd.)

(a) Land held for property development (contd.)

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Group (contd.)				
At 31 December 2013 (Restated)				
Cost				
At 1 January 2013	31,346,468	50,303,244	25,822,024	107,471,736
Additions	-	-	28,015,887	28,015,887
Disposals	(4,450,774)	(422,082)	(5,275,950)	(10,148,806)
Reclassification	(21,026)	21,026	-	-
At 31 December 2013	<u>26,874,668</u>	<u>49,902,188</u>	<u>48,561,961</u>	<u>125,338,817</u>
Carrying amount at 31 December 2013	<u>26,874,668</u>	<u>49,902,188</u>	<u>48,561,961</u>	<u>125,338,817</u>
At 31 December 2012 (Restated)				
Cost				
At 1 January 2012	13,658,367	46,537,254	-	60,195,621
Additions	19,133,679	3,765,990	25,822,024	48,721,693
Transfer to property development costs	(1,445,578)	-	-	(1,445,578)
At 31 December 2012	<u>31,346,468</u>	<u>50,303,244</u>	<u>25,822,024</u>	<u>107,471,736</u>
Carrying amount at 31 December 2012	<u>31,346,468</u>	<u>50,303,244</u>	<u>25,822,024</u>	<u>107,471,736</u>

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14. Land held for property development and property development costs (contd.)

(a) Land held for property development (contd.)

Company	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
At 31 December 2014				
Cost				
At 1 January 2014	22,310,110	47,763,423	50,852,963	120,926,496
Additions	-	9,674	10,045,221	10,054,895
Transfer to property development costs	(1,175,288)	-	-	(1,175,288)
At 31 December 2014	21,134,822	47,773,097	60,898,184	129,806,103
Carrying amount as at 31 December 2014	21,134,822	47,773,097	60,898,184	129,806,103
At 31 December 2013 (Restated)				
Cost				
At 1 January 2013	26,760,884	48,185,505	27,714,324	102,660,713
Additions	-	-	28,782,786	28,782,786
Disposals	(4,450,774)	(422,082)	(5,644,147)	(10,517,003)
At 31 December 2013	22,310,110	47,763,423	50,852,963	120,926,496
Carrying amount as at 31 December 2013	22,310,110	47,763,423	50,852,963	120,926,496

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14. Land held for property development and property development costs (contd.)

(a) Land held for property development (contd.)

	Freehold land RM	Leasehold land RM	Development expenditure RM	Total RM
Company (contd.)				
At 31 December 2012 (Restated)				
Cost				
At 1 January 2012	9,072,783	44,409,082	-	53,481,865
Additions	19,133,679	3,776,423	27,714,324	50,624,426
Transfer to property development costs	(1,445,578)	-	-	(1,445,578)
At 31 December 2012	<u>26,760,884</u>	<u>48,185,505</u>	<u>27,714,324</u>	<u>102,660,713</u>
Carrying amount as at 31 December 2012	<u>26,760,884</u>	<u>48,185,505</u>	<u>27,714,324</u>	<u>102,660,713</u>

Certain landed properties of the Group have been amalgamated, sub-divided and pending issuance of land titles by the relevant Government authority.

The Group and the Company have freehold and leasehold land with aggregate carrying value of RM25,684,862 (2013: RM29,934,820) and RM22,163,464 (2013: RM25,370,262) respectively are pledged for securities for borrowings as disclosed in Note 25.

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14. Land held for property development and property development costs (contd.)	← Group		←		→		→ Company	
	31.12.2014	31.12.2013	Restated	Restated	31.12.2014	31.12.2013	Restated	Restated
(b) Property development costs	RM	RM	RM	RM	RM	RM	RM	RM
Property development costs at 1 January:								
Freehold land	89,613,907	89,920,381	107,608,641	89,039,064	89,345,538	107,033,798		
Leasehold land	4,791,250	4,791,250	4,765,250	4,710,722	4,710,722	4,684,722		
Development costs	283,627,544	180,254,044	105,771,264	289,059,415	184,529,462	109,513,817		
	<u>378,032,701</u>	<u>274,965,675</u>	<u>218,145,155</u>	<u>382,809,201</u>	<u>278,585,722</u>	<u>221,232,337</u>		
Costs incurred during the year:								
Freehold land	1,715,520	-	-	-	-	-		
Leasehold land	-	-	26,000	-	-	26,000		
Development costs	139,355,236	103,934,726	74,482,780	119,686,597	105,124,746	75,015,645		
	<u>141,070,756</u>	<u>103,934,726</u>	<u>74,508,780</u>	<u>119,686,597</u>	<u>105,124,746</u>	<u>75,041,645</u>		
Reversal of completed projects (182,699,828)				(185,589,991)				

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14. Land held for property development and property development costs (contd.)	← Group		→ Company		
	31.12.2014	Restated 31.12.2013	Restated 31.12.2012	Restated 31.12.2013	Restated 31.12.2012
(b) Property development costs (contd.)	RM	RM	RM	RM	RM
Cumulative costs recognised in profit or loss:					
At 1 January	(289,232,085)	(193,062,533)	(99,541,817)	(196,160,927)	(101,142,426)
Recognised during the year	(138,342,757)	(96,169,552)	(93,520,716)	(98,886,129)	(95,018,501)
Reversal of completed projects	182,699,828	-	-	-	-
At 31 December	(244,875,014)	(289,232,085)	(193,062,533)	(295,047,056)	(196,160,927)
Transfers:					
From land held for development	4,257,472	-	1,445,578	-	1,445,578
To land held for development	-	-	(19,133,838)	-	(19,133,838)
Unsold units transferred to inventories	(11,697,436)	(867,700)	-	(901,267)	-
	(7,439,964)	(867,700)	(17,688,260)	(901,267)	(17,688,260)
As at 31 December	84,088,651	88,800,616	81,903,142	87,762,145	82,424,795

Freehold and leasehold land of the Group and the Company with aggregate carrying value of RM35,107,874 (2013: RM39,488,176) are pledged as securities for borrowings as disclosed in Note 25.

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14. Land held for property development and property development costs (contd.)

(b) Property development costs (contd.)

Included in property development costs incurred during the financial year are:

	Group and Company	
	2014	2013
	RM	RM
Interest expense (Note 6)	2,203,541	1,059,458

15. Investment property

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
At 1 January	45,170,154	44,486,878	45,187,638	44,504,362
Increment in fair value	6,229,846	-	6,212,362	-
Additions for building works incurred	-	683,276	-	683,276
At 31 December	51,400,000	45,170,154	51,400,000	45,187,638
Fair value of investment property	51,400,000	45,200,000	51,400,000	45,200,000

Valuation of investment properties

Investment property is stated at fair value, which has been determined based on valuation at the reporting date. Valuation is performed by accredited independent valuer with recent experience in the location and category of properties being valued. The valuation is based on the investment method that makes reference to nett rental income which is capitalised at the appropriate market rate of return.

The investment property with carrying value of RM51,400,000 is charged in escrow as securities for borrowings as disclosed in Note 25.

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16. Inventories

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost				
Properties held for sale	12,215,848	867,700	12,536,457	901,267
Nursery plants	33,249	32,403	-	-
	<u>12,249,097</u>	<u>900,103</u>	<u>12,536,457</u>	<u>901,267</u>
Net realisable value				
Properties held for sale	-	740,635	-	-
	<u>12,249,097</u>	<u>1,640,738</u>	<u>12,536,457</u>	<u>901,267</u>

17. Trade and other receivables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables				
Third parties	27,511,919	18,520,214	16,881,716	15,433,628
Less: Allowance for impairment - third parties	<u>(1,709,563)</u>	<u>(749,660)</u>	<u>-</u>	<u>-</u>
Trade receivables, net	<u>25,802,356</u>	<u>17,770,554</u>	<u>16,881,716</u>	<u>15,433,628</u>
Other receivables				
Third parties	185,043	2,729,017	30,760	2,503,770
Deposits	753,703	776,904	609,970	723,571
Dividend receivable from investment securities	12,737	42,671	362	20,880
Amounts due from related companies	-	-	39,500,100	6,730,067
	<u>951,483</u>	<u>3,548,592</u>	<u>40,141,192</u>	<u>9,978,288</u>
Less: Allowance for impairment - third parties	<u>(106,071)</u>	<u>(106,071)</u>	<u>-</u>	<u>-</u>
Other receivables, net	<u>845,412</u>	<u>3,442,521</u>	<u>40,141,192</u>	<u>9,978,288</u>
Total trade and other receivables	<u>26,647,768</u>	<u>21,213,075</u>	<u>57,022,908</u>	<u>25,411,916</u>
Add: Cash and bank balances (Note 21)	<u>17,473,875</u>	<u>21,775,964</u>	<u>12,323,368</u>	<u>19,389,637</u>
Total loans and receivables	<u>44,121,643</u>	<u>42,989,039</u>	<u>69,346,276</u>	<u>44,801,553</u>

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17. Trade and other receivables (contd.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 days (2013: 14 days) terms. Other credit terms are assessed and approved on a case-by-case basis.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors except for one of the subsidiary companies.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	24,822,116	15,433,628	16,881,716	15,433,628
Past due but not impaired	454,950	-	-	-
Impaired	2,234,853	3,086,586	-	-
	<u>27,511,919</u>	<u>18,520,214</u>	<u>16,881,716</u>	<u>15,433,628</u>

Receivables that are neither past due nor impaired

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date are as follows:

	Group	
	2014 RM	2013 RM
Specifically impaired		
Trade receivables - nominal amount	2,234,853	3,086,586
Less: Allowance for impairment	(1,709,563)	(749,660)
	<u>525,290</u>	<u>2,336,926</u>

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17. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

	Group	
	2014	2013
	RM	RM
Movement in allowance account		
At 1 January	749,660	518,966
Charge for the year (Note 7)	959,903	230,694
At 31 December	1,709,563	749,660

(b) Amount due from related companies

Amounts due from related companies are unsecured, bear interest at 5.50% to 5.75 % p.a. (2013: 5.50% p.a.) and are repayable on demand.

Other receivables that are impaired

At the reporting date, the Group has provided an allowance of RM106,071 (2013: RM106,071) for impairment of the amount due from third parties with nominal amount of RM106,071 (2013: RM106,071).

