



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2015

(The figures have not been audited)

	Note	3 months ended 30 September		9 months ended 30 September	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue		60,757	48,625	170,086	164,000
Cost of sales		(40,014)	(33,846)	(114,017)	(125,285)
Gross profit		20,743	14,779	56,069	38,715
Other income		268	448	695	892
Administrative expenses		(2,522)	(2,466)	(8,740)	(7,590)
Selling and marketing expenses		(328)	(65)	(533)	(198)
Finance costs		(975)	(1,295)	(2,373)	(2,945)
Profit before tax	22	17,186	11,401	45,118	28,874
Income tax expense	25	(4,695)	(3,835)	(11,566)	(8,708)
Profit for the period		12,491	7,566	33,552	20,166
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		12,491	7,566	33,552	20,166
Profit for the period attributable to :					
Owners of the parent		11,201	8,630	29,399	20,655
Non-controlling interests		1,290	(1,064)	4,153	(489)
		12,491	7,566	33,552	20,166
Total comprehensive income attributable to :					
Owners of the parent		11,201	8,630	29,399	20,655
Non-controlling interests		1,290	(1,064)	4,153	(489)
		12,491	7,566	33,552	20,166



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the nine-month period ended 30 September 2015

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	30	7.51	6.82	21.90	16.33
Diluted, for profit for the period (Sen)	30	7.51	6.82	21.90	16.32

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2015 and 31 December 2014

	Note	Unaudited As at 30 September 2015 RM'000	Audited As at 31 December 2014 RM'000
ASSETS			
Property, plant & equipment		8,375	8,558
Land held for property development		193,112	130,846
Investment property		51,400	51,400
Deferred tax assets		5,478	4,732
Total non-current assets		258,365	195,536
Property development costs		101,152	84,089
Inventories		5,717	12,249
Trade and other receivables		28,811	26,648
Other current assets		79,198	80,658
Investment securities	16	27,516	4,286
Cash and bank balances		16,895	17,474
Total current assets		259,289	225,404
TOTAL ASSETS		517,654	420,940
Equity attributable to owners of the parent			
Share capital		177,288	126,624
Share premium		9,293	9,964
Share option reserve		-	17
Retained earnings	21	126,239	96,840
		312,820	233,445
Non-controlling interests		7,470	3,517
Total Equity		320,290	236,962
LIABILITIES			
Loans and borrowings	26	85,926	41,540
Deferred tax liabilities		2	2
Total non-current liabilities		85,928	41,542
Loans and borrowings	26	43,437	58,764
Trade and other payables	17	64,628	75,641
Other current liabilities		3,371	7,238
Income tax payables		-	793
Total current liabilities		111,436	142,436
Total liabilities		197,364	183,978
TOTAL EQUITY AND LIABILITIES		517,654	420,940

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2015
(The figures have not been audited)

	<i>Non-distributable</i>		Attributable to owners of the parent		Non-Controlling interests	Total equity
	Share capital	Share premium	<i>Distributable</i>	Share option reserve		
	RM'000	RM'000	Retained earnings	RM'000	RM'000	RM'000
At 1 January 2014	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
At 31 December 2014	<u>126,624</u>	<u>9,964</u>	<u>96,840</u>	<u>17</u>	<u>3,517</u>	<u>236,962</u>
At 1 January 2015	126,624	9,964	96,840	17	3,517	236,962
Total comprehensive income	-	-	29,399	-	4,153	33,552
Dividends paid to non-controlling interests	-	-	-	-	(200)	(200)
Shares issued for cash	50,654	-	-	-	-	50,654
Share issuance expense	-	(688)	-	-	-	(688)
Exercise of employees share options	10	17	-	(17)	-	10
At 30 September 2015	<u>177,288</u>	<u>9,293</u>	<u>126,239</u>	<u>-</u>	<u>7,470</u>	<u>320,290</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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2015

(The figures have not been audited)

