



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2013

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		13,047	18,176	13,047	18,176
Cost of sales		(8,313)	(14,082)	(8,313)	(14,082)
Gross profit		4,734	4,094	4,734	4,094
Other income		102	68	102	68
Net increment in net market value of nursery plants		-	-	-	-
Administrative expenses		(2,164)	(1,554)	(2,164)	(1,554)
Selling and marketing expenses		(7)	(22)	(7)	(22)
Other expenses		(1)	(2)	(1)	(2)
Finance costs		(553)	(487)	(553)	(487)
Profit before tax	21	2,111	2,097	2,111	2,097
Income tax expense	24	(562)	(682)	(562)	(682)
Profit for the period		1,549	1,415	1,549	1,415
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,549	1,415	1,549	1,415
Profit for the period attributable to :					
Owners of the parent		1,572	1,416	1,572	1,416
Non-controlling interest		(23)	(1)	(23)	(1)
		1,549	1,415	1,549	1,415
Total comprehensive income attributable to :					
Owners of the parent		1,572	1,416	1,572	1,416
Non-controlling interest		(23)	(1)	(23)	(1)
		1,549	1,415	1,549	1,415



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd)

For the three-month period ended 31 March 2013

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	30	1.29	1.19	1.29	1.19
Diluted, for profit for the period (Sen)	30	1.27	1.17	1.27	1.17

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 March 2013 and 31 December 2012

	Note	Unaudited As at 31 March 2013 RM'000	Audited As at 31 December 2012 RM'000
ASSETS			
Property, plant & equipment		3,314	2,934
Land held for property development		62,516	62,516
Investment property		44,487	44,487
Deferred tax assets		2,428	2,358
Total non-current assets		112,745	112,295
Property development costs		137,435	126,859
Inventories		1,056	1,067
Trade and other receivables		20,704	27,888
Other current assets		15,968	26,687
Investment securities	16	18,000	9,600
Cash and bank balances		14,895	19,769
Total current assets		208,058	211,870
TOTAL ASSETS		320,803	324,165
Equity attributable to owners of the parent			
Share capital		122,045	121,675
Share premium		9,173	9,092
Share option reserve		528	606
Retained earnings	20	60,522	58,950
		192,268	190,323
Non-controlling interest		309	332
Total Equity		192,577	190,655
LIABILITIES			
Loans and borrowings	26	58,995	63,297
Deferred tax liabilities		79	79
Total non-current Liabilities		59,074	63,376
Loans and borrowings	26	34,784	27,300
Trade and other payables	17	32,510	39,938
Other current liabilities		-	505
Income tax payables		1,858	2,391
Total current liabilities		69,152	70,134
Total liabilities		128,226	133,510
TOTAL EQUITY AND LIABILITIES		320,803	324,165

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2013
(The figures have not been audited)

	Attributable to owners of the parent				Non-Controlling interest RM'000	Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	Share premium RM'000	<i>Distributable</i> Retained earnings RM'000	Share option reserve RM'000		
At 1 January 2012	118,904	8,483	49,375	569	293	177,624
Total comprehensive income	-	-	1,416	-	(1)	1,415
Forfeit of employees share options	-	-	-	(58)	-	(58)
At 31 March 2012	<u>118,904</u> =====	<u>8,483</u> =====	<u>50,791</u> =====	<u>511</u> =====	<u>292</u> =====	<u>178,981</u> =====
At 1 January 2013	121,675	9,092	58,950	606	332	190,655
Total comprehensive income	-	-	1,572	-	(23)	1,549
Exercise of employees share options	370	81	-	(78)	-	373
At 31 March 2013	<u>122,045</u> =====	<u>9,173</u> =====	<u>60,522</u> =====	<u>528</u> =====	<u>309</u> =====	<u>192,577</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 2012 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 three-month period ended 31 March 2013

(The figures have not been audited)

	3 months ended 31 March	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,111	2,097
Adjustments for:		
Depreciation of property, plant and equipment	126	98
Dividend income	(53)	-
Forfeit of employees share options	-	(58)
Interest expenses	553	487
Interest income	(30)	(32)
Net increment in net market value of nursery plants	-	-
Operating profit before working capital changes	<hr/> 2,707	<hr/> 2,592
Changes in working capital:		
Property development costs	(10,576)	(783)
Inventories	11	2
Receivables	7,184	(4,401)
Other current assets	10,719	15,543
Payables	(7,428)	(11,115)
Other current liabilities	(505)	(257)
Cash generated from operations	<hr/> 2,112	<hr/> 1,581
Interest paid	(553)	(487)
Interest received	30	32
Tax paid	(1,208)	(1,169)
Tax refunded	43	-
Net cash generated from/(used in) operating activities	<hr/> 424	<hr/> (43)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	53	-
Expenditure on investment property	-	(33)
Purchase of investment securities	(8,400)	-
Purchase of property, plant and equipment	(506)	(66)
Net cash used in investing activities	<hr/> (8,853)	<hr/> (99)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd)