18. Other current assets

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Prepayments	95,871	2,426,947	95,871	3,465
Accrued billings in respect of property development cost	34,878,205	17,728,847	34,878,205	17,728,847
Amount due from customers for contract (Note 19)	45,684,271	14,764,010	-	-
	80,658,347	34,919,804	34,974,076	17,732,312

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19. Gross amount due from customers for contract work-in-progress	Group	
	2014 RM	2013 RM
Construction contract costs incurred to-date	38,590,473	12,852,576
Attributable profits	7,093,798	1,911,434
	<u>45,684,271</u>	<u>14,764,010</u>
Progress billings	-	-
Amount due from customers on contract (Note 18)	<u>45,684,271</u>	<u>14,764,010</u>

20. Investment securities	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
<i>Financial assets at fair value through profit or loss</i>				
Unit trusts instrument (quoted in Malaysia)	4,285,542	35,326,580	121,871	27,114,370
	<u>4,285,542</u>	<u>35,326,580</u>	<u>121,871</u>	<u>27,114,370</u>
Fair value of quoted securities as at 31 December	<u>4,285,542</u>	<u>35,326,580</u>	<u>121,871</u>	<u>27,114,370</u>

21. Cash and bank balances	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash on hand and at banks	15,332,895	19,697,704	10,182,388	17,311,377
Deposits with:				
Licensed finance companies	2,140,980	2,078,260	2,140,980	2,078,260
Cash and bank balances (Note 17)	<u>17,473,875</u>	<u>21,775,964</u>	<u>12,323,368</u>	<u>19,389,637</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month to twelve months depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2014 for the Group and the Company were 2.88% (2013: 3.33%).

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21. Cash and bank balances (contd.)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash and bank balances	17,473,875	21,775,964	12,323,368	19,389,637
Less:				
Deposits with maturity more than 3 months	(1,286,333)	(1,242,833)	(1,286,333)	(1,242,833)
Deposits pledged for bank guarantee	(854,647)	(835,427)	(854,647)	(835,427)
Cash and cash equivalents	<u>15,332,895</u>	<u>19,697,704</u>	<u>10,182,388</u>	<u>17,311,377</u>

22. Share capital and share premium

	Number of ordinary shares of RM1 each	Amount		Total share capital and share premium RM
		Share capital RM	Share premium RM	
Group and Company				
Issued and fully paid				
At 1 January 2013	121,675,095	121,675,095	9,091,595	130,766,690
Exercise of employees share options	4,813,000	4,813,000	864,983	5,677,983
At 31 December 2013	<u>126,488,095</u>	<u>126,488,095</u>	<u>9,956,578</u>	<u>136,444,673</u>
At 1 January 2014	126,488,095	126,488,095	9,956,578	136,444,673
Exercise of employees share options	136,000	136,000	7,760	143,760
At 31 December 2014	<u>126,624,095</u>	<u>126,624,095</u>	<u>9,964,338</u>	<u>136,588,433</u>

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22. Share capital and share premium (contd.)

	Number of shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised:				
Redeemable cumulative preference shares				
At 1 January and 31 December	100,000	100,000	100,000	100,000
Ordinary shares				
At 1 January and 31 December	500,000,000	500,000,000	500,000,000	500,000,000

(a) Issue of shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per shares without restrictions and rank equally with regard to the company residual assets.

The Company has employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

(b) Employee share option scheme

At an Extraordinary General Meeting held on 29 June 2011, the Company's shareholders approved the establishment of an employees' share option scheme ("ESOS") for employees and directors of the Ibraco Group (excluding subsidiaries which are dormant) who meet the criteria of eligibility for participation.

The main features of ESOS are as follows:

- (i) ESOS shall be in force for a period of five (5) years, effective from 1 July 2011.
- (ii) The maximum number of shares to be allotted and issued pursuant to the exercise of the options which may be granted under ESOS shall not exceed fifteen per cent (15%) of the total issued and paid-up share capital of the Company at any point in time throughout the duration of ESOS.

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22. Share capital and share premium (contd.)

(b) Employee share option scheme (contd.)

- (iii) Any employee (including the directors) of the Group shall be eligible to participate in ESOS if, as at the date of offer of an option ("Offer Date"), the person:
- (a) has attained the age of eighteen (18) years;
 - (b) is a director or is full time employees of the Group and fall under one of the categories of employees listed in the By-Law; and
 - (c) must have been employed in the Group and their employment must have been confirmed on the date of offer. Contracted employees meeting the above criteria are also eligible for the ESOS.
- (iv) The subscription price payable for shares under ESOS shall be determined by the Board upon the recommendation of the options committee and shall be fixed based on the higher of the following:
- (a) the weighted average market price of shares, as quoted on Bursa Securities, for the five (5) Market Days immediately preceding the Offer Date of the options with a discount of not more than ten per cent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
 - (b) the par value of Ibraco shares.

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22. Share capital and share premium (contd.)

(b) Employee share option scheme (contd.)

- (v) The maximum entitlement and basis of allocation are as follows:

The aggregate allocation of Options to the senior management of the Group and the Directors shall not exceed fifty percent (50%) of the total number of Shares to be issued under the Proposed ESOS. In addition, not more than ten percent (10%) of the total number of Shares to be issued under the Proposed ESOS are to be allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, hold twenty percent (20%) or more in the issued and paid-up share capital of Ibraco.

The number of Options to be offered to each Eligible Person shall be at the discretion of the Option Committee. In exercising its discretion, the Options Committee shall take into consideration the seniority, performance and length of service of each Eligible Person whereby such criteria shall be disclosed to Eligible Person. The decision of the Option Committee shall be final and binding.

- (vi) A non-executive director must not sell, transfer or assign shares obtained through the exercise of Options offered to him pursuant to then ESOS within one (1) year from the date of offer of such ESOS Options.

23. Share option reserve

	Employee share option reserve	
	2014	2013
	RM	RM
Group and Company		
At 1 January	23,360	606,401
Transactions with owners		
Grant of equity-settled share options to employees	-	243,888
Exercise of employee share options	(6,400)	(816,854)
Forfeiture of employee share options	-	(10,075)
At 31 December	16,960	23,360

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23. Share option reserve (contd.)

Employee share option reserve represents the equity-settled share options granted to employees (Note 22). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

24. Retained earnings

As at 31 December 2014 and 2013, the Company may distribute dividends out of its entire retained earnings under the single tier system.

25. Loans and borrowings

	Maturity	Group and Company	
		2014	2013
		RM	RM
Current			
Secured:			
Revolving credits	2015	40,300,000	19,700,000
Finance lease (Note 31(b))	2015	310,477	121,290
Bank loans:			
- RM loan at COF + 1.75%	2015	-	3,640,000
- RM loan at COF + 1.75%	2015	7,310,000	6,600,000
- RM loan at BLR - 1.75%	2015	-	1,704,000
- RM loan at ECOF + 1.25%	2015	3,756,000	4,971,000
- RM loan at COF + 1.40%	2015	5,000,004	5,000,004
- RM loan at BLR - 2.00% to 2.25%	2015	2,088,000	-
		58,764,481	41,736,294
Non-current			
Secured:			
Finance lease (Note 31(b))	2016-2017	1,218,092	287,045
Bank loans:			
- RM loan at COF + 1.75%	2016	590,000	7,900,000
- RM loan at BLR - 1.75%	2016-2026	-	20,104,000
- RM loan at ECOF + 1.25%	2016-2018	9,045,000	12,801,000
- RM loan at COF + 1.40%	2016-2017	9,166,658	14,166,662
- RM loan at BLR - 2.00% to 2.25%	2016-2026	21,520,000	-
		41,539,750	55,258,707
Total loans and borrowings (Note 27)		100,304,231	96,995,001

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25. Loans and borrowings (contd.)

The remaining maturity of the loans and borrowings as at 31 December 2014 and 2013 are as follows:

	Group and Company	
	2014	2013
	RM	RM
On demand or within one year	58,764,481	41,736,294
More than one year and less than two years	11,787,495	17,868,523
More than two years and less than five years	16,584,255	20,865,184
Five years or more	13,168,000	16,525,000
	<u>100,304,231</u>	<u>96,995,001</u>

Revolving credit

Total revolving credit facilities given to the Company are RM68.2 million (2013: RM47.2 million), all of which are secured by a charge over the few pieces of land held for property development (Note 14). During the year, interest was charged at rates ranging from 1% to 2% (2013: 1% to 2%) per annum above the bankers' cost of fund.

Finance lease

The finance lease is secured by a charge over the leased asset (Note 12). The average discount rate implicit in the lease is 4.09% (2013: 2.46%) per annum.

RM loan at ECOF + 1.25% p.a.

The RM loan at ECOF + 1.25% p.a. is secured by a charge over the few pieces of land held for property development (Note 14).

RM loan at COF + 1.40% p.a.

The RM loan at COF + 1.40% p.a. is secured by a charge over the few pieces of land held for property development (Note 14).

RM loan at COF + 1.75% p.a.

The RM loan at COF + 1.75% p.a. is secured by a charge over the few pieces of land held for property development (Note 14).

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25. Loans and borrowings (contd.)

RM loan at BLR - 2.00% to 2.25% p.a.

The RM loan at BLR - 2% to 2.25% p.a. is secured by a charge over the few pieces of land held for property development (Note 14).

RM loan at BLR - 1.75% p.a.

The RM loan at BLR - 1.75% p.a. is secured by a charge over the few pieces of land held for property development (Note 14).

26. Deferred tax

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	(3,687,668)	(2,279,430)	(2,411,309)	(1,454,232)
Recognised in profit or loss (Note 10)	(1,042,434)	(1,408,238)	460,700	(957,077)
At 31 December	<u>(4,730,102)</u>	<u>(3,687,668)</u>	<u>(1,950,609)</u>	<u>(2,411,309)</u>
Presenting after appropriate offsetting as follows:				
Deferred tax assets	(4,732,493)	(3,690,059)	(1,950,609)	(2,411,309)
Deferred tax liability	2,391	2,391	-	-
	<u>(4,730,102)</u>	<u>(3,687,668)</u>	<u>(1,950,609)</u>	<u>(2,411,309)</u>

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26. Deferred tax (contd.)

The components and movements of deferred tax liability and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Investment property RM	Property, plant and equipment RM	Total RM
At 1 January 2014	-	398,965	398,965
Recognised in profit or loss	1,490,967	145,761	1,636,728
At 31 December 2014	<u>1,490,967</u>	<u>544,726</u>	<u>2,035,693</u>
At 1 January 2013	-	78,563	78,563
Recognised in profit or loss	-	320,402	320,402
At 31 December 2013	<u>-</u>	<u>398,965</u>	<u>398,965</u>

Deferred tax assets of the Group:

	Staff leave balance RM	Unutilised tax losses RM	Accruals RM	Total RM
At 1 January 2014	(21,267)	(521,580)	(3,543,786)	(4,086,633)
Recognised in profit or loss	(1,188)	521,580	(3,199,554)	(2,679,162)
At 31 December 2014	<u>(22,455)</u>	<u>-</u>	<u>(6,743,340)</u>	<u>(6,765,795)</u>
At 1 January 2013	(23,628)	-	(2,334,365)	(2,357,993)
Recognised in profit or loss	2,361	(521,580)	(1,209,421)	(1,728,640)
At 31 December 2013	<u>(21,267)</u>	<u>(521,580)</u>	<u>(3,543,786)</u>	<u>(4,086,633)</u>

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26. Deferred tax (contd.)