	9 months ended 30 September	
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	45,118	28,874
Adjustments for:		
Depreciation of property, plant and equipment	928	688
Dividend income	(371)	(201)
Gain on disposal of property, plant and equipment	-	(295)
Interest expenses	2,373	2,945
Interest income	(108)	(139)
Property, plant and equipment written off	-	5
Operating profit before working capital changes	<hr/> 47,940	<hr/> 31,877
Changes in working capital:		
Land held for property development	(122)	(540)
Property development costs	(17,063)	(12,859)
Inventories	6,532	1,090
Receivables	(960)	5,348
Other current assets	1,460	(40,129)
Payables	(11,013)	15,943
Other current liabilities	(3,867)	(336)
Deposits pledged for bank guarantee	(20)	(13)
Cash generated from operations	<hr/> 22,887	<hr/> 381
Interest paid	(2,373)	(2,945)
Interest received	108	139
Taxes refunded	47	-
Taxes paid	(14,355)	(12,778)
Net cash generated from/(used in) operating activities	<hr/> <hr/> 6,314	<hr/> <hr/> (15,203)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of land held for development	(62,144)	-
Deposits with maturity more than 3 months	(7)	-
Dividend received	371	201
Proceeds from disposal of investment securities	45,000	28,000
Proceeds from disposal of property, plant and equipment	-	319
Proceeds from shares issued to non-controlling interest	-	300
Purchase of investment securities	(68,230)	(7,356)
Purchase of property, plant and equipment	(310)	(381)
Net cash (used in)/generated from investing activities	<hr/> <hr/> (85,320)	<hr/> <hr/> 21,083



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the nine-month period ended 30 September 2015

(The figures have not been audited)

	9 months ended 30 September	
	2015	2014
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	-	(12,649)
Dividends paid to non-controlling interests	(200)	-
Share issuance expense	(688)	-
Proceeds from loans and borrowings	84,510	46,500
Proceeds from exercise of employee share options	10	15
Proceeds from issuance of ordinary shares	50,654	-
Repayment of finance leases	(262)	(137)
Repayment of loans and borrowings	(55,624)	(38,300)
Net cash generated from/(used in) financing activities	78,400	(4,571)
Net (decrease)/increase in cash and cash equivalents	(606)	1,309
Cash and cash equivalents at beginning of financial period	15,333	19,698
Cash and cash equivalents at end of financial period	14,727	21,007

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

	As at 30 September	
	2015	2014
	RM'000	RM'000
Cash and bank balances	16,895	23,098
Less:		
Deposits with maturity more than 3 months	1,293	1,243
Deposits pledged for bank guarantee	875	848
Cash and cash equivalents	14,727	21,007

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)
(Incorporated in Malaysia)

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 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. Pursuant to a decision by the International Accounting Standards Board (IASB) to defer the effective date of IFRS 15 to 1 January 2018, the effective date for Transitioning Entities to apply MFRSs will also be deferred to annual periods beginning on or after 1 January 2018.



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

2. Changes in Accounting Policies (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 2018. 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 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 September 2015.

6. Property, Plant and Equipment

Acquisition and Disposals

During the nine months ended 30 September 2015, the Group acquired property, plant and equipment with an aggregate cost of RM435,000 (nine months ended 30 September 2014: RM320,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM310,121 during the nine months ended 30 September 2015 (nine months ended 30 September 2014: RM381,496).

There were no disposals during the nine months ended 30 September 2015. Property, plant and equipment with the carrying amount of RM24,771 were disposed off during the nine months ended 30 September 2014, resulting in a gain on disposal of RM294,729 which was included in other income.

There were no write off during the nine months ended 30 September 2015. Property, plant and equipment with the carrying amount of RM5,211 were written off during the nine months ended 30 September 2014 and the amount was included in the administrative expenses.

7. Debt and Equity Securities

During the financial quarter ended 30 September 2015, the Company has completed the 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 2 right shares for every 5 existing shares held in the Company on 24th July 2015. Arising from this, the Company issued and paid up share capital has increased to 177,287,733 ordinary shares.

Except for the abovementioned and 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 September 2015.



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

8. Dividends Paid

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

9. Segmental Information

Geographical segment

No geographical segment analysis has been presented as the Group's business interest is predominantly 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 September 2015 (3Q2015) and 3 months ended 30 September 2014 (3Q2014) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	3Q2015 RM'000	3Q2014 RM'000	3Q2015 RM'000	3Q2014 RM'000	3Q2015 RM'000	3Q2014 RM'000	3Q2015 RM'000	3Q2014 RM'000	3Q2015 RM'000	3Q2014 RM'000
Revenue:										
External customers	59,521	46,316	857	752	379	1,557	-	-	60,757	48,625
Inter-segment	-	-	-	-	40,570	33,392	(40,570)	(33,392)	-	-
Total revenue	59,521	46,316	857	752	40,949	34,949	(40,570)	(33,392)	60,757	48,625
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit	11,664	8,819	737	751	1,040	2,007	3,745	(176)	17,186	11,401
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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

