



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the quarter and year ended 31 December 2016

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue		26,648	83,952	158,770	254,038
Cost of sales		(18,160)	(52,904)	(101,809)	(166,921)
<b>Gross profit</b>		<b>8,488</b>	<b>31,048</b>	<b>56,961</b>	<b>87,117</b>
Other income		652	692	1,702	1,387
Administrative expenses		(4,500)	(4,266)	(13,409)	(13,006)
Selling and marketing expenses		(105)	(28)	(353)	(561)
Finance costs		(570)	(2,313)	(4,523)	(4,686)
<b>Profit before tax</b>	22	<b>3,965</b>	<b>25,133</b>	<b>40,378</b>	<b>70,251</b>
Income tax expense	25	(997)	(6,219)	(11,353)	(17,785)
<b>Profit for the period/year</b>		<b>2,968</b>	<b>18,914</b>	<b>29,025</b>	<b>52,466</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period/year</b>		<b>2,968</b>	<b>18,914</b>	<b>29,025</b>	<b>52,466</b>
<b>Profit for the period/year attributable to :</b>					
<b>Owners of the parent</b>		3,266	16,560	27,074	45,959
<b>Non-controlling interests</b>		(298)	2,354	1,951	6,507
		<b>2,968</b>	<b>18,914</b>	<b>29,025</b>	<b>52,466</b>
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		3,266	16,560	27,074	45,959
<b>Non-controlling interests</b>		(298)	2,354	1,951	6,507
		<b>2,968</b>	<b>18,914</b>	<b>29,025</b>	<b>52,466</b>



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

For the quarter and year ended 31 December 2016

(The figures have not been audited)

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

Basic, for profit for the period/year (Sen)	30	0.66	3.22	5.45	11.02
Diluted, for profit for the period/year (Sen)	30	0.66	3.22	5.45	11.02

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 December 2016 and 31 December 2015

	Note	Unaudited As at 31 December 2016 RM'000	Audited As at 31 December 2015 RM'000
<b>ASSETS</b>			
Property, plant & equipment		7,367	8,125
Land held for property development		131,606	193,209
Investment properties		56,499	51,700
Deferred tax assets		7,854	5,995
<b>Total non-current assets</b>		<u>203,326</u>	<u>259,029</u>
Property development costs		205,326	162,125
Inventories		44,244	6,511
Trade and other receivables		31,764	46,830
Other current assets		30,475	24,796
Investment securities	16	7,639	5,476
Cash and bank balances		19,377	47,809
<b>Total current assets</b>		<u>338,825</u>	<u>293,547</u>
<b>TOTAL ASSETS</b>		<u>542,151</u>	<u>552,576</u>
<b>Equity attributable to owners of the parent</b>			
Share capital		248,203	248,203
Retained earnings	21	73,454	63,754
		<u>321,657</u>	<u>311,957</u>
<b>Non-controlling interests</b>		10,801	9,824
<b>Total Equity</b>		<u>332,458</u>	<u>321,781</u>
<b>LIABILITIES</b>			
Loans and borrowings	26	58,068	83,676
Deferred tax liabilities		2	2
<b>Total non-current liabilities</b>		<u>58,070</u>	<u>83,678</u>
Loans and borrowings	26	82,573	71,747
Trade and other payables	17	65,612	75,144
Other current liabilities		3,438	226
<b>Total current liabilities</b>		<u>151,623</u>	<u>147,117</u>
<b>Total liabilities</b>		<u>209,693</u>	<u>230,795</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>542,151</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)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2016  
(The figures have not been audited)

	<i>Non-distributable</i>		<i>Attributable to owners of the parent</i>		<b>Non-Controlling interests RM'000</b>	<b>Total equity RM'000</b>
	<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<i>Distributable</i> <b>Retained earnings RM'000</b>	<b>Share option reserve RM'000</b>		
<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	-	-	27,074	-	1,951	29,025
Dividends on ordinary shares	-	-	(17,374)	-	-	(17,374)
Contribution of capital by non-controlling interests	-	-	-	-	26	26
Dividends paid to non-controlling interests	-	-	-	-	(1,000)	(1,000)
<b>At 31 December 2016</b>	<u>248,203</u> =====	<u>-</u> =====	<u>73,454</u> =====	<u>-</u> =====	<u>10,801</u> =====	<u>332,458</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 year ended 31 December 2016

