



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine-month period ended 30 September 2016

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		32,431	60,757	132,122	170,086
Cost of sales		(20,857)	(40,014)	(83,649)	(114,017)
<b>Gross profit</b>		11,574	20,743	48,473	56,069
Other income		256	268	1,050	695
Administrative expenses		(3,021)	(2,522)	(8,909)	(8,740)
Selling and marketing expenses		(90)	(328)	(248)	(533)
Finance costs		(1,234)	(975)	(3,953)	(2,373)
<b>Profit before tax</b>	23	7,485	17,186	36,413	45,118
Income tax expense	26	(3,037)	(4,695)	(10,356)	(11,566)
<b>Profit for the period</b>		4,448	12,491	26,057	33,552
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		4,448	12,491	26,057	33,552
<b>Profit for the period attributable to :</b>					
<b>Owners of the parent</b>		4,361	11,201	23,808	29,399
<b>Non-controlling interests</b>		87	1,290	2,249	4,153
		4,448	12,491	26,057	33,552
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		4,361	11,201	23,808	29,399
<b>Non-controlling interests</b>		87	1,290	2,249	4,153
		4,448	12,491	26,057	33,552



**IBRACO BERHAD (011286-P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)**

For the nine-month period ended 30 September 2016

(The figures have not been audited)

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

Basic, for profit for the period (Sen)	31	0.88	2.36	4.80	6.88
Diluted, for profit for the period (Sen)	31	0.88	2.36	4.80	6.88

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)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2016 and 31 December 2015

	Note	Unaudited As at 30 September 2016 RM'000	Audited As at 31 December 2015 RM'000
<b>ASSETS</b>			
Property, plant & equipment		7,707	8,125
Land held for property development		193,327	193,209
Investment property		51,700	51,700
Deferred tax assets		12,095	5,995
<b>Total non-current assets</b>		264,829	259,029
Property development costs		172,931	162,125
Inventories		3,854	6,511
Trade and other receivables		23,697	46,830
Other current assets		37,762	24,796
Investment securities	17	20,616	5,476
Cash and bank balances		27,438	47,809
<b>Total current assets</b>		286,298	293,547
<b>TOTAL ASSETS</b>		551,127	552,576
<b>Equity attributable to owners of the parent</b>			
Share capital		248,203	248,203
Retained earnings	22	87,562	63,754
		335,765	311,957
<b>Non-controlling interests</b>		11,099	9,824
<b>Total Equity</b>		346,864	321,781
<b>LIABILITIES</b>			
Loans and borrowings	27	63,610	83,676
Deferred tax liabilities		2	2
<b>Total non-current liabilities</b>		63,612	83,678
Loans and borrowings	27	78,655	71,747
Trade and other payables	18	59,402	75,144
Other current liabilities		2,594	226
<b>Total current liabilities</b>		140,651	147,117
<b>Total liabilities</b>		204,263	230,795
<b>TOTAL EQUITY AND LIABILITIES</b>		551,127	552,576

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 nine-month period ended 30 September 2016  
(The figures have not been audited)

	<i>Non-distributable</i>		<i>Attributable to owners of the parent</i>		<i>Non-Controlling interests</i> RM'000	<i>Total equity</i> RM'000
	<i>Share capital</i> RM'000	<i>Share premium</i> RM'000	<i>Distributable Retained earnings</i> RM'000	<i>Share option reserve</i> 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	-	-	23,808	-	2,249	26,057
Contribution of capital by non-controlling interests	-	-	-	-	26	26
Dividends paid to non-controlling interests	-	-	-	-	(1,000)	(1,000)
<b>At 30 September 2016</b>	<u>248,203</u>	<u>-</u>	<u>87,562</u>	<u>-</u>	<u>11,099</u>	<u>346,864</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 nine-month period ended 30 September 2016

(The figures have not been audited)

