



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2015

(The figures have not been audited)

	Note	3 months ended 30 June		6 months ended 30 June	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		52,149	56,370	109,329	115,375
Cost of sales		(36,788)	(44,688)	(74,003)	(91,439)
<b>Gross profit</b>		15,361	11,682	35,326	23,936
Other income		262	229	427	444
Administrative expenses		(3,420)	(2,693)	(6,218)	(5,124)
Selling and marketing expenses		(93)	(111)	(205)	(133)
Finance costs		(796)	(918)	(1,398)	(1,650)
<b>Profit before tax</b>	22	11,314	8,189	27,932	17,473
Income tax expense	25	(2,909)	(2,292)	(6,871)	(4,873)
<b>Profit for the period</b>		8,405	5,897	21,061	12,600
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		8,405	5,897	21,061	12,600
<b>Profit for the period attributable to :</b>					
<b>Owners of the parent</b>		7,643	5,653	18,198	12,025
<b>Non-controlling interests</b>		762	244	2,863	575
		8,405	5,897	21,061	12,600
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		7,643	5,653	18,198	12,025
<b>Non-controlling interests</b>		762	244	2,863	575
		8,405	5,897	21,061	12,600



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

For the six-month ended 30 June 2015

(The figures have not been audited)

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

Basic, for profit for the period (Sen)	29	6.04	4.47	14.37	9.51
Diluted, for profit for the period (Sen)	29	6.04	4.47	14.37	9.50

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



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

As at 30 June 2015 and 31 December 2014

	Note	Unaudited As at 30 June 2015 RM'000	Audited As at 31 December 2014 RM'000
<b>ASSETS</b>			
Property, plant & equipment		8,448	8,558
Land held for property development		193,021	130,846
Investment property		51,400	51,400
Deferred tax assets		3,704	4,732
<b>Total non-current assets</b>		<u>256,573</u>	<u>195,536</u>
Property development costs		94,563	84,089
Inventories		7,085	12,249
Trade and other receivables		40,202	26,648
Other current assets		75,904	80,658
Investment securities	16	5,891	4,286
Cash and bank balances		16,751	17,474
<b>Total current assets</b>		<u>240,396</u>	<u>225,404</u>
<b>TOTAL ASSETS</b>		<u>496,969</u>	<u>420,940</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		126,634	126,624
Share premium		9,812	9,964
Share option reserve		-	17
Retained earnings	21	115,038	96,840
		<u>251,484</u>	<u>233,445</u>
<b>Non-controlling interests</b>		6,180	3,517
<b>Total Equity</b>		<u>257,664</u>	<u>236,962</u>
<b>LIABILITIES</b>			
Loans and borrowings	27	93,839	41,540
Deferred tax liabilities		2	2
<b>Total non-current liabilities</b>		<u>93,841</u>	<u>41,542</u>
Loans and borrowings	27	69,741	58,764
Trade and other payables	17	59,837	75,641
Other current liabilities		15,886	7,238
Income tax payables		-	793
<b>Total current liabilities</b>		<u>145,464</u>	<u>142,436</u>
<b>Total liabilities</b>		<u>239,305</u>	<u>183,978</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>496,969</u>	<u>420,940</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2014 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 six-month period ended 30 June 2015  
(The figures have not been audited)

	<i>Non-distributable</i>		<b>Attributable to owners of the parent</b>		<b>Non-Controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Share premium</b>	<i>Distributable</i>	<b>Share option reserve</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>Retained earnings</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2014</b>	126,488	9,957	73,123	23	830	210,421
Total comprehensive income	-	-	36,379	-	2,387	38,766
Dividends on ordinary shares	-	-	(12,662)	-	-	(12,662)
Contribution of capital by non-controlling interests	-	-	-	-	300	300
Exercise of employees share options	136	7	-	(6)	-	137
<b>At 31 December 2014</b>	<u>126,624</u>	<u>9,964</u>	<u>96,840</u>	<u>17</u>	<u>3,517</u>	<u>236,962</u>
<b>At 1 January 2015</b>	126,624	9,964	96,840	17	3,517	236,962
Total comprehensive income	-	-	18,198	-	2,863	21,061
Dividends paid to non-controlling interests	-	-	-	-	(200)	(200)
Share issuance expense	-	(169)	-	-	-	(169)
Exercise of employees share options	10	17	-	(17)	-	10
<b>At 30 June 2015</b>	<u>126,634</u>	<u>9,812</u>	<u>115,038</u>	<u>-</u>	<u>6,180</u>	<u>257,664</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 2014 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 six-month period ended 30 June 2015