Deferred tax liabilities of the Company:

	Investment property RM	Property, plant and equipment RM	Total RM
At 1 January 2014	-	79,566	79,566
Recognised in profit or loss	1,490,967	91,561	1,582,528
At 31 December 2014	<u>1,490,967</u>	<u>171,127</u>	<u>1,662,094</u>
At 1 January 2013	-	70,573	70,573
Recognised in profit or loss	-	8,993	8,993
At 31 December 2013	<u>-</u>	<u>79,566</u>	<u>79,566</u>

Deferred tax assets of the Company:

	Staff leave balance RM	Accruals RM	Total RM
At 1 January 2014	(21,267)	(2,469,608)	(2,490,875)
Recognised in profit or loss	(1,188)	(1,120,640)	(1,121,828)
At 31 December 2014	<u>(22,455)</u>	<u>(3,590,248)</u>	<u>(3,612,703)</u>
At 1 January 2013	(23,268)	(1,501,177)	(1,524,805)
Recognised in profit or loss	2,361	(968,431)	(966,070)
At 31 December 2013	<u>(21,267)</u>	<u>(2,469,608)</u>	<u>(2,490,875)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2014 RM	2013 RM
Unused tax losses	1,220,000	1,562,000
Unabsorbed capital allowances	-	112,800

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26. Deferred tax (contd.)

The unused tax losses and unabsorbed capital allowances of the Group are available indefinitely for offset against future taxable profits of the respective entities within the Groups, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

27. Trade and other payables

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables				
Third parties	45,211,543	44,693,143	13,234,773	15,700,177
Accruals	28,329,651	15,311,051	26,125,555	28,984,259
Amounts due to subsidiaries	-	-	13,643,704	404,717
	<u>73,541,194</u>	<u>60,004,194</u>	<u>53,004,032</u>	<u>45,089,153</u>
Other payables				
Other payables	48,064	52,140	46,219	32,020
Accruals	2,051,325	1,333,788	1,753,892	1,100,947
Dividend payable	-	12,648,809	-	12,648,809
	<u>2,099,389</u>	<u>14,034,737</u>	<u>1,800,111</u>	<u>13,781,776</u>
Total trade and other payables	<u>75,640,583</u>	<u>74,038,931</u>	<u>54,804,143</u>	<u>58,870,929</u>
Add: Loans and borrowings (Note 25)	<u>100,304,231</u>	<u>96,995,001</u>	<u>100,304,231</u>	<u>96,995,001</u>
Total financial liabilities carried at amortised cost	<u>175,944,814</u>	<u>171,033,932</u>	<u>155,108,374</u>	<u>155,865,930</u>

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 days to 60 days (2013: 30 days to 60 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 30 days (2013: 30 days).

(c) Amount due to subsidiaries

These amounts are unsecured, interest at 5.50% to 5.75% p.a. (2013: 5.50% p.a.) and under no fixed terms of repayment.

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28. Other current liabilities

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Accrued billings in respect of property development cost	7,238,276	1,383,508	-	1,321,008

29. Employee benefits

The salient features and other terms of the ESOS is disclosed in Note 22(b) to the financial statements.

(a) Movement of share options during the financial year

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, share options during the financial year:

	Group	
	No.	WAEP
Outstanding at 1 January 2014	146,000	
- Exercise	(136,000)	1.01
Outstanding at 31 December 2014	10,000	1.01

(b) Fair value of share options granted

The fair value of share options granted under the ESOS is estimated at the date of the grant using a Black-Scholes simulation model, taking into account the terms and conditions upon which the options were granted. It takes into account historic dividends, share price fluctuation covariance of the Company and each entity of the group of competitors to predict the distribution of relative share performance. The fair value of share options granted under the ESOS remains the same for the year ended 31 December 2014.

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30. Related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, the Group and the Company had the following transactions with parties during the financial year.

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Expenditure/(Revenue):				
(i) Rental of office building: Hiap Ghee Seng Sdn. Bhd.	147,840	147,840	147,840	147,840
(ii) Rental of office building: Sharifah Deborah Sophia Ibrahim	408,000	408,000	408,000	408,000
(iii) Disposal of motor vehicle: Dato' Wee Song Ching	-	420,746	-	420,746
(iv) Disposal of motor vehicle: Liew Kee Liung	-	210,000	-	210,000
(v) Sale of residential property at Tabuan Tranquillity Phase 2: Joseph Wee	-	(579,000)	-	(579,000)
(vi) Sale of residential property at Tabuan Tranquillity Phase 4: Liu Tow Hua	-	(496,000)	-	(496,000)

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30. Related party disclosures (contd.)

(b) Transactions with subsidiary companies:

	Company	
	2014	2013
	RM	RM
Interest charged by subsidiary companies:		
Ibraco Construction Sdn. Bhd.	-	105,002
Syarikat Ibraco-Peremba Sdn. Bhd.	38,500	-
Interest charged to subsidiary companies:		
Ibraco Construction Sdn. Bhd.	1,182,466	-
Ibraco HGS Sdn. Bhd.	3,699	-
Ibraco Infinity Sdn. Bhd.	560	-
Ibraco Pelita Sdn. Bhd.	88,635	10,849
Warisar Sdn. Bhd.	197,778	147,967
Landscaping services from a subsidiary company, Ibraco Spectrum Sdn. Bhd.	1,800	1,950
Sub contractors billings from a subsidiary company, Ibraco Construction Sdn. Bhd.	135,385,108	92,818,033
Sub contractors billings from a subsidiary company, Ibraco Spectrum Sdn. Bhd.	544,239	-
Waiver of debts owing by subsidiary company, Ibraco Rise Sdn. Bhd.	2,236	6,160

The rental paid to a company controlled by certain directors is under terms which are determined by reference to the prevailing market rates for comparable buildings.

Purchases and other related party transactions were entered into by the Group under mutually agreed terms.

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30. Related party disclosures (contd.)

(c) Compensation of key management personnel:

The remuneration of directors and other members of key management during the year were as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term employee benefits	1,312,956	925,800	1,081,692	737,967
Defined contribution plan	162,430	103,719	134,656	81,170
Other short-term benefits	6,618	5,622	5,024	4,161
Benefit in kinds	117,750	27,945	100,525	16,103
Share options granted under ESOS	-	9,067	-	9,067
	<u>1,599,754</u>	<u>1,072,153</u>	<u>1,321,897</u>	<u>848,468</u>
Directors' remuneration (Note 9)	<u>1,582,135</u>	<u>2,397,081</u>	<u>1,306,399</u>	<u>2,315,931</u>

31. Commitments

(a) Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Capital expenditure approved and contracted for:				
Property, plant and equipment	<u>47,410</u>	<u>142,230</u>	<u>-</u>	<u>-</u>

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31. Commitments (contd.)

(b) Finance lease commitments

The Group has finance leases for certain items of property, plant and equipment (Note 12). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group and Company	
	2014	2013
	RM	RM
Minimum lease payments:		
Not later than 1 year	372,203	136,221
Later than 1 year but not later than 2 years	400,428	109,162
Later than 2 years but not later than 5 years	916,471	196,564
	<u>1,689,102</u>	<u>441,947</u>
Less: Amounts representing finance charges	(160,533)	(33,612)
	<u>1,528,569</u>	<u>408,335</u>
Present value of payments:		
Not later than 1 year	310,477	121,290
Later than 1 year but not later than 2 years	353,491	98,519
Later than 2 years but not later than 5 years	864,601	188,526
	<u>1,528,569</u>	<u>408,335</u>
Less: Amount due within 12 months (Note 25)	(310,477)	(121,290)
	<u>1,218,092</u>	<u>287,045</u>

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31. Commitments (contd.)

(c) Operating lease commitments - as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of 13 years. All leases include a clause to enable upward revision of the rental charge once in every three years based on pre-agreed rate.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group and Company	
	2014	2013
	RM	RM
Not later than 1 year	3,102,913	2,862,083
Later than 1 year but not later than 5 years	13,146,821	12,766,562
Later than 5 years	26,609,257	29,837,656
	<u>42,858,991</u>	<u>45,466,301</u>

32. Fair value of financial instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Note	2014		2013	
		Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities:					
Group and Company					
Loans and borrowings					
- Obligations under					
finance leases	25	1,528,569	1,428,084	408,335	414,434
		<u>1,528,569</u>	<u>1,428,084</u>	<u>408,335</u>	<u>414,434</u>

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32. Fair value of financial instruments (contd.)

(b) Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	17
Cash and bank balances	21
Loans and borrowings	25
Trade and other payables	27

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near reporting.

The fair value of trade and other receivables where the repayment period is expected to exceed one calendar year are estimated by discounting the expected future cash flow at the prevailing base lending rate which is taken as the effective interest rate.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Fair values of investment securities are determined directly by reference to their published market price at the reporting date.

Obligation under finance lease

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

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33. Fair value measurement

Fair value hierarchy

The Group and the Company classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy as at 31 December 2014 and 31 December 2013 were as follows:

	Note	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group						
Assets measured at fair value						
Investment securities	20	31 December 2014	4,285,542	-	-	4,285,542
Assets for which fair values are disclosed						
Investment property	15	31 December 2014	-	-	51,400,000	51,400,000
Company						
Assets measured at fair value						
Investment securities	20	31 December 2014	121,871	-	-	121,871
Assets for which fair values are disclosed						
Investment property	15	31 December 2014	-	-	51,400,000	51,400,000

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33. Fair value measurement (contd.)

Fair value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy as at 31 December 2014 and 31 December 2013 were as follows: (contd.)

	Note	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group						
Assets measured at fair value						
Investment securities	20	31 December 2013	35,326,580	-	-	35,326,580
Assets for which fair values are disclosed						
Investment property	15	31 December 2013	-	-	45,200,000	45,200,000
Company						
Assets measured at fair value						
Investment securities	20	31 December 2013	27,114,370	-	-	27,114,370
Assets for which fair values are disclosed						
Investment property	15	31 December 2013	-	-	45,200,000	45,200,000

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33. Fair value measurement (contd.)

Fair value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy as at 31 December 2014 and 31 December 2013 were as follows: (contd.)

	Note	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group and Company						
Liabilities for which fair values are disclosed:						
Interest-bearing loans and borrowings						
- Obligations under finance lease						
32(a)	31 December 2014	-	1,428,084	-	1,428,084	
	31 December 2013	-	414,434	-	414,434	

There have been no transfers between Level 1, 2 and 3 during the financial year.

34. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Managing Director, Chief Financial Officer and Chief Marketing Officer. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

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34. Financial risk management objectives and policies (contd.)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (comprising cash and bank balances and investment securities), the Group and the Company minimise credit risk by dealing with good credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

The Group mitigates concentration of credit risk by monitoring its trade receivables on an ongoing basis and the Group's exposure to bad debts is not significant. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets except for one on the subsidiary companies.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 17. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are impaired

Information regarding financial assets that are impaired is disclosed in Note 17.

