



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the quarter and year ended 31 December 2012

(The figures have not been audited)

	Note	3 months ended 31 December		12 months ended 31 December	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue		50,885	38,715	122,340	113,588
Cost of sales		(35,427)	(30,430)	(93,698)	(89,431)
<b>Gross profit</b>		15,458	8,285	28,642	24,157
Other income		244	212	612	469
Net increment in net market value of nursery plants		2	10	-	39
Administrative expenses		(2,230)	(1,806)	(7,609)	(6,990)
Selling and marketing expenses		(27)	(4)	(117)	(39)
Other expenses		-	(127)	(3)	(130)
Finance costs		(907)	(532)	(2,575)	(636)
<b>Profit before tax</b>	21	12,540	6,038	18,950	16,870
Income tax expense	24	(2,662)	(1,510)	(4,845)	(4,298)
<b>Profit for the period/year</b>		9,878	4,528	14,105	12,572
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period/year</b>		9,878	4,528	14,105	12,572
<b>Profit for the period/year attributable to :</b>					
<b>Owners of the parent</b>		9,883	4,535	14,110	12,579
<b>Non-controlling interest</b>		(5)	(7)	(5)	(7)
		9,878	4,528	14,105	12,572
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		9,883	4,535	14,110	12,579
<b>Non-controlling interest</b>		(5)	(7)	(5)	(7)
		9,878	4,528	14,105	12,572



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd)**

For the quarter and year ended 31 December 2012

(The figures have not been audited)

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

Basic, for profit for the period/year (Sen)	30	8.15	3.81	11.73	10.74
Diluted, for profit for the period/year (Sen)	30	8.05	3.78	11.61	10.67

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**IBRACO BERHAD (011286-P)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

As at 31 December 2012 and 31 December 2011

	Note	Unaudited As at 31 December 2012 RM'000	Audited As at 31 December 2011 RM'000
<b>ASSETS</b>			
Property, plant & equipment		2,934	2,716
Land held for property development		62,516	60,196
Investment property		44,487	44,454
Deferred tax assets		2,358	1,027
<b>Total non-current assets</b>		112,295	108,393
Property development costs		126,859	118,785
Inventories		1,067	1,074
Trade and other receivables		27,888	10,518
Other current assets		26,687	30,827
Investment securities	16	9,600	-
Cash and bank balances		19,769	11,994
<b>Total current assets</b>		211,870	173,198
<b>TOTAL ASSETS</b>		324,165	281,591
<b>Equity attributable to owners of the parent</b>			
Share capital		121,675	118,904
Share premium		9,092	8,483
Share option reserve		606	569
Retained earnings	20	58,948	49,375
		190,321	177,331
<b>Non-controlling interest</b>		332	293
<b>Total Equity</b>		190,653	177,624
<b>LIABILITIES</b>			
Loans and borrowings	26	63,297	29,443
Deferred tax liabilities		81	80
<b>Total non-current Liabilities</b>		63,378	29,523
Loans and borrowings	26	27,300	35,936
Trade and other payables	17	39,938	37,322
Other current liabilities		505	257
Income tax payables		2,391	929
<b>Total current liabilities</b>		70,134	74,444
<b>Total liabilities</b>		133,512	103,967
<b>TOTAL EQUITY AND LIABILITIES</b>		324,165	281,591

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**IBRACO BERHAD (011286-P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2012  
(The figures have not been audited)