9. Segmental Information (contd.)

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

	3Q2015	3Q2014
	RM'000	RM'000
Segment profit	18,161	12,696
Finance costs	(975)	(1,295)
	<hr/>	<hr/>
Profit before tax	17,186	11,401
	=====	=====

Results for 9 months ended 30 September 2015 (9M2015) and 9 months ended 30 September 2014 (9M2014) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	9M2015	9M2014	9M2015	9M2014	9M2015	9M2014	9M2015	9M2014	9M2015	9M2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:										
External customers	162,885	130,275	2,505	2,159	4,696	31,566	-	-	170,086	164,000
Inter-segment	-	-	-	-	105,160	110,076	(105,160)	(110,076)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	162,885	130,275	2,505	2,159	109,856	141,642	(105,160)	(110,076)	170,086	164,000
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
 Segment profit	 31,275	 16,085	 2,286	 2,112	 2,952	 10,972	 8,605	 (295)	 45,118	 28,874
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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

9. Segmental Information (contd.)

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

	9M2015	9M2014
	RM'000	RM'000
Segment profit	47,491	31,819
Finance costs	(2,373)	(2,945)
	<hr/>	<hr/>
Profit before tax	45,118	28,874
	=====	=====

10. Event After the Reporting Period

On 23rd October 2015, the shareholders of the Company have approved the following proposals;

- Proposed bonus issue of 70,915,093 new ordinary shares of RM1.00 each to be credited as fully paid-up on the basis of 2 bonus shares for every 5 existing ordinary shares held in the Company on 6th November 2015.
- Proposed subdivision of every 1 existing ordinary share held after the proposed bonus issue into 2 ordinary shares of RM0.50 each and every 1 preference share of RM1.00 each into 2 preference shares of RM0.50 each.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 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

	As at 30 September	
	2015	2014
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	47	142

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	
	2015	2014
	RM'000	RM'000
Directors	358	336
Key management personnel	298	166



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

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value 3 months ended 30 September		Balance outstanding as at 30 September	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		102	102	-	-
Hiap Ghee Seng Sdn Bhd	(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 September 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)	27,516	27,516	4,286	4,286

17. Trade and Other Payables

	Unaudited 30 September 2015 RM'000	Audited 31 December 2014 RM'000
Trade and other payables	36,072	47,311
Provision for projects	28,556	28,330
Total trade and other payables	64,628	75,641



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

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

Review of Performance

18. Current Financial Quarter (3Q2015) Vs Corresponding Financial Quarter (3Q2014)

The Group's revenue for 3Q2015 increased to RM60.76 million from RM48.63 million in 3Q2014. 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 the Park Residence, sales of developed vacant land at Tabuan Tranquility Phase 4, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, construction project at Bintulu and rental income from investment property. The Group's revenue for 3Q2014 was primarily recognised from sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2 and Trombol 2, sales of 3-storey shophouses at Stutong, 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 decreased from RM0.45 million in 3Q2014 to RM0.27 million in 3Q2015. 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 RM2.52 million compared to RM2.47 million in 3Q2014. 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 3Q2014.

Finance costs decreased to RM0.98 million from RM1.30 million in 3Q2014. 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 9-month Financial Period (9M2015) Vs Corresponding 9-month Financial Period (9M2014)

The Group's profit before tax for 9M2015 increased to RM45.12 million compared to a profit before tax of RM28.87 million recorded in 9M2014.

The Group's revenue for 9M2015 increased to RM170.09 million from RM164 million in 9M2014. During 9M2015, the revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2 and Phase 4, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2, Phase 4 and Trombol 2, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, construction project at Bintulu and rental income from investment property. Whilst, revenue from 9M2014 was recognised from sales of residential houses at Tabuan Tranquility Phase 2, Phase 4 and Phase 5, sales of apartments at Stutong Heights, sales of developed vacant land at Tabuan Tranquility Phase 2 and Trombol 2, sales of 3-storey shophouses at Stutong, construction project at Bintulu and rental income from investment property.

Other income decreased from RM0.89 million to RM0.70 million in 9M2015. 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.



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

19. Current 9-month Financial Period (9M2015) Vs Corresponding 9-month Financial Period (9M2014) (contd.)

Administrative expenses increased to RM8.74 million compared to RM7.59 million in 9M2014. 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 RM2.95 million in 9M2014 to RM2.37 million in 9M2015. 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 RM17.19 million compared to a profit before tax of RM11.31 million recorded in the immediate preceding quarter ended 30 June 2015.