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34. Financial risk management objectives and policies (contd.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group maintains sufficient liquid financial assets and stand-by credit facilities with six different banks. At the reporting date, 59% (2013: 43%) of the Group's loans and borrowings (Note 25) will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturity

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2014			Total RM
	On demand or within one year RM	One to five years RM	Over five years RM	
Group				
Financial liabilities				
Trade and other payables	75,640,583	-	-	75,640,583
Loans and borrowings	61,199,371	32,572,625	15,103,327	108,875,323
Total undiscounted financial liabilities	136,839,954	32,572,625	15,103,327	184,515,906
Company				
Financial liabilities				
Trade and other payables, excluding financial guarantees*	54,804,143	-	-	54,804,143
Loans and borrowings	61,199,371	32,572,625	15,103,327	108,875,323
Total undiscounted financial liabilities	116,003,514	32,572,625	15,103,327	163,679,466

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34. Financial risk management objectives and policies (contd.)

(b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturity (contd.)

	2013			Total RM
	On demand or within one year RM	One to five years RM	Over five years RM	
Group				
Financial liabilities				
Trade and other payables	74,038,931	-	-	74,038,931
Loans and borrowings	44,927,240	43,530,577	19,765,334	108,223,151
Total undiscounted financial liabilities	118,966,171	43,530,577	19,765,334	182,262,082
Company				
Financial liabilities				
Trade and other payables, excluding financial guarantees*	58,870,929	-	-	58,870,929
Loans and borrowings	44,927,240	43,530,577	19,765,334	108,223,151
Total undiscounted financial liabilities	103,798,169	43,530,577	19,765,334	167,094,080

* At the reporting date, all financial guarantees contracts have expired and the right to demand cash extinguished. Accordingly, financial guarantees under the scope of FRS 139 are not included in the above maturity profile analysis.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2014

34. Financial risk management objectives and policies (contd.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings where interests are charged at floating rates and contractually re-priced to market interest rates.

The Group's policy is to manage interest cost using a mix of long and short term facilities from more than one bank. To manage this mix in a cost-efficient manner, projects development cost is normally financed by short term facilities while constructions of investment assets are normally financed by long term facilities.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's profit net of tax would have been RM146,189 (2013: RM63,620) higher/lower, arising mainly as a result of lower/higher interest expense on floating loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Real estate risk

The Group has identified the following risks associated with the real estate portfolio:

- The cost of the development schemes may increase if there are delays in the planning process. The Group uses advisers who are experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process.
- A major tenant may become insolvent causing a significant loss of rental income and a reduction in the value of the associated property. To reduce this risk, the Group reviews the financial status of the prospective tenant and decides on the appropriate level of security required via rental deposits or guarantees.
- The exposure of the fair values of the portfolio to market and occupier fundamentals.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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35. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 25% and 50%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital comprises equity attributable to the owners of the Company less the fair value adjustment reserve.

	Note	Group		Company	
		2014	2013	2014	2013
		RM	RM	RM	RM
Loans and borrowings	25	100,304,231	96,995,001	100,304,231	96,995,001
Trade and other payables	27	75,640,583	74,038,931	54,804,143	58,870,929
Less: Cash and bank balances	21	(17,473,875)	(21,775,964)	(12,323,368)	(19,389,637)
Net debt		158,470,939	149,257,968	142,785,006	136,476,293
Equity attributable to the owners of the Company		233,445,221	209,591,029	239,532,771	220,658,341
Capital and net debt		391,916,160	358,848,997	382,317,777	357,134,634
Gearing ratio		40.43%	41.59%	37.35%	38.21%

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
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Notes to the Financial Statements
For the financial year ended 31 December 2014

36. Segment information**(a) Geographical segment**

No geographical analysis has been presented as the Group's business interest is predominantly located in Malaysia.

(b) Business segment

The Group is principally engaged in property development, property holding and construction works. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
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Notes to the Financial Statements
For the financial year ended 31 December 2014

36. Segment information (contd.)	Property development activities				Property holding		Construction works		Elimination		Per consolidated financial statements	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Revenue:												
External customers	193,357,768	161,413,557	2,934,332	2,813,917	32,769,254	12,914,161					229,061,354	177,141,635
Inter-segment	-	-	-	-	153,564,405	108,071,347	(153,564,405)	(108,071,347)	A			
Total revenue	193,357,768	161,413,557	2,934,332	2,813,917	186,333,659	120,985,508	(153,564,405)	(108,071,347)			229,061,354	177,141,635
Results:												
Interest income	237,463	211,453	-	-	-	-	-	-			237,463	211,453
Dividend income from investment securities	192,369	184,929	-	-	133,505	194,636	-	-			325,874	379,565
Fair value gains on investment properties	-	-	6,229,846	-	-	-	-	-			6,229,846	-
Depreciation and amortisation	510,088	475,704	-	-	433,311	134,824	-	-			943,399	610,528
Other non-cash expenses	973,614	619,570	-	-	71	-	-	-	B		973,685	619,570
Segment profit	40,095,304	35,991,909	2,813,085	2,661,975	9,600,074	5,493,787	308,234	(134,588)	C		52,816,697	44,013,083
Assets:												
Additions to non-current assets	1,835,533	924,363	-	-	265,090	4,814,275	-	-			2,100,623	5,738,638
Segment assets	345,942,333	329,933,735	51,400,000	45,170,154	73,852,921	59,708,635	(50,255,139)	(49,505,455)			420,940,115	385,307,069
Segments liabilities	143,486,692	129,465,328	23,608,000	21,808,000	74,167,505	47,425,963	(57,284,101)	(23,812,839)			183,978,096	174,886,452

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
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Notes to the Financial Statements
For the financial year ended 31 December 2014

36. Segment information (contd.)

- A. Inter-segment revenues are eliminated on consolidation.
- B. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements.

	2014	2013
	RM	RM
Property, plant and equipment written off	5,211	-
Allowance for impairment loss on receivables	959,903	336,765
Inventories written off	8,571	23,599
Inventories written down	-	259,206
	<u>973,685</u>	<u>619,570</u>

- C. Profit from inter-segment sales are eliminated on consolidation.

37. Dividends

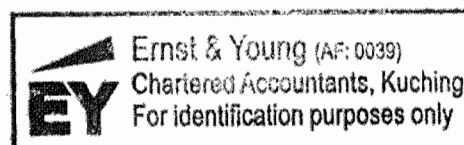
	Group and Company	
	2014	2013
	RM	RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Interim tax exempt (single-tier) dividend for 2014: 10.00 sen per share	12,662,409	-
- Interim tax exempt (single-tier) dividend for 2013: 10.00 sen per share	-	12,648,809
- Final tax exempt (single-tier) dividend for 2012: 5.00 sen per share	-	6,254,155
	<u>12,662,409</u>	<u>18,902,964</u>

38. Significant and subsequent events

On 12 July 2013, the Company had made application to the Companies Commission of Malaysia to strike off Ibraco Rise Sdn. Bhd.'s name pursuant to Section 308 of the Companies Act, 1965. This subsidiary has been dormant since incorporation and has no intention to commence any business in the future. The proposed strike off has been completed as at 18 August 2014.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

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Notes to the Financial Statements
For the financial year ended 31 December 2014

38. Significant and subsequent events (contd.)

On 19 August 2014, Ibraco HGS Sdn. Bhd. issued additional 1,000,000 new shares of RM1.00 each at par for cash. As a result, Ibraco HGS Sdn. Bhd. has issued and paid-up capital of RM2,000,000.

On 12 December 2014, the Company entered into a joint development agreement with Ibraco HGS Sdn. Bhd. for the joint development of lands. The shareholders of the Company have approved the resolution in relation to the joint development of lands in an extraordinary general meeting held on 12 March 2015.

On 26 March 2015, the Company entered into a Sales and Purchase Agreement with Bandar Park Sdn. Bhd. for the acquisition of approximately 5,825 square metres of freehold vacant land held under HSD 118736, PT 8 Seksyen 65 Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur for a purchase price of RM55 million to be fully satisfied in cash.

39. Prior year adjustments/reclassification

During the financial year, the directors have reassessed the classification of these parcels of land that were previously classified as property development costs. Arising from the reassessment, the directors have determined that it is more appropriate to classify several parcels of land with a carrying amount of RM63,392,737 (2012: RM 44,955,862) of the Group and RM65,683,739 (2012: RM46,848,162) of the Company as inventories in accordance with FRS 201 – Property Development Activities as its core intended usage is for property development. Development activities on these parcels of land are not expected to be completed within the normal operating cycle. Accordingly, these lands are reclassified as non-current inventories and described as land held for development.

The effects arising from above were adjusted for/reclassified retrospectively as follows:

	As previously stated RM	Effects of prior year adjustment RM	As restated RM
Group			
At 31 December 2013			
Statement of financial position			
Land held for development	61,946,080	63,392,737	125,338,817
Property development cost	152,193,353	(63,392,737)	88,800,616
	=====	=====	=====

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Ibraco Berhad
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Notes to the Financial Statements
For the financial year ended 31 December 2014

39. Prior year adjustments/reclassification (contd.)

	As previously stated RM	Effects of prior year adjustment RM	As restated RM
Group (contd.)			
At 31 December 2012			
Statement of financial position			
Land held for development	62,515,874	44,955,862	107,471,736
Property development cost	126,859,004	(44,955,862)	81,903,142
	=====	=====	=====
Company			
At 31 December 2013			
Statement of financial position			
Land held for development	55,242,757	65,683,739	120,926,496
Property development cost	153,445,884	(65,683,739)	87,762,145
	=====	=====	=====
At 31 December 2012			
Statement of financial position			
Land held for development	55,812,551	46,848,162	102,660,713
Property development cost	129,272,957	(46,848,162)	82,424,795
	=====	=====	=====

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31
DECEMBER 2014 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**

Ibraco Berhad
(Incorporated in Malaysia)

Notes to the Financial Statements
For the financial year ended 31 December 2014

40. Supplementary information

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2012 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.