	Attributable to owners of the parent				Non-Controlling interest RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Share option reserve RM'000		
<b>At 1 January 2011</b>	115,494	7,733	36,796	-	-	160,023
Total comprehensive income	-	-	12,579	-	(7)	12,572
Contribution of capital by non controlling interest	-	-	-	-	300	300
Grant of equity-settled share options to employees	-	-	-	1,285	-	1,285
Exercise of employee share options	3,410	750	-	(716)	-	3,444
<b>At 31 December 2011</b>	<u>118,904</u>	<u>8,483</u>	<u>49,375</u>	<u>569</u>	<u>293</u>	<u>177,624</u>
<b>At 1 January 2012</b>	118,904	8,483	49,375	569	293	177,624
Total comprehensive income	-	-	14,110	-	(5)	14,105
Dividend paid on ordinary shares	-	-	(4,537)	-	-	(4,537)
Contribution of capital by non controlling interest	-	-	-	-	44	44
Grant of equity-settled share options to employees	-	-	-	677	-	677
Exercise of employee share options	2,771	609	-	(582)	-	2,798
Forfeit of employee share options	-	-	-	(58)	-	(58)
<b>At 31 December 2012</b>	<u>121,675</u>	<u>9,092</u>	<u>58,948</u>	<u>606</u>	<u>332</u>	<u>190,653</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



**IBRACO BERHAD (011286-P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2012

(The figures have not been audited)

	<b>12 months ended 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	18,950	16,870
Adjustments for:		
Depreciation of property, plant and equipment	413	288
Dividend income	(79)	(121)
Forfeit of employee share options	(58)	-
Gain on disposal of property, plant and equipment	(25)	(27)
Grant of equity-settled share options to employees	677	1,285
Interest expenses	2,575	1,382
Interest income	(185)	(87)
Land held for development written off	-	52
Net increment in net market value of nursery plants	-	(39)
Inventories written off	5	126
Property, plant and equipment written off	-	86
Operating profit before working capital changes	<u>22,273</u>	<u>19,815</u>
Changes in working capital:		
Land held for property development	(2,320)	2,397
Property development costs	(8,074)	16,817
Inventories	2	(998)
Receivables	(17,370)	6,225
Other current assets	4,140	(29,510)
Payables	2,715	(2,600)
Other current liabilities	248	(109)
Cash generated from operations	<u>1,614</u>	<u>12,037</u>
Interest paid	(2,575)	(1,382)
Interest received	185	87
Tax paid	(4,823)	(4,380)
Tax refunded	11	3,051
<b>Net cash (used in)/generated from operating activities</b>	<u>(5,588)</u>	<u>9,413</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Dividend received	79	121
Expenditure on investment property	(33)	(22,931)
Proceeds from disposal of investment securities	-	11,621
Proceeds from disposal of property, plant and equipment	25	27
Proceeds from shares issued to non-controlling interests	44	300



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd)**

For the year ended 31 December 2012

(The figures have not been audited)

	<b>12 months ended 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (contd)</b>		
Purchase for land held for property development	-	(41,612)
Purchase of investment securities	(9,600)	(9,513)
Purchase of property, plant and equipment	(160)	(316)
<b>Net cash used in investing activities</b>	<b>(9,645)</b>	<b>(62,303)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid on ordinary shares	(4,537)	-
Proceeds from loans and borrowings	55,863	71,937
Proceeds from exercise of employee share options	2,798	3,444
Repayment of finance leases	(256)	(96)
Repayment of loans and borrowings	(30,860)	(14,984)
<b>Net cash generated from financing activities</b>	<b>23,008</b>	<b>60,301</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,775</b>	<b>7,411</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>11,994</b>	<b>4,583</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>19,769</b>	<b>11,994</b>

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

	<b>As at 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	19,769	11,994
	<b>19,769</b>	<b>11,994</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial statements.



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**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134**

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**1. Basis of Preparation**

These condensed consolidated interim financial statements have been prepared on a historical basis, except for nursery plants (which are self-generating and regenerating assets), which have been measured at net market value.

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 2011. 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 2011.

**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 2011.

On 1 January 2012, the Group adopted the following FRSs and interpretations:-

**FRSs and Interpretations**

Amendments to FRS 1	: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	: Disclosures – Transfers of Financial Assets
Amendments to FRS 112	: Deferred Tax: Recovery of Underlying Assets
FRS 124	: Related Party Disclosures
Amendments to IC Int. 14	: Prepayments of a Minimum Funding Requirement
IC Interpretation 19	: Extinguishing Financial Liabilities With Equity Instruments

The application of the above FRSs, Amendments to FRSs and Interpretations 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').

