



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three-month period ended 31 March 2016

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		39,005	57,180	39,005	57,180
Cost of sales		(22,802)	(37,215)	(22,802)	(37,215)
<b>Gross profit</b>		16,203	19,965	16,203	19,965
Other income		278	165	278	165
Administrative expenses		(2,966)	(2,798)	(2,966)	(2,798)
Selling and marketing expenses		(119)	(112)	(119)	(112)
Finance costs		(1,394)	(602)	(1,394)	(602)
<b>Profit before tax</b>	21	12,002	16,618	12,002	16,618
Income tax expense	24	(3,155)	(3,962)	(3,155)	(3,962)
<b>Profit for the period</b>		8,847	12,656	8,847	12,656
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		8,847	12,656	8,847	12,656
<b>Profit for the period attributable to :</b>					
<b>Owners of the parent</b>		8,092	10,555	8,092	10,555
<b>Non-controlling interests</b>		755	2,101	755	2,101
		8,847	12,656	8,847	12,656
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		8,092	10,555	8,092	10,555
<b>Non-controlling interests</b>		755	2,101	755	2,101
		8,847	12,656	8,847	12,656



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

For the three-month period ended 31 March 2016

(The figures have not been audited)

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

Basic, for profit for the period (Sen)	29	2.42	2.62	2.42	2.62
Diluted, for profit for the period (Sen)	29	2.42	2.62	2.42	2.62

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 31 March 2016 and 31 December 2015

	Note	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
<b>ASSETS</b>			
Property, plant & equipment		7,803	8,125
Land held for property development		193,210	193,209
Investment property		51,700	51,700
Deferred tax assets		5,026	5,995
<b>Total non-current assets</b>		<u>257,739</u>	<u>259,029</u>
Property development costs		171,241	162,125
Inventories		5,678	6,511
Trade and other receivables		12,474	46,830
Other current assets		43,531	24,796
Investment securities	16	10,491	5,476
Cash and bank balances		50,256	47,809
<b>Total current assets</b>		<u>293,671</u>	<u>293,547</u>
<b>TOTAL ASSETS</b>		<u>551,410</u>	<u>552,576</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		248,203	248,203
Share premium		-	-
Share option reserve		-	-
Retained earnings	20	71,846	63,754
		<u>320,049</u>	<u>311,957</u>
<b>Non-controlling interests</b>		10,605	9,824
<b>Total Equity</b>		<u>330,654</u>	<u>321,781</u>
<b>LIABILITIES</b>			
Loans and borrowings	25	75,845	83,676
Deferred tax liabilities		2	2
<b>Total non-current liabilities</b>		<u>75,847</u>	<u>83,678</u>
Loans and borrowings	25	78,410	71,747
Trade and other payables	17	65,469	75,144
Other current liabilities		1,030	226
<b>Total current liabilities</b>		<u>144,909</u>	<u>147,117</u>
<b>Total liabilities</b>		<u>220,756</u>	<u>230,795</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>551,410</u>	<u>552,576</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 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 three-month period ended 31 March 2016  
(The figures have not been audited)

	Attributable to owners of the parent				Non-Controlling interests 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		
<b>At 1 January 2015</b>	126,624	9,964	96,840	17	3,517	236,962
Total comprehensive income	-	-	45,959	-	6,507	52,466
Dividends on ordinary shares	-	-	(17,374)	-	-	(17,374)
Dividends paid to non-controlling interests	-	-	-	-	(200)	(200)
Bonus issue	70,915	(9,244)	(61,671)	-	-	-
Rights issue	50,654	-	-	-	-	50,654
Share issuance expenses	-	(737)	-	-	-	(737)
Exercise of employees' share options	10	17	-	(17)	-	10
<b>At 31 December 2015</b>	<u>248,203</u> =====	<u>-</u> =====	<u>63,754</u> =====	<u>-</u> =====	<u>9,824</u> =====	<u>321,781</u> =====
<b>At 1 January 2016</b>	248,203	-	63,754	-	9,824	321,781
Total comprehensive income	-	-	8,092	-	755	8,847
Contribution of capital by non-controlling interests	-	-	-	-	26	26
<b>At 31 March 2016</b>	<u>248,203</u> =====	<u>-</u> =====	<u>71,846</u> =====	<u>-</u> =====	<u>10,605</u> =====	<u>330,654</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 2015 and the accompanying explanatory notes attached to the interim financial statements.



