IBRACO BERHAD

[197101000730(011286-P)]

HORIZONS DEFINED, FUTURES SHAPED

ANNUAL REPORT 2023

INSIDE THIS REPORT

Cover Rationale

HORIZONS DEFINED, FUTURES SHAPED

In Ibraco, we are more than just about quality; we are pioneers in innovative development. Our years of experience have given us the confidence in our ability to push boundaries and explore new horizons, expanding our scope in diverse range of projects. Our commitment now goes beyond meeting the required standards in crafting living spaces that redefine comfort and convenience, but extends to our endeavors in manufacturing and construction, where we're leveraging our expertise to shape the future with purpose, dedication, excellence and consistency.

OUR VISION

To be one of the leading conglomerate in the building and construction industry

OUR MISSION

To provide quality product and services, embrace corporate sustainability, optimise shareholders' return and nurture its employee

OUR VALUES

- **R** Responsibility & Accountability
- **E** Excellence in Service
- **C** Customer Focus
- **R** Respect Oneself and Fellow Colleagues

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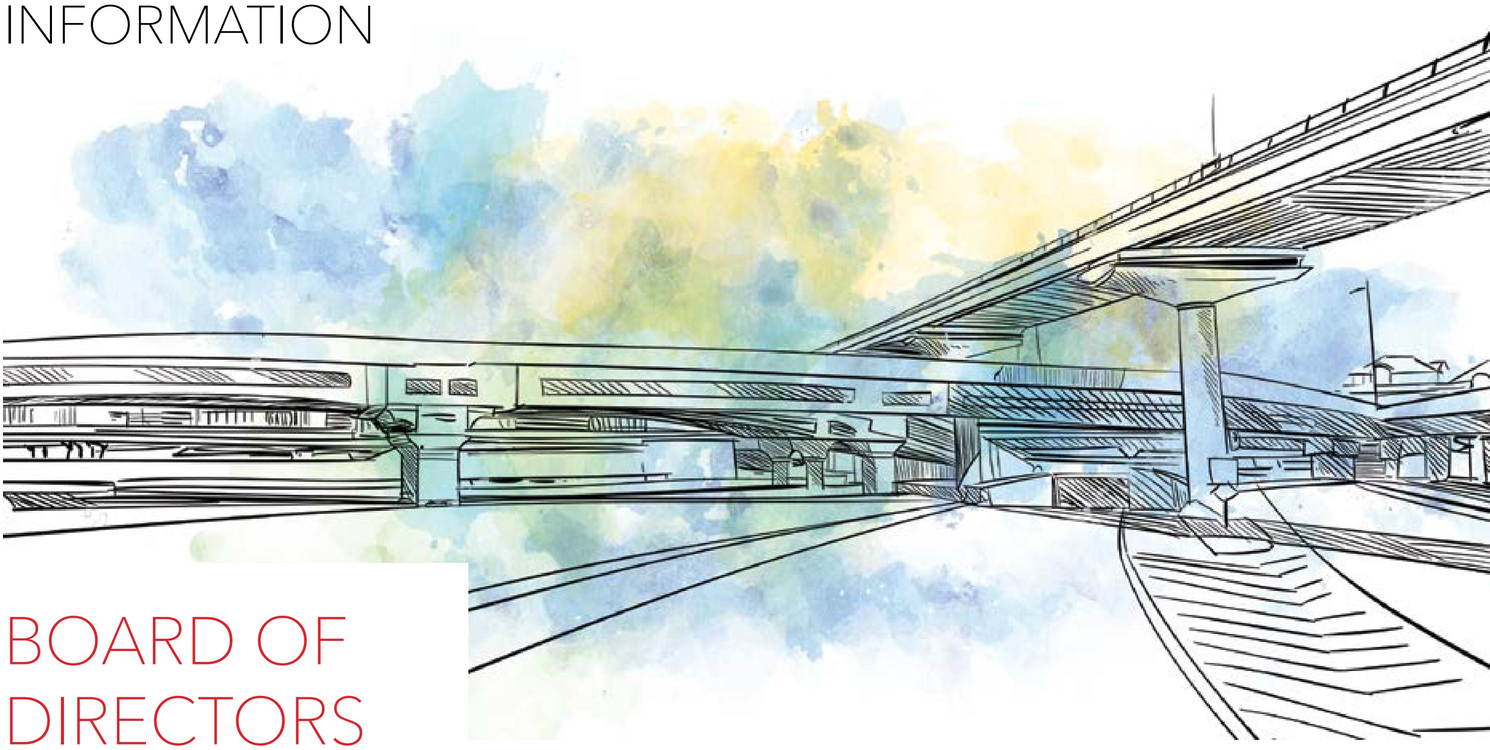
CORPORATE INFORMATION



BOARD OF DIRECTORS

Mr. Ng Cheng Chuan
Chairman

YBhg. Datuk Chew Chiaw Han
Group Managing Director

Mr. Chin Mui Khiong
Independent Director

Madam Lily Tang Lee Lin
Executive Director

Puan Sharifah Deborah Sophia Ibrahim
Non-Independent Non-Executive Director

Ms. Wong Siaw Wei
Independent Director

Puan Junijah Binti Ismail
Independent Director

Company Secretaries

Yeo Puay Huang
(SSM PC No.:202008000727)
(LS 0000577)

May Wong Mei Ling
(SSM PC No.:202008002420)
(MIA 18483)

Registered Office

Ibraco Berhad (197101000730 (011286-P))
No.6 The NorthBank,
Off Kuching-
Samarahan Expressway,
93350 Kuching,
Sarawak, Malaysia.
Tel: 082-361111
Fax: 082-361188
Email: sales@ibraco.com

Auditors

Messrs. Crowe Malaysia PLT
2nd Floor, C378, Block C,
iCom Square,
Jalan Pending,
93450 Kuching, Sarawak
Tel: 082-552688
Fax: 082-266987

