



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the Nine-Month Period Ended 30 September 2004

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue		36,028	-	94,446	-
Cost of sales		26,178	-	66,805	-
Gross Profit		9,850	-	27,641	-
Other Operating Income		1,070	-	473	-
Administrative Expenses		(2,734)	-	(7,352)	-
Other Operating Expenses		-	-	-	-
Operating Profit		8,186	-	20,762	-
Finance Costs		(38)	-	(170)	-
Profit Before Taxation		8,148	-	20,592	-
Tax Expense	20	(2,287)	-	(4,623)	-
Profit After Taxation		5,861	-	15,969	-
Pre-acquisition Profit		-	-	(573)	-
Net Profit		5,861	-	15,396	-
Basic Earnings Per Ordinary Share (Sen)	28	7.47	-	19.61	-



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2004 and 31 December 2003

(The figures for 30 September 2004 have not been audited)

	Note	Unaudited 30 September 2004 RM'000	Audited 31 December 2003 RM'000
Property, plant & equipment	9	4,555	3,193
Land & development expenditure		67,971	71,330
Current Assets			
Inventories & development properties		109,851	75,337
Trade receivables		3,964	2,350
Other receivables, prepayments & deposits		2,957	6,610
Amounts due from related companies		-	7,936
Fixed deposits with licensed bank		47	1,045
Cash & bank balances		2,971	14,661
		119,790	107,939
Current Liabilities			
Amounts due to bankers – bank overdrafts	24	2,936	19,757
Trade payables		7,034	7,542
Other payables & accruals		2,019	5,633
Amount due to related companies		-	3
Term loan	24	3,950	3,419
Lease payables	24	297	262
Borrowings – trade financings	24	24,854	23,005
		41,090	59,621
Net Current Assets		78,700	48,318
		151,226	122,841
Financed by:			
Capital & reserves			
Share capital		90,000	65,339
Share premium		2,416	-
Retained profits		38,671	23,275
Reserve on consolidation		4,054	2,475
Shareholders' funds		135,141	91,089
Minority interests		-	11,977
Long term & deferred liabilities			
Term loan	24	15,226	19,121
Lease payables	24	562	350
Redeemable cumulative preference shares		-	6
Deferred taxation		297	298
		151,226	122,841



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 For the Nine-Month Period Ended 30 September 2004
 (The figures have not been audited)

	Note	Share capital RM'000	Share premium RM'000	Reserve on consolidation RM'000	Retained profits RM'000	Total RM'000
At 1 January 2004		65,339	-	2,475	23,275	91,089
Net profit for the period		-	-	-	15,396	15,396
Issue of shares	6	24,661	5,371	-	-	30,032
Listing expenses set-off		-	(2,955)	-	-	(2,955)
Acquisition of remaining shares in subsidiaries		-	-	1,579	-	1,579
At 30 September 2004		90,000	2,416	4,054	38,671	135,141



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CONDENSED CONSOLIDATED CASH FLOW
For the Nine-Month Period Ended 30 September 2004
(The figures have not been audited)

	30 September 2004 RM'000
Net cash used in operating activities	(16,066)
Net cash generated from investing activities	2,639
Net cash generated from financing activities	18,577
Net (decrease)/increase in cash & cash equivalents	5,150
Cash & cash equivalents at 1 January 2004	(5,068)
Cash & cash equivalents at 30 September 2004	82

Cash & cash equivalents at 30 September 2004 comprise the followings:

Cash and bank balances	2,971
Fixed deposits	47
Amount due to bankers – bank overdrafts	(2,936)
	82



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PART A – EXPLANATORY NOTES PURSUANT TO MASB 26

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MASB Standard 26: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

The interim financial statements should be read in conjunction with the audited financial statements for the financial period ended 31 December 2003. 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 financial period ended 31 December 2003.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial period ended 31 December 2003 except for the adoption of the following MASB Standards for the first time during the financial quarters in 2004:

MASB Standard 31	Accounting for Government Grants & Disclosure of Government Assistance
MASB Standard 32	Property Development Activities

As the Company currently does not receive government grants, MASB Standard 31 does not have any application for the Company. In addition, the Company has fully adopted MASB Standard 32.

The adoption of MASB Standard 32 has not given rise to any adjustments to the opening balances of retained profits as at 1 January 2004.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial period ended 31 December 2003 was not qualified.