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

For the three-month period ended 31 March 2016

(The figures have not been audited)

	<b>3 months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	12,002	16,618
Adjustments for:		
Depreciation of property, plant and equipment	334	300
Dividend income	(126)	(92)
Interest expenses	1,394	602
Interest income	(58)	(36)
Operating profit before working capital changes	<u>13,546</u>	<u>17,392</u>
Changes in working capital:		
Land held for property development	(1)	(20)
Property development costs	(9,116)	(7,914)
Inventories	833	2,485
Receivables	34,356	(28,573)
Other current assets	(13,369)	8,764
Payables	(9,675)	(13,572)
Other current liabilities	804	28,463
Deposits pledged for bank guarantee	(7)	(6)
Cash generated from operations	<u>17,371</u>	<u>7,019</u>
Interest paid	(1,394)	(602)
Interest received	58	36
Taxes paid	<u>(7,552)</u>	<u>(4,762)</u>
<b>Net cash generated from operating activities</b>	<u><b>8,483</b></u>	<u><b>1,691</b></u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of land held for development	-	(13,500)
Dividend received	126	92
Proceeds from disposal of investment securities	5,000	15,000
Proceeds from shares issued to non-controlling interests	26	-
Purchase of investment securities	(10,015)	(18,000)
Purchase of property, plant and equipment	(12)	(114)
<b>Net cash used in investing activities</b>	<u><b>(4,875)</b></u>	<u><b>(16,622)</b></u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans and borrowings	10,400	34,000
Proceeds from exercise of employee share options	-	10
Repayment of finance leases	(107)	(81)
Repayment of loans and borrowings	<u>(11,461)</u>	<u>(10,921)</u>
<b>Net cash (used in)/generated from financing activities</b>	<u><b>(1,168)</b></u>	<u><b>23,008</b></u>



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

For the three-month period ended 31 March 2016

(The figures have not been audited)

	<b>3 months ended 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net increase in cash and cash equivalents</b>	2,440	8,077
<b>Cash and cash equivalents at beginning of financial period</b>	35,633	15,333
<b>Cash and cash equivalents at end of financial period</b>	38,073	23,410

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

	<b>As at 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	50,256	25,557
Less:		
Deposits with maturity more than 3 months	(11,294)	(1,286)
Deposits pledged for bank guarantee	(889)	(861)
Cash and cash equivalents	38,073	23,410

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.



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

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**1. Basis of Preparation**

These condensed consolidated interim financial statements have been prepared on a historical basis except 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 2015. 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 2015.

**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 2015.

On 1 January 2016, the Group adopted the following FRSs:-

**FRSs**

Annual Improvements to FRSs 2012 - 2014 Cycle

Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to FRS 127: Equity Method in Separate Financial Statements

Amendments to FRS 101: Disclosure Initiative

Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception

FRS 14: Regulatory Deferral Accounts

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').



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

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.

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 31 March 2016.

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

There were no changes in estimates that have had any material effect on the quarter ended 31 March 2016.

**6. Property, Plant and Equipment**

**Acquisition and Disposals**

The cash outflow on acquisition of property, plant and equipment amounted to RM11,794 during the three months ended 31 March 2016 (three months ended 31 March 2015: RM113,687).

There was no disposal and write off during the three months ended 31 March 2016 (three months ended 31 March 2015: RM Nil).

**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 31 March 2016.





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**8. Dividends Paid**

There was no dividend paid during the quarter ended 31 March 2016.

**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 31 March 2016 (1Q2016) and 3 months ended 31 March 2015 (1Q2015) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	1Q2016 RM'000	1Q2015 RM'000	1Q2016 RM'000	1Q2015 RM'000	1Q2016 RM'000	1Q2015 RM'000	1Q2016 RM'000	1Q2015 RM'000	1Q2016 RM'000	1Q2015 RM'000
<b>Revenue:</b>										
External customers	38,205	53,768	800	776	-	2,636	-	-	39,005	57,180
Inter-segment	-	-	-	-	25,561	31,138	(25,561)	(31,138)	-	-
Total revenue	38,205	53,768	800	776	25,561	33,774	(25,561)	(31,138)	39,005	57,180
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit	8,765	13,043	479	753	(116)	276	2,874	2,546	12,002	16,618
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



**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>1Q2016</b>	<b>1Q2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	13,396	17,220
Finance costs	(1,394)	(602)
	<hr/>	<hr/>
Profit before tax	12,002	16,618
	=====	=====

**10. Event After the Reporting Period**

There are no material events subsequent to the reporting date that have any material effect on the quarter ended 31 March 2016.

