



IBRACO BERHAD
[197101000730(011286-P)]
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2023

(The figures have not been audited)

		Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		79,193	57,052	79,193	57,052
Cost of sales		(53,430)	(40,760)	(53,430)	(40,760)
Gross profit		25,763	16,292	25,763	16,292
Other income		716	433	716	433
Administrative expenses		(7,679)	(7,130)	(7,679)	(7,130)
Selling and marketing expenses		(1,897)	(1,324)	(1,897)	(1,324)
Finance costs		(2,798)	(1,999)	(2,798)	(1,999)
Profit before tax	20	14,105	6,272	14,105	6,272
Income tax expense	23	(3,714)	(1,547)	(3,714)	(1,547)
Profit for the period		10,391	4,725	10,391	4,725
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		10,391	4,725	10,391	4,725
Profit for the period attributable to :					
Owners of the parent		10,428	4,486	10,428	4,486
Non-controlling interests		(37)	239	(37)	239
		10,391	4,725	10,391	4,725
Total comprehensive income attributable to :					
Owners of the parent		10,428	4,486	10,428	4,486
Non-controlling interests		(37)	239	(37)	239
		10,391	4,725	10,391	4,725



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the three-month period ended 31 March 2023

(The figures have not been audited)

Earnings Per Share

**attributable to owners of
the parent:**

Basic, for profit for the period (Sen)	28	1.91	0.82	1.91	0.82
Diluted, for profit for the period (Sen)	28	1.91	0.82	1.91	0.82

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



IBRACO BERHAD
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As at 31 March 2023 and 31 December 2022

		Unaudited As at 31 March 2023 RM'000	Audited As at 31 December 2022 RM'000
	Note		
ASSETS			
Property, plant & equipment		73,181	72,585
Intangible asset		4,148	4,272
Investment in an associate		2,414	2,414
Investment in joint venture		300	300
Inventories		51,933	51,440
Completed investment properties		122,300	122,300
Trade and other receivables	16	1,995	1,536
Deferred tax assets		7,988	8,584
Total non-current assets		264,259	263,431
Inventories		354,925	351,577
Trade and other receivables	16	30,036	39,963
Other current assets		100,362	76,720
Cash and bank balances		61,162	60,586
Total current assets		546,485	528,846
TOTAL ASSETS		810,744	792,277
Equity attributable to owners of the parent			
Share capital		271,832	271,832
Retained earnings		179,849	180,342
		451,681	452,174
Non-controlling interests		10,473	9,790
Total Equity		462,154	461,964
LIABILITIES			
Loans and borrowings	24	77,040	78,379
Trade and other payables	17	15,261	13,287
Total non-current liabilities		92,301	91,666
Loans and borrowings	24	149,036	132,923
Trade and other payables	17	101,495	99,013
Other current liabilities		1,570	5,253
Income tax payable		4,188	1,458
Total current liabilities		256,289	238,647
Total liabilities		348,590	330,313
TOTAL EQUITY AND LIABILITIES		810,744	792,277

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2023
(The figures have not been audited)

	<i>Non-distributable</i> Share capital RM'000	Attributable to owners of the parent <i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	Total equity RM'000
At 1 January 2022	271,832	160,852	9,207	441,891
Total comprehensive income	-	30,411	683	31,094
Interests in a subsidiary donated to a foundation	-	-	1,470	1,470
Contribution by non-controlling interest	-	-	30	30
Dividend on ordinary shares	-	(10,921)	-	(10,921)
Dividend paid to non-controlling interest	-	-	(1,600)	(1,600)
At 31 December 2022	<u>271,832</u> =====	<u>180,342</u> =====	<u>9,790</u> =====	<u>461,964</u> =====
At 1 January 2023	271,832	180,342	9,790	461,964
Total comprehensive income	-	10,428	(37)	10,391
Contribution by non-controlling interest	-	-	720	720
Dividend on ordinary shares	-	(10,921)	-	(10,921)
At 31 March 2023	<u>271,832</u> =====	<u>179,849</u> =====	<u>10,473</u> =====	<u>462,154</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 2022 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2023

(The figures have not been audited)