Transitioning Entities were initially allowed to defer adoption of the new MFRS Framework for one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.



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**2. Changes in Accounting Policies (contd.)**

**Malaysian Financial Reporting Standards (MFRS Framework) (contd.)**

On 30 June 2012, MASB has announced to allow Transitioning Entities to defer the adoption of the the MFRS Framework for another year. Accordingly, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. 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 December 2012.

**5. Significant Estimates and Changes in Estimates**

There were no changes in estimates that have had any material effect on the quarter ended 31 December 2012.

**6. Property, plant and equipment**

**Acquisition and Disposals**

During the year ended 31 December 2012 the Group acquired property, plant and equipment with an aggregate cost of RM471,000 (year ended 31 December 2011: RM1,039,600) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM159,595 (year ended 31 December 2011: RM316,029).

Property, plant and equipment with the carrying amount of RM2 were disposed off during the year ended 31 December 2012 (year ended 31 December 2011: RM1), resulting in a gain on disposal of RM24,938 (year ended 31 December 2011: RM26,546) which was included in other income.

**7. Debt and Equity Securities**

During the financial quarter ended 31 December 2012, the Company issued 623,000 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 121,675,095 ordinary shares.

Except for the abovementioned and as disclosed in Note 16, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 December 2012.





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**8. Dividends Paid**

There were no dividends paid during the period under review.

**9. Segmental Information**

Segmental information is not presented as the Group is principally engaged in realty development in Malaysia. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

**10. Event after the reporting period**

Subsequent to the reporting date, the Company issued a total of 226,000 ordinary shares of RM1.00 each for cash pursuant to the Company's Employee Share Option Scheme. The Company latest issued and paid up share capital has increased to 121,901,095 ordinary shares.

**11. Changes in Composition of the Group**

The Board of Directors of the Company had approved and given consent for six subsidiaries to make application to the Companies Commission of Malaysia to strike off its name pursuant to Section 308 of the Companies Act, 1965. These subsidiaries have been dormant since incorporation and have no intention to commence any business in the future. Except for Ibraco Rise Sdn Bhd, which the application has been rejected as this company is also a holding company, the proposed strike off has been completed as at reporting date.

During the extraordinary general meeting held on 10 October 2011 it was resolved that Ibraco Shine Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad, be wound up voluntarily. The voluntary member winding up final meeting has been held on 13 December 2012 and hence, the wholly owned subsidiary has been dissolved.

On 24 July 2012, Ibraco HGS Sdn Bhd, a 70% owned subsidiary of Ibraco Berhad, acquired 2 ordinary shares of RM1.00 each in the capital of Warisar Sdn Bhd representing the entire issued and paid-up capital of Warisar Sdn Bhd for a total cash consideration of RM2.00. On 25 July 2012, Warisar Sdn Bhd issued additional 99,998 new shares of RM1.00 each at par for cash. Warisar Sdn Bhd's issued and paid-up capital of RM100,000 is 80% owned by Ibraco HGS Sdn Bhd and 20% owned by BDA Properties Sdn Bhd.

On 7 February 2013, a new subsidiary namely Ibraco Pelita Sdn Bhd with paid up capital of RM2.00 was incorporated. Ibraco Berhad and Pelita Holdings Sdn Bhd respectively hold 50% of the paid-up capital at the time of incorporation.

**12. Changes in Contingent Liabilities and Contingent Assets**

There were no contingent liabilities and contingent assets since the last annual statements of financial position as at 31 December 2011 till the end of the financial period.