The Group's revenue for the current financial quarter ended 30 September 2015 increased to RM60.76 million compared to RM52.15 million in the immediate preceding quarter ended 30 June 2015. Apart from the recognition of revenue from the sales of apartments at Stutong Heights 3 and sales of developed vacant land at Tabuan Tranquility Phase 4 in the current financial 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 and 2, sales of condominiums at the Park Residence, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, construction project at Bintulu and rental income from its investment property.

Other income increased from RM0.26 million in the immediate preceding quarter to RM0.27 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 decreased to RM2.52 million compared to RM3.42 million in the immediate preceding quarter ended 30 June 2015. The decrease is mainly due to higher corporate social responsibility expenses in the immediate preceding 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 RM0.80 million in the immediate preceding quarter to RM0.98 million in this reporting quarter.

21. Retained Earnings

	Unaudited 30 September 2015 RM'000	Audited 31 December 2014 RM'000
Realised	131,013	105,817
Unrealised	(4,774)	(8,977)
Total retained earnings	126,239	96,840



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

22. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation of property, plant and equipment	323	233	928	688
Dividends income	(171)	(76)	(371)	(201)
Gain on disposal of property, plant and equipment	-	(282)	-	(295)
Interest expenses	975	1,295	2,373	2,945
Interest income	(41)	(38)	(108)	(139)
Other income	(56)	(52)	(216)	(257)
Property, plant and equipment written off	-	5	-	5

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 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

	3 months ended 30 September		9 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current income tax:				
- Malaysian income tax	6,264	3,679	12,107	7,928
- Under/(over) provision in respect of previous years	205	(21)	205	(21)
	6,469	3,658	12,312	7,907
Deferred tax	(1,774)	177	(746)	801
Total income tax expense	4,695	3,835	11,566	8,708

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 and the 9 months financial period are slightly higher than the statutory tax rate mainly due to certain expenses are not deductible for tax purposes.



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

26. Loans and Borrowings

	Unaudited As at 30 September 2015 RM'000	Audited As at 31 December 2014 RM'000
Short term borrowings		
Secured: Finance lease liabilities	428	310
Revolving credits	22,100	40,300
Term loans	20,909	18,154
	<hr/>	<hr/>
	43,437	58,764
Long term borrowings		
Secured: Finance lease liabilities	1,273	1,218
Term loans	84,653	40,322
	<hr/>	<hr/>
	85,926	41,540
	<hr/>	<hr/>
Total loans and borrowings	129,363	100,304

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. Corporate Exercise

Status of corporate exercise – rights and bonus issue

On 21st August 2015, the Company has completed the 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 2 right shares for every 5 existing ordinary shares held in the Company on 24th July 2015.

On 23rd October 2015, the shareholders of the Company have approved the proposed bonus issue of 70,915,093 new ordinary shares of RM1.00 each to be credited as fully paid-up on the basis of 2 bonus shares for every 5 existing ordinary shares held in the Company on 6th November 2015. The shareholders also approved the proposed subdivision of every 1 existing ordinary share held after the proposed bonus issue into 2 ordinary shares of RM0.50 each and every 1 preference shares of RM1.00 each into 2 preference shares of RM0.50 each. This corporate exercise was completed on 9th November 2015.

Status of utilisation of proceeds

The gross proceeds from issuance of 50,563,638 rights shares at an issue price of RM1.00 per rights share of approximately RM50.56 million have been / shall be utilised in the following manner:

	Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Balance RM'000	Intended timeframe for utilisation	Explanations
(i)	Repayment of bank borrowings	30,000	(28,460)	1,540	Within 12 months	Repayment of short term borrowings
(ii)	Project financing	19,554	(578)	18,976	Within 24 months	Payment to project consultants
(iii)	Rights issue expenses	1,100	(688)	412	Within 3 months	Payment of professional fees
		<hr/>	<hr/>	<hr/>		
		50,654	(29,726)	20,928		



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

28. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 16 November 2015, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

29. Changes in Material Litigation

There was no known material litigation as at 16 November 2015.

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		9 months ended	
	2015	2014	2015	2014
Profit attributable to owners of the parent (RM'000)	11,201	8,630	29,399	20,655
Weighted average number of ordinary shares in issue ('000)	149,208	126,503	134,239	126,495
Effects of dilution - share options ('000)	-	54	-	56
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	149,208	126,557	134,239	126,551
Basic earnings per share (sen)	7.51	6.82	21.90	16.33
Diluted earnings per share (sen)	7.51	6.82	21.90	16.32

31. 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.

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 November 2015.