Stock Exchange Listing

Main Market of the Bursa Malaysia Securities Berhad
Stock Name: IBRACO
Stock Code: 5084

Share Registrar

Securities Services (Holdings) Sdn. Bhd. (197701005827 (036869-T))
Level 7 Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel: 03-2084 9000
Fax: 03-2094 9940
Email: info@sshsb.com.my

Website

www.ibraco.com

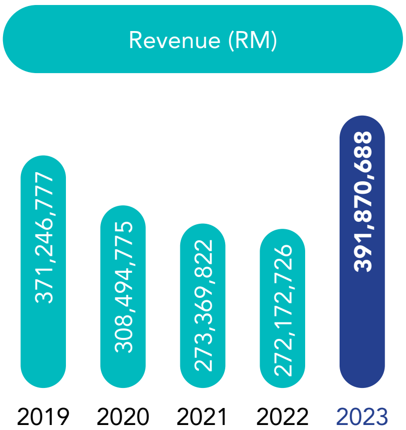
GROUP CORPORATE STRUCTURE

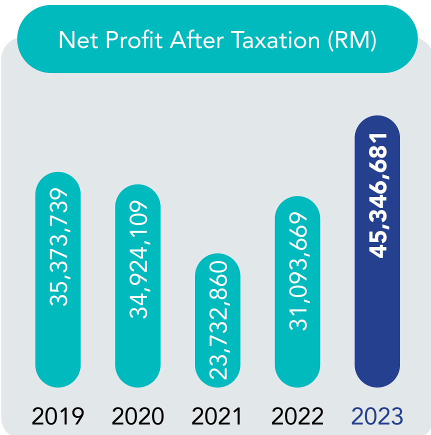
IBRACO BERHAD
[197101000730(011286-P)]

- 100% **Ibraco Quarry Sdn. Bhd.** (198301005406 (99809-T))
- 100% **Syarikat Ibraco-Peremba Sdn. Bhd.** (197401003324 (20491-M))
- 100% **Ibraco Spectrum Sdn. Bhd.** (200301008271 (610691-M))
- 100% **Ibraco Infinity Sdn. Bhd.** (200301004033 (606453-W))
- 100% **Ibraco Construction Sdn. Bhd.** (200201024319 (591982-H))
  - 70% **Ibraco Construction Polybuilding Construction JV Sdn. Bhd.** (201901017388 (1326716-H))
  - 70% **Dynaciate Engineering Ibraco Construction JV Sdn. Bhd.** (202001008013 (1364333-M))
  - 70% **Ibraco KPP Concrete Sdn. Bhd.** (202201045847 (1491544-U))
  - 51% **Ibraco CREC JV Sdn. Bhd.** (202401000535 (1546386-M))
- 100% **Foso One Sdn. Bhd.** (200301010005 (612425-M))
- 100% **NewUrban Sdn. Bhd.** (201801011013 (1273029-H))
- 100% **Ibraco Ascent Sdn. Bhd.** (201601000803 (1171729-H))
- 75% **Ibraco Pelita Sdn. Bhd.** (201301004433 (1034276-W))
- 70% **Sekitar Gemilang Sdn. Bhd.** (202001013693 (1370013-U))
- 70% **Ibraco HGS Sdn. Bhd.** (201101036040 (964174-A))
  - 80% **Warisar Sdn. Bhd.** (201201025044 (1009534-M))
- 50% **Northbank Specialist Hospital Sdn. Bhd.** (201901012601 (1321929-D))
- 49% **Ibraco HELP Education Sdn. Bhd.** (201701035413 (1249584-P))
  - 84.21% **HELP Ibraco CMS Sdn. Bhd.** (201801007946 (1269960-U))

GROUP FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
Revenue (RM)	371,246,777	308,494,775	273,369,822	272,172,726	**391,870,688**
Profit before taxation (RM)	48,587,430	48,537,384	32,579,122	43,524,963	**62,725,881**
EBITDA (RM)	62,035,714	61,563,451	48,304,765	58,511,393	**82,373,857**
Net profit after taxation (RM)	35,373,739	34,924,109	23,732,860	31,093,669	**45,346,681**
Profit attributable to owners of the Company (RM)	34,613,897	34,917,078	23,487,168	30,410,422	**46,037,994**
Basic earnings per ordinary share (sen)	7	7	5	6	**8**
Gross dividend per share (sen)	1.00	2.00	2.00	2.00	**3.50**
Dividend payout ratio (%)	14	28	46	35	**42**
Debt-to-equity ratio (times)	1.01	0.76	0.60	0.57	**0.74**
Shareholders' equity (RM)	360,555,829	395,500,689	432,684,078	452,173,576	**479,099,952**
Total Assets (RM)	795,611,588	784,556,623	775,117,457	792,277,163	**948,511,090**
Net assets per share (RM)	0.73	0.80	0.79	0.83	**0.88**
Return on shareholders' equity (%)	10	9	5	7	**10**
Return on total assets (%)	8	8	6	7	**9**
Total borrowings (RM)	265,911,250	242,566,493	207,127,245	211,301,753	**280,711,693**
Current assets (RM)	568,550,132	544,839,104	524,782,634	528,845,938	**629,471,612**
Current liabilities (RM)	279,468,019	249,702,694	232,051,228	238,646,333	**346,659,553**
Current ratio (times)	2.03	2.18	2.26	2.22	**1.82**
Issued and fully paid-up share capital of	496,405,652	496,405,652	546,046,217	546,046,217	**546,046,217**
Share price performance (RM)					
Closing	0.70	0.52	0.59	0.60	**0.80**





PROFILE OF DIRECTORS

NG CHENG CHUAN

Chairman

Nationality	Age	Gender
Singaporean	65	Male

Board Committee Membership
- Nil

Mr. Ng Cheng Chuan, a Non-Executive Non-Independent Director, joined the Board of Ibraco Group on 21 October 2009 and was appointed as the Chairman of Ibraco Group on 27 February 2014. He ceased to be member of the Audit Committee, Nomination Committee and Remuneration Committee on 22 April 2022.