**13. Capital Commitments**

	<b>As at 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Contracted for but not provided for in the interim financial statements</b>		
Property, plant and equipment	386	-
Acquisition of land held for property development	-	20



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**14. Directors and Key Management Personnel Compensation**

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

	<b>3 months ended 31 December</b>	
	<b>2012</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	578	349
Key management personnel	329	227

**15. Related Party Transactions**

The following are transactions entered into by the Group with Directors of the Company and with companies in which certain directors have substantial financial interest:

	<b>Note</b>	<b>Transaction value</b>		<b>Balance</b>	
		<b>3 months ended</b>		<b>as at</b>	
		<b>2012</b>	<b>2011</b>	<b>31 December</b>	<b>2011</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Sharifah Deborah Sophia Ibrahim</b>	(a)				
Rental paid for office premises		102	102	-	-
<b>Chew Chiaw Han</b>	(b)				
Sale of vacant lot at Trombol Golden Beach	*	(341)	-	307	-
<b>Dato' Wee Song Ching</b>	(c)				
Sale of vacant lot at Trombol Golden Beach	*	(338)	-	203	-
Landscape maintenance work		-	(1)	-	-
<b>Barry Tan Chong Liang</b>	(d)				
Sale of vacant lot at Trombol Golden Beach	*	(343)	-	309	-
<b>Hilary Wee</b>	(e)				
Sale of residential property at Tabuan Tranquility Phase 2	*	(894)	-	581	-
<b>Hiap Ghee Seng Sdn Bhd</b>	(f)				
Rental paid for office premises		37	-	-	-



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**15. Related Party Transactions (contd.)**

**Note**

- \* 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 Non-executive Director and major shareholder of Ibraco Berhad.
- (b) Chew Chiaw Han is the Managing Director and major shareholder of Ibraco Berhad.
- (c) Dato' Wee Song Ching is the Chairman and major shareholder of Ibraco Berhad.
- (d) Barry Tan Liang Chong is the Director of Ibraco HGS Sdn Bhd and Ibraco HGS Sdn Bhd is a subsidiary of Ibraco Berhad.
- (e) Hilary Wee is a person connected to Dato' Wee Song Ching, the Chairman and major shareholder of Ibraco Berhad.
- (f) Hiap Ghee Seng Sdn Bhd is company control by Mr. Chew Chiaw Han, the Managing Director of Ibraco Berhad and Mr. Barry Tan Liang Chong, Director of Ibraco HGS Sdn Bhd a subsidiary of Ibraco Berhad

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.

**16 Investment securities**

	<b>Unaudited 31 December 2012 RM'000</b>		<b>Audited 31 December 2011 RM'000</b>	
	Carrying amount	Market value of quoted investments	Carrying amount	Market value of quoted investments
<i>Held for trading investments</i>				
- Unit trusts (quoted in Malaysia)	9,600	9,600	-	-

**17. Trade and other payables**

	<b>Unaudited 31 December 2012 RM'000</b>	<b>Audited 31 December 2011 RM'000</b>
Trade and other payables	15,056	14,961
Provision for projects	24,882	22,361
<b>Total trade and other payables</b>	<b>39,938</b>	<b>37,322</b>



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

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**18. Review of Performance**

**(a) Current Financial Quarter (4Q2012) Vs Corresponding Financial Quarter (4Q2011)**

The Group's revenue for 4Q2012 increased to RM50.89 million from RM38.72 million in 4Q2011. During this reporting quarter, revenue was mainly recognised from the sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 Stage 1 and Phase 5, Tabuan Stutong Jaya, sales of developed vacant land at Tabuan Tranquility Phase 2 and Trombol Golden Beach and rental income from investment property. The Group's revenue for 4Q2011 was primarily recognised from sales of 4-storey shop houses at Tabuan Tranquility Phase 1, sales of residential houses at Tabuan Tranquility Phase 5, sales of inventories and rental income from investment property.

Other income increased from RM0.21 million in 4Q2011 to RM0.24 million in 4Q2012. 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-sale and refinancing by purchasers. Sources of other income for both quarters are similar.

