



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED INCOME STATEMENTS

For the year ended 31 December 2005

(The figures for 31 December 2005 have not been audited)

	Note	CURRENT QUARTER 3 months ended 31 December		CUMULATIVE QUARTER 12 months ended 31 December	
		2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Revenue		46,322	37,223	153,941	131,669
Cost of sales		(41,037)	(26,056)	(120,658)	(92,908)
Gross Profit		5,285	11,167	33,283	38,761
Other Operating Income		65	247	131	720
Administrative Expenses		(3,816)	(3,706)	(13,043)	(11,019)
Other Operating Expenses		-	-	(8)	-
Operating Profit		1,534	7,708	20,363	28,462
Finance Costs		12	(36)	(183)	(193)
Profit Before Taxation		1,546	7,672	20,180	28,269
Tax Expense	21	(339)	(2,741)	(5,985)	(7,323)
Profit After Taxation		1,207	4,931	14,195	20,946
Pre-acquisition Profit		-	-	-	(359)
Net Profit		1,207	4,931	14,195	20,587
Earnings Per Ordinary Share (Sen)	29	1.34	6.01	15.77	25.11



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED BALANCE SHEETS

As at 31 December 2005 and 31 December 2004

(The figures for 31 December 2005 have not been audited)

	Note	Unaudited 31 December 2005 RM'000	Audited 31 December 2004 RM'000
Property, plant & equipment	9	4,310	4,435
Land & development expenditure		67,883	67,876
Current Assets			
Property development costs		65,414	83,710
Inventories		688	932
Due from customer on contracts		-	273
Trade receivables	15	74,678	42,845
Other receivables, prepayments & deposits		20,440	3,492
Fixed deposits with licensed bank		30	4,744
Cash & bank balances		6,012	940
		167,262	136,936
Current Liabilities			
Amounts due to bankers – bank overdrafts	25	915	94
Trade payables	16	21,435	21,525
Other payables & accruals		636	1,245
Term loans	25	8,151	3,469
Lease payables	25	-	282
Tax payable		520	37
Borrowings – trade financings	25	43,302	26,768
		74,959	53,420
Net Current Assets		92,303	83,516
		164,496	155,827
Financed by:			
Capital & reserves			
Share capital		90,000	90,000
Share premium		2,416	2,416
Retained profits		49,957	43,862
Reserve on consolidation		3,838	3,841
Shareholders' funds		146,211	140,119
Long term & deferred liabilities			
Term loans	25	18,537	15,151
Lease payables	25	-	490
Deferred taxation		(252)	67
		164,496	155,827



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 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 year		-	-	(3)	14,195	14,192
Dividends paid		-	-	-	(8,100)	(8,100)
At 31 December 2005		90,000	2,416	3,838	49,957	146,211



IBRACO BERHAD (Company No. 011286-P)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31 December 2005

(The figures have not been audited)

	31 December 2005 RM'000
Net cash used in operating activities	(21,161)
Net cash generated from investing activities	5,112
Net cash generated from financing activities	15,587
Net decrease in cash & cash equivalents	(462)
Cash & cash equivalents at 1 January 2005	5,589
Cash & cash equivalents at 31 December 2005	5,127

Cash & cash equivalents at 31 December 2005 comprised the followings:

Cash and bank balances	6,012
Fixed deposits	30
Amount due to bankers – bank overdrafts	(915)
	5,127



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.



IBRACO BERHAD (Company No. 011286-P)

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 November 2005 were approved by the Board of Directors on 22 August 2005 in respect of the financial year ended 31 December 2005, being first interim dividend of 5.0% less 28% taxation, on 90,000,000 ordinary shares, amounting to RM3.24 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.



IBRACO BERHAD (Company No. 011286-P)

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 RM75.7 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. However, subsequent to the year end on 13 January 2006, Syarikat Ibraco-Peremba Sdn. Bhd. (a wholly-owned subsidiary) signed a Sale and Purchase Agreement with Ibraco Properties Sdn. Bhd. (a related party and substantial shareholder) relating to the purchase of 9 parcels of land in the outskirts of Kuching for RM6.002 Million. These 9 parcels constitute an area of 4.6797 hectares and have been fully paid in cash as at the end of January 2006.