Mr. Ng is the Chairman of Crossland Marketing (2000) Pte Ltd and several other companies in Singapore, Malaysia and Thailand dealing mainly with soft commodities, farming and warehousing. Mr. Ng has more than 35 years of extensive experience in the areas of sales and purchasers of soft commodities.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.

DATUK CHEW CHIAW HAN

Group Managing Director

Nationality	Age	Gender
Malaysian	47	Male

Board Committee Membership
- Chairman of Risk Management Committee
- Member of Sustainability Committee

Datuk Chew Chiaw Han was appointed as a Non-Executive Non-Independent Director on 21 October 2009 and became an Executive Director on 30 October 2009. He was then appointed as the Chief Executive Officer on 30 April 2010 and later redesignated as the Group Managing Director on 10 May 2011.

Datuk Chew is a graduate of the University of Waikato, New Zealand with a Bachelor of Law Degree. He started his career with Lian Hua Seng Group of companies in 1999. Under his leadership as the Chief Executive Officer, he has led the group into diverse business fields such as manufacturing, supply, construction, logistic, and food processing, both in private and government sectors.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Datuk Chew's private companies are principally involved in construction. There may be potential conflict of interest with Ibraco Construction Sdn. Bhd., a wholly owned subsidiary of Ibraco Berhad, which principally involved in construction activities.

PROFILE OF DIRECTORS

LILY TANG LEE LIN

Executive Director

Nationality	Age	Gender
Malaysian	42	Female

Board Committee Membership
- Member of Risk Management Committee
- Member of Sustainability Committee

Madam Lily Tang Lee Lin was appointed to the Board of Ibraco Group on 31 December 2023 as an Executive Director.

Lily is a graduate of the University of Technology, Sydney with a Bachelor of Business majoring in Accounting and Economics and a Member of CPA Australia and Malaysian Institute of Accountants. She has more than 15 years of professional experience in internal and external audit, accounts and finance, risk management and corporate communications.

In 2004, she started her career as an Audit Associate in Ernst & Young and went on to be an Audit Manager. After 9 years with the firm and a short stint with a private firm, Lily joined Ibraco Berhad as Group Internal Auditor in 2015. She became the Corporate Affairs Manager in 2018 and then as the Finance Manager in 2020.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

SHARIFAH DEBORAH SOPHIA IBRAHIM

Non-Executive Non-Independent Director

Nationality	Age	Gender
Malaysian	61	Female

Board Committee Membership
- Nil

Puan Sharifah Deborah Sophia Ibrahim was appointed to the Board of Ibraco Group on 5 July 1982 as an Executive Director and as a member of the Audit Committee on 21 April 2001. She ceased to be a member of the Audit Committee on 3 December 2007 and was redesignated to a Non-Executive Non-Independent Director on 16 April 2008. She also holds directorships in several private limited companies.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

PROFILE OF DIRECTORS

CHIN MUI KHIONG

Non-Executive Independent Director

Nationality	Age	Gender
Malaysian	69	Male

Board Committee Membership
- Chairman of Nomination and Remuneration Committee
- Chairman of Audit Committee

Mr. Chin Mui Khiong, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. He is also the Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee. He is also the Senior Independent Non-Executive Director to whom the public may address their concerns (if any) on the general conducts of Ibraco Group.

Mr. Chin is a member of the Malaysian Institute of Accountants. He started his career with Hanafiah Raslan & Mohammad, Kuching which subsequently merged with Arthur Andersen, which in turn merged with Ernst & Young. He was a Partner of Ernst & Young from 1997 until his retirement in June 2015. He has served as the Partner-in-charge of a number of companies listed on Bursa Malaysia Securities Berhad, as well as private and quasi-government corporations, which included industries such as manufacturing, plantation, banking, construction, transportation, hotel, hospital, education, stockbroking, unit trust and government agencies. He has more than 35 years of professional experience in the areas of audit and business advisory services. He also holds directorships in Hubline Berhad, Landmarks Berhad, Supreme Consolidated Resources Berhad and Development Bank of Sarawak Berhad.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, in any). He does not have any conflict of interest with the Company.

WONG SIAW WEI

Non-Executive Independent Director

Nationality	Age	Gender
Malaysian	48	Female

Board Committee Membership
- Member of Nomination and Remuneration Committee
- Member of Audit Committee

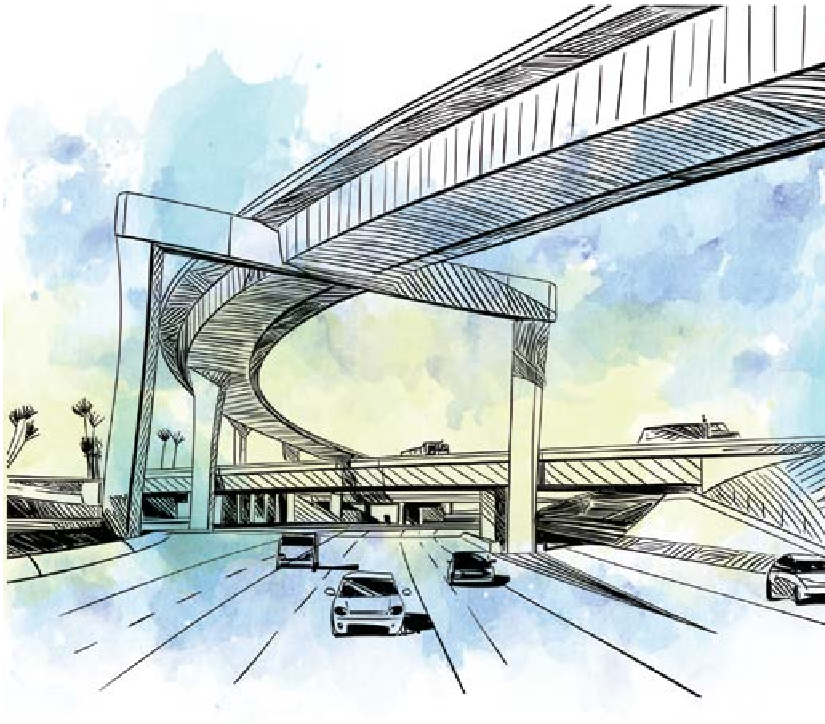
Ms. Wong Siaw Wei, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 22 April 2022.