	2014	2013
	RM	RM
Recognised during the financial year:		
Total retained earnings of the Company and its subsidiaries:		
- realised	105,816,554	79,356,148
- unrealised	(8,976,726)	(6,233,152)
Retained earnings as per financial statements	96,839,828	73,122,996

This disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015

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

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 LIU TOW HUA
 DIRECTOR

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2015

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		57,180	59,005	57,180	59,005
Cost of sales		(37,215)	(46,751)	(37,215)	(46,751)
Gross profit		19,965	12,254	19,965	12,254
Other income		165	215	165	215
Administrative expenses		(2,798)	(2,431)	(2,798)	(2,431)
Selling and marketing expenses		(112)	(22)	(112)	(22)
Finance costs		(602)	(732)	(602)	(732)
Profit before tax	21	16,618	9,284	16,618	9,284
Income tax expense	24	(3,962)	(2,581)	(3,962)	(2,581)
Profit for the period		12,656	6,703	12,656	6,703
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		12,656	6,703	12,656	6,703
Profit for the period attributable to :					
Owners of the parent		10,555	6,372	10,555	6,372
Non-controlling interests		2,101	331	2,101	331
		12,656	6,703	12,656	6,703
Total comprehensive income attributable to :					
Owners of the parent		10,555	6,372	10,555	6,372
Non-controlling interests		2,101	331	2,101	331
		12,656	6,703	12,656	6,703

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the three-month ended 31 March 2015

(The figures have not been audited)

**Earnings Per Share
attributable to owners of
the parent:**

Basic, for profit for the period (Sen)	29	8.34	5.04	8.34	5.04
Diluted, for profit for the period (Sen)	29	8.34	5.04	8.34	5.04

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015 and 31 December 2014

	Note	Unaudited As at 31 March 2015 RM'000	Audited As at 31 December 2014 RM'000
ASSETS			
Property, plant & equipment		8,372	8,558
Land held for property development		144,366	130,846
Investment property		51,400	51,400
Deferred tax assets		4,151	4,732
Total non-current assets		208,289	195,536
Property development costs		92,003	84,089
Inventories		9,764	12,249
Trade and other receivables		55,809	26,648
Other current assets		71,894	80,658
Investment securities	16	7,386	4,286
Cash and bank balances		25,557	17,474
Total current assets		262,413	225,404
TOTAL ASSETS		470,702	420,940
Equity attributable to owners of the parent			
Share capital		126,634	126,624
Share premium		9,981	9,964
Share option reserve		-	17
Retained earnings	20	107,395	96,840
		244,010	233,445
Non-controlling interests		5,618	3,517
Total Equity		249,628	236,962
LIABILITIES			
Loans and borrowings	26	62,586	41,540
Deferred tax liabilities		2	2
Total non-current liabilities		62,588	41,542
Loans and borrowings	26	60,716	58,764
Trade and other payables	17	62,069	75,641
Other current liabilities		35,701	7,238
Income tax payables		-	793
Total current liabilities		158,486	142,436
Total liabilities		221,074	183,978
TOTAL EQUITY AND LIABILITIES		470,702	420,940

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

**IBRACO BERHAD (011286-P)**

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITYFor the three-month period ended 31 March 2015
(The figures have not been audited)

	Non-distributable		Attributable to owners of the parent			Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Share option reserve RM'000	Non-Controlling interests RM'000	
At 1 January 2014	126,488	9,957	73,123	23	830	210,421
Total comprehensive income	-	-	36,379	-	2,387	38,766
Dividends on ordinary shares	-	-	(12,662)	-	-	(12,662)
Contribution of capital by non-controlling interests	-	-	-	-	300	300
Exercise of employees share options	136	7	-	(6)	-	137
At 31 December 2014	126,624	9,964	96,840	17	3,517	236,962
At 1 January 2015	126,624	9,964	96,840	17	3,517	236,962
Total comprehensive income	-	-	10,555	-	2,101	12,656
Exercise of employees share options	10	17	-	(17)	-	10
At 31 March 2015	126,634	9,981	107,395	-	5,618	249,628

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

 For the three-month period ended 31 March 2015
 (The figures have not been audited)

	3 months ended 31 March	
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,618	9,284
Adjustments for:		
Depreciation of property, plant and equipment	300	222
Dividend income	(92)	(50)
Gain on disposal of property, plant and equipment	-	(13)
Interest expenses	602	732
Interest income	(36)	(75)
Operating profit before working capital changes	17,392	10,100
Changes in working capital:		
Land held for property development	(20)	-
Property development costs	(7,914)	(2,147)
Inventories	2,485	350
Receivables	(28,573)	(6,274)
Other current assets	8,764	(14,528)
Payables	(13,572)	(3,644)
Other current liabilities	28,463	4,779
Deposits pledged for bank guarantee	(6)	-
Cash generated from/(used in) operations	7,019	(11,364)
Interest paid	(602)	(732)
Interest received	36	75
Taxes paid	(4,762)	(4,916)
Net cash generated from/(used in) operating activities	1,691	(16,937)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of land held for development	(13,500)	-
Dividend received	92	50
Proceeds from disposal of investment securities	15,000	27,000
Proceeds from disposal of property, plant and equipment	-	13
Purchase of investment securities	(18,100)	(955)
Purchase of property, plant and equipment	(114)	(96)
Net cash (used in)/generated from investing activities	(16,622)	26,012

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the three-month period ended 31 March 2015

(The figures have not been audited)

	3 months ended 31 March	
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid on ordinary shares	-	(12,649)
Proceeds from loans and borrowings	34,000	4,000
Proceeds from exercise of employee share options	10	-
Repayment of finance leases	(81)	(50)
Repayment of loans and borrowings	(10,921)	(5,764)
Net cash generated from/(used in) financing activities	23,008	(14,463)
Net increase/(decrease) in cash and cash equivalents	8,077	(5,388)
Cash and cash equivalents at beginning of financial period	15,333	19,698
Cash and cash equivalents at end of financial period	23,410	14,310

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

	As at 31 March	
	2015	2014
	RM'000	RM'000
Cash and bank balances	25,557	16,388
Less:		
Deposits with maturity more than 3 months	1,286	1,243
Deposits pledged for bank guarantee	861	835
Cash and cash equivalents	23,410	14,310

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)



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

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 as disclosed in the accounting policies.

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 2014. 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 2014.

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 2014.

On 1 January 2015, the Group adopted the following FRSs:-

FRSs

Amendments to FRS 119 : Defined Benefit Plans : Employee Contributions
Annual Improvements to FRSs 2010 – 2012 Cycle
Annual Improvements to FRSs 2011 – 2013 Cycle

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

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

On 2 September 2014, MASB issued a new MASB approved accounting Standards MFRS 15 Revenue from Contracts with Customers (MFRS 15) applicable to financial statements for annual periods beginning on or after 1 January 2017. Related accounting standards namely MFRS 111 Construction Contracts, MFRS 118 Revenue and IC 15 shall be withdrawn on the application of MFRS 15. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)**IBRACO BERHAD (011286-P)**
(Incorporated in Malaysia)**2. Changes in Accounting Policies (contd.)****Malaysian Financial Reporting Standards (MFRS Framework) (contd.)**

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

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 2015.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2015.

6. Property, Plant and Equipment**Acquisition and Disposals**

During the three months ended 31 March 2015, the Group acquired property, plant and equipment with an aggregate cost of RM Nil (three months ended 31 March 2014: RM320,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM113,687 during the three months ended 31 March 2015 (three months ended 31 March 2014: RM96,185).

There were no disposals during the three months ended 31 March 2015. Property, plant and equipment with the carrying amount of RM1 was disposed off during the three months ended 31 March 2014, resulting in a gain on disposal of RM12,999 which was included in other income.

7. Debt and Equity Securities

During the financial quarter ended 31 March 2015, the Company issued 10,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme. Arising from this, the Company issued and paid up share capital has increased to 126,634,095 ordinary shares.

Except for those disclosed in Note 16, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2015.

8. Dividends Paid

There was no dividend paid during the quarter ended 31 March 2015.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)



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

9. Segmental Information

Geographical segment

No geographical segment analysis has been presented as the Group's business interest is predominately located in Malaysia.

Business segment

The Group is principally engaged in property development, property holding and construction works. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

Results for 3 months ended 31 March 2015 (1Q2015) and 3 months ended 31 March 2014 (1Q2014) are as follows:

	Property development activities		Property holding		Construction works		Elimination		Per consolidated financial statements	
	1Q2015 RM'000	1Q2014 RM'000	1Q2015 RM'000	1Q2014 RM'000	1Q2015 RM'000	1Q2014 RM'000	1Q2015 RM'000	1Q2014 RM'000	1Q2015 RM'000	1Q2014 RM'000
Revenue:										
External customers	53,768	41,888	776	704	2,636	16,413	-	-	57,180	59,005
Inter-segment	-	-	-	-	31,138	32,646	(31,138)	(32,646)	-	-
Total revenue	53,768	41,888	776	704	33,774	49,059	(31,138)	(32,646)	57,180	59,005
Segment profit	13,043	3,907	753	701	276	4,705	2,546	(29)	16,618	9,284

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)


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

9. Segmental Information (contd.)

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	1Q2015	1Q2014
	RM'000	RM'000
Segment profit	17,220	10,016
Finance costs	(602)	(732)
Profit before tax	<u>16,618</u>	<u>9,284</u>
	=====	=====

10. Event After the Reporting Period

There are no events subsequent to the reporting date that have any material effect on the quarter ended 31 March 2015.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2015.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since the last annual statement of financial position as at 31 December 2014 till the end of the financial period.

13. Capital Commitments

	As at 31 March	
	2015	2014
	RM'000	RM'000
Approved and contracted for:		
Land held for development	41,500	-
Property, plant and equipment	47	261

14. Directors and Key Management Personnel Compensation

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

	3 months ended 31 March	
	2015	2014
	RM'000	RM'000
Directors	353	258
Key management personnel	226	116

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value 3 months ended 31 March		Balance outstanding as at 31 March	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		102	102	-	-
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Sales of 2 units of 3-storey commercial properties at Tabuan Tranquility Phase 3	*	(2,843)	-	2,487	-
Chew Chiaw Han	(c)				
Sales of 1 unit of 3-storey shop office at Bintulu Town Square	*	(2,168)	-	1,943	-
Sales of 1 unit of lock-up shop at Bintulu Town Square	*	(258)	-	245	-

Notes

* These balances are not yet due for payment in accordance to the terms and conditions of the Sale & Purchase Agreement.

(a) Sharifah Deborah Sophia Ibrahim is a major shareholder and Director of the Company.

(b) Hiap Ghee Seng Sdn Bhd is a company connected to the Directors of the Company and of its subsidiary.

(c) Chew Chiaw Han is the Managing Director and major a shareholder of the Company.

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.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)


IBRACO BERHAD (011286-P)
(Incorporated in Malaysia)
16. Investment Securities

	Unaudited 31 March 2015 RM'000		Audited 31 December 2014 RM'000	
	Carrying amount	Fair value of quoted securities	Carrying amount	Fair value of quoted securities
<i>Financial assets at fair value through profit or loss</i>				
- Unit trusts (quoted in Malaysia)	7,386	7,386	4,286	4,286

17. Trade and Other Payables

	Unaudited 31 March 2015 RM'000	Audited 31 December 2014 RM'000
Trade and other payables	37,064	47,311
Provision for projects	25,005	28,330
Total trade and other payables	62,069	75,641

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)**IBRACO BERHAD (011286-P)**
(Incorporated in Malaysia)**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****Review of Performance****18. Current financial quarter (1Q2015) Vs corresponding financial quarter (1Q2014)**

The Group's revenue for 1Q2015 decreased to RM57.18 million from RM59.01 million in 1Q2014. During this reporting quarter, revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of apartments at Stutong Heights, sales of condominiums at Tabuan Tranquility Phase 2, sales of developed vacant land at Trombol 2, sales of 3-storey shop office at Tabuan Tranquility Phase 3, sales of 3-storey shophouses at Bintulu Town Square, construction project at Bintulu and rental income from investment property. The Group's revenue for 1Q2014 was primarily recognised from sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 and Phase 5, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2, construction project at Bintulu and rental income from investment property. These projects comprised different type of properties and at varying stages of sales and completion. In addition, profit margin between projects also varies. These changes in product mix, sales and completion status have impact on the earnings of the Group.