For the three-month period ended 31 March 2013

(The figures have not been audited)

	3 months ended 31 March	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans and borrowings	7,157	10,721
Proceeds from exercise of employee share options	373	-
Repayment of finance leases	(81)	(65)
Repayment of loans and borrowings	(3,894)	(11,284)
Net cash generated from/(used in) financing activities	3,555	(628)
Net decrease in cash and cash equivalents	(4,874)	(770)
Cash and cash equivalents at beginning of financial period	19,769	11,994
Cash and cash equivalents at end of financial period	14,895	11,224

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

	As at 31 March	
	2013	2012
	RM'000	RM'000
Cash on hand and at banks	12,870	11,224
Short term deposits with licensed banks	2,025	-
Cash and bank balances	14,895	11,224

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.



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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 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 2012. 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 2012.

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 2012.

On 1 January 2013, the Group adopted the following FRSs and interpretations:-

FRSs and Interpretations

FRS 10	: Consolidated Financial Statements
FRS 11	: Joint Arrangements
FRS 12	: Disclosure of Interest in Other Entities
FRS 13	: Fair Value Measurement
FRS 119 (2011)	: Employee Benefits
FRS 127 (2011)	: Separate Financial Statements
FRS 128 (2011)	: Investment in Associates and Joint Ventures
Amendments to FRS 1	: First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1	: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))
Amendments to FRS 7	: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10	: Consolidated Financial Statements: Transition Guidance
Amendments to FRS 11	: Joint Arrangements: Transition Guidance
Amendments to FRS 12	: Disclosure of Interests in Other Entities: Transition Guidance
Amendment to FRS 101	: Presentation of Items of Other Comprehensive Income
Amendment to FRS 101	: Presentation of Financial Statements (Improvements to FRSs (2012))
Amendments to FRS 116	: Property, Plant and Equipment (Improvements to FRSs (2012))
Amendments to FRS 132	: Financial Instruments: Presentation (Improvements to FRSs (2012))
Amendments to FRS 134	: Interim Financial Reporting (Improvements to FRSs (2012))
Amendment to IC Interpretation 2	: Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))



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2. Changes in Accounting Policies (contd.)

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'). 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 March 2013.

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 2013.

6. Property, plant and equipment

Acquisition and Disposals

During the three months ended 31 March 2013, the cash outflow on acquisition of property, plant and equipment amounted to RM505,647 (three months ended 31 March 2012: RM65,312).

There were no disposals during the three months ended 31 March 2013 and 31 March 2012.

7. Debt and Equity Securities

During the financial quarter ended 31 March 2013, the Company issued 370,000 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 122,045,095 ordinary shares.



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7. Debt and Equity Securities (contd.)

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 March 2013.

8. Dividends Paid

There were no dividends paid during the quarter ended 31 March 2013.

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 80,000 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 122,125,095 ordinary shares.

11. Changes in Composition of the Group

On 7 February 2013, a new subsidiary namely Ibraco Pelita Sdn Bhd was incorporated. Upon incorporation, Ibraco Pelita Sdn Bhd issued and paid up capital of RM2.00 is 50% owned by Ibraco Berhad and the balance of 50% is owned by Pelita Holdings Sdn Bhd. On 3 April 2013, Ibraco Pelita Sdn Bhd issued additional 999,998 new shares of RM1.00 each at par for cash. Ibraco Pelita Sdn Bhd issued and paid-up capital of RM1,000,000 is 75% owned by Ibraco Berhad and 25% owned by Pelita Holdings Sdn Bhd. The principal activities of Ibraco Pelita Sdn Bhd are property development, investment holding and plantation.

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 2012 till the end of the financial period.

13. Capital Commitments

	As at 31 March	
	2013	2012
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	901	-



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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:

	3 months ended 31 March	
	2013	2012
	RM'000	RM'000
Directors	421	280
Key management personnel	189	161

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance outstanding	
		3 months ended		3 months ended	
		2013	2012	2013	2012
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		102	102	-	-
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	-	-	-

Notes

- (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.