Ms. Wong is a Fellow Member of the Association of Chartered Certified Accountants (UK) and a member of the Malaysian Institute of Accountants. She has more than 20 years of expertise in accounting, auditing, investment banking and corporate affairs. Her professional journey includes roles at Arthur Andersen & Co., Ernst & Young, Aminvestment Bank Berhad and various private and public listed companies.

In 2010, she founded a consultancy company with a primary focus on providing services in consultancy, accountancy, management, and secretarial support. Subsequently in 2016, she established Carbon Xchange (Sarawak) Sdn. Bhd., a company dedicated to sustainable agriculture project management, training services, and the trading of natural agriculture produce.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

PROFILE OF DIRECTORS



PUAN JUNIJAH BINTI ISMAIL

Non-Executive Independent Director

Nationality	Age	Gender
Malaysian	53	Female

Board Committee Membership
- Nil

Puan Junijah, a Non-Executive Independent Director, was appointed to the Board of Ibraco Group on 26 May 2023. She holds Diploma in Accountancy from Institute Technology Mara.

With over 30 years of extensive experience in finance and accounting, Puan Junijah specialised in various areas including financial statements and reporting, accounting policies and procedures, cash flow, costing, budget and business process improvements. She gained her experience in manufacturing and hospitality sectors. She also holds directorship in other private limited company.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

THE CORLISS RESIDENCE

PROFILE OF KEY PERSONNEL

NEWURBAN RESIDENCE

FELIX SU KUANG YIAW

Project Director

Nationality	Age	Gender
Malaysian	64	Male

He obtained his Civil Engineering degree and continued to pursue his engineering career for over ten years in Canada. He has 40 years of working experience in the construction industry both as consultant and contractor, with niche technical knowledge in upgrading and construction of airports within Sarawak and Sabah. He joined the Group on 2 May 2017.

He does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

MAY WONG MEI LING

Assistant to Group Managing Director cum Company Secretary

Nationality	Age	Gender
Malaysian	50	Female

She qualifies as a Chartered Accountant with the Association of Chartered Certified Accountants (ACCA). She is also a member of the Malaysian Institute of Accountants. She was the Chief Financial Officer and Company Secretary of Sarawak Consolidated Industries Berhad for 6 years before joining the Group on 1 February 2010.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

CHAI MING HSIA

Senior Contracts Manager

Nationality	Age	Gender
Malaysian	47	Female

She has more than 10 years of experience in Quantity Surveying for consultancy, developer and construction firms prior to joining Ibraco Group on 21 May 2013 as Project Special Assistant. She was later appointed as the Senior Contracts Manager in 2016. She graduated with a Bachelor's Degree in Construction Management and Economics from Australia.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

JONATHAN TEO KUI THENG

Senior M&E Manager

Nationality	Age	Gender
Malaysian	56	Male

He joined the Group as Senior M&E Manager on 1 December 2016. He has more than 15 years of experience in managing building works and M&E packages for major development projects in Sarawak, including the Sarawak International Medical Centre, as well as Sarawak Energy Berhad's headquarters building. He graduated with BSc. Engineering in Mechanical and Production from Singapore.

He does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

DENISE YONG HUI HUI

Group Internal Auditor

Nationality	Age	Gender
Malaysian	43	Female

She joined the Group as Group Internal Auditor on 19 September 2022. She is a member of CPA Australia and a member of the Malaysian Institute of Accountants. She has more than 21 years of working experience in audit, accounting, finance, risk management and group reporting. Prior to joining Ibraco, she worked in various industries ranging from audit, manufacturing, property & construction and government statutory body.

She does not have any family relationship with any Director and/ or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

CHAIRMAN'S STATEMENT

KEY MESSAGES TO SHAREHOLDERS

Dear valued shareholders,

Representing the Board of Directors, I am pleased to deliver the annual report of Ibraco Berhad for the financial year ended 31 December 2023 ("FY2023").

FINANCIAL PERFORMANCE

During the year under review, our Group continued to operate in a challenging environment, as Malaysia's economic growth slowed, while inflation remained elevated and interest rates were raised further in the middle part of the year.

Nevertheless, we managed to post stronger results, with the Group revenue increasing by 44% to RM391.87 million from RM272.17 million in the preceding year. This growth was attributable to higher contribution from the property development segment, which continued to be the Group's major revenue driver.

Correspondingly, the Group net profit grew 46% to RM45.35 million from RM31.09 million in the preceding year, driven by higher earnings from the property development segment.

During the year under review, our property development segment recorded an increase of 45.5% year-on-year ("y-o-y") in revenue to RM284.14 million, accounting for 73.0% of the Group revenue. The stronger performance was largely due to higher sales of ongoing projects, including The NorthBank developments in Kuching and Bintulu Town Square developments in Sarawak, as well as the ContiNew apartment in Kuala Lumpur.