Administrative expenses increased to RM2.23 million compared to RM1.81 million in 4Q2011. This is mainly due to increase in staffs cost as compare to the corresponding financial quarter. Other components of the administrative expenses have not varied much compared to that incurred during 4Q2011.

Finance cost increased to RM0.91 million from RM0.53 million in 4Q2011. The increase is mainly due to interest incurred on term loan granted to finance the construction of investment property and banking facilities utilised to finance the acquisition of land.

**(b) Current 12-month financial period (12M2012) Vs corresponding 12-month financial period (12M2011)**

The Group's profit before tax for 12M2012 increased to RM18.95 million compared to a profit before tax of RM16.87 million recorded in 12M2011.

The Group's revenue for 12M2012 increased to RM122.34 million from RM113.59 million in 12M2011. During 12M2012, the revenue was primarily recognised from the sales of 4-storey shop houses at Tabuan Tranquility Phase 1, sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 Stage 1 and Phase 5, Tabuan Stutong Jaya, sales of developed vacant land at Tabuan Tranquility Phase 2 and Trombol Golden Beach and rental income from investment property. Whilst, revenue from 12M2011 was recognised from sales of 4-storey shop houses at Tabuan Tranquility Phase 1 and sales of residential houses at Tabuan Tranquility Phase 5, sales of inventories and rental income from investment property. These projects comprised different type of properties and at varying stage of sales and completion. In addition profit margin of each project also varies.

Other income increased from RM0.47 million to RM0.61 million in 12M2012. This was mainly due to dividend income earned from investment securities, interest income earned short term placement with licensed banks, tender documents fee, and administrative charges for sub-sale and refinancing by purchasers.



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**(b) Current 12-month financial period (12M2012) Vs corresponding 12-month financial period (12M2011) (contd.)**

Administrative expenses increased to RM7.61 million compared to RM6.99 million in 12M2011. The increase is mainly due to higher corporate social responsibility activities expenses and staff cost incurred during the reporting period. This increase is reduced by a decrease in recognition for grant of equity-settled share options to employees. Other components of the administrative expenses have not varied much compared to that incurred during the corresponding period.

Finance cost increased from RM0.64 million in 12M2011 to RM2.58 million in 12M2012. This is primarily due to interest incurred on term loan granted to finance the construction of investment property and banking facilities utilised to finance the acquisition of land. Whilst for 12M2011, the finance cost incurred from the utilised banking facilities for the construction of investment property and acquisition of land was only charged to the statement of comprehensive income in August and December 2011 respectively.

**19. Comparison with Immediate Preceding Quarter's Results**

The Group recorded a profit before tax of RM12.54 million compared to a profit before tax of RM2.67 million recorded in the immediate preceding financial quarter ended 30 September 2012.

The Group's revenue for the current financial quarter ended 31 December 2012 increased to RM50.89 million compared to RM29.78 million in the immediate preceding quarter ended 30 September 2012. Apart from the recognition of revenue from Tabuan Tranquility Phase 4 stage 1 and the Trombol Golden Beach project, revenue source for both financial quarters are similar, i.e. recognition from on-going development projects namely developed vacant land at Tabuan Tranquility Phase 2 and sales of residential houses at Tabuan Tranquility Phase 2 Stage 1 and Phase 5 and Tabuan Stutong Jaya and rental income from its investment property.

Other income increased from RM0.11 million in the immediate preceding quarter to RM0.24 million in this reporting quarter. The increase in other income in this current reporting quarter was primarily due to increase in dividend income earned from investment securities, sales of manufacturing products, tender documents fee, and administrative charges for sub-sale and refinancing by purchasers.

Administrative expenses increased to RM2.23 million compared to RM2.19 million in the immediate preceding quarter ended 30 September 2012. The increase is mainly due to increase in staff cost in the current reporting 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 RM0.64 million to RM0.91 million in this current reporting quarter. Finance costs for both quarters were mainly comprised of interest incurred on term loan granted to finance the construction of investment property and banking facilities utilised to finance the acquisition of land in year 2011.



