



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the quarter ended 30 September 2005

(The figures have not been audited)

	Note	CURRENT QUARTER 3 months ended 30 September		CUMULATIVE QUARTER 9 months ended 30 September	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue		46,708	36,028	107,619	94,446
Cost of sales		31,668	26,178	79,621	66,805
Gross Profit		15,040	9,850	27,998	27,641
Other Operating Income		(170)	1,070	66	473
Administrative Expenses		(2,914)	(2,734)	(9,227)	(7,352)
Other Operating Expenses		(8)	-	(8)	-
Operating Profit		11,948	8,186	18,829	20,762
Finance Costs		(100)	(38)	(195)	(170)
Profit Before Taxation		11,848	8,148	18,634	20,592
Tax Expense	21	(3,345)	(2,287)	(5,646)	(4,623)
Profit After Taxation		8,503	5,861	12,988	15,969
Pre-acquisition Profit		-	-	-	(573)
Net Profit		8,503	5,861	12,988	15,396
Earnings Per Ordinary Share (Sen)	29	9.45	7.47	14.43	19.61



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 30 September 2005 and 31 December 2004

(The figures for 30 September 2005 have not been audited)

	Note	Unaudited 30 September 2005 RM'000	Audited 31 December 2004 RM'000
Property, plant & equipment	9	4,288	4,435
Land & development expenditure		68,494	67,876
Current Assets			
Property development costs		70,357	83,710
Inventories		762	932
Due from customer on contracts		-	273
Trade receivables	15	70,302	42,845
Other receivables, prepayments & deposits		19,718	3,492
Fixed deposits with licensed bank		30	4,744
Cash & bank balances		9,054	940
		170,223	136,936
Current Liabilities			
Amounts due to bankers – bank overdrafts	25	8,161	94
Trade payables	16	16,020	21,525
Other payables & accruals		3,731	1,245
Term loans	25	4,200	3,469
Lease payables	25	255	282
Tax payable		672	37
Borrowings – trade financings	25	53,033	26,768
		86,072	53,420
Net Current Assets		84,151	83,516
		156,933	155,827
Financed by:			
Capital & reserves			
Share capital		90,000	90,000
Share premium		2,416	2,416
Retained profits		48,750	43,862
Reserve on consolidation		3,838	3,841
Shareholders' funds		145,004	140,119
Long term & deferred liabilities			
Term loans	25	12,006	15,151
Lease payables	25	402	490
Deferred taxation		(479)	67
		156,933	155,827



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2005

(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 2005		90,000	2,416	3,841	43,862	140,119
Increase/(decrease) during the period		-	-	(3)	12,988	12,985
Dividends paid		-	-	-	(8,100)	(8,100)
At 30 September 2005		90,000	2,416	3,838	48,750	145,004



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Nine Month Period Ended 30 September 2005

(The figures have not been audited)

	30 September 2005 RM'000
Net cash used in operating activities	(24,875)
Net cash generated from investing activities	4,744
Net cash generated from financing activities	15,465
Net decrease in cash & cash equivalents	(4,666)
Cash & cash equivalents at 1 January 2005	5,589
Cash & cash equivalents at 30 September 2005	923

Cash & cash equivalents at 30 September 2005 comprised the followings:

Cash and bank balances	9,054
Fixed deposits	30
Amount due to bankers – bank overdrafts	(8,161)
	923



IBRACO BERHAD (Company No. 011286-P)

PART A – EXPLANATORY NOTES PURSUANT TO FRS134 (PREVIOUSLY MASB STANDARD 26)

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS134 (Previously MASB Standard 26): Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2004. 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 year ended 31 December 2004.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2004.

2. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2004 was not qualified.

3. Seasonal or Cyclical Factors

The Group's performance was not materially affected by any seasonal or cyclical factors.

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 current quarter.

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 for the current interim period.

7. Dividends Paid

Dividends paid on 1 July 2005 were declared at the Annual General Meeting held on 26 May 2005, in respect of the financial year ended 31 December 2004 being first and final dividend of 7.5% less 28% taxation, on 90,000,000 ordinary shares, amounting to RM4.86 Million.

8. Segmental Reporting

Segmental information is not presented as the Group is principally engaged in realty 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.

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.



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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 2004 to the date of this quarterly report except for corporate guarantees amounting to RM67.7 Million given by the Company to banks for credit facilities granted to its wholly-owned subsidiaries up to the end of the current reporting quarter.

13. Capital Commitments

There were no material capital commitments at the end of the current quarter.

14. Related Party Transactions

	Note	3 months ended 30 September 2005 (RM)
Ibraco Berhad		
Sale of developed property to Wan Kamal Ibrahim bin Wan Alwi Ibrahim	(a)	353,000
Ibraco Properties Sdn. Bhd.	(b)	
Proposed acquisition of landed properties		31,966,444
Syarikat Pemegang Palma Lilin Sdn. Bhd.	(b)	
Rental paid for office premises		134,700
Irama Tabuan Sdn. Bhd.	(c)	
Purchase of goods and other sundries		5,566

Notes

- (a) Wan Kamal Ibrahim bin Wan Alwi Ibrahim is the Group Managing Director of Ibraco Berhad.
- (b) Companies in which Deanna Ibrahim @ Sorayah bt Abdullah, Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Sharifah Deborah Sophia Ibrahim and Wan Aziz Ibrahim have interest.
- (c) Company in which Wan Kamal Ibrahim bin Wan Alwi 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.