Our construction segment also recorded higher revenue at RM71.36 million, up 58% y-o-y. The growth was primarily driven by the construction of Package NR4 for the Northern Sarawak Water Supply Grid Programme for water-stressed areas in the state, and temporary facility works and building works for the Sarawak Methanol Project by Samsung Engineering (Malaysia) Sdn Bhd and the New Operator Residence 2 located at Bakun awarded by Bakun Hydro Power Generation Sdn Bhd.

Financial prudence and discipline continued to underpin our operations. As such, our balance sheet remained healthy, with the debt-to-equity ratio hovering at a manageable level of 0.74 times as at 31 December 2023.

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE (Cont'd)

In line with our dividend policy to pay out at least 30% of profit after tax, a total of RM19.11 million was declared for this purpose in FY2023 to reward our shareholders.

Further details of the Group's financial performance are disclosed in the Management Discussion and Analysis by the Group Managing Director within this Annual Report.

AN EVENTFUL YEAR

During the year under review, we successfully launched a new service apartment project at our signature mixed-development project, The NorthBank, in Kuching, Sarawak. Comprising 330 units, with an estimated gross development value ("GDV") of RM238 million, the new service apartment block, called Corliss Residence, had attracted encouraging responses from the public.

We also expanded our commercial development at The NorthBank by unveiling 59 units of 3-storey shop, 4 units of 8-storey office tower and 9 single-storey lock-up shops at the NorthBank Commercial Centre ("NBCC"). These developments, which carried a total estimated GDV of RM222 million, had registered encouraging take-up rates. This would contribute positively to Group revenue in the years ahead.

Separately, the second phase of the Town Square Bintulu township in Sarawak took off, with the rollout of a new 163-unit service apartment block, the Horizonz Apartment, with a GDV of RM96 million, as well as 19 units of 3-storey shop office, 2 units of 4-storey shop office and an 8-storey office block, with a total GDV of RM72 million.

Our construction segment also made substantial progress, with two significant projects in the bag in FY2023.

HAGEN AVENUE

In July, the Group was awarded the RM529.8 million contract to construct a portion of the second trunk road in Samarahan Division. Through a joint venture, we went on to win the RM568.6 million contract in November to complete the infrastructure works for the rail line connecting Rembus with Stutong under the Kuching Urban Transportation System ("KUTS").

To further expand and diversify the Group's income streams, we also registered encouraging progress in other segments of the Group's business. This included the commencement of the operation of our ready-mix concrete plant in September 2023; and the granting of a new quarry licence for the quarry reserve located at Gunung Sinmaju, which would expand our quarry operations beyond Pulau Salak.

We are also pleased to welcome Madam Lily Tang Lee Lin to the Board, following her appointment as Executive Director on 31 December 2023 to replace Mr Liu Tow Hua, who retired from the position.

Madam Lily brings with her vast experience in the audit and finance industry. We believe her presence will add value to the Company's growth.

On behalf of the Board, I would like to thank Mr Liu for his contribution to the growth and successes of Ibraco.

CHAIRMAN'S STATEMENT

SUSTAINABILITY MEASURES

As for our sustainability practices, we continued to enhance our efforts to embed the Environmental, Social and Corporate Governance ("ESG") principles across our operations and projects to meet international standards.

This commitment is reflected in the various initiatives that were undertaken last year to improve our environmental and social impact, while improving our governance structure.

Further information about our ESG sustainability strategy and commitments is outlined inthe accompanying Sustainability Statement in this Annual Report.

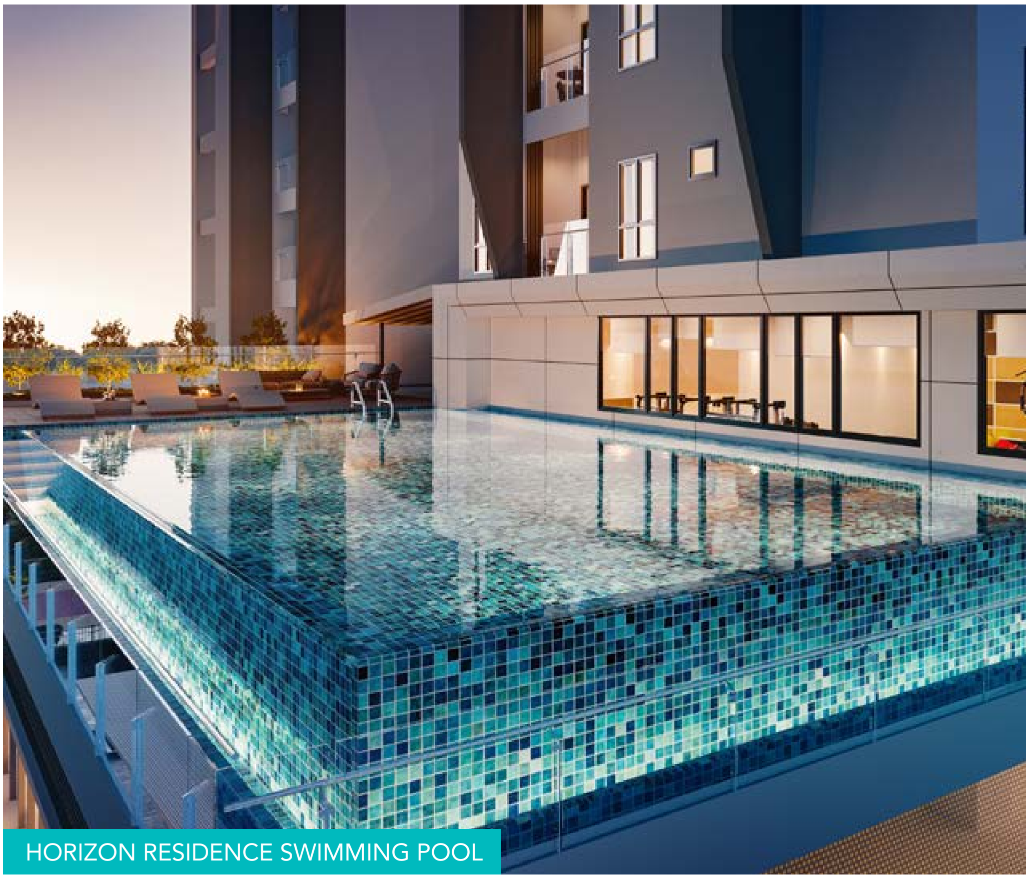
PROSPECTS IN FY2024

Looking ahead, we are cautiously optimistic about our prospects in FY2024.