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

	Unaudited		Audited	
	31 March		31 December	
	2013		2012	
	RM'000		RM'000	
	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)	18,000	18,000	9,600	9,600



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17. Trade and other payables

	Unaudited 31 March 2013 RM'000	Audited 31 December 2012 RM'000
Trade and other payables	19,462	15,056
Provision for projects	13,048	24,882
Total trade and other payables	32,510	39,938



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

18. Review of Performance

Current Financial Quarter (1Q2013) Vs Corresponding Financial Quarter (1Q2012)

The Group's revenue for 1Q2013 decreased to RM13.05 million from RM18.18 million in 1Q2012. 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, sales of developed vacant land at Tabuan Tranquility Phase 2 and rental income from investment property. The Group's revenue for 1Q2012 was primarily recognised from sales of 4-storey shop houses at Tabuan Tranquility Phase 1, residential houses at Tabuan Tranquility Phase 5 and Tabuan Stutong Jaya, sales of developed vacant land at Tabuan Tranquility Phase 2 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. This change in product mix has impact on the earnings.

Other income increased from RM0.068 million in 1Q2012 to RM0.10 million in 1Q2013. 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.

Administrative expenses increased to RM2.16 million compared to RM1.55 million in 1Q2012. The increase is mainly due to increase in corporate social responsibility activities expenses and staff cost. Other component of the administrative expenses has not varied much compared to that incurred during 1Q2012.

Finance cost increased slightly to RM0.55 million from RM0.49 million in 1Q2012. The increase is mainly due to interest incurred on additional banking facilities drawn to finance the acquisition of land and the preliminary preparation work of this land for future development.

19. Comparison with Immediate Preceding Quarter's Results

The Group recorded a profit before tax of RM2.11 million compared to a profit before tax of RM12.54 million recorded in the immediate preceding quarter ended 31 December 2012.

The Group's revenue for the current financial quarter ended 31 March 2013 decreased to RM13.05 million compared to RM50.89 million in the immediate preceding quarter ended 31 December 2012. Apart from the recognition of revenue from the sales of residential houses at Tabuan Stutong Jaya and sales of developed vacant lot at Trombol Golden Beach 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 developed vacant land at Tabuan Tranquility Phase 2 and sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 Stage 1 and Phase 5 and rental income from its investment property.

Other income decreased from RM0.24 million in the immediate preceding quarter to RM0.10 million in this reporting quarter. The higher other income in the immediate preceding quarter was primarily due to sales of construction materials and disposal of property, plant and equipment.

Administrative expenses decreased to RM2.16 million compared to RM2.23 million in the immediate preceding quarter ended 31 December 2012. The decrease is mainly due to provision for staff bonus in the immediate preceding quarter. Other component of the administrative expenses has not varied much compared to that incurred during the immediate preceding quarter.



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

Finance costs have decreased from RM0.91 million in the immediate preceding quarter to RM0.55 million in this reporting quarter. This is primarily due to partial repayment of term loans, which have been utilised to finance the construction of investment property and acquisition of land during this reporting quarter.

20. Retained earnings

	Unaudited 31 March 2013 RM'000	Audited 31 December 2012 RM'000
Realised	64,595	62,973
Unrealised	(4,073)	(4,023)
Total retained earnings	60,522	58,950

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation of property, plant and equipment	126	98	126	98
Dividends income	(53)	-	(53)	-
Interest expenses	553	487	553	487
Interest income	(30)	(32)	(30)	(32)
Other income	(19)	(36)	(19)	(36)
Forfeit of employees share options	-	(58)	-	(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 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 variations.

The Group plan to launch more projects comprising mainly residential and commercial 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

	3 months ended 31 March		3 months ended 31 March	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax:				
Malaysian income tax	632	665	632	665
Deferred tax	(70)	17	(70)	17
Total income tax expense	562	682	562	682

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 March 2013 and corresponding quarter ended 31 March 2012 were higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purposes.

25. Status of Corporate Proposals

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

26. Loans and borrowings

	Unaudited As at 31 March 2013 RM'000	Audited As at 31 December 2012 RM'000
Short term borrowings		
Secured: Finance lease liabilities	335	331
Revolving credits	15,500	10,500
Term loans	18,949	16,469
	<u>34,784</u>	<u>27,300</u>
Long term borrowings		
Secured: Finance lease liabilities	825	910
Term Loans	58,170	62,387
	<u>58,995</u>	<u>63,297</u>
Total loans and borrowings	<u>93,779</u>	<u>90,597</u>

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 15 May 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 15 May 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 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:

	3 months ended 31 March		3 months ended 31 March	
	2013	2012	2013	2012
Profit attributable to owners of the parent (RM'000)	1,572	1,416	1,572	1,416
Weighted average number of ordinary shares in issue ('000)	121,897	118,904	121,897	118,904
Effects of dilution - share options ('000)	1,710	1,742	1,710	1,742
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	123,607	120,646	123,607	120,646
Basic earnings per share (sen)	1.29	1.19	1.29	1.19
Diluted earnings per share (sen)	1.27	1.17	1.27	1.17

31. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2012 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 20 May 2013.