(The figures have not been audited)

	<b>12 months ended 31 December</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	40,378	70,251
Adjustments for:		
Depreciation of property, plant and equipment	1,340	1,259
Dividend income	(538)	(519)
Gain on fair value of investment properties	(400)	(300)
Interest expenses	4,523	4,686
Interest income	(526)	(149)
Operating profit before working capital changes	44,777	75,228
Changes in working capital:		
Land held for property development	61,603	(62,271)
Investment properties	(4,399)	-
Property development costs	(43,201)	(76,281)
Inventories	(37,733)	5,738
Receivables	15,066	(20,182)
Other current assets	3,287	59,578
Payables	(9,532)	(497)
Other current liabilities	3,212	(7,012)
Deposits pledged for bank guarantee	(34)	(27)
Cash generated from/(used in) operations	33,046	(25,726)
Interest paid	(4,523)	(7,456)
Interest received	526	149
Taxes paid	(22,612)	(25,125)
Taxes refunded	434	2,491
<b>Net cash generated from/(used in) operating activities</b>	6,871	(55,667)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposits with maturity more than 3 months	9,951	(10,007)
Dividend received	538	519
Proceeds from disposal of investment securities	18,000	70,055
Proceeds from shares issued to non-controlling interests	26	-
Purchase of investment securities	(20,163)	(71,246)
Purchase of property, plant and equipment	(152)	(391)
<b>Net cash generated from/(used in) investing activities</b>	8,200	(11,070)



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

For the year ended 31 December 2016

(The figures have not been audited)

	<b>12 months ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid on ordinary shares	(17,374)	(17,374)
Dividends paid to non-controlling interests	(1,000)	(200)
Share issuance expenses	-	(737)
Proceeds from loans and borrowings	15,400	81,850
Proceeds from exercise of employee share options	-	10
Proceeds from issuance of ordinary shares	-	50,654
Repayment of finance leases	(461)	(368)
Repayment of loans and borrowings	(30,151)	(26,798)
<b>Net cash (used in)/generated from financing activities</b>	<b>(33,586)</b>	<b>87,037</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(18,515)</b>	<b>20,300</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>35,633</b>	<b>15,333</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>17,118</b>	<b>35,633</b>

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

	<b>As at 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	19,377	47,809
Less:		
Deposits with maturity more than 3 months	(1,343)	(11,294)
Deposits pledged for bank guarantee	(916)	(882)
<b>Cash and cash equivalents</b>	<b>17,118</b>	<b>35,633</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.



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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 31 December 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 December 2016.

**6. Property, Plant and Equipment**

**Acquisition and Disposals**

During the year ended 31 December 2016, the Group acquired property, plant and equipment with an aggregate cost of RM430,000 (year ended 31 December 2015: RM435,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM151,939 during the year ended 31 December 2016 (year ended 31 December 2015: RM390,745).

There was no disposal and write off during the year ended 31 December 2016 (year ended 31 December 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 December 2016.

**8. Dividend Paid**

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 was paid on 18 November 2016 to shareholders whose name appear in the Register of Depositors on 9 November 2016.





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**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 December 2016 (4Q2016) and 3 months ended 31 December 2015 (4Q2015) 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>4Q2016 RM'000</b>	<b>4Q2015 RM'000</b>	<b>4Q2016 RM'000</b>	<b>4Q2015 RM'000</b>	<b>4Q2016 RM'000</b>	<b>4Q2015 RM'000</b>	<b>4Q2016 RM'000</b>	<b>4Q2015 RM'000</b>	<b>4Q2016 RM'000</b>	<b>4Q2015 RM'000</b>
<b>Revenue:</b>										
External customers	25,785	82,880	863	681	-	391	-	-	26,648	83,952
Inter-segment	-	-	-	-	23,017	57,883	(23,017)	(57,883)	-	-
<b>Total revenue</b>	<b>25,785</b>	<b>82,880</b>	<b>863</b>	<b>681</b>	<b>23,017</b>	<b>58,274</b>	<b>(23,017)</b>	<b>(57,883)</b>	<b>26,648</b>	<b>83,952</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
<b>Segment (loss)/profit</b>	<b>(138)</b>	<b>19,263</b>	<b>541</b>	<b>(462)</b>	<b>87</b>	<b>149</b>	<b>3,475</b>	<b>6,183</b>	<b>3,965</b>	<b>25,133</b>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