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3. Seasonal or Cyclical Factors

The Group's performance is 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 financial period ended 30 September 2004.

5. Changes in Estimates

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



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6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

- a. The issuance of 4,415,800 new ordinary shares of RM1.00 each on 27 February 2004 at an issue price of approximately RM1.25 per share for the acquisition of the remaining equity interest of about 39.56% in Syarikat Ibraco-Peremba Sdn. Bhd., thereby making Syarikat Ibraco-Peremba Sdn. Bhd. a wholly-owned subsidiary company.
- b. The issuance of 4,361,100 new ordinary shares of RM1.00 each on 27 February 2004 at an issue price of approximately RM1.25 per share for the acquisition of the remaining equity interest of about 40.00% in Ibraco-LCDA Sdn. Bhd., thereby making Ibraco-LCDA Sdn. Bhd. a wholly-owned subsidiary company.
- c. The redemption of the entire 5,500 redeemable cumulative preference shares (bearing a coupon rate of 5% per annum payable yearly), which were created on 24 July 2003, on 27 February 2004.
- d. The issuance of 5,500 ordinary shares of RM1.00 each at an issue price of RM1.20 per share to 55 eligible employees on 3 March 2004.
- e. An allotment of 15,879,200 new ordinary shares of RM1.00 each at an issue price of RM1.20 per ordinary share to the public that was concluded by 16 June 2004.

7. Dividend Paid

No dividends were paid in the current interim period.

8. Segmental Reporting

Segmental information is not presented as the Group is principally engaged in property development in Malaysia.

9. Carrying Amount of Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The Group did not revalue any of its property, plant and equipment.



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10. Subsequent Events

There were no material events subsequent to the end of the current quarter that were not reflected in the financial statements for the said period, made up to the date of this quarterly report.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter other than those disclosed in Note 6.

12. Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities or contingent assets in respect of the Group that have arisen since 31 December 2003 to the date of this quarterly report.

13. Capital Commitments

There were no material capital commitments in respect of the Group that have arisen since 31 December 2003 to the date of this quarterly report.



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14. Related Party Transactions

	Note	3 months ended 30 September 2004 (RM)
Syarikat Pemegang Palma Lilin Sdn. Bhd.		
Rental paid for office premises	(a)	69,300
Irama Tabuan Sdn. Bhd.		
Rental of PA System	(b)	150

Notes:

- (a) Company in which Deanna Ibrahim, Wan Kamal Ibrahim, Sharifah Deborah Sophia Ibrahim and Wan Aziz Ibrahim have an interest.
- (b) Company in which Wan Kamal Ibrahim holds a majority interest.

All the transactions above were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the normal course of business of the Group.

15. Comparative Figures

This is the third quarter for the Group in which the Group applied MASB Standard 26, Interim Financial Reporting. Accordingly, comparatives are not available for presentation in these interim financial statements.

As part of its restructuring, the Group completed the 100% acquisition of its subsidiary companies as disclosed in Note 6 and also changed its financial year-end from 31 January to 31 December during the financial period ended 31 December 2003. In view of these additional factors, any comparatives will therefore not be meaningful.



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

16. Review of Performance

The Group recorded a turnover of RM94.4 Million and a post-tax and before pre-acquisition profit of RM16.0 Million for the period from 1 January 2004 to 30 September 2004.

The main contributors for the Group's results are as follows:

- The residential development project known as Tabuan Jaya Baru 1, which comprises 244 units of mixed-development properties, with a gross development value (GDV) of RM69.4 Million. Since its launch in September 2002, this project has recorded total sales of 98.4% of total GDV.
- A commercial project, known as Tabuan Heights Phase 7 (comprising 47 units of shop houses and a GDV of RM40 Million), which is completely sold.
- A new residential development project, known as Tabuan Jaya Baru 2 (launched in mid March 2004) comprising 302 units of mixed development properties with a GDV of RM90.7 Million. Since its launch, this project has recorded total sales of 65% of total GDV.
- A new residential development project, known as Tabuan Heights Boulevard, which was launched in late July 2004 and comprises 113 units of mixed-development properties, with a GDV of RM36.2 Million. Since its launch, this project has recorded total sales of 54% of total GDV.
- Another commercial project within the Tabuan Heights Phase 7 project comprising 20 units of lock-up shops with a GDV of RM4.24 Million. This project was completely sold upon launching in early August 2004.