(The figures have not been audited)

	<b>6 months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	27,932	17,473
Adjustments for:		
Depreciation of property, plant and equipment	605	455
Dividend income	(200)	(125)
Gain on disposal of property, plant and equipment	-	(13)
Interest expenses	1,398	1,650
Interest income	(67)	(101)
Operating profit before working capital changes	<u>29,668</u>	<u>19,339</u>
Changes in working capital:		
Land held for property development	(31)	-
Property development costs	(10,474)	(11,846)
Inventories	5,164	350
Receivables	(10,557)	996
Other current assets	4,754	(32,983)
Payables	(15,804)	6,667
Other current liabilities	8,648	110
Deposits pledged for bank guarantee	(13)	(6)
Cash generated from/(used in) operations	<u>11,355</u>	<u>(17,373)</u>
Interest paid	(1,398)	(1,650)
Interest received	67	101
Taxes paid	(9,633)	(7,689)
<b>Net cash generated from/(used in) operating activities</b>	<u>391</u>	<u>(26,611)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of land held for development	(62,144)	-
Deposits with maturity more than 3 months	(7)	-
Dividend received	200	125
Proceeds from disposal of investment securities	20,000	27,200
Proceeds from disposal of property, plant and equipment	-	13
Purchase of investment securities	(21,605)	(1,355)
Purchase of property, plant and equipment	(215)	(307)
<b>Net cash (used in)/generated from investing activities</b>	<u>(63,771)</u>	<u>25,676</u>



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

For the six-month period ended 30 June 2015

(The figures have not been audited)

	<b>6 months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid on ordinary shares	-	(12,649)
Dividends paid to non-controlling interests	(200)	-
Share issuance expense	(169)	-
Proceeds from loans and borrowings	84,510	46,500
Proceeds from exercise of employee share options	10	15
Repayment of finance leases	(165)	(95)
Repayment of loans and borrowings	(21,349)	(33,799)
<b>Net cash generated from/(used in) financing activities</b>	<b>62,637</b>	<b>(28)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(743)</b>	<b>(963)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>15,333</b>	<b>19,698</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>14,590</b>	<b>18,735</b>

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

	<b>As at 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	16,751	20,819
Less:		
Deposits with maturity more than 3 months	1,293	1,243
Deposits pledged for bank guarantee	868	841
<b>Cash and cash equivalents</b>	<b>14,590</b>	<b>18,735</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.



**IBRACO BERHAD (011286-P)**  
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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 as disclosed in the accounting policies.

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 2014. 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 2014.

**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 2014.

On 1 January 2015, the Group adopted the following FRSs:-

**FRSs**

Amendments to FRS 119 : Defined Benefit Plans : Employee Contributions  
Annual Improvements to FRSs 2010 – 2012 Cycle  
Annual Improvements to FRSs 2011 – 2013 Cycle

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

On 2 September 2014, MASB issued a new MASB approved accounting Standards MFRS 15 Revenue from Contracts with Customers (MFRS 15) applicable to financial statements for annual periods beginning on or after 1 January 2017. Related accounting standards namely MFRS 111 Construction Contracts, MFRS 118 Revenue and IC 15 shall be withdrawn on the application of MFRS 15. Adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.



**IBRACO BERHAD (011286-P)**  
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**2. Changes in Accounting Policies (contd.)**

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

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 2017. 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 June 2015.

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

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2015.