	3 months ended 31 March	
	2023	2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,105	6,272
Adjustments for:		
Amortisation of intangible asset	124	124
Depreciation of property, plant and equipment	1,264	1,297
Dividend income	(11)	(3)
Gain from disposal of property, plant and equipment	(2)	(200)
Interest expense	2,798	1,999
Interest income	(139)	(61)
Reversal of impairment of trade receivables	(32)	(21)
Operating profit before working capital changes	18,107	9,407
Changes in working capital:		
Deposit pledged for bank borrowings	(5)	-
Inventories	(3,841)	(45,926)
Receivables	9,500	(8,564)
Other current assets	(24,274)	44,368
Payables	4,456	(14,209)
Other current liabilities	(3,683)	6,959
Cash generated from / (used in) operations	260	(7,965)
Interest paid	(2,798)	(1,999)
Interest received	139	61
Taxes paid	(2,067)	(3,202)
Taxes refunded	2,413	5
Net cash used in operating activities	(2,053)	(13,100)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit with maturity more than three months	(10)	(5)
Dividend received	11	3
Proceeds from disposal of property, plant and equipment	2	200
Purchase of property, plant and equipment	(1,962)	(2,518)
Subscription of shares in associate	-	(490)
Net cash used in investing activities	(1,959)	(2,810)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution by non-controlling interest	720	-
Dividend on ordinary shares	(10,921)	-
Dividend paid to non-controlling interest	-	(200)
Proceeds from loans and borrowings	24,023	10,430
Repayment of finance leases	(127)	(561)
Repayment of lease liabilities	(78)	(60)
Repayment of loans and borrowings	(9,044)	(4,529)
Net cash generated from / (used) in financing activities	4,573	5,080



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the three-month period ended 31 March 2023

(The figures have not been audited)

	3 months ended 31 March	
	2023	2022
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	561	(10,830)
Cash and cash equivalents at beginning of financial period	51,844	50,494
Cash and cash equivalents at end of financial period	52,405	39,664

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

	As at 31 March	
	2023	2022
	RM'000	RM'000
Cash and bank balances	61,162	48,170
Less:		
Deposits with maturity more than 3 months	(8,359)	(8,117)
Deposits pledged for bank borrowings	(398)	(389)
Cash and cash equivalents	52,405	39,664

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

These condensed consolidated interim financial statements have been prepared on a historical basis except as disclosed in the accounting policies.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2022. 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 2022.

2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as disclosed below:

On 1 January 2023, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above Amendments to MFRSs did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

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 2023.

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 2023.



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6. Property, Plant and Equipment

Acquisition and Disposals

There were no acquisition of property, plant and equipment by means of finance lease during the three months ended 31 March 2023 (three months ended 31 March 2022: RM Nil). The cash outflow on acquisition of property, plant and equipment amounted to RM1,962,418 during the period ended 31 March 2023 (three months ended 31 March 2022: RM2,518,245).

There were disposal of property, plant and equipment at RM2,300 during the three months ended 31 March 2023 (three months ended 31 March 2022: RM200,000).

7. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the year ended 31 March 2023.

8. Dividend Paid

On 16 February 2023, the Board of Directors have approved an interim single-tier dividend of 2.00 sen per ordinary share for the financial year ended 31 December 2022. The dividend was paid on 13 March 2023 to the shareholders whose name appear in the Register of Depositors on 3 March 2023.

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, construction works and quarry operation. 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 2023 (1Q2023) and 3 months ended 31 March 2022 (1Q2022) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Elimination		Per consolidated financial statements	
	1Q2023	1Q2022	1Q2023	1Q2022	1Q2023	1Q2022	1Q2023	1Q2022	1Q2023	1Q2022	1Q2023	1Q2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:												
External customers	59,247	36,449	2,158	1,998	10,960	15,668	6,828	2,937	-	-	79,193	57,052
Inter-segment	-	-	-	-	42,000	21,276	-	-	(42,000)	(21,276)	-	-
Total revenue	59,247	36,449	2,158	1,998	52,960	36,944	6,828	2,937	(42,000)	(21,276)	79,193	57,052
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit/(loss)	10,829	5,334	1,302	1,228	333	(122)	1,001	(118)	640	(50)	14,105	6,272
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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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:

	1Q2023	1Q2022
	RM'000	RM'000
Segment profit	16,903	8,271
Finance costs	(2,798)	(1,999)
	<hr/>	<hr/>
Profit before tax	14,105	6,272
	=====	=====

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 2023.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2023.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited	Audited
	31 March	31 December
	2023	2022
	RM'000	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	250,661	250,661
	<hr/>	<hr/>

There were no contingent assets since the last annual statement of financial position as at 31 December 2022 till the end of the financial period.