Other income decreased from RM0.22 million in 1Q2014 to RM0.17 million in 1Q2015. This other income comprised of dividend income earned from investment securities, interest income earned from short term placement with licensed banks, tender documents fee and administrative charges for sub-sales.

Administrative expenses increased to RM2.80 million compared to RM2.43 million in 1Q2014. The increase is mainly due to increase in staff costs and corporate social responsibility expenses during the current financial quarter. Other component of the administrative expenses has not varied much compared to that incurred during 1Q2014.

Finance costs decreased to RM0.60 million from RM0.73 million in 1Q2014. The decrease are primarily due to repayment of loans and borrowings during the reporting quarter.

19. Comparison with Immediate Preceding Quarter's Results

The Group recorded a profit before tax of RM16.62 million compared to a profit before tax of RM23.94 million recorded in the immediate preceding quarter ended 31 December 2014.

The Group's revenue for the current financial quarter ended 31 March 2015 decreased to RM57.18 million compared to RM65.06 million in the immediate preceding quarter ended 31 December 2014. Apart from the recognition of revenue from the sales of 3-storey shop office at Tabuan Tranquility Phase 3 in the current financial quarter and sales of developed vacant land at Tabuan Tranquility Phase 2 and Phase 4 in the immediate preceding quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development projects namely sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of apartments at Stutong Heights, sales of developed vacant land at Trombol 2, sales of condominiums at Tabuan Tranquility Phase 2, sales of 3-storey shophouses at Bintulu Town Square, construction project at Bintulu and rental income from its investment property.

Other income decreased from RM6.57 million in the immediate preceding quarter to RM0.17 million in this reporting quarter. This significant decrease was mainly due to recognition of fair value gain of investment property in the immediate preceding quarter.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

19. Comparison with Immediate Preceding Quarter's Results (contd.)

Administrative expenses decreased to RM2.80 million compared to RM5.31 million in the immediate preceding quarter ended 31 December 2014. The decrease are mainly due to recognition of impairment of receivables, corporate social responsibility expenses and provision for staff bonus in the immediate preceding financial quarter. Other components of the administrative expenses have not varied much compared to that incurred during the immediate preceding quarter.

Finance costs have increased from RM0.03 million in the immediate preceding quarter to RM0.60 million in this reporting quarter. The increase are primarily due to the finance costs incurred in the immediate preceding quarter were capitalised in the property development costs.

20. Retained Earnings

	Unaudited 31 March 2015 RM'000	Audited 31 December 2014 RM'000
Realised	114,498	105,817
Unrealised	(7,103)	(8,977)
Total retained earnings	107,395	96,840

21. Profit before tax

The following amounts have been included in arriving at profit before tax:

	3 months ended 31 March		3 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation of property, plant and equipment	300	222	300	222
Dividends income	(92)	(50)	(92)	(50)
Gain on disposal of property, plant and equipment	-	(13)	-	(13)
Interest expenses	602	732	602	732
Interest income	(36)	(75)	(36)	(75)
Other income	(37)	(77)	(37)	(77)

22. Prospects

The principal activity of the Group is realty development. In this respect, the performance of the Group is highly impacted by any movement in raw material and labour costs as well as demand of our properties which have been strong to-date. Contract for construction works are awarded on a lump sum basis to minimise the risk of labour and material price fluctuations.

The Group plans to launch more projects comprising mainly residential and commercial properties in 2015 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

23. Actual Profit against Forecast Profit and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.

24. Income Tax Expense

	3 months ended 31 March		3 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
- Malaysian income tax	3,381	2,220	3,381	2,220
Deferred tax	581	361	581	361
Total income tax expense	3,962	2,581	3,962	2,581

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

The effective tax rate of the Group for the current financial quarter is slightly lower than the statutory tax rate principally due to deferred tax assets recognised. Whilst, the effective tax rate of the Group for the corresponding financial quarter is slightly higher than the statutory tax rate mainly due to certain expenses are not deductible for tax purposes.

25. Status of Corporate Proposals

On 12 December 2014, the Company has entered into a joint development agreement with Ibraco HGS Sdn Bhd for the joint development of lands. The shareholders of the Company have approved the resolution in relation to the joint development of lands in an extraordinary general meeting held on 12 March 2015.

26. Loans and Borrowings

	Unaudited As at 31 March 2015 RM'000	Audited As at 31 December 2014 RM'000
Short term borrowings		
Secured: Finance lease liabilities	342	310
Revolving credits	41,300	40,300
Term loans	19,074	18,154
	60,716	58,764
Long term borrowings		
Secured: Finance lease liabilities	1,105	1,218
Term loans	61,481	40,322
	62,586	41,540
Total loans and borrowings	123,302	100,304

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

The Group did not issue any debt securities.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE FPE 31 MARCH 2015 (CONT'D)

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

27. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 18 May 2015, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

28. Changes in Material Litigation

There was no known material litigation as at 18 May 2015.

29. Earnings Per Share

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	3 months ended 31 March		3 months ended 31 March	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	10,555	6,372	10,555	6,372
Weighted average number of ordinary shares in issue ('000)	126,626	126,488	126,626	126,488
Effects of dilution - share options ('000)	-	63	-	63
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	126,626	126,551	126,626	126,551
Basic earnings per share (sen)	8.34	5.04	8.34	5.04
Diluted earnings per share (sen)	8.34	5.04	8.34	5.04

30. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2014 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 22 May 2015.

DIRECTORS' REPORT

**IBRACO BERHAD** (011286-P)**IBRACO HOUSE**

No. 898, Jalan Wan Alwi, Tabuan Jaya, 93350 Kuching. P.O.Box 3166, 93762 Kuching, Sarawak, Malaysia.
Tel: 082-361111 Fax: 082-361188

KL OFFICE

A-32-8 & A-32-9, H/Tower No. 5, Menara UOA Bangsar, Jalan Bangsar Utama 1, Bangsar Utama,
59000 Kuala Lumpur, Malaysia. Tel: 03-2282 9668 Fax: 03-2282 3115

16 JUL 2015

The Shareholders of Ibraco Berhad

Dear Sir/Madam

On behalf of the Board of Directors of Ibraco Berhad ("**Board**") ("**Ibraco**" or "**Company**"), I wish to report after making due enquiries that during the period from 31 December 2014 (being the date on which the last audited consolidated financial statements of the Company and its subsidiaries ("**Group**") have been made up) to the date hereof, being a date not earlier than fourteen (14) days before the date of issuance of this Abridged Prospectus, that:

- (a) the business of the Group has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or value of the assets of the Group;
- (c) the current assets of the Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities which have arisen by reason of any guarantees or indemnity given by the Group;
- (e) since the last audited consolidated financial statements of the Group, there have been no default or any known event that could give rise to a default situation, on payments of either interest and/or principal sums for any borrowings of the Group; and
- (f) there have been no material changes in the published reserves or any unusual factors affecting the profits of the Group since the last audited consolidated financial statements of the Group.

Yours faithfully,
For and on behalf of the Board of
IBRACO BERHAD

LIU TOW HUA
Executive Director

ADDITIONAL INFORMATION

1. SHARE CAPITAL

Save for the Rights Shares, no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.

As at the LPD, save for the Provisional Rights Shares, no person has been or is entitled to be granted, an option to subscribe for any securities, shares or debentures in our Company or any of our subsidiaries.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are as follows:

Article 74

Subject to the provisions of the Act, the Listing Requirements and to article 74A below, the remuneration of the Directors shall from time to time be determined by the Company in General Meeting, and any such remuneration shall (unless otherwise directed by the resolution by which it is voted) be divided amongst the Directors as they shall agree, or, failing agreement, equally. Any resolution of the Board reducing or postponing the time for payment of the Director's remuneration shall bind all the Directors. The Directors shall so be entitled to be repaid all travelling, hotel and other expenses incurred by him in or about the business of the Company, including their expenses of travelling to and from Board or Committee Meetings and General Meetings of the Company. If by arrangement with the other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration in addition to his ordinary remuneration, and such special remuneration may be by way of salary, commission, participating in profits or otherwise as may be arranged.

Article 74A

Fees payable to non executive directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover. Salaries payable to executive directors may not include a commission on or percentage of turnover.

Article 74B

Fees payable to directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

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ADDITIONAL INFORMATION (CONT'D)

3. MATERIAL CONTRACTS

Save as disclosed below, neither Ibraco nor our subsidiaries have entered into any material contracts (being contracts entered into out of the ordinary course of business) within the two (2) years immediately preceding the date of this Abridged Prospectus:

- (a) Joint Venture Agreement dated 30 November 2012, First Supplementary Agreement dated 21 May 2013 and Second Supplementary Agreement dated 29 August 2013 entered among Ibraco HGS Sdn Bhd, BDA Properties Sdn Bhd and Warisar Sdn Bhd, in relation to the design, construction and completion of a sewerage treatment plant on portion of Lot 4895, Block 31, Kemena Land District, Bintulu, Sarawak, containing an area of approximately 2.348 hectares (now known as Lot 8450, Block 31, Kemena Land District, Bintulu, Sarawak) and the mixed development on the remaining land of Lot 4895, Block 31 Kemena Land District, Bintulu, Sarawak, (now known as Lot 8451, Block 31, Kemena Land District, Bintulu, Sarawak) and Lot 5560 Block 31, Kemena Land District, Bintulu, Sarawak. As at the LPD, the transaction is in progress;
- (b) Sale and Purchase Agreement dated 13 October 2014, entered by Greater Tabuan Sdn Bhd as the vendor and Ibraco HGS Sdn Bhd as the purchaser to purchase all that parcel of land situate at Jalan Setia Raja, Kuching, containing an area of 9,535 square meters, more or less and described as Lot 1425, Block 12, Muara Tebas Land District, Kuching Sarawak, for a cash consideration of RM2,670,000.00. As at the LPD, the transaction has been completed;
- (c) Agreement dated 12 December 2014, entered by Ibraco and Ibraco HGS Sdn Bhd, in relation to the joint venture development of 11 lands owned by Ibraco (Lots 1450, 1452, 1454, 1456, 1458, 6, all of Block 12, Muara Tebas Land District and Lot 9282 and 9212, both of Block 11 Muara Tebas Land District and Lots 4554, 4581, 4771, all of Muara Tebas Land District and 1 land owned by HGS Sdn Bhd (Lot 1809, Block 12, Muara Tebas Land District) all in Kuching, Sarawak, into Tabuan Tranquility 3 Commercial, which comprise 112 units of 3 storey shophouses and 4 plots for educational purposes. As at the LPD, the transaction is in progress;
- (d) Sale and Purchase Agreement dated 26 March 2015 entered between Bandar Park Sdn Bhd as Vendor and Ibraco as the Purchaser, to purchase a freehold vacant land held under HSD, 118736, PT 8 Seksyen 65, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan KL, for a cash consideration of RM55,000,000.00 and Bandar Park Sdn Bhd has granted a power of attorney dated 26th March 2015 in favour of Ibraco, among others, for preparation and submission of applications to the relevant authorities. As at the LPD, the transaction has been completed; and
- (f) On 8 July 2015, Ibraco entered into the Underwriting Agreement with KIBB. Details of the Underwriting Agreement are set out in **Section 2.4(b)**.