**6. Property, Plant and Equipment**

**Acquisition and Disposals**

During the six months ended 30 June 2015, the Group acquired property, plant and equipment with an aggregate cost of RM280,000 (six months ended 30 June 2014: RM320,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM214,360 during the six months ended 30 June 2015 (six months ended 30 June 2014: RM306,593).

There were no disposals during the six months ended 30 June 2015. Property, plant and equipment with the carrying amount of RM1 was disposed off during the six months ended 30 June 2014, resulting in a gain on disposal of RM12,999 which was included in other income.

**7. Debt and Equity Securities**

Except for those disclosed in Note 16, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 June 2015.

**8. Dividends Paid**

There was no dividend paid during the quarter ended 30 June 2015.





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**9. Segmental Information**

**Geographical segment**

No geographical segment analysis has been presented as the Group's business interest is predominately located in Malaysia.

**Business segment**

The Group is principally engaged in property development, property holding and management, and construction works. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

Results for 3 months ended 30 June 2015 (2Q2015) and 3 months ended 30 June 2014 (2Q2014) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	2Q2015 RM'000	2Q2014 RM'000	2Q2015 RM'000	2Q2014 RM'000	2Q2015 RM'000	2Q2014 RM'000	2Q2015 RM'000	2Q2014 RM'000	2Q2015 RM'000	2Q2014 RM'000
<b>Revenue:</b>										
External customers	49,596	42,071	872	703	1,681	13,596	-	-	52,149	56,370
Inter-segment	-	-	-	-	33,452	44,037	(33,452)	(44,037)	-	-
Total revenue	49,596	42,071	872	703	35,133	57,633	(33,452)	(44,037)	52,149	56,370
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit	6,568	3,359	796	660	1,636	4,260	2,314	(90)	11,314	8,189
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



**IBRACO BERHAD (011286-P)**  
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**9. Segmental Information (contd.)**

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	<b>2Q2015</b>	<b>2Q2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	12,110	9,107
Finance costs	(796)	(918)
	<hr/>	<hr/>
Profit before tax	11,314	8,189
	=====	=====

Results for 6 months ended 30 June 2015 (6M2015) and 6 months ended 30 June 2014 (6M2014) are as follows:

	<b>Property development activities</b>		<b>Property holding &amp; management</b>		<b>Construction works</b>		<b>Elimination</b>		<b>Per consolidated financial statements</b>	
	<b>6M2015</b>	<b>6M2014</b>	<b>6M2015</b>	<b>6M2014</b>	<b>6M2015</b>	<b>6M2014</b>	<b>6M2015</b>	<b>6M2014</b>	<b>6M2015</b>	<b>6M2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>										
External customers	103,364	83,959	1,648	1,407	4,317	30,009	-	-	109,329	115,375
Inter-segment	-	-	-	-	64,590	76,684	(64,590)	(76,684)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	103,364	83,959	1,648	1,407	68,907	106,693	(64,590)	(76,684)	109,329	115,375
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit	19,611	7,266	1,549	1,361	1,912	8,965	4,860	(119)	27,932	17,473
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



**IBRACO BERHAD (011286-P)**  
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**9. Segmental Information (contd.)**

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	<b>6M2015</b>	<b>6M2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	29,330	19,123
Finance costs	(1,398)	(1,650)
	<hr/>	<hr/>
Profit before tax	27,932	17,473
	=====	=====

**10. Event After the Reporting Period**

On 16 July 2015, the shareholders of the Company have approved the proposed renounceable rights issue of 50,653,638 new ordinary shares of RM1.00 each at an issue price of RM1.00 per rights share on the basis of two rights shares for every five existing shares held on 24 July 2015.

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

There were no changes in the composition of the Group during the current quarter ended 30 June 2015.

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

There were no contingent liabilities and contingent assets since the last annual statement of financial position as at 31 December 2014 till the end of the financial period.

