



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2013

(The figures have not been audited)

	Note	3 months ended 30 September		9 months ended 30 September	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue		65,203	29,776	116,047	71,455
Cost of sales		(28,135)	(24,356)	(66,940)	(58,271)
Gross profit		37,068	5,420	49,107	13,184
Other income		245	108	532	368
Net (decrement)/increment in net market value of nursery plants		-	(2)	10	(2)
Administrative expenses		(3,714)	(2,193)	(8,353)	(5,379)
Selling and marketing expenses		(19)	(30)	(36)	(90)
Other expenses		-	(1)	(1)	(3)
Finance costs		(1,301)	(635)	(2,669)	(1,668)
Profit before tax	21	32,279	2,667	38,590	6,410
Income tax expense	24	(8,227)	(1,042)	(9,850)	(2,183)
Profit for the period		24,052	1,625	28,740	4,227
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		24,052	1,625	28,740	4,227
Profit for the period attributable to :					
Owners of the parent		24,075	1,626	28,870	4,227
Non-controlling interest		(23)	(1)	(130)	-
		24,052	1,625	28,740	4,227
Total comprehensive income attributable to :					
Owners of the parent		24,075	1,626	28,870	4,227
Non-controlling interest		(23)	(1)	(130)	-
		24,052	1,625	28,740	4,227



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd)

For the nine-month period ended 30 September 2013

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	29	19.19	1.34	23.43	3.52
Diluted, for profit for the period (Sen)	29	19.16	1.33	23.40	3.49

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 30 September 2013 and 31 December 2012

	Note	Unaudited As at 30 September 2013 RM'000	Audited As at 31 December 2012 RM'000
ASSETS			
Property, plant & equipment		6,588	2,934
Land held for property development		61,946	62,516
Investment property		44,897	44,487
Deferred tax assets		3,469	2,358
Total non-current assets		116,900	112,295
Property development costs		145,864	126,859
Inventories		2,263	1,067
Trade and other receivables		43,644	27,888
Other current assets		26,358	26,687
Investment securities	16	11,522	9,600
Cash and bank balances		19,033	19,769
Total current assets		248,684	211,870
TOTAL ASSETS		365,584	324,165
Equity attributable to owners of the parent			
Share capital		126,197	121,675
Share premium		9,904	9,092
Share option reserve		82	606
Retained earnings	20	81,566	58,950
		217,749	190,323
Non-controlling interest		452	332
Total Equity		218,201	190,655
LIABILITIES			
Loans and borrowings	26	58,199	63,297
Deferred tax liabilities		79	79
Total non-current Liabilities		58,278	63,376
Loans and borrowings	26	38,997	27,300
Trade and other payables	17	41,206	39,938
Other current liabilities		1,640	505
Income tax payables		7,262	2,391
Total current liabilities		89,105	70,134
Total liabilities		147,383	133,510
TOTAL EQUITY AND LIABILITIES		365,584	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 nine-month period ended 30 September 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	-	-	4,227	-	-	4,227
Dividend paid on ordinary shares	-	-	(4,537)	-	-	(4,537)
Grant of equity-settled shares options to employees	-	-	-	677	-	677
Exercise of employees share options	2,148	472	-	(451)	-	2,169
Forfeit of employees share options	-	-	-	(58)	-	(58)
At 30 September 2012	<u>121,052</u> =====	<u>8,955</u> =====	<u>49,065</u> =====	<u>737</u> =====	<u>293</u> =====	<u>180,102</u> =====
At 1 January 2013	121,675	9,092	58,950	606	332	190,655
Total comprehensive income	-	-	28,870	-	(130)	28,740
Dividend paid on ordinary shares	-	-	(6,254)	-	-	(6,254)
Contribution of capital by non-controlling interest	-	-	-	-	250	250
Grant of equity-settled shares options to employees	-	-	-	253	-	253
Exercise of employees share options	4,522	812	-	(767)	-	4,567
Forfeit of employees share options	-	-	-	(10)	-	(10)
At 30 September 2013	<u>126,197</u> =====	<u>9,904</u> =====	<u>81,566</u> =====	<u>82</u> =====	<u>452</u> =====	<u>218,201</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 nine-month period ended 30 September 2013