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ADDITIONAL INFORMATION (CONT'D)

4. MATERIAL LITIGATION

Neither Ibraco nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against our Group.

5. GENERAL

5.1 Saved as disclosed below, there is no other existing or proposed service contracts entered or to be entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year:

(a) A Chief Executive Officer/Managing Director's service contract between Ibraco and Mr Chew dated 30 April 2010, where Mr Chew was appointed as our Managing Director effective from 30 April 2010 for an initial period of three (3) years and subsequently renewed on 30 April 2013 for another three (3) years to expire on 29 April 2016. At the expiry of the contract period, this Service Contract shall automatically lapse and any further extension or renewal of this Service Contract upon expiry shall be at the discretion of the Board and our shareholders, subjected to the terms and conditions therein or any variations as approved by the Board from time to time. During the continuance of his employment, we shall pay Mr Chew monthly salary which is subject to revision at each calendar year end based on merit of his performance. During the contract period,

- (i) Mr Chew may resign on three (3) months' notice,
- (ii) we may terminate the contract on six(6) months' notice (or the lesser remaining period of the term) in the case of poor performance or illness; or
- (iii) we may terminate the contract immediately for misconduct.

5.2 Save as disclosed in this Abridged Prospectus and to the best knowledge of the Board, the financial conditions and operations of our Group are not affected by any of the following:

- (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
- (b) material commitments for capital expenditure;
- (c) unusual, infrequent events or transactions or any significant economic changes which materially affected the amount of reported income from operations of our Group;
- (d) known trends or uncertainties which have had or will have, a material favourable or unfavourable impact on revenues or operating income; and
- (e) substantial fluctuation in revenue.

ADDITIONAL INFORMATION (CONT'D)

6. CONSENTS

Our Principal Adviser and Underwriter, due diligence solicitors, Share Registrar, principal bankers and company secretaries, being named in this Abridged Prospectus, do consent to act in that capacity. They have further confirmed that they have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references in the form and context in which they appear in this Abridged Prospectus.

Our auditors and reporting accountants, being named in this Abridged Prospectus, do consent to act in that capacity and they have confirmed that they have given and have not subsequently withdrawn their written consents to the inclusion of their names and letters relating to their proforma consolidated statements of financial position as at 31 December 2014 and their Auditors' Report on the audited consolidated financial statements for the FYE 31 December 2014 and all references thereto in the form and context in which they appear in this Abridged Prospectus

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consents for the inclusion of its name and/or citation of the market data compiled by them, in the form and context in which they appear in this Abridged Prospectus.

7. DECLARATIONS OF CONFLICT OF INTEREST**7.1 Principal Adviser**

As at the LPD, KIBB had in the ordinary course of its banking business, granted/granting credit facilities to certain parties related to us.

KIBB, in relation to its role as our Principal Adviser for the Rights Issue, has considered the aforementioned factors and believes that its objectivity and independence in carrying out its role has been and will be maintained at all times for the following reasons:

- (a) The credit facilities granted/to be granted are not material when compared to the audited total assets of KIBB for the FYE 31 December 2014 and therefore would not give rise to a conflict of interest situation; and
- (b) KIBB is a licensed investment bank and its appointment as Principal Adviser for the Rights Issue and the granting of the credit facilities are in the ordinary course of its business and the conducts of KIBB is regulated strictly by the Capital Markets and Services Act 2007 and the Financial Services Act 2013 and by its own internal policies, controls, checks and risk management.

7.2 Due Diligence Solicitor

Reddi & Co, Advocates has given their written confirmation that they are not aware of any conflict of interest situation which exists or is likely to exist in its role as the Due Diligence Solicitors in relation to the Rights Issue.

7.3 Reporting Accountant

Ernst & Young has given their written confirmation that they are not aware of any conflict of interest situation which exists or is likely to exist in its role as the Reporting Accountants in relation to the Rights Issue.

ADDITIONAL INFORMATION (CONT'D)

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Ibraco House, No. 898, Jalan Wan Alwi, Tabuan Jaya, 93350 Kuching, Malaysia during business hours from Mondays to Fridays (except public holidays) for a period of twelve (12) months from the date of this Abridged Prospectus:

- (a) the Memorandum and Articles of Association of Ibraco;
- (b) the certified true extract of the resolution pertaining to the Rights Issue passed at our EGM on 16 July 2015, as set out in **Appendix I**;
- (c) the proforma consolidated statements of financial position as at 31 December 2014 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix III**;
- (d) our audited consolidated financial statements for the past two (2) FYE 31 December 2013 and 2014;
- (e) our latest unaudited consolidated financial results for the FPE 31 March 2015 as set out in **Appendix V**;
- (f) the Directors' Report as set out in **Appendix VI**;
- (g) the material contracts referred to in **Section 3** of **Appendix VII** and the Service Contract referred to in **Section 5.1** of **Appendix VII**;
- (h) the letters of consent referred to in **Section 6** of **Appendix VII** and the declaration of conflict of interest letters referred to in **Section 7** of **Appendix VII**; and
- (i) The Undertaking Shareholders' Entitlement Undertakings letters referred to in **Section 2.4(a)**.

9. RESPONSIBILITY STATEMENTS

The Abridged Prospectus, together with its accompanying documents, have been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

KIBB, being the Principal Adviser and Underwriter for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES

UNLESS OTHERWISE STATED, TERMS DEFINED IN THE ABRIDGED PROSPECTUS OF IBRACO BERHAD ("IBRACO" OR "COMPANY") DATED 24 JULY 2015 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS NOTICE OF PROVISIONAL ALLOTMENT ("NPA"). THE PROVISIONAL RIGHTS SHARES ("AS DEFINED HEREUNDER") ARE PRESCRIBED SECURITIES PURSUANT TO SECTION 14(5) OF THE SECURITIES INDUSTRY (CENTRAL DEPOSITORIES) ACT, 1991, AS AMENDED FROM TIME TO TIME ("SICDA") AND THEREFORE, SICDA AND THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD ("BURSA DEPOSITORY") SHALL APPLY IN RESPECT OF DEALINGS IN THE PROVISIONAL RIGHTS SHARES.



IBRACO BERHAD

(Company No. 011286-P)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 50,653,638 NEW ORDINARY SHARES OF RM1.00 EACH IN IBRACO ("SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD IN IBRACO AS AT 5.00 P.M. ON 24 JULY 2015 ("RIGHTS ISSUE")

Principal Adviser and Underwriter

Kenanga

Kenanga Investment Bank Berhad

Company No. 15678-H
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Shareholders of Ibraco

Dear Sir/Madam,

The Board of Directors of Ibraco ("Board") has provisionally allotted to you, in accordance with the ordinary resolution passed by the shareholders of Ibraco at the Extraordinary General Meeting held on 16 July 2015 and the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") via its letter dated 10 June 2015, the number of Rights Shares as indicated below ("Provisional Rights Shares").

We wish to advise you that the Provisional Rights Shares have been confirmed by Bursa Depository and will be credited into your Central Depository System ("CDS") account(s) subject to the terms and conditions stated in the Abridged Prospectus and Rights Subscription Form issued by the Company.

The Provisional Rights Shares are made subject to the terms and conditions stated in the Abridged Prospectus. Bursa Securities has already prescribed the securities of Ibraco listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights Shares arising from the Rights Issue are prescribed securities and as such, all dealings in the Provisional Rights Shares will be by way of book entry through the CDS accounts and will be governed by the SICDA and the Rules of Bursa Depository.

ALL THE RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S) AND/OR TRANSFEREE(S) (IF APPLICABLE) AND NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

It is the intention of the Board to allocate the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as per their CDS Accounts in our Company on the Entitlement Date;
- (c) thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for;
- (d) fourthly, for allocation to the renounee(s) and/or transferee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for;
- (e) in the event of any Excess Rights Shares balance after the above allocations are completed, the balance will be allocated in such manner as the Board deems fit and expedient and in the best interest of Ibraco; and
- (f) in the event that there are still unsubscribed Rights Shares after allocating all the Excess Rights Shares applied for, the remaining unsubscribed Rights Shares will be subscribed by the Underwriter in accordance with the terms and conditions set out in the Underwriting Agreement.

Nevertheless, the Board reserves the right to allot the Excess Rights Shares in such manner as it deems fit and expedient in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in items (a) to (f) above is achieved.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		
NUMBER OF IBRACO SHARES HELD AS AT 5.00 P.M. ON 24 JULY 2015	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM1.00 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIME:	
Entitlement Date	: Friday, 24 July 2015 at 5.00 p.m.
Last date and time for:	
(a) sale of provisional allotment of the Rights Shares	: Friday, 31 July 2015 at 5.00 p.m.
(b) transfer of provisional allotment of the Rights Shares	: Wednesday, 5 August 2015 at 4.00 p.m.
(c) acceptance and payment	: Monday, 10 August 2015 at 5.00 p.m. *
(d) excess application and payment	: Monday, 10 August 2015 at 5.00 p.m. *
* or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time.	

By order of the Board
Yeo Puay Huang (LS 0000577)
May Wong Mei Ling (MIA 18483)
Company Secretaries

Share Registrar
SECURITIES SERVICES (HOLDINGS) SDN BHD (36869-T)
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03 - 2084 9000
Fax: 03 - 2094 9940 / 2095 0292

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 24 JULY 2015

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS OF IBRACO BERHAD ("IBRACO" OR "THE COMPANY") DATED 24 JULY 2015 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES PURSUANT TO THE RIGHTS ISSUE (AS DEFINED HEREIN) OF IBRACO. THE LAST TIME AND DATE FOR ACCEPTANCE, APPLICATION FOR EXCESS RIGHTS SHARES AND PAYMENT IS 5.00 P.M. ON 10 AUGUST 2015 OR SUCH LATER DATE AND TIME AS THE BOARD OF DIRECTORS OF IBRACO ("BOARD") MAY DECIDE AND ANNOUNCE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE STIPULATED DATE AND TIME. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL RIGHTS SHARES ("PROVISIONAL RIGHTS SHARES") STANDING TO THE CREDIT OF HIS/HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.