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15. Trade Receivables

		Unaudited 30 September 2005 RM'000	Audited 31 December 2004 RM'000
Trade receivables		18,379	7,534
Accrued billings in respect of property development costs	(a)	51,923	35,311
		<u>70,302</u>	<u>42,845</u>

Notes

- (a) This is in compliance with FRS201 (Previously MASB32) which is in respect of progress billings and to accrue billings as current assets, representing the excess of revenue recognized in the income statement over the billings to purchasers.

16. Trade Payables

	Note	Unaudited 30 September 2005 RM'000	Audited 31 December 2004 RM'000
Trade payables		4,483	6,331
Provision for land costs	(a)	11,537	15,194
		<u>16,020</u>	<u>21,525</u>

Note (a) This amount represents the provisional cost of land currently being developed by Ibraco Berhad under the Option Agreement as disclosed in the Prospectus dated 12 May 2004.



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

17. Review of Performance

The Group's revenue for the current financial period ended 30 September 2005 increased to RM107.6 Million from RM94.4 Million in the prior financial period ended 30 September 2004 while the profit before taxation decreased to RM18.6 Million from RM20.6 Million in respect of the respective financial periods.

For the current financial period ended 30 September 2005, the Group achieved a net profit of RM13.0 Million while the net profit in the prior financial period ended 30 September 2004 was RM15.4 Million.

The Group's current financial period's results were mainly attributable to sales of commercial and residential properties from the Heights Drive, Tabuan Jaya Baru 2, Tabuan Heights Boulevard, Heights Avenue, Heights Estate and Tabuan Heights Phase 9 projects.

18. Comparison with Preceding Quarter's Results

The Group's turnover and profit before taxation for the current quarter were RM46.7 Million and RM11.8 Million respectively. The Group's turnover and profit before taxation for the immediate preceding quarter ended 30 June 2005 were RM27.2 Million and RM4.8 Million respectively.

The increase in both turnover and profit before taxation in the current quarter as compared with the immediate preceding quarter was mainly attributable to more profit recognition from newly launched and on-going projects as they have reached a higher stage of completion and have also recorded higher sales, as compared with the immediate preceding quarter.

19. Prospects

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 remains buoyant in 2005.



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20. 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 and forecast profit after taxation and minority interest and for the shortfall in profit guarantee are not applicable.

21. Tax Expense

	Unaudited 3 months ended 30 September 2005 (RM'000)	Unaudited 9 months ended 30 September 2005 (RM'000)
Income Tax		
– Malaysian Income Tax	3,891	6,192
Deferred Tax	(546)	(546)
	3,345	5,646

The effective tax rates for the periods presented above are higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set off against taxable profits made by the Company.

22. 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 and the financial period ended 30 September 2005.

23. Sale of Quoted Securities

There was no sale of quoted investments during the current quarter under review and the financial period ended 30 September 2005.

24. Status of Corporate Proposals

There are no corporate proposals announced but not completed at the date of this quarterly report except for the Proposed Acquisition by Ibraco Shine Sdn. Bhd., a wholly-owned subsidiary of Ibraco Berhad, of an aggregate land area of approximately 23 hectares of mixed-zone land located at Muara Tebas Land District, Kuching, Sarawak from Ibraco Properties Sdn. Bhd. (a related party and substantial shareholder of Ibraco Berhad) for a cash consideration of RM31,966,444. This was announced on 28 September 2005 and barring



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unforeseen circumstances, it is expected to be completed by the third quarter of 2006.

25. Borrowings and Debt Securities

	Unaudited As at 30 September 2005 RM'000	Audited As at 31 December 2004 RM'000
Short term borrowings		
- Secured: Bank overdrafts	780	94
- Unsecured: Bank overdrafts	7,381	-
- Secured: Term loans	4,200	3,469
- Secured: Borrowings – trade financings	33,033	26,768
- Unsecured: Borrowings – trade financings	20,000	-
- Lease Payable	255	282
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	65,649	30,613
 Long term borrowings		
- Secured: Term loans	12,006	15,151
- Lease Payable	402	490
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	78,057	46,254
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All the above borrowings are from domestic Malaysian sources and are denominated in Ringgit Malaysia.

The Group did not issue any debt security.

26. Off Balance Sheet Financial Instruments

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

27. Changes in Material Litigation

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



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28. Dividend Payable

First Interim Dividend for 2005

An interim dividend of 5.0% less 28% taxation has been approved by the Board of Directors to be paid to all shareholders who are registered in the Record of Depositors at the close of business on 14 October 2005 and is payable on 1 November 2005.

29. Earnings Per Share

(a) Basic

Basic earnings per share is calculated by dividing the net profit for the quarter/period by the weighted average number of ordinary shares in issue.

	3 months ended 30 September 2005	3 months ended 30 September 2004	9 months ended 30 September 2005	9 months ended 30 September 2004
Net profit for the quarter/period (RM'000)	8,503	5,861	12,988	15,396
Weighted average number of ordinary shares in issue during the quarter/period ('000)	90,000	78,495	90,000	78,495
Earnings per share (sen)	9.45	7.47	14.43	19.61

(b) Diluted

The Group has no potential ordinary shares in issue for the quarter under review, and therefore diluted earnings per share has not been presented.

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 1 November 2005.