(The figures have not been audited)

	9 months ended 30 September	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,590	6,410
Adjustments for:		
Depreciation of property, plant and equipment	408	295
Dividend income	(255)	(18)
Forfeit of employees share options	(10)	(58)
Gain on disposal of property, plant and equipment	-	(8)
Grant of equity-settled share options to employees	253	677
Interest expenses	2,669	1,668
Interest income	(133)	(155)
Inventories written off	20	4
Net (increment)/decrement in net market value of nursery plants	(10)	2
Property, plant and equipment written off	631	-
Operating profit before working capital changes	<u>42,163</u>	<u>8,817</u>
Changes in working capital:		
Land held for property development	570	18
Property development costs	(19,005)	(2,834)
Inventories	(1,206)	3
Receivables	(15,756)	(3,166)
Other current assets	329	(375)
Payables	1,268	(6,287)
Other current liabilities	1,135	(257)
Cash generated from/(used in) operations	<u>9,498</u>	<u>(4,081)</u>
Interest paid	(2,669)	(1,668)
Interest received	133	155
Tax paid	(6,138)	(3,607)
Tax refunded	48	-
Net cash generated from/(used in) operating activities	<u>872</u>	<u>(9,201)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	255	18
Expenditure on investment property	(410)	(33)
Proceeds from disposal of investment securities	14,800	-
Proceeds from shares issued to non-controlling interest	250	8
Purchase of investment securities	(16,722)	(5,600)
Purchase of property, plant and equipment	(4,693)	(119)
Net cash used in investing activities	<u>(6,520)</u>	<u>(5,726)</u>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd)

For the nine-month period ended 30 September 2013

(The figures have not been audited)

	9 months ended 30 September	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid on ordinary shares	(6,254)	(4,537)
Proceeds from loans and borrowings	25,103	35,863
Proceeds from exercise of employee share options	4,567	2,169
Repayment of finance leases	(792)	(171)
Repayment of loans and borrowings	(17,712)	(21,078)
Net cash generated from financing activities	4,912	12,246
Net decrease in cash and cash equivalents	(736)	(2,681)
Cash and cash equivalents at beginning of financial period	19,769	11,994
Cash and cash equivalents at end of financial period	19,033	9,313

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

	As at 30 September	
	2013	2012
	RM'000	RM'000
Cash on hand and at banks	17,008	9,313
Short term deposits with licensed banks	2,025	-
Cash and bank balances	19,033	9,313

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 2015.

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 2015. 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 30 September 2013.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 2013.

6. Property, plant and equipment

Acquisition and Disposals

There was no acquisition by means of finance lease during the nine months ended 30 September 2013 (nine months ended 30 September 2012: RM200,000). The cash outflow on acquisition of property, plant and equipment amounted to RM4,693,454 (nine months ended 30 September 2012: RM119,258).

There was no disposal during the nine months ended 30 September 2013. Property, plant and equipment with the carrying amount of RM 1 was disposed off during the nine months ended 30 September 2012, resulting in a gain on disposal of RM7,999 which was included in other income.



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6. Property, plant and equipment (contd.)

Acquisition and Disposals (contd.)

Property, plant and equipment with the carrying amount of RM630,746 were written off during the nine months ended 30 September 2013 (nine months ended 30 September 2012: RM Nil), and the amount was included in administrative expenses.

7. Debt and Equity Securities

During the financial quarter ended 30 September 2013, the Company issued 4,522,000 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 126,197,095 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 30 September 2013.

8. Dividends Paid

On 28 June 2013, the shareholders of Ibraco Berhad have approved 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 sen). The final dividend was paid on 24 July 2013 to shareholders whose names appear in the Register of Depositors on 10 July 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 16,000 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 126,213,095 ordinary shares.

11. Changes in Composition of the Group

On 7 February 2013, a new subsidiary company 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.

On 12 July 2013, Company had made application to the Companies Commission of Malaysia to strike off Ibraco Rise Sdn Bhd's name pursuant to Section 308 of the Companies Act, 1965. This subsidiary has been dormant since incorporation and has no intention to commence any business in the future. The proposed strike off was not yet completed as at the reporting date.