IBRACO BERHAD

(Company No. 011286-P)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 50,653,638 NEW ORDINARY SHARES OF RM1.00 EACH IN IBRACO ("SHARES") ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM1.00 PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD IN IBRACO AS AT 5.00 P.M. ON 24 JULY 2015 ("RIGHTS ISSUE")

To: The Board of Directors
IBRACO BERHAD (011286-P)

PART I - ACCEPTANCE OF RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus, I/we* hereby irrevocably:

- (a) *accept the number of Rights Shares as stated below which were provisionally allotted/renounced/transferred* to me/us*;
- (b) *apply for the number of Excess Rights Shares as stated below in addition to the above;

in accordance with and subject to the Memorandum and Articles of Association of Ibraco.

I/we* enclose herewith the appropriate remittance(s)/reference for payment as stated below being the full amount payable for the Rights Shares and/or Excess Rights Shares accepted/applied for, and hereby request for the said Rights Shares and/or Excess Rights Shares to be credited into my/our* CDS account as stated below:

NUMBER OF RIGHTS SHARES ACCEPTED/EXCESS APPLIED	AMOUNT PAYABLE BASED ON RM1.00 PER RIGHTS SHARE (RM)	BANKER'S DRAFT/CASHIER'S ORDER/MONEY ORDER/ POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE			IBRACO RIGHTS ISSUE ACCOUNT
(B) EXCESS			IBRACO EXCESS RIGHTS ISSUE ACCOUNT

Note: If you have subsequently purchased additional Provisional Rights Shares from the open market, you should indicate your acceptance of the total Provisional Rights Shares that you have standing to the credit in your CDS account under Part I(A) above.

NRIC NO./ PASSPORT NO. (STATE COUNTRY)/ COMPANY NO.:

CDS ACCOUNT NO.

PART II – DECLARATION

NAME AND ADDRESS OF APPLICANT

I/We* hereby confirm and declare that:

- (i) All information provided by me/us* is true and correct;
- (ii) All information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my/our* rights may be rejected;
- (iii) I/We* consent to Ibraco and the Share Registrar of Ibraco collecting the information and personal data (collectively "Data") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Shares and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations; and
 - I am 18 years of age or over.
 - I am/We are* resident(s) of Malaysia.
 - I am/We are* resident(s) of (country) and having citizenship.
 - I am/We are* nominee(s) of a person who is a Bumiputera / Non-Bumiputera / Non-Citizen* resident in (country) and having citizenship.

I/We* have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance as set out therein.

	AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE	Date
Signature/Authorised Signatory(ies) (Corporate bodies must affix their Common Seal)		Contact telephone number during office hours

LAST DATE AND TIME FOR:	
Acceptance and payment	: Monday, 10 August 2015 at 5.00 p.m.^
Excess application and payment	: Monday, 10 August 2015 at 5.00 p.m.^
^ or such later date and time as the Board may decide and announce not less than two (2) Market Days before the stipulated date and time.	

* Please delete whichever is not applicable.

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Rights Issue should be addressed to the Share Registrar of Ibraco, Securities Services (Holdings) Sdn Bhd (36869-T), Level 7 Menara Milenium, Jalan Damania, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

The Abridged Prospectus, together with the Notice of Provisional Allotment of Rights Shares ("NPA") and this RSF (collectively the "Documents") are only dispatched to the Entitled Shareholders who have a registered address in Malaysia in the Company's Record of Depositors as at 5.00 p.m. on 24 July 2015 ("Entitlement Date") or who have provided the Share Registrar with a registered address in Malaysia in writing prior to the Entitlement Date. The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue is not intended to be (and will not be) made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than, nor under or in accordance with any laws other than that of, nor lodged, registered or approved by any regulatory authority or relevant body other than in Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be the sole responsibilities of the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who are or may be subject to the laws of country or jurisdiction other than Malaysia to consult their legal and/or other professional advisers and to satisfy themselves as to whether the acceptance or renunciation (as the case may be) of all or part of their entitlements to the Rights Issue would result in the contravention of the laws of such country or jurisdiction. Such shareholders should also refer to Section 9.6 of the Abridged Prospectus for further information. Neither Ibraco nor Kenanga Investment Bank Berhad, being the Principal Adviser, shall accept any responsibility or liability in the event that any acceptance or renunciation of the Rights Shares made by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

A copy of the Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of the Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in the Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of the Documents have also been lodged with the Registrar of Companies who takes no responsibility for their contents.

Approval for the Rights Issue has been obtained from the shareholders of Ibraco at the Extraordinary General Meeting held on 16 July 2015. Approval has also been obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 10 June 2015 for the listing of and quotation for the Rights Shares on the Official List of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares will commence, amongst others, upon the receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. Admission to the Official List of Bursa Securities and quotation of the Rights Shares are in no way reflective of the merits of the Rights Issue.

The Board has seen and approved the Documents and they collectively accept full responsibility for the accuracy of the information contained in the Documents and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make the statements in the Documents false or misleading.

The provisional allotment of Rights Shares ("Provisional Rights Shares") is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depository) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991 (including all amendments thereof) and the Rules of the Bursa Depository shall apply in respect of dealings of the Provisional Rights Shares.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia or "RM" in abbreviation and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this RSF, unless they are otherwise defined here or the context otherwise requires.

INSTRUCTIONS:

(I) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 10 August 2015, or such later date and time as the Board may decide and announce at their absolute discretion. Where the closing date of acceptance and payment is extended from the original closing date, the announcement of such extension will be made not less than two (2) market days before the stipulated date and time.

(II) FULL ACCEPTANCE OR PART ACCEPTANCE OF THE RIGHTS SHARES

If you wish to accept the Provisional Rights Shares, please complete Part I(A) and Part II of this RSF, together with the appropriate remittance made in Ringgit Malaysia (RM) for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made out payable to "IBRACO RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and CDS account number, for the full amount payable for the Rights Shares accepted, to be received by the Share Registrar, not later than 5.00 p.m. on 10 August 2015 (or such extended date and time as the Board may decide and announce at their absolute discretion).

If acceptance and payment for the Provisional Rights Shares is not received by the Share Registrar by 5.00 p.m. on 10 August 2015 being the last time and date for acceptance and payment (or such extended date and time as the Board may decide and announce at their absolute discretion), such Provisional Rights Shares will be deemed to have been declined and will be cancelled.

The remittance must be made for the exact amount payable for the Provisional Rights Shares accepted. No acknowledgement will be issued but a notice of allotment will be dispatched to you by ordinary post to the address stated in this RSF within eight (8) Market Days from the last date for acceptance and payment for the Rights Shares.

If you wish to accept part of your Provisional Rights Shares, please complete Part I(A) and Part II of this RSF by specifying the number of Provisional Rights Shares which you are accepting and deliver the completed RSF together with the relevant payment to the Share Registrar by 5.00 p.m. on 10 August 2015 being the last time and date for acceptance and payment (or such extended date and time as the Board may decide and announce at their absolute discretion).

(III) APPLICATION FOR EXCESS RIGHTS SHARES

If you and/or your renounee(s) and/or transferee(s) (if applicable) wish to apply for Excess Rights Shares in excess of your entitlement you may do so by completing Part I(B) of this RSF (in addition to Parts I(A) and II of this RSF) and forwarding it with a separate remittance for the full amount payable in respect of the Excess Rights Shares applied for to the Share Registrar. Payment for the Excess Rights Shares applied for should be made in the same manner described in note (II) above except that the remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia should be made payable to "IBRACO EXCESS RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS account number to be received by the Share Registrar not later than 5.00 p.m. on 10 August 2015, being the last date and time for the Excess Rights Shares acceptance and payment (or such extended date and time as the Board may decide and announce at their absolute discretion). No acknowledgement will be issued for the receipt of the Excess Rights Shares applications. However, a notice of allotment will be dispatched to you by ordinary post to the address stated in this RSF within eight (8) market days from the last date for acceptance and payment for the Excess Rights Shares.

In respect of unsuccessful or partially successful Excess Rights Shares applications, the full amount or the balance of the application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the Excess Rights Shares by ordinary post to the address shown in the Record of Depositors at the applicant's own risk.

It is the intention of the Board to allocate the Excess Rights Shares, if any, on a fair and equitable basis and in the following priority:

- firstly, to minimise the incidence of odd lots;
- secondly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings as per their CDS Accounts in our Company on the Entitlement Date;
- thirdly, for allocation to the Entitled Shareholders who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for;
- fourthly, for allocation to the renounee(s) and/or transferee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares applied for;
- in the event of any Excess Rights Shares balance after the above allocations are completed, the balance will be allocated in such manner as the Board deems fit and expedient and in the best interest of Ibraco; and
- in the event that there are still unsubscribed Rights Shares after allocating all the Excess Rights Shares applied for, the remaining unsubscribed Rights Shares will be subscribed by the Underwriter in accordance with the terms and conditions set out in the Underwriting Agreement.

Nevertheless, the Board reserves the right to allot the Excess Rights Shares in such manner as they deem fit and expedient and in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in (a) to (f) above is achieved.

(IV) SALE / TRANSFER OF THE PROVISIONAL RIGHTS SHARES

If you and/or your renounee(s) and/or transferee(s) (if applicable) wish to sell/transfer all or part of your Provisional Rights Shares, you may do so immediately through your stockbroker without first having to request the Company for a splitting of the Provisional Rights Shares standing to the credit of your CDS accounts. To sell/transfer all or part of your Provisional Rights Shares, you may sell such entitlement of the Provisional Rights Shares on Bursa Securities or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your Provisional Rights Shares, you and/or your renounee(s) and/or transferee(s) need not deliver any document (including the RSF) to the stockbroker in respect of the portion of the Provisional Rights Shares sold. However, you and/or your renounee(s) and/or transferee(s) must ensure that you have sufficient Provisional Rights Shares standing to the credit of your CDS account that are available for settlement of the sale.

The purchaser(s)/renounee(s)/transferee(s) of the Provisional Rights Shares may obtain a copy of the Abridged Prospectus and this RSF for the acceptance of his Provisional Rights Shares from our Share Registrar, our Registered Office or at Bursa Securities' website at <http://www.bursamalaysia.com>.

If you sold only part of the Provisional Rights Shares, you may still accept the balance of your Provisional Rights Shares by completing Parts I(A) and II of this RSF.

(V) GENERAL INSTRUCTIONS

- All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on this RSF.
- Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
- The contract arising from the acceptance of the Provisional Rights Shares by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- The Company reserves the right to accept or reject any acceptance and/or application if the instructions stated above are not strictly adhered to.
- The Rights Shares subscribed by the Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) will be credited into their respective CDS accounts as stated on the NPA or the exact accounts appearing in Bursa Depository's records.