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13. Capital Commitments

	As at 31 March	
	2023	2022
	RM'000	RM'000
Approved and contracted for:		
Investment properties	109	153
Property, plant and equipment	14,234	19,036
Total	14,343	19,189

14. Directors and Key Management Personnel Compensation

The total compensation inclusive of all benefits and perquisites paid to Directors of the Group and other members of key management during the quarter under review were as follows:

	3 months ended 31 March	
	2023	2022
	RM'000	RM'000
Directors	558	553
Key management personnel	578	596

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance	
		3 months ended		Outstanding	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank, Alyvia Residence	*	-	-	69	137
Liu Tow Hua	(b)				
Sales of townhouse at The NorthBank, Alyvia Residence	*	-	-	31	-
Liu Sze Wei	(c)				
Sales of townhouse at The NorthBank, Alyvia Residence	*	-	-	31	-
Hiap Ghee Seng Sdn Bhd	(d)				
Rental expense on premises		37	37	-	-
Heng Say Properties (Sarawak) Sdn Bhd	(e)				
Purchase of land	*	-	7,224	6,502	6,502
Ho Bee Contractor & Engineering Sdn Bhd	(f)				
Quarry operation		-	45	-	-



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15. Related Party Transactions (contd.)

Notes

- * These outstanding 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) Liu Tow Hua is a Director of the Company.
- (c) Liu Sze Wei is a person connected to a Director of the Company.
- (d) Hiap Ghee Seng Sdn Bhd is a company connected to a Director of the Company who is also a major shareholder of the Company.
- (e) Heng Say Properties (Sarawak) Sdn Bhd is a company connected to a Director of the Company who is also a major shareholder of the Company.
- (f) Ho Bee Contractor & Engineering Sdn Bhd is a company connected to a Director 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.

16. Trade and Other Receivables

	Unaudited 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Trade receivables		
Third parties	12,541	22,393
Less: Allowance for impairment	(608)	(640)
Trade receivables, net	<u>11,933</u>	<u>21,753</u>
Other receivables		
Third parties	14,507	14,658
Deposits	3,702	3,658
	<u>18,209</u>	<u>18,316</u>
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	<u>18,103</u>	<u>18,210</u>
Total trade and other receivables	<u>30,036</u>	<u>39,963</u>
Non-Current		
Trade receivables		
Third parties	<u>1,995</u>	<u>1,536</u>
Total trade and other receivables (current and non-current)	<u><u>32,031</u></u>	<u><u>41,499</u></u>



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16. Trade and Other Receivables (contd.)

Ageing analysis of trade receivables

	Unaudited 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Neither past due nor impaired	5,550	16,786
1 to 119 days past due but not impaired	5,474	2,929
More than 120 days but not impaired	909	2,038
Impaired	608	640
Total trade receivables	<u>12,541</u>	<u>22,393</u>
Non-current		
Neither past due nor impaired	<u>1,995</u>	<u>1,536</u>
Total trade receivables (current and non-current)	<u>14,536</u>	<u>23,929</u>

Trade receivables are non-interest bearing and are generally on 14 to 30 day terms. Other credit terms are assessed and approved on a case-by-case basis. The Group has trade receivables amounting to RM6.38 million that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.

17. Trade and Other Payables

	Unaudited 31 March 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Trade and other payables	48,556	46,835
Provision for projects	52,939	52,178
Total trade and other payables	<u>101,495</u>	<u>99,013</u>
Non-Current		
Trade payables	<u>15,261</u>	<u>13,287</u>
Total trade and other payables (current and non-current)	<u>116,756</u>	<u>112,300</u>



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

Review of Performance

18. Current Financial Quarter (1Q2023) Vs Corresponding Financial Quarter (1Q2022)

	Current Quarter 3 months ended 31 March		Changes	
	2023 RM'000	2022 RM'000	RM'000	%
Revenue	79,193	57,052	22,141	39
Operating profit	25,763	16,292	9,471	58
Profit before interest and tax	16,903	8,271	8,632	104
Profit before tax	14,105	6,272	7,833	125
Profit after tax	10,391	4,725	5,666	120
Profit for the period attributable to owners of the parent	10,428	4,486	5,942	132

The Group's revenue for 1Q2023 increased by 39% to RM79.19 million from RM57.05 million in 1Q2022. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona Residence and Renna Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of apartment at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, sales of 3-storey shop office and single storey lock-up shop at NorthBank Commercial Centre, sales of Small Office Home Office ("SOHO") Commercial at Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 1Q2022 was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona and Renna Residence, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Bintulu Town Square, sales of SOHO Commercial at Tabuan Tranquility Phase 3, sales of residential houses at The NorthBank Alyvia, sales of apartments at IXORA Court, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of temporary facility and building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income increased to RM0.72 million in 1Q2023 as compared to RM0.43 million in 1Q2022. Other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased slightly to RM7.68 million from RM7.13 million in 1Q2022. The increase was mainly due to the increase in staff cost and professional fee in 1Q2023. Other components of the administrative expenses have not varied much compared to those incurred during 1Q2022.