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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 30 September	
	2013	2012
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	677	-
Acquisition of land held for property development	-	3,330

14. Directors and Key Management Personnel Compensation

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

	3 months ended 30 September	
	2013	2012
	RM'000	RM'000
Directors	1,651	280
Key management personnel	347	169

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance outstanding	
		3 months ended		as at	
		30 September		30 September	
		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	-	-	-
Chew Chiaw Han	(c)				
Sale of vacant lot	*	-	(582)	-	349
Dato' Wee Song Ching	(d)				
Disposal of motor vehicle		421	-	-	-
Liew Kee Liung	(e)				
Disposal of motor vehicle		210	-	-	-



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15. Related Party Transactions (contd.)

Notes

- * This balance is not yet due for payment in accordance to the terms and conditions of the Sale & Purchase Agreement.
- (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.
- (c) Chew Chiaw Han is the major shareholder and Managing Director of the Company.
- (d) Dato' Wee Song Ching is the former Chairman of the Company who resigned on 12 September 2013.
- (e) Liew Kee Liung is the former Director of the Company who resigned on 15 July 2013.

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 30 September 2013 RM'000		Audited 31 December 2012 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)	11,522	11,522	9,600	9,600

17. Trade and other payables

	Unaudited 30 September 2013 RM'000	Audited 31 December 2012 RM'000
Trade and other payables	29,945	15,056
Provision for projects	11,261	24,882
Total trade and other payables	41,206	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

(a) Current financial quarter (3Q2013) Vs corresponding financial quarter (3Q2012)

The Group's revenue for 3Q2013 increased to RM65.20 million from RM29.78 million in 3Q2012. During this reporting quarter, revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 and Phase 5, Stutong Heights, disposal of properties and rental income from investment property. The Group's revenue for 3Q2012 was primarily recognised from sales of residential houses at Tabuan Tranquility Phase 2 Stage 1 and Phase 5, 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. These changes in product mix, sales and completion status have impact on the earnings of the Group.

Other income increased from RM0.108 million in 3Q2012 to RM0.245 million in 3Q2013. 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 RM3.71 million compared to RM2.19 million in 3Q2012. The increase is mainly due to promotional costs incurred on the upcoming development projects, property, plant and equipment written off and staff cost. Other component of the administrative expenses has not varied much compared to that incurred during 3Q2012.

Finance cost increased to RM1.30 million from RM0.64 million in 3Q2012. 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 as well as finance cost for those completed projects were charged to statement of comprehensive income during the current financial quarter.

(b) Current 9-month financial period (9M2013) Vs corresponding 9-month financial period (9M2012)

The Group's revenue for 9M2013 increased to RM116.05 million from RM71.46 million in 9M2012.

The Group's profit before tax for 9M2013 increased to RM38.59 million compared to a profit before tax of RM6.41 million recorded in 9M2012. The increase is principally due to disposal of properties deemed not strategic to the needs of the Company.

During 9M2013, the revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 and Phase 5, Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2, disposal of properties and rental income from investment property. Whilst, revenue from 9M2012 was recognised from sales of 4-storey shop houses at Tabuan Tranquility Phase 1 and sales of residential houses at Tabuan Tranquility Phase 2 Stage 1 and Phase 5, Tabuan Stutong Jaya, sales of developed vacant land at Tabuan Tranquility Phase 2 and rental income from investment property.



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(b) Current 9-month financial period (9M2013) Vs corresponding 9-month financial period (9M2012) (contd.)

Other income increased from RM0.37 million to RM0.53 million in 9M2013. This other income comprised 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 RM8.35 million compared to RM5.38 million in 9M2012. The increase is mainly due to promotional costs incurred on the upcoming development projects, property, plant and equipment written off, higher corporate social responsibility activities expenses and staff cost incurred during the reporting period. Other components of the administrative expenses have not varied much compared to that incurred during the corresponding period.

Finance cost increased from RM1.67 million in 9M2012 to RM2.67 million in 9M2013. This is primarily 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 as well as finance cost for those completed projects were charged to statement of comprehensive income during the current reporting period.