**13. Capital Commitments**

	<b>As at 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Approved and contracted for:</b>		
Property, plant and equipment	47	176

**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:

	<b>3 months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	348	468
Key management personnel	240	163



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**15. Related Party Transactions**

The related party transactions are as follows:

	Note	Transaction value 3 months ended 30 June		Balance outstanding as at 30 June	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
<b>Sharifah Deborah Sophia Ibrahim</b>	(a)				
Rental expense on premises		102	102	-	-
<b>Hiap Ghee Seng Sdn Bhd</b>	(b)				
Rental expense on premises		37	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 30 June 2015 RM'000		Audited 31 December 2014 RM'000	
	Carrying amount	Fair value of quoted securities	Carrying amount	Fair value of quoted securities
<i>Financial assets at fair value through profit or loss</i>				
- Unit trusts (quoted in Malaysia)	5,891	5,891	4,286	4,286

**17. Trade and Other Payables**

	Unaudited 30 June 2015 RM'000	Audited 31 December 2014 RM'000
Trade and other payables	33,505	47,311
Provision for projects	26,332	28,330
<b>Total trade and other payables</b>	<b>59,837</b>	<b>75,641</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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**Review of Performance**

**18. Current financial quarter (2Q2015) Vs corresponding financial quarter (2Q2014)**

The Group's revenue for 2Q2015 decreased to RM52.15 million from RM56.37 million in 2Q2014. During this reporting quarter, revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of apartments at Stutong Heights, sales of condominiums at Tabuan Tranquility Phase 2, sales of 3-storey shop office at Tabuan Tranquility Phase 3, sales of 3-storey shophouses at Bintulu Town Square, construction project at Bintulu and rental income from investment property. The Group's revenue for 2Q2014 was primarily recognised from sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2, construction project at Bintulu 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 RM0.23 million in 2Q2014 to RM0.26 million in 2Q2015. This other income comprised of dividend income earned from investment securities, interest income earned from short term placement with licensed banks, tender documents fees and administrative charges for sub-sales.

Administrative expenses increased to RM3.42 million compared to RM2.69 million in 2Q2014. The increase is mainly due to increase in staff costs and corporate social responsibility expenses during the current financial quarter. Other components of the administrative expenses have not varied much compared to that incurred during 2Q2014.

Finance costs decreased to RM0.80 million from RM0.92 million in 2Q2014. The decrease are primarily due to most of the finance costs incurred have been charged to the respective projects during the current financial quarter.

**19. Current 6-month financial period (6M2015) Vs corresponding 6-month financial period (6M2014)**

The Group's profit before tax for 6M2015 increased to RM27.93 million compared to a profit before tax of RM17.47 million recorded in 6M2014.

The Group's revenue for 6M2015 decreased to RM109.33 million from RM115.38 million in 6M2014. During 6M2015, the revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of condominiums at Tabuan Tranquility Phase 2, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2 and Trombol 2, sales of 3-storey shop office at Tabuan Tranquility Phase 3, sales of 3-storey shophouses at Bintulu Town Square, construction project at Bintulu and rental income from investment property. Whilst, revenue from 6M2014 was recognised from sales of residential houses at Tabuan Tranquility Phase 2 Stage 1, Phase 4 and Phase 5, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2, construction project at Bintulu and rental income from investment property.

Other income decreased from RM0.44 million to RM0.43 million in 6M2015. This other income comprised dividend income earned from investment securities, interest income earned from short term placement with licensed banks, tender documents fees, and administrative charges for sub-sale and refinancing by purchasers.



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**19. Current 6-month financial period (6M2015) Vs corresponding 6-month financial period (6M2014) (contd.)**

Administrative expenses increased to RM6.22 million compared to RM5.12 million in 6M2014. The increase is mainly due to increase in staff costs incurred during the reporting period. Other components of the administrative expenses have not varied much compared to that incurred during the corresponding period.

Finance costs decreased from RM1.65 million in 6M2014 to RM1.40 million in 6M2015. The decrease is primarily due to most of the finance costs incurred have been charged to the respective projects during the financial period.

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

The Group recorded a profit before tax of RM11.31 million compared to a profit before tax of RM16.62 million recorded in the immediate preceding quarter ended 31 March 2015.