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19. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 31 March 2023 RM'000	Immediate Preceding Quarter 3 months ended 31 December 2022 RM'000	Changes RM'000	%
Revenue	79,193	82,594	(3,401)	(4)
Operating profit	25,763	30,881	(5,118)	(17)
Profit before interest and tax	16,903	22,773	(5,870)	(26)
Profit before tax	14,105	20,164	(6,059)	(30)
Profit after tax	10,391	14,019	(3,628)	(26)
Profit for the period attributable to owners of the parent	10,428	14,029	(3,601)	(26)

The Group recorded a profit before tax of RM14.11 million compared to a profit before tax of RM20.16 million recorded in the immediate preceding quarter ended 31 December 2022.

The Group's revenue for the current financial quarter ended 31 March 2023 decreased to RM79.19 million from RM82.59 million in the immediate preceding quarter ended 31 December 2022. Apart from the recognition of revenue from sales of 3-storey shop offices and single storey lock-up shop at NorthBank Commercial Centre in current quarter and sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of condominium at The Park Residence and sales of vacant lots at Tabuan Tranquility Phase 4, construction of temporary facilities works for the Sarawak Methanol Project in the immediate preceding quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development and completed projects namely, sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona Residence and Renna Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of 3-storey semi-detached house at the NorthBank Crestwood Estates, sales of apartments at IXORA Court, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income decreased from RM5.10 million in the immediate preceding quarter to RM0.72 million in this reporting quarter. The higher other income in the preceding quarter was mainly due to fair value gain on investment properties. Other component of other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing which are similar to that in the immediate preceding quarter.

Administrative expenses decreased from RM10.93 million in the immediate preceding quarter ended 31 December 2022 to RM7.68 million in this current financial quarter. The decrease was mainly due to decrease in staff costs (i.e bonus and contribution to approved provident funds). Other components of the administrative expenses have not varied much compared to those incurred during the immediate preceding quarter.



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20. Profit Before Tax

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

	3 months ended 31 March		3 months ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	124	124	124	124
Depreciation of property, plant and equipment	1,264	1,297	1,264	1,297
Dividend income	(11)	(3)	(11)	(3)
Gain from disposal of property, plant and equipment	(2)	(200)	(2)	(200)
Interest expenses	2,798	1,999	2,798	1,999
Interest income	(139)	(61)	(139)	(61)
Other income	(532)	(148)	(532)	(148)
Reversal of impairment of trade receivables	(32)	(21)	(32)	(21)

21. Group's Prospects

The principal activity of the Group is realty development and construction. In this respect, the performance of the Group is highly impacted by movements in raw material costs and labour costs, as well as demand of our properties which have been satisfactory to-date. Contracts for construction works are awarded on lump sum basis to minimise the risks of labour and raw material price fluctuations.

The uncertainties in the economic recoveries, concerns over employment and tightening of end financing for buyers, and the rising of interest rates over the year have impacted the spending behaviour of home buyers. However, the declining trend of the average prices for the key building materials such as crude oil, steel bar, copper, and aluminium make the construction cost more manageable, and profit margins are no longer as depressed as before when prices of these building materials reached all-time highs in the first half of 2022. Hence, the Group is confident to sustain these events and projected that the financial results would improve in the coming quarters as the Group have RM207.09 million unbilled sales and outstanding order book of RM242.05 million as at 31 March 2023.

With our continual efforts in the branding of The NorthBank development over the years, we are set to roll out more launches in FY2023 focusing on The NorthBank. There will be new launches for commercial developments, service apartments and landed residences and the construction of The NorthBank Specialist Hospital. Apart from The NorthBank, the Group has entered into contracts for the construction works for the implementation of affordable housing project at Matang Land District, Kuching, and various development activities at Muara Tuang Land District, Kuching.

The Group monitors the market demand for our products and adopts a prudent approach with respect to any new launches. The NorthBank, spanning across 123 acres, continues to be our major focus for the next few years. This new township creates vibrant economy and convenience to the surrounding communities, combining the popularity of landed residences with the growing trend of high-rise developments and complemented with commercial components. The NorthBank offers purchasers with choices of various type of residences built within a walking distance to commercials and office units. The NorthBank also provides other community facilities, upcoming with an exclusive social clubhouse and healthcare facility.