	<b>9 months ended 30 September</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	36,413	45,118
Adjustments for:		
Depreciation of property, plant and equipment	991	928
Dividend income	(422)	(371)
Interest expenses	3,953	2,373
Interest income	(445)	(108)
Operating profit before working capital changes	40,490	47,940
Changes in working capital:		
Land held for property development	(118)	(122)
Property development costs	(10,806)	(17,063)
Inventories	2,657	6,532
Receivables	23,133	(960)
Other current assets	(8,930)	1,460
Payables	(15,742)	(11,013)
Other current liabilities	2,368	(3,867)
Deposits pledged for bank guarantee	(28)	(20)
Cash generated from operations	33,024	22,887
Interest paid	(3,953)	(2,373)
Interest received	445	108
Taxes paid	(20,616)	(14,355)
Taxes refunded	124	47
<b>Net cash generated from operating activities</b>	<b>9,024</b>	<b>6,314</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of land held for development	-	(62,144)
Deposits with maturity more than 3 months	9,951	(7)
Dividend received	422	371
Proceeds from disposal of investment securities	5,000	45,000
Proceeds from shares issued to non-controlling interests	26	-
Purchase of investment securities	(20,140)	(68,230)
Purchase of property, plant and equipment	(143)	(310)
<b>Net cash used in investing activities</b>	<b>(4,884)</b>	<b>(85,320)</b>



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

For the nine-month period ended 30 September 2016

(The figures have not been audited)

	<b>9 months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	(1,000)	(200)
Share issuance expenses	-	(688)
Proceeds from loans and borrowings	10,400	84,510
Proceeds from exercise of employee share options	-	10
Proceeds from issuance of ordinary shares	-	50,654
Repayment of finance leases	(330)	(262)
Repayment of loans and borrowings	(23,658)	(55,624)
<b>Net cash (used in)/generated from financing activities</b>	<b>(14,588)</b>	<b>78,400</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(10,448)</b>	<b>(606)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>35,633</b>	<b>15,333</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>25,185</b>	<b>14,727</b>

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

	<b>As at 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	27,438	16,895
Less:		
Deposits with maturity more than 3 months	(1,343)	(1,293)
Deposits pledged for bank guarantee	(910)	(875)
Cash and cash equivalents	<b>25,185</b>	<b>14,727</b>

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.



**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 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').

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)**  
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**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 2016.

**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 2016.

**6. Property, Plant and Equipment**

**Acquisition and Disposals**

During the nine months ended 30 September 2016, the Group acquired property, plant and equipment with an aggregate cost of RM 430,000 (nine months ended 30 September 2015: RM435,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM143,541 during the nine months ended 30 September 2016 (nine months ended 30 September 2015: RM310,121).

There was no disposal and write off during the nine months ended 30 September 2016 (nine months ended 30 September 2015: RM Nil).

**7. Debt and Equity Securities**

Except for those disclosed in Note 17, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 September 2016.

**8. Dividend Paid**

There was no dividend paid during the quarter ended 30 September 2016.

**9. Dividend Payable**

The Board of Directors of the Company had on 24 October 2016 approved a single tier first interim dividend of 3.50 sen per ordinary share for the financial year ending 31 December 2016 (financial year ended 31 December 2015 : 3.50 sen). The dividend is payable on 18 November 2016 to shareholders whose name appear in the Register of Depositors on 9 November 2016.





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**10. 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 2016 (3Q2016) and 3 months ended 30 September 2015 (3Q2015) 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>3Q2016 RM'000</b>	<b>3Q2015 RM'000</b>	<b>3Q2016 RM'000</b>	<b>3Q2015 RM'000</b>	<b>3Q2016 RM'000</b>	<b>3Q2015 RM'000</b>	<b>3Q2016 RM'000</b>	<b>3Q2015 RM'000</b>	<b>3Q2016 RM'000</b>	<b>3Q2015 RM'000</b>
<b>Revenue:</b>										
External customers	31,632	59,521	799	857	-	379	-	-	32,431	60,757
Inter-segment	-	-	-	-	16,325	40,570	(16,325)	(40,570)	-	-
<b>Total revenue</b>	<b>31,632</b>	<b>59,521</b>	<b>799</b>	<b>857</b>	<b>16,325</b>	<b>40,949</b>	<b>(16,325)</b>	<b>(40,570)</b>	<b>32,431</b>	<b>60,757</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>Segment profit</b>	<b>3,399</b>	<b>11,664</b>	<b>416</b>	<b>737</b>	<b>592</b>	<b>1,040</b>	<b>3,078</b>	<b>3,745</b>	<b>7,485</b>	<b>17,186</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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