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**20. Retained earnings**

	<b>Unaudited 31 December 2012 RM'000</b>	<b>Audited 31 December 2011 RM'000</b>
Realised	62,974	50,196
Unrealised	(4,026)	(821)
<b>Total retained earnings</b>	<b>58,948</b>	<b>49,375</b>

**21. Profit before tax**

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

	<b>3 months ended 31 December</b>		<b>12 months ended 31 December</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Depreciation of property, plant and equipment	118	105	413	288
Dividends income	(61)	(55)	(79)	(121)
Interest expenses	907	532	2,575	636
Interest income	(30)	(32)	(185)	(87)
Net increment in net market value of nursery plants	(2)	(9)	-	(39)
Other income	(136)	(125)	(323)	(234)
Gain on disposal of property, plant and equipment	(17)	-	(25)	(27)
Land held for development written off	-	52	-	52
Plant written off	5	126	5	126
Property, plant and equipment written off	-	86	-	86
Share options granted under employee share options scheme	-	-	677	1,285
Forfeit of employee share options	-	-	(58)	-

**22. Prospects**

The principal activity of the Group is realty development which contributes almost 100% of its revenue. In this respect, the performance of the Group is highly impacted by any movement in raw material and labour costs as well as demand for our properties which have been very strong to-date. Contract for construction works are awarded on a lump sum basis to minimise the risk of labour and material price variations.

The Group plans to launch more projects comprising mainly of residential properties in 2013 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects.

**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 interest and forecast profit after tax and non-controlling interest and for the shortfall in profit guarantee are not applicable.



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**24. Income Tax Expense**

	<b>3 months ended 31 December</b>		<b>12 months ended 31 December</b>	
	<b>2012 RM'000</b>	<b>2011 RM'000</b>	<b>2012 RM'000</b>	<b>2011 RM'000</b>
Current income tax:				
Malaysian income tax	2,803	1,378	6,054	4,136
Under / (Over) provision in prior years:				
Malaysian income tax	35	-	121	(151)
	2,838	1,378	6,175	3,985
Deferred tax	(176)	132	(1,330)	313
<b>Total income tax expense</b>	2,662	1,510	4,845	4,298

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 quarter ended 31 December 2012 was slightly lower than the statutory tax rate principally due to deferred tax asset movement arising from realised inter-company profit.

**25. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the reporting date.

**26. Loans and borrowings**

	<b>Unaudited 31 December 2012 RM'000</b>	<b>Audited 31 December 2011 RM'000</b>
<b>Short term borrowings</b>		
Secured: Finance lease liabilities	331	232
Revolving credits	10,500	31,000
Term loans	16,469	4,704
	27,300	35,936
<b>Long term borrowings</b>		
Secured: Finance lease liabilities	910	794
Term Loans	62,387	28,649
	63,297	29,443
<b>Total loans and borrowings</b>	90,597	65,379

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.



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**27. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 22 February 2013, 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 22 February 2013.

**29. Dividend Payable**

The Board of Directors of Ibraco Berhad had on 27 February 2013 recommended a first and final single tier dividend of 5.00 sen per ordinary share for the financial year ended 31 December 2012 (financial year ended 31 December 2011: 3.75). The final dividend is subject to approval of shareholders.

**30. Earnings Per Share**

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

	<b>3 months ended 31 December</b>		<b>12 months ended 31 December</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Profit attributable to owners of the parent (RM'000)	9,883	4,535	14,110	12,579
Weighted average number of ordinary shares in issue ('000)	121,231	118,904	120,320	117,157
Effects of dilution - share options ('000)	1,553	985	1,212	730
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	122,784	119,889	121,532	117,887
Basic earnings per share (sen)	8.15	3.81	11.73	10.74
Diluted earnings per share (sen)	8.05	3.78	11.61	10.67

**31. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 31 December 2011 was not qualified.

**32. 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 27 February 2013.