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17. Comparison with Preceding Quarter's Results

The Group's turnover and profit before taxation for the current quarter were RM36.0 Million and RM8.2 Million respectively. The Group's turnover and profit before taxation for the immediate preceding quarter ended 30 June 2004 were RM31.6 Million and RM6.2 Million respectively.

The higher revenue and profit before taxation were achieved mainly due to higher income recognition for new projects launched in 2004. They comprise the Tabuan Jaya Baru 2 and Tabuan Heights Boulevard mix-development residential projects and the Tabuan Heights lock-up shops commercial project, which collectively contributed RM17.5 Million to total turnover in the current quarter.

18. Prospects for 2004

The Directors maintain the view that the overall performance of the Group will depend substantially on the performance of the property market in Kuching, which is expected to remain positive.

The fluctuations in the costs of materials used in construction will affect the overall performance of the Group, and the industry. Any sustained adverse changes in weather conditions would also cause delays in the completion of projects. These may affect the performance of the Group.

Barring major changes in such factors, the Directors expect the Group to achieve the profit forecast for the year.

19. Actual Profit against Forecast Profit and Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after taxation and minority interest are not applicable as this is the third reporting quarter.

The Group did not issue any profit guarantee.



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20. Tax Expense

	3 months ended 30 September 2004 (RM'000)	3 months ended 30 September 2003 (RM'000)
Tax Expense for the Period		
Malaysian Income Tax	2,287	-
Deferred Tax	-	-
Tax expense for prior years:		
Malaysian Income Tax	-	-
	<u>2,287</u>	<u>-</u>

The Group's tax charge for the cumulative quarter ended 30 September 2004 is marginally lower than the prima facie tax due to certain income not being subject to taxation.

21. Sale of Unquoted Investments and Properties

There was no sale of unquoted investments and/or properties included in properties, plant and equipment during the current quarter under review.

22. Sale of Quoted Securities

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



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23. Corporate Proposals

(a) Status of Corporate Proposals

There are no corporate proposals announced but not completed at the date of this quarterly report.

(b) Status of Utilisation of Proceeds

As at the date of this report, the proceeds raised from the Public Issue pursuant to the listing of the Company on the Main Board of Bursa Securities amounting to about RM19 Million were utilised as follows:

	As Approved By Securities Commission	Utilised as at 30 September 2004	(Overutilised)/ Unutilised as at 30 September 2004
	RM'000	RM'000	RM'000
Repayment of borrowings	8,000	8,000	Nil
Payment of estimated listing expenses	2,500	2,955	(455)
Working capital	8,555	8,555	Nil
	19,055	19,510	(455)



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24. Group Borrowings and Debt Securities

The total Group borrowings at the end of this quarter are as follows:

	As at 30 September 2004 RM'000
Short term borrowings	
- Secured: Bank overdrafts	2,936
- Secured: Term loans	3,950
- Secured: Borrowings – trade financings	24,854
- Lease Payable	297
	<hr/> 32,037
Long term borrowings	
- Secured: Term loans	15,226
- Lease Payable	562
	<hr/> <hr/> 47,825

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

25. Off Balance Sheet Financial Instruments

The Group did not enter into any financial instruments with off balance sheet risk during the reporting quarter.

26. Changes in Material Litigation

There was no known material litigation as at the end of this reporting quarter.

27. Dividend Payable

There was no dividend being declared for the quarter under review.



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28. Earnings Per Share

The basic and diluted earnings per share have been calculated based on the Group's net profit for the current quarter/period divided by the weighted average number of ordinary shares in issue during the financial quarter/period:

	3 months ended 30 September 2004 RM'000	9 months ended 30 September 2004 RM'000
Net profit for the quarter/period	5,861	15,396
Weighted average number of ordinary shares in issue ('000)	78,495	78,495
Basic and diluted earnings per share (sen)	7.47	19.61

29. Subsequent Event

The Board has on the 22nd October 2004 approved a corporate guarantee of RM4.6 Million to be issued to a bank for credit facilities given to Syarikat Ibraco-Peremba Sdn. Bhd. (a fully owned subsidiary). The Group does not expect the issue of the Corporate Guarantee to have any material impact on the financial results of the Group.

30. Authorisation for Issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 24 November 2004.