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

	<b>3Q2016</b>	<b>3Q2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	8,719	18,161
Finance costs	(1,234)	(975)
	<hr/>	<hr/>
Profit before tax	7,485	17,186
	=====	=====

Results for 9 months ended 30 September 2016 (9M2016) and 9 months ended 30 September 2015 (9M2015) 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>9M2016</b>	<b>9M2015</b>	<b>9M2016</b>	<b>9M2015</b>	<b>9M2016</b>	<b>9M2015</b>	<b>9M2016</b>	<b>9M2015</b>	<b>9M2016</b>	<b>9M2015</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	129,724	162,885	2,398	2,505	-	4,696	-	-	132,122	170,086
Inter-segment	-	-	-	-	69,031	105,160	(69,031)	(105,160)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	129,724	162,885	2,398	2,505	69,031	109,856	(69,031)	(105,160)	132,122	170,086
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
 Segment profit	 24,792	 31,275	 1,385	 2,286	 1,113	 2,952	 9,123	 8,605	 36,413	 45,118
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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

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

	<b>9M2016</b>	<b>9M2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	40,366	47,491
Finance costs	(3,953)	(2,373)
	<hr/>	<hr/>
Profit before tax	36,413	45,118
	=====	=====

**11. Event After the Reporting Period**

There are no material events subsequent to the reporting date that have any material effect on the quarter ended 30 September 2016.

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

There were no changes in the composition of the Group during the current quarter ended 30 September 2016.

**13. 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.

**14. Capital Commitments**

	<b>As at 30 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Approved and contracted for:</b>		
Property, plant and equipment	-	47

**15. 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 September</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	369	358
Key management personnel	287	298



**IBRACO BERHAD (011286-P)**  
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**16. Related Party Transactions**

The related party transactions are as follows:

	Note	Transaction value 3 months ended 30 September		Balance outstanding as at 30 September	
		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	-	-

**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.

**17. Investment Securities**

	Unaudited 30 September 2016 RM'000		Audited 31 December 2015 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)	20,616	20,616	5,476	5,476

**18. Trade and Other Payables**

	Unaudited 30 September 2016 RM'000	Audited 31 December 2015 RM'000
Trade and other payables	38,585	42,855
Provision for projects	20,817	32,289
<b>Total trade and other payables</b>	<b>59,402</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**

**19. Current Financial Quarter (3Q2016) Vs Corresponding Financial Quarter (3Q2015)**

The Group's revenue for 3Q2016 decreased to RM32.43 million from RM60.76 million in 3Q2015. 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 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 3Q2015 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 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. 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 RM0.27 million in 3Q2015 to RM0.26 million in 3Q2016. 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 RM3.02 million compared to RM2.52 million in 3Q2015. The increase was mainly due to increase in staff costs, office rental and corporate social responsibility expenses during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 3Q2015.

Finance costs increased to RM1.23 million from RM0.98 million in 3Q2015. 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.

**20. Current 9-month financial period (9M2016) Vs corresponding 9-month financial period (9M2015)**

The Group's profit before tax for 9M2016 decreased to RM36.41 million compared to a profit before tax of RM45.12 million recorded in 9M2015.

The Group's revenue for 9M2016 decreased to RM132.12 million from RM170.09 million in 9M2015. During 9M2016, 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 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. Whilst, revenue from 9M2015 was recognised from 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.



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**20. Current 9-month financial period (9M2016) Vs corresponding 9-month financial period (9M2015) (contd.)**

Other income increased from RM0.70 million to RM1.05 million in 9M2016. 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 RM8.91 million compared to RM8.74 million in 9M2015. The increase is mainly due to increase in staff costs and office rental during the reporting period. Other components of the administrative expenses have not varied much compared to that incurred during the corresponding period.