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

On 8 January 2016, the Company has incorporated a new subsidiary, Ibraco Ascent Sdn Bhd. Ibraco Ascent's issued and paid-up capital of RM100,000 is 74% owned by the Company and the balance of 26% is owned by Ms. Koid Li Yee, a Malaysian.

**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 2015 till the end of the financial period.

**13. Capital Commitments**

	<b>As at 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Approved and contracted for:</b>		
Land held for property development	-	41,500
Property, plant and equipment	-	47

**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 31 March</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	428	353
Key management personnel	305	226



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**15. Related Party Transactions**

The related party transactions are as follows:

	Note	Transaction value 3 months ended 31 March		Balance outstanding as at 31 March	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 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	-	-
Sales of 2 units of 3-storey commercial properties at Tabuan Tranquility Phase 3	*	-	(2,843)	-	2,487
<b>Chew Chiaw Han</b>	(c)				
Sales of 1 unit of 3-storey shop office at Bintulu Town Square	*	-	(2,168)	-	1,943
Sales of 1 unit of lock-up shop at Bintulu Town Square	*	-	(258)	-	245

**Notes**

\* These balances are not yet due for payment in accordance to the terms and conditions of the Sale & Purchase Agreement.

(a) Sharifah Deborah Sophia Ibrahim is a 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 Managing Director and a major shareholder of the Company.

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.



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**16. Investment Securities**

	<b>Unaudited 31 March 2016 RM'000</b>		<b>Audited 31 December 2015 RM'000</b>	
	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)	10,491	10,491	5,476	5,476

**17. Trade and Other Payables**

	<b>Unaudited 31 March 2016 RM'000</b>	<b>Audited 31 December 2015 RM'000</b>
Trade and other payables	43,025	42,855
Provision for projects	22,444	32,289
<b>Total trade and other payables</b>	<b>65,469</b>	<b>75,144</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 (1Q2016) Vs Corresponding Financial Quarter (1Q2015)**

The Group's revenue for 1Q2016 decreased to RM39.01 million from RM57.18 million in 1Q2015. During this reporting quarter, revenue was primarily recognised from the sales of residential houses at Tabuan Tranquility Phase 2, sales of apartments at Stutong Heights, sales of condominiums at the Park Residence, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of shop lots at Bintulu Town Square and rental income from investment property. The Group's revenue for 1Q2015 was primarily recognised from 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 Trombol, 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. 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 RM0.17 million in 1Q2015 to RM0.28 million in 1Q2016. 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-sales and re-financing.

Administrative expenses increased to RM2.97 million compared to RM2.80 million in 1Q2015. The increase was mainly due to increase in staff costs, office rental and professional fees incurred during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 1Q2015.

Finance costs increased to RM1.39 million from RM0.60 million in 1Q2015. The increase was primarily due to drawdown of banking facilities to finance the acquisition of land and finance costs incurred for completed projects are expensed off to statement of comprehensive income during this reporting quarter.

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

The Group recorded a profit before tax of RM12.0 million compared to a profit before tax of RM25.13 million recorded in the immediate preceding quarter ended 31 December 2015.

The Group's revenue for the current financial quarter ended 31 March 2016 decreased to RM39.01 million compared to RM83.95 million in the immediate preceding quarter ended 31 December 2015. Apart from the recognition of revenue from the sales of residential houses and developed vacant lot at Tabuan Tranquility Phase 4, and construction project at Bintulu 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, sales of apartments at Stutong Heights, sales of condominiums at the Park Residence, sales of shop lots at Bintulu Town Square, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, and rental income from its investment property.



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

Other income decreased from RM0.69 million in the immediate preceding quarter to RM0.28 million in this reporting quarter. This decrease was mainly due to gain in fair value of investment property recognised during the immediate preceding quarter.