Although the local property market conditions remain challenging amid the rising cost of living and an elevated interest rate environment, we are optimistic that the recovery of Malaysia's economy in 2024 will underpin continued demand for our products.

According to the Ministry of Finance, Malaysia's gross domestic product ("GDP") is expected to remain resilient, with a growth rate of 4%-5% in 2024, as compared to around 3.7% in 2023. This bodes well for the property sector in the country.

In Sarawak, specifically, the State GDP is projected to expand 5%-6% in 2024. As such, we are confident of achieving robust property sales in FY2024. This will be supported by our intense branding effort to elevate the value of our properties as well as the strategic locations of our projects.



HORIZON RESIDENCE SWIMMING POOL

We will continue to bank on the success of The NorthBank mixed-development project, with new launches of commercial developments, service apartments and landed residences as well as a private specialist hospital within The NorthBank development. This would further enhance the value of the project and boost its appeal to potential customers and investors alike.

Additionally, there will be new offerings at Town Square Bintulu, and these include a high rise service apartment project, an office block, double frontage shops and an F&B drive-through facility.

We have also launched an integrated township development, called the Arden City, which shall serve in Samarahan, where we introduced 39 units of shops, carrying a total GDV of RM84 million, and an upcoming 25-storey service apartment block with a GDV of RM337 million.

Further, we will expand our foothold in the Klang Valley, with the launch of our second high-rise project. Located in Petaling Jaya, this new service apartment project, called NewUrban Residence, will comprise 922 units with a GDV of RM529 million.

With unbilled sales totalling about RM244.77 million as at 31 December 2023, our property development segment is expected to sustain its buoyant performance and drive the overall Group growth in FY2024.

CHAIRMAN'S STATEMENT

NEWURBAN SWIMMING POOL

PROSPECTS IN FY2024 (Cont'd)

As for our construction segment, we will continue to actively seek new construction and infrastructure projects from both the public and private sectors to further expand our orderbook. This is in line with our objective to strengthen our sources of income, while reducing our reliance on the property development segment.

As at 31 December 2023, our construction orderbook stood at a record high of RM1.16 billion, providing clear and sustainable earnings up to the end of FY2026.

We are positive about the opportunities in the construction sector, underpinned by Malaysia's GDP growth in 2024 as well as the development initiatives highlighted under the Budget 2024 that was tabled in Parliament on 13 October 2023.

Budget 2024 showed that the development of Sabah and Sarawak would be prioritised, with both states expected to receive RM12.4bil out of the total allocation of RM70bil for development expenditure.

Separately, the Sarawak government has allocated RM9 billion to fund development projects under the 2024 State budget.

We are confident that Ibraco's track record as a key player in Sarawak's construction industry will put the Group in good stead to secure upcoming projects in the State.

In other segments, we expect to commence steel pipe manufacturing in FY2024, with a trial run starting in the third quarter. This plant will meet internal needs and external demands from our customers and/or business partners, and help improve our earnings growth.

IN FOND FAREWELL

On a sad note, the Board lost a valued member, Mr. Guido Paul Philip Joseph Ravelli who passed away on 24 March 2024. The Board would like to thank the late Mr. Ravelli for his invaluable contribution and dedication to the company during his tenure of service and expresses the deepest condolence to his family.

A NOTE OF APPRECIATION

In closing, I would like to express my heartfelt gratitude to the management and all employees at Ibraco for their dedication and diligence in driving the Group's performance in the past year.

I also wish to take this opportunity to thank our shareholders, associates, customers, bankers, subcontractors and suppliers for their unrelenting support to the Group.

There are exciting times ahead, and we look forward to continue growing with you, and enhancing value creation for all stakeholders.

Ng Cheng Chuan
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS BY THE GROUP MANAGING DIRECTOR

Ibraco Berhad is a leading property development company headquartered in Sarawak. Renowned for its quality products and timely delivery, which is its motto and commitment to its valued customers, the Group has established itself as a trusted property developer for more than 50 years. It has ongoing property development projects in both Sarawak and West Malaysia.

Besides the property business, the Group has also a diversified into construction, quarry operation, clubhouse operation and ready-mixed concrete operation.

The operating environment in 2023 was challenging, as Malaysia's economic growth was normalised to 3.7% in 2023 as compared to 8.7% in the preceding year. While domestic demand remained resilient, external headwinds were tough amid a high interest rate environment, elevated inflationary pressure and geopolitical tensions. During the fourth quarter of 2023, Malaysia's economy grew at a slower pace of 3.0%, as compared to 3.3% in the preceding quarter.

The construction sector, on the other hand, grew 3.6% in the fourth quarter of 2023. Overall, this sector's growth was 6.1% for the full-year of 2023.

Despite the slower economy, the Group posted robust growth across most of its business segments through the financial year ended 31 December 2023 ("FY2023").

Overall, the Group's revenue grew 44% to RM391.9 million in FY2023 from RM272.2 million in the preceding year. This helped lift the Group's net profit by 45.8% to RM45.3 million for the year under review from RM31.1 million in FY2022.