**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>4Q2016</b>	<b>4Q2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	4,535	27,446
Finance costs	(570)	(2,313)
	<hr/>	<hr/>
Profit before tax	3,965	25,133
	=====	=====

Results for 12 months ended 31 December 2016 (12M2016) and 12 months ended 31 December 2015 (12M2015) 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>12M2016</b>	<b>12M2015</b>	<b>12M2016</b>	<b>12M2015</b>	<b>12M2016</b>	<b>12M2015</b>	<b>12M2016</b>	<b>12M2015</b>	<b>12M2016</b>	<b>12M2015</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	155,509	245,765	3,261	3,186	-	5,087	-	-	158,770	254,038
Inter-segment	-	-	-	-	92,048	163,043	(92,048)	(163,043)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	155,509	245,765	3,261	3,186	92,048	168,130	(92,048)	(163,043)	158,770	254,038
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit	24,654	50,538	1,926	1,824	1,200	3,101	12,598	14,788	40,378	70,251
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



**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>12M2016</b>	<b>12M2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	44,901	74,937
Finance costs	(4,523)	(4,686)
	<hr/>	<hr/>
Profit before tax	40,378	70,251
	=====	=====

**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 December 2016.

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

There were no changes in the composition of the Group during the current quarter ended 31 December 2016.

**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 December</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

**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 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	369	357
Key management personnel	569	545



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**15. Related Party Transactions**

The related party transactions are as follows:

	Note	Transaction value 3 months ended 31 December		Balance outstanding as at 31 December	
		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>Datuk Chew Chiaw Han</b>	(b)				
Sales of residential property	*	1,760	-	1,584	-
<b>Hiap Ghee Seng Sdn Bhd</b>	(c)				
Rental expense on premises		37	37	-	-

**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) Datuk Chew Chiaw Han is a major shareholder and Managing Director of the Company.

(c) 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 31 December 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)	7,639	7,639	5,476	5,476



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**17. Trade and Other Payables**

	<b>Unaudited 31 December 2016 RM'000</b>	<b>Audited 31 December 2015 RM'000</b>
Trade and other payables	36,905	42,855
Provision for projects	28,707	32,289
<b>Total trade and other payables</b>	<b>65,612</b>	<b>75,144</b>



**IBRACO BERHAD (011286-P)**  
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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 (4Q2016) Vs Corresponding Financial Quarter (4Q2015)**

The Group's revenue for 4Q2016 decreased to RM26.65 million from RM83.95 million in 4Q2015. 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 4Q2015 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, sales of shop lots at 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 RM0.69 million in 4Q2015 to RM0.65 million in 4Q2016. This other income comprised of gain in fair value of investment property, 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 RM4.50 million compared to RM4.27 million in 4Q2015. 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 4Q2015.

Finance costs decreased to RM0.57 million from RM2.31 million in 4Q2015. The decrease was primarily due to most of the finance costs are capitalised in property development costs during this reporting quarter.

**19. Current 12-month financial period (12M2016) Vs corresponding 12-month financial period (12M2015)**

The Group's profit before tax for 12M2016 decreased to RM40.38 million compared to a profit before tax of RM70.25 million recorded in 12M2015.

The Group's revenue for 12M2016 decreased to RM158.77 million from RM254.04 million in 12M2015. During 12M2016, 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 12M2015 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, sales of shop lots at Bintulu Town Square, construction project at Bintulu and rental income from investment property.



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**19. Current 12-month financial period (12M2016) Vs corresponding 12-month financial period (12M2015) (contd.)**

Other income increased from RM1.39 million to RM1.70 million in 12M2016. This other income comprised of gain in fair value of investment property, 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 RM13.41 million compared to RM13.01 million in 12M2015. 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.