Administrative expenses decreased to RM2.97 million compared to RM4.28 million in the immediate preceding quarter ended 31 December 2015. The decrease was mainly due to higher corporate social responsibility expenses, entertainment expenses and provision for staff bonus recognised in the immediate preceding quarter. Other components of the administrative expenses have not varied much compared to those incurred during the immediate preceding quarter.

Finance costs have decreased from RM2.31 million in the immediate preceding quarter to RM1.39 million in this reporting quarter. The decrease was primarily due to repayment of loans and borrowings during this reporting quarter.

**20. Retained Earnings**

	<b>Unaudited 31 March 2016 RM'000</b>	<b>Audited 31 December 2015 RM'000</b>
Realised	78,667	70,401
Unrealised	(6,821)	(6,647)
<b>Total retained earnings</b>	<b>71,846</b>	<b>63,754</b>

**21. Profit Before Tax**

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

	<b>3 months ended 31 March</b>		<b>3 months ended 31 March</b>	
	<b>2016 RM'000</b>	<b>2015 RM'000</b>	<b>2016 RM'000</b>	<b>2015 RM'000</b>
Depreciation of property, plant and equipment	334	300	334	300
Dividends income	(126)	(92)	(126)	(92)
Interest expenses	1,394	602	1,394	602
Interest income	(58)	(36)	(58)	(36)
Other income	(94)	(37)	(94)	(37)

**22. 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 2016 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 interests and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.

**24. Income Tax Expense**

	3 months ended 31 March		3 months ended 31 March	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
- Malaysian income tax	2,490	3,381	2,490	3,381
Deferred tax	665	581	655	581
<b>Total income tax expense</b>	<b>3,155</b>	<b>3,962</b>	<b>3,155</b>	<b>3,962</b>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the 3 months financial period is slightly higher than the statutory tax rate mainly due to certain expenses are not deductible for tax purposes.

**25. Loans and Borrowings**

	Unaudited As at 31 March 2016 RM'000	Audited As at 31 December 2015 RM'000
<b>Short term borrowings</b>		
Secured: Finance lease liabilities	440	435
Revolving credits	55,500	50,100
Term loans	22,470	21,212
	<b>78,410</b>	<b>71,747</b>
<b>Long term borrowings</b>		
Secured: Finance lease liabilities	1,048	1,160
Term loans	74,797	82,516
	<b>75,845</b>	<b>83,676</b>
<b>Total loans and borrowings</b>	<b>154,255</b>	<b>155,423</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.



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**26. Corporate Exercise**

**Status of corporate exercise – rights and bonus issue**

On 21 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 24 July 2015.

On 23 October 2015, the shareholders of the Company have approved the 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 6 November 2015. The shareholders also approved the subdivision of every 1 existing ordinary share held after the 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 9 November 2015.

**Status of utilisation of proceeds**

The gross proceeds from issuance of 50,653,638 rights shares at an issue price of RM1.00 per rights share of approximately RM50.65 million have been / shall be utilised in the following manner:

	<b>Purpose</b>	<b>Proposed utilisation</b>	<b>Actual utilisation</b>	<b>Deviation</b>	<b>Balance</b>	<b>Intended timeframe for utilisation</b>	<b>Explanations</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		
(i)	Repayment of bank borrowings	30,000	(30,000)	-	-	Within 12 months	Repayment of short term borrowings
(ii)	Project financing	19,554	(4,157)	363	15,760	Within 24 months	Payment to project consultants
(iii)	Rights issue expenses	1,100	(737)	(363)	-	Within 3 months	Payment of professional fees
		<u>50,654</u>	<u>(34,894)</u>	<u>-</u>	<u>15,760</u>		

**27. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 16 May 2016, 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 16 May 2016.





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**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 31 March		3 months ended 31 March	
	2016	2015	2016	2015
Profit attributable to owners of the parent (RM'000)	12,002	10,555	12,002	10,555
Weighted average number of ordinary shares in issue ('000)	496,406	402,902	496,406	402,902
Effects of dilution - share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	496,406	402,902	496,406	402,902
Basic earnings per share (sen)	2.42	2.62	2.42	2.62
Diluted earnings per share (sen)	2.42	2.62	2.42	2.62

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

The auditors' report on the financial statements for the financial year ended 31 December 2015 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 20 May 2016.