The improved performance of the Group can be seen from its two major segments, in particular, with the property development division posting 45.5% rise in revenue to RM284.1 million in FY2023 from RM195.3 million in FY2022, and the construction division's revenue grew 57.5% to RM71.4 million from RM45.3 million in FY2022.

HORIZON RESIDENCE

MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

FINANCIAL PERFORMANCE REVIEW

Contributing about 72.5% to the Group's total revenue in FY2023, the property development segment continued to be Ibraco's main income driver, followed by the construction segment, which accounted for 18.2%, and quarrying segment with 6.3%.

For the year under review, the property development segment's revenue was primarily driven by the development at The NorthBank in Kuching, which comprised varieties development including commercial shop offices and strata titled serviced apartments and landed residentials. Apart from that, sales of apartments at Ixora Court had also contributed to the revenue for the year. The Group managed to clear some of its inventories, particularly the apartment suites at Kuala Lumpur, Residensi Continew, which, representing 15.6% of the total property development segment revenue for FY2023.

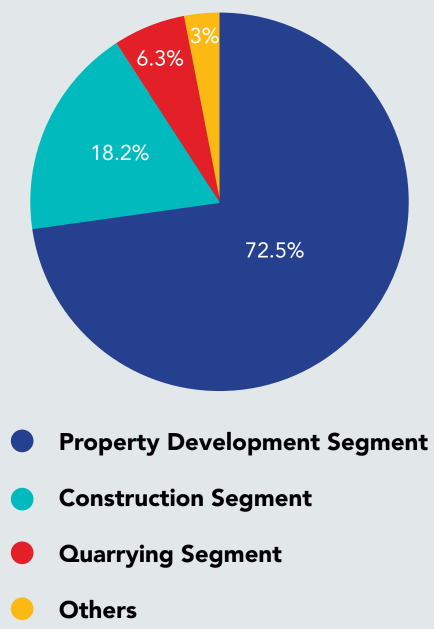
The construction segment as the second major segment contributor to the Group's performance, revenue was derived mainly from the contractual work awarded from Jabatan Bekalan Air Luar Bandar, Kuching, Sarawak, as well as the construction of building works for the Sarawak Methanol Project by Samsung Engineering (Malaysia) Sdn Bhd, design and build contractual work from Bakun Hydro Power Generation Sdn Bhd and Sarawak Government's building project.

The Group registered an increase of 24.8% in administrative expenses to RM44.0 million in FY2023 from RM35.3 million in FY2022. The increase was mainly due to the increase in staff costs, depreciation of property, plant and equipment, and professional fees.

The Group's loan and borrowings were higher by 32.8% at RM280.7 million in FY2023, as compared to RM211.3 million in FY2022. This is in line with the expansion of the Group's business that required further financing. With that, the Group's debt-to-equity ratio stood at 0.74 times at the end of FY2023, as compared to 0.57 times in the preceding year, which considered healthy and manageable.

Overall, the Group's earnings per share rose to 8 sen for FY2023 from 6 sen in FY2022, and expanded the shareholders' funds to RM487.7 million as at 31 December 2023 from RM462.0 million as at previous year. With this healthy growth, the Company has declared a total dividend of 3.50 sen per share for FY2023.

Revenue by Segment



MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

OPERATIONAL PERFORMANCE REVIEW

PROPERTY DEVELOPMENT SEGMENT

The NorthBank, Kuching

Sprawling across 123 acres, a new integrated riverside township has become another Ibraco's iconic development in Kuching. It continues to be one of key focus areas of the Group over the next few years, where it creates a vibrant economy within a convenient locale, combining the popularity of landed residences with the growing trend of high-rise developments, and complementing them with commercial properties and essential facilities to provide a more holistic living experience in the township.

The NorthBank offers a variety of residences, from gated-and-guarded landed residences to trendy stylish design service apartments all built within a walking distance to commercial lots and office units. Furthermore, with the existing well-established educational institution and an exclusive private social clubhouse, The NorthBank Autonomous Rapid Transit (ART) station and reputable private healthcare centre will be next upcoming facilities that further enhance the living experience in the township and its value.

Sales generated from The NorthBank developments in FY2023 stood at RM182.1 million, representing 64.1% of the Group's property development segment revenue.

In FY2023, the Company successfully completed and handed over the NorthBank Exchange 2 - 49 units of 3-storey shops and the Alyvia Residence townhouse. Other ongoing projects, namely the Renna Residence service apartment, the Crestwood Estates 3-storey semi-detached houses and the NorthBank Commercial Centre with 4 blocks of 8-storey office tower, 59 units of 3-storey shop and 9 units of single storey lock up shops, are expected to be ready for handing over in FY2024 and FY2025 respectively.

The Company further launched a new 330-unit service apartment - Corliss Residence, with the new concept that boasts sustainable features in 4th quarter FY2023. Inspired by the calming elements and lush greenery that surround the property, the take-up rate was encouraging.

Arden City, Samarahan

Nestled on a 76-acre site in Samarahan Division that the Group acquired back in end of 2021, Arden City is the Group's next highly integrated self-sustaining township development. Situated at southeast of Greater Kuching, Arden City consists of a mixture development of commercial, offices, residential, healthcare and leisure. It is within the healthcare and education hub that under the Sarawak Government's strategic masterplan. In addition to that, one of the ART stations will be located at the doorstep of this new township, made Arden City an easily accessible ideal environment to fulfil lifestyle for people of all works of life.

Bintulu Town Square, Bintulu

Spanning more than 27 acres, the Bintulu Town Square is an integrated mixed-development project under a joint venture between the Group and the Bintulu Development Authority ("BDA"). At the beginning of FY2023, the Group has launched the second phase for new shop offices and service apartment, where, the service apartment had received an overwhelming take-up rate and the sales contributed 3.4% to the Group's property development segment revenue.