14. Related Party Transactions

	Note	3 months ended 31 December 2005 (RM)
Syarikat Pemegang Palma Lilin Sdn. Bhd. Rental paid for office premises	(a)	171,600
Ibraco Properties Sdn. Bhd Purchase of vehicles	(a)	60,000
Irama Tabuan Sdn. Bhd. Purchase of goods and other sundries	(b)	7,410

Notes

- (a) Companies in which Deanna Ibrahim @ Sorayah bt Abdullah, Wan Kamal Ibrahim bin Wan Alwi Ibrahim, Sharifah Deborah Sophia Ibrahim and Wan Aziz Ibrahim have interests.
- (b) 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.



IBRACO BERHAD (Company No. 011286-P)

15. Trade Receivables

		Unaudited 31 December 2005 RM'000	Audited 31 December 2004 RM'000
Trade receivables		27,075	7,534
Accrued billings in respect of property development costs	(a)	47,603	35,311
		<u>74,678</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 31 December 2005 RM'000	Audited 31 December 2004 RM'000
Trade payables		6,128	6,331
Provision for land costs	(a)	15,307	15,194
		<u>21,435</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.



IBRACO BERHAD (Company No. 011286-P)

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 year ended 31 December 2005 increased to RM153.9 Million from RM131.7 Million in the prior financial year ended 31 December 2004 while the profit before taxation decreased to RM20.2 Million from RM28.3 Million in respect of the respective financial years.

For the current financial quarter ended 31 December 2005, the Group recorded a net profit of RM1.2 Million while the net profit in the prior financial quarter ended 31 December 2004 was RM4.9 Million.

The Group's current financial year'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, Tabuan Heights Phase 9, Muara Tabuan Phase 5 Stage 4 and Heights North projects.

The Group's performance was also negatively affected by the increase in costs of construction materials and energy.

18. Comparison with Preceding Quarter's Results

The Group's turnover and profit before taxation for the current quarter were RM46.3 Million and RM1.5 Million respectively. The Group's turnover and profit before taxation for the immediate preceding quarter ended 30 September 2005 were RM46.7 Million and RM11.8 Million respectively.

The current quarter's lower profit resulted from a prudent step taken to accrue for all known project expenses following an increase in project costs (especially for all those which have reached almost full completion) that have been a consequence of an increase in cost of direct materials like fuel, steel, timber and bricks.

The significantly higher profit before taxation in 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, especially on the completion of Tabuan Heights Phase 9.



IBRACO BERHAD (Company No. 011286-P)

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 for 2006 and the impact of price increases in construction materials and energy.

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 31 December 2005 (RM'000)	Unaudited 12 months ended 31 December 2005 (RM'000)
Income Tax		
– Malaysian Income Tax	(112)	(6,304)
Deferred Tax	<u>(227)</u>	<u>319</u>
	<u><u>(339)</u></u>	<u><u>(5,985)</u></u>

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 year ended 31 December 2005.

23. Sale of Quoted Securities

There was no sale of quoted investments during the current quarter under review and the financial year ended 31 December 2005.



IBRACO BERHAD (Company No. 011286-P)

24. Status of Corporate Proposals

The corporate proposal as announced in the previous quarter pertaining to 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 was passed and accepted at the Extraordinary General Meeting that was held on 8 December 2005.

25. Borrowings and Debt Securities

	Unaudited As at 31 December 2005 RM'000	Audited As at 31 December 2004 RM'000
Short term borrowings		
- Secured: Bank overdrafts	915	94
- Unsecured: Bank overdrafts	-	-
- Secured: Term loans	8,151	3,469
- Secured: Borrowings – trade financings	23,302	26,768
- Unsecured: Borrowings – trade financings	20,000	-
- Lease Payable	-	282
	<hr/> 52,368	<hr/> 30,613
Long term borrowings		
- Secured: Term loans	18,537	15,151
- Lease Payable	-	490
	<hr/> 70,905	<hr/> 46,254

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.



IBRACO BERHAD (Company No. 011286-P)

28. Dividend Payable

No dividends were proposed in the current quarter.

29. Earnings Per Share

(a) Basic

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

	3 months ended 31 December 2005	3 months ended 31 December 2004	12 months ended 31 December 2005	12 months ended 31 December 2004
Net profit for the quarter/year (RM'000)	1,207	4,931	14,195	20,587
Weighted average number of ordinary shares in issue during the quarter/year ('000)	90,000	81,994	90,000	81,994
Earnings per share (sen)	1.34	6.01	15.77	25.11

(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 9 February 2006.