21. Group's Prospects (contd.)

We have successfully launched another commercial development comprising 3-storey shop and 8-storey commercial centre at The NorthBank which attracted a very encouraging response. Other on-going projects at The NorthBank include Avona Residence comprising two blocks of 12-storey service apartment, Alyvia Residence with 102 units of townhouse, Renna Residence offering 296 units of service apartment, 36 units of semi-detached house at Crestwood Estates and shop office development. With the continuous branding effort created for the Northbank and the normalisation of the economy vibrant and social activities, we are confident to achieve satisfactory take up rate of these launches and future launches.

On the construction sector, the Group has been awarded the temporary facility and building works for the Sarawak Methanol Project by Samsung Engineering (Malaysia) Sdn Bhd and the New Operator Residence 2 located at Bakun by Bakun Hydro Power Generation Sdn Bhd. In addition, the Group has entered into contracts for the construction works for the implementation of affordable housing project at Matang Land District, Kuching, and various development activities at Muara Tuang Land District, Kuching. These construction contracts are expected to contribute positively to the Group's financial performance.

The Group has been actively tendering for the Government's construction and infrastructure projects to strengthen the Group's source of income amidst the current property market sentiment.

Apart from its main activities of realty development and construction, the Group operates a quarry at Pulau Salak which commenced production in July 2020 after the completion of its upgrading works. The plant, producing aggregates of granites, has an annual capacity of 600,000 MT. The quarry operation would be further expanded with the granting of a new quarry license for quarry reserve located at Gunung Sinmajau.

22. 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.

23. Income Tax Expense

	3 months ended 31 March		3 months ended 31 March	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	3,118	1,291	3,118	1,291
Deferred tax	596	256	596	256
Total income tax expense	3,714	1,547	3,714	1,547

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the current financial quarter are higher than the statutory tax rate mainly due to certain expenses that are not tax deductible.



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24. Loans and Borrowings

	Unaudited As at 31 March 2023 RM'000	Audited As at 31 December 2022 RM'000
Short term borrowings		
Secured: Finance lease liabilities	814	816
Revolving credits	130,000	113,600
Term loans	18,222	18,507
	149,036	132,923
Long term borrowings		
Secured: Finance lease liabilities	1,775	1,978
Term loans	75,265	76,401
	77,040	78,379
Total loans and borrowings	226,076	211,302

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.

The Group total loans and borrowings for the current financial period as at 31 March 2023 has increased by RM14.77 million as compared to the amount reported in the Audited Financial Statement as at 31 December 2022. This increase is primarily arising from the Group's acquisition of a development rights over a piece of land at Muara Tuang Land District.

25. Corporate Exercise

Status of corporate exercise

On 13 October 2021, the Company has completed Private Placement of up to 10% of the total number of issued shares in the Company, i.e. 49,640,565 new ordinary shares at RM0.4760 per placement share. Arising from this, the Company's issued and paid up share capital has increased to RM271,831,735, comprising 546,046,217 ordinary shares.

Status of utilisation of proceeds

The gross proceeds from the issuance of 49,640,565 ordinary shares at RM0.4760 per share of approximately RM23.63 million have been utilised in the following manner:

Purpose of utilisation	Proceeds RM'000	Deviation RM'000	Utilisation RM'000	Balance RM'000	Expected time frame for utilisation upon receipt	Explanation of utilisation
To finance development of Renna Residence	18,000	-	(18,000)	-	Within 24 months	For contractors' and consultants' payment.
Working capital requirements	5,430	92	(5,522)	-	Within 12 months	For staff costs, selling and marketing expenses, statutory payment, etc.
Expenses in relation to the Private Placement	200	(92)	(108)	-	Immediate	Professional fee paid in relation to the Private Placement
	23,630	-	(23,630)	-		



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26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 19 May 2023, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

27. Changes in Material Litigation

There was no known material litigation as at 19 May 2023.

28. Earnings Per Share

(a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2023	2022	2023	2022
Profit attributable to owners of the parent (RM'000)	10,428	4,486	10,428	4,486
Weighted average number of ordinary shares in issue ('000)	546,046	546,046	546,046	546,046
Basic earnings per share (sen)	1.91	0.82	1.91	0.82

(b) Diluted

There are no dilutive potential ordinary shares. As such, the diluted earnings per share of the Group is equal to basic earnings per share.

29. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2022 was not qualified.

30. 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 26 May 2023.