The Group's revenue for the current financial quarter ended 30 June 2015 decreased to RM52.15 million compared to RM57.18 million in the immediate preceding quarter ended 31 March 2015. Apart from the recognition of revenue from the sales of apartments at Stutong Heights 2 in the current financial quarter and sales of developed vacant land at Trombol 2 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 residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of apartments at Stutong Heights 1, sales of condominiums at Tabuan Tranquility Phase 2, sales of 3-storey shop office at Tabuan Tranquility Phase 3, sales of 3-storey shophouses at Bintulu Town Square, construction project at Bintulu and rental income from its investment property.

Other income increased from RM0.17 million in the immediate preceding quarter to RM0.26 million in this reporting quarter. This other income comprised dividend income earned from investment securities, interest income earned from short term placement with licensed banks, tender documents fees, and administrative charges for sub-sale and refinancing by purchasers.

Administrative expenses increased to RM3.42 million compared to RM2.80 million in the immediate preceding quarter ended 31 March 2015. The increase is mainly due to higher corporate social responsibility expenses in the current financial 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 RM0.60 million in the immediate preceding quarter to RM0.80 million in this reporting quarter.

**21. Retained Earnings**

	<b>Unaudited 30 June 2015 RM'000</b>	<b>Audited 31 December 2014 RM'000</b>
Realised	123,569	105,817
Unrealised	(8,531)	(8,977)
<b>Total retained earnings</b>	<b>115,038</b>	<b>96,840</b>



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**22. Profit before tax**

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

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation of property, plant and equipment	305	233	605	455
Dividends income	(108)	(75)	(200)	(125)
Gain on disposal of property, plant and equipment	-	-	-	(13)
Interest expenses	796	918	1,398	1,650
Interest income	(31)	(26)	(67)	(101)
Other income	(123)	(128)	(160)	(205)

**23. Prospects**

The principal activity of the Group is realty development. 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 fluctuations.

The Group plans to launch more projects comprising mainly residential and commercial properties in 2015 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects.

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

**25. Income Tax Expense**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current income tax:				
- Malaysian income tax	2,462	2,029	5,843	4,249
Deferred tax	447	263	1,028	624
<b>Total income tax expense</b>	<u>2,909</u>	<u>2,292</u>	<u>6,871</u>	<u>4,873</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 the current financial quarter is slightly higher than the statutory tax rate mainly due to certain expenses are not deductible for tax purposes. Whilst, the effective tax rate of the Group for the 6 months financial period is slightly lower than the statutory tax rate principally due to deferred tax assets recognised.



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**26. Loans and Borrowings**

	<b>Unaudited As at 30 June 2015 RM'000</b>	<b>Audited As at 31 December 2014 RM'000</b>
<b>Short term borrowings</b>		
Secured: Finance lease liabilities	397	310
Revolving credits	50,560	40,300
Term loans	18,784	18,154
	<hr/> 69,741	<hr/> 58,764
<b>Long term borrowings</b>		
Secured: Finance lease liabilities	1,246	1,218
Term loans	92,593	40,322
	<hr/> 93,839	<hr/> 41,540
<b>Total loans and borrowings</b>	<hr/> <b>163,580</b>	<hr/> <b>100,304</b>

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.

**27. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 18 August 2015, 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 August 2015.

**29. 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 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Profit attributable to owners of the parent (RM'000)	7,643	5,653	18,198	12,025
Weighted average number of ordinary shares in issue ('000)	126,634	126,495	126,630	126,492
Effects of dilution - share options ('000)	-	56	-	56
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<hr/> 126,634	<hr/> 126,551	<hr/> 126,630	<hr/> 126,548
Basic earnings per share (sen)	<hr/> 6.04	<hr/> 4.47	<hr/> 14.37	<hr/> 9.51
Diluted earnings per share (sen)	<hr/> 6.04	<hr/> 4.47	<hr/> 14.37	<hr/> 9.50





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

The auditors' report on the financial statements for the financial year ended 31 December 2014 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 August 2015.