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

The Group recorded a profit before tax of RM3.96 million compared to a profit before tax of RM7.49 million recorded in the immediate preceding quarter ended 30 September 2016.

The Group's revenue for the current financial quarter ended 31 December 2016 decreased to RM26.65 million compared to RM32.43 million in the immediate preceding quarter ended 30 September 2016. 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, 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 increased from RM0.26 million in the immediate preceding quarter to RM0.65 million in this reporting quarter. This increase was mainly due to gain in fair value of investment property recognised during the current financial quarter.

Administrative expenses increased to RM4.50 million compared to RM3.02 million in the immediate preceding quarter ended 30 September 2016. The increase was mainly due to higher corporate social responsibility expenses and provision for staff bonus 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 RM1.23 million in the immediate preceding quarter to RM0.57 million in this reporting quarter. The decrease was primarily due to most of the finance costs were capitalised in property development costs during this reporting quarter.



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**21. Retained Earnings**

	<b>Unaudited 31 December 2016 RM'000</b>	<b>Audited 31 December 2015 RM'000</b>
Realised	82,373	70,401
Unrealised	(8,919)	(6,647)
<b>Total retained earnings</b>	73,454	63,754

**22. Profit Before Tax**

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

	<b>3 months ended 31 December</b>		<b>12 months ended 31 December</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	349	331	1,340	1,259
Dividends income	(116)	(136)	(538)	(507)
Gain on fair value of investment property	(400)	(300)	(400)	(300)
Interest expenses	570	2,313	4,523	4,686
Interest income	(81)	(41)	(526)	(149)
Other income	(55)	(203)	(238)	(419)

**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 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 2017 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects.

**24. Actual Profit against Forecast Profit and Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and forecast profit after tax and non-controlling interests and for the shortfall in profit guarantee are not applicable.





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**25. Income Tax Expense**

	3 months ended 31 December		12 months ended 31 December	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
- Malaysian income tax	1,132	6,723	14,870	18,830
- Under provision in respect of previous years	-	12	3,022	217
	<u>1,132</u>	<u>6,735</u>	<u>17,892</u>	<u>19,047</u>
Deferred tax	(135)	(516)	(6,539)	(1,262)
<b>Total income tax expense</b>	<u>997</u>	<u>6,219</u>	<u>11,353</u>	<u>17,785</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 12 months financial period are slightly higher than the statutory tax rate mainly due to certain expenses are not deductible for tax purposes.

**26. Loans and Borrowings**

	Unaudited	Audited
	As at 31 December 2016 RM'000	As at 31 December 2015 RM'000
<b>Short term borrowings</b>		
Secured: Finance lease liabilities	515	435
Revolving credits	58,300	50,100
Term loans	23,758	21,212
	<u>82,573</u>	<u>71,747</u>
<b>Long term borrowings</b>		
Secured: Finance lease liabilities	1,049	1,160
Term loans	57,019	82,516
	<u>58,068</u>	<u>83,676</u>
<b>Total loans and borrowings</b>	<u>140,641</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.

**27. 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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**27. 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	(15,167)	363	4,750	Within 24 months	Payment to project consultants and contractors
(iii)	Rights issue expenses	1,100	(737)	(363)	-	Within 3 months	Payment of professional fees
		<u>50,654</u>	<u>(45,904)</u>	<u>-</u>	<u>4,750</u>		

**28. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 20 February 2017, 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 20 February 2017.

**30. 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</b>		<b>12 months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Profit attributable to owners of the parent (RM'000)	<u>3,266</u>	<u>16,560</u>	<u>27,074</u>	<u>45,959</u>
Weighted average number of ordinary shares in issue ('000)	496,406	513,674	496,406	417,226
Effects of dilution - share options ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>496,406</u>	<u>513,674</u>	<u>496,406</u>	<u>417,226</u>
Basic earnings per share (sen)	<u>0.66</u>	<u>3.22</u>	<u>5.45</u>	<u>11.02</u>
Diluted earnings per share (sen)	<u>0.66</u>	<u>3.22</u>	<u>5.45</u>	<u>11.02</u>



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**31. 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.

**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 24 February 2017.