19. Comparison with Immediate Preceding Quarter's Results

The Group's revenue for the current financial quarter ended 30 September 2013 increased to RM65.20 million compared to RM37.80 million in the immediate preceding quarter ended 30 June 2013.

The Group recorded a profit before tax of RM32.28 million compared to a profit before tax of RM4.20 million recorded in the immediate preceding quarter ended 30 June 2013. The increase is principally due to disposal of properties deemed not strategic to the needs of the Company.

Apart from the recognition of revenue from the disposal of properties and sales of apartments at Stutong Heights in the current quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development projects namely sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4, Phase 5 and rental income from its investment property. In the immediate preceding quarter, there is also revenue recognised from the sale of developed vacant land at Tabuan Tranquility Phase 2.

Other income increased from RM0.19 million in the immediate preceding quarter to RM0.25 million in this reporting quarter. The higher other income in the current quarter was primarily due to increase in tender documents fee, dividend income and interest income earned respectively from investment securities and short term placement with licensed banks.

Administrative expenses increased to RM3.71 million compared to RM2.48 million in the immediate preceding quarter ended 30 June 2013. The increase is mainly due to recognition of grant of equity-settled share options to employees and promotional costs incurred on the upcoming development projects, property, plant and equipment written off in the current financial quarter. Other component of the administrative expenses has not varied much compared to that incurred during the immediate preceding quarter.

Finance costs have increased from RM0.82 million in the immediate preceding quarter to RM1.30 million in this reporting quarter. This is primarily 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 as well as finance cost for those completed projects were charged to statement of comprehensive income during the current financial quarter.



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20. Retained earnings

	Unaudited 30 September 2013 RM'000	Audited 31 December 2012 RM'000
Realised	87,624	62,973
Unrealised	(6,058)	(4,023)
Total retained earnings	81,566	58,950

21. Profit before tax

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

	3 months ended 30 September		9 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation of property, plant and equipment	131	100	408	295
Dividends income	(87)	(18)	(255)	(18)
Forfeit of employees share options	-	-	(10)	(58)
Gain on disposal of property, plant and equipment	-	(8)	-	(8)
Interest expenses	1,301	635	2,669	1,668
Interest income	(61)	(54)	(133)	(155)
Net decrement/(increment) in net market value of nursery plants	-	2	(10)	2
Property, plant and equipment written off	631	-	631	-
Share options granted under employee share options scheme	253	677	253	677
Other income	(97)	(28)	(144)	(187)

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.



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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.

24. Income Tax Expense

	3 months ended 30 September		9 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax:				
- Malaysian income tax	9,353	974	10,910	3,251
- Under provision in respect of previous years	50	86	51	86
	<u>9,403</u>	<u>1,060</u>	<u>10,961</u>	<u>3,337</u>
Deferred tax	(1,176)	(18)	(1,111)	(1,154)
Total income tax expense	<u><u>8,227</u></u>	<u><u>1,042</u></u>	<u><u>9,850</u></u>	<u><u>2,183</u></u>

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 both quarters are higher than the statutory tax rate principally due to certain expenses are 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 September 2013 RM'000	Audited As at 31 December 2012 RM'000
Short term borrowings		
Secured: Finance lease liabilities	140	331
Revolving credits	16,600	10,500
Term loans	22,257	16,469
	<u>38,997</u>	<u>27,300</u>
Long term borrowings		
Secured: Finance lease liabilities	309	910
Term Loans	57,890	62,387
	<u>58,199</u>	<u>63,297</u>
Total loans and borrowings	<u><u>97,196</u></u>	<u><u>90,597</u></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 18 November 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 18 November 2013.

29. 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		9 months ended	
	30 September	30 September	30 September	30 September
	2013	2012	2013	2012
Profit attributable to owners of the parent (RM'000)	24,075	1,626	28,870	4,227
Weighted average number of ordinary shares in issue ('000)	125,466	121,029	123,207	120,014
Effects of dilution - share options ('000)	208	1,123	182	1,087
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	125,674	122,152	123,389	121,101
Basic earnings per share (sen)	19.19	1.34	23.43	3.52
Diluted earnings per share (sen)	19.16	1.33	23.40	3.49

30. 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.

31. 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 21 November 2013.