Finance costs increased from RM2.37 million in 9M2015 to RM3.95 million in 9M2016. 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 financial period.

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

The Group recorded a profit before tax of RM7.49 million compared to a profit before tax of RM16.93 million recorded in the immediate preceding quarter ended 30 June 2016.

The Group's revenue for the current financial quarter ended 30 September 2016 decreased to RM32.43 million compared to RM60.69 million in the immediate preceding quarter ended 30 June 2016. Apart from the recognition of revenue from sales of residential house 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, 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.

Other income decreased from RM0.52 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 RM3.02 million compared to RM2.92 million in the immediate preceding quarter ended 30 June 2016. The increase was mainly due to increase in staff costs and corporate social responsibility expenses incurred in the current financial 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 RM1.33 million in the immediate preceding quarter to RM1.23 million in this reporting quarter. The decrease was primarily due to repayment of loans and borrowings during this reporting quarter.



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**22. Retained Earnings**

	<b>Unaudited 30 September 2016 RM'000</b>	<b>Audited 31 December 2015 RM'000</b>
Realised	91,189	70,401
Unrealised	(3,627)	(6,647)
<b>Total retained earnings</b>	<b>87,562</b>	<b>63,754</b>

**23. Profit Before Tax**

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

	<b>3 months ended 30 September</b>		<b>9 months ended 30 September</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	332	323	991	928
Dividends income	(158)	(171)	(422)	(371)
Interest expenses	1,234	975	3,953	2,373
Interest income	(48)	(41)	(445)	(108)
Other income	(50)	(56)	(183)	(216)

**24. 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 satisfactory 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.

**25. 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.



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**26. Income Tax Expense**

	3 months ended 30 September		9 months ended 30 September	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
- Malaysian income tax	6,424	6,264	13,738	12,107
- Under provision in respect of previous years	3,022	205	3,022	205
	<u>9,446</u>	<u>6,469</u>	<u>16,760</u>	<u>12,312</u>
Deferred tax	(6,409)	(1,774)	(6,404)	(746)
<b>Total income tax expense</b>	<u>3,037</u>	<u>4,695</u>	<u>10,356</u>	<u>11,566</u>

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

**27. Loans and Borrowings**

	Unaudited As at 30 September 2016 RM'000	Audited As at 31 December 2015 RM'000
	<b>Short term borrowings</b>	
Secured: Finance lease liabilities	529	435
Revolving credits	53,700	50,100
Term loans	24,426	21,212
	<u>78,655</u>	<u>71,747</u>
<b>Long term borrowings</b>		
Secured: Finance lease liabilities	1,166	1,160
Term loans	62,444	82,516
	<u>63,610</u>	<u>83,676</u>
<b>Total loans and borrowings</b>	<u>142,265</u>	<u>155,423</u>

All the above loans and borrowings are from domestic Malaysian sources and are denominated in Ringgit Malaysia.

The Group did not issue any debt securities.

**28. Corporate Exercise**

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

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

**Status of utilisation of proceeds**

On 21 August 2015, the Company has completed the renounceable rights issue of 50,653,638 new ordinary share of RM1.00 each. The gross proceed from this corporate exercise of approximately RM50.65 million have been / shall be utilised in the following manner:





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**28. Corporate Exercise (contd.)**

**Status of utilisation of proceeds (contd.)**

	<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	(10,969)	363	8,948	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>(41,706)</u>	<u>-</u>	<u>8,948</u>		

**29. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 15 November 2016, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

**30. Changes in Material Litigation**

There was no known material litigation as at 15 November 2016.

**31. 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 September</b>		<b>9 months ended 30 September</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Profit attributable to owners of the parent (RM'000)	4,361	11,201	23,808	29,399
Weighted average number of ordinary shares in issue ('000)	496,406	474,753	496,406	427,124
Effects of dilution - share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	496,406	474,753	496,406	427,124
Basic earnings per share (sen)	0.88	2.36	4.80	6.88
Diluted earnings per share (sen)	0.88	2.36	4.80	6.88



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**32. 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.

**33. 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 18 November 2016.