Residensi ContiNew, Kuala Lumpur

Located at the strategic location in Kuala Lumpur City Centre, Residensi ContiNew, the maiden foray for the Group in West Malaysia completed in October 2021. With two residential towers that consists of 510 units of apartment suites, sitting above a vibrant commercial space with commercial/retail/office spaces, this mixed development has a GDV of over RM400 million and has generated RM44.3 million or equivalent to 15.6% of the Group's property development segment revenue for FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

OPERATIONAL PERFORMANCE REVIEW (Cont'd)

CONSTRUCTION SEGMENT

In FY2023, the Group continued to derive revenue from the ongoing government's and private companies awarded projects. These included the Design, Construction, Completion, Testing and Commissioning of the NR4 (Northern Region) for Sarawak Water Supply Grid Programme – Stressed Areas, which has been re-scheduled to be completed in FY2024 due to additional work scope. The Group also recognised revenue from the construction of Sarawak Government's building project during the year under review, and scheduled to be completed in FY2024 as well.

Besides the government projects, the Group involved and recognised revenue from contractual works awarded by Samsung Engineering (Malaysia) Sdn Bhd, construction of building works for the Sarawak Methanol Project and by Bakun Hydro Power Generation Sdn Bhd the design and build of New Operator's Residence 2 at Bakun HEP. Both are scheduled to complete in 1H FY2024 and FY2025 respectively.

The above projects have generated RM71.4 million, representing 18.2% of the Group's total revenue for FY2023.

OTHER SEGMENTS

Since July 2020, the Group has a quarry operation at Pulau Salak that is run by its wholly owned subsidiary, Ibraco Quarry Sdn Bhd, which the plant processes aggregates of granites, has an annual capacity of 600,000 MT. It has contributed 24.7 million or 6.3% to the total revenue of the Group in FY2023.

The Group granted approval of quarry licence for a new quarry reserve at Gunung Sinmajau, Mile 14 Serian-Tebedu, Serian Division, in 2020. This operation involved a meaningful partnership with Kebajikan AnakAnak Yatim Sarawak Charitable Trust via our subsidiary company, Sekitar Gemilang Sdn Bhd. This new quarry site with an annual capacity of 1.2 million MT production of limestone is currently under site preparation works and is expected to commence commissioning by end of FY2024.

Meanwhile, the Group commenced the operation of ready-mix concrete plant in September 2023. This plant, has annual capacity of 120,000 MT, is run by Ibraco KPP Concrete Sdn Bhd, which is a 70%-owned subsidiary by Ibraco Construction Sdn Bhd - wholly owned subsidiary by Ibraco Berhad.

OUTLOOK FOR THE YEAR 2024

Malaysia's gross domestic product (GDP) growth is projected to improve to around 4%-5% in 2024, as compared to 3.7% in 2023. This growth is expected to be driven by robust domestic demand, and recovery in the country's exports as well as the tourism sector.

The positive GDP outlook, coupled with an improved labour market condition and easing inflationary concern, should bode well for the property sector. And with interest rates expected to remain stable through 2024, while financing becomes more easily accessible to home buyers, demand for properties in Malaysia is expected to be robust.

This bodes well for the Group's overall property projects, including those in the Klang Valley. Continuing the success of ContiNew Kuala Lumpur, the Group has launched the affordable service apartment at Bandar Petaling Jaya Selatan in March 2024. Residensi NewUrban, sitting on 6.1 acres offering 922 units with build-ups ranging from 553 sq ft to 1,000 sq ft, the Group has positive prospects on this strategically located with excellent accessibility and lifestyle convenience surrounding.

The Group will continue the efforts in the branding of The NorthBank development over the years, by rolling out more launches on commercial developments, service apartments and landed residences in FY2024. With the Group bagged in the Kuching Urban Transportation System (KUTS) Blue Line Package 1 in November 2023, an ART station will also be located within The NorthBank, together with upcoming development plan of healthcare centre, which would further enhance the value of the surrounding development. Besides The NorthBank, the Group will also be actively promoting the Arden City at Samarahan, with new product launches namely shop offices, service apartment and office buildings in FY2024. The Group has entered into contracts for the construction works for the implementation of affordable housing project at Matang Land District and various development activities at Muara Tuang Land District in Kuching.

MANAGEMENT DISCUSSION AND ANALYSIS BY GROUP MANAGING DIRECTOR

OUTLOOK FOR THE YEAR 2024 (Cont'd)

As for Bintulu market, the Group plans to introduce new properties, comprising service apartment, office block, double frontage shops and an F&B drive-through facility, at Town Square Bintulu Phase 2.

Concurrently, Ibraco is actively pursuing in bidding government's construction and infrastructure contracts, particularly in Sarawak, which is currently undergoing a developmental transformation that will change the landscape of the State's economy.

Noteworthily, the State Government of Sarawak expected the State's GDP to achieve an economic growth between 5% and 6% in 2024. Besides the development expenditure of RM5.8 billion allocated to Sarawak under the National Budget 2024, the Sarawak Government is committed that 66% of the proposed expenditure for 2024 or equivalent to RM9 billion to be used for development purposes, expecting to generate significant economic multipliers for the State, at the same time to create additional employment prospects for the local people and revitalise the construction and service sectors.

The Group has been awarded Sarawak Second Trunk Road Package A1-A: Construction and Completion of The New Batang Samarahan Bridge and 9km New 4-Lane Dual Carriageway Road JKR R5 Standard from Batang Samarahan to Batang Sadong, and KUTS Blue Line Package 1: Construction and Completion of Infrastructure Works from Rembus to Stutong, in July and November 2023 respectively. The Group's construction earnings visibility remains solid until FY2026, supported by its strong orderbook, which totalled RM1.16 billion as at 31 December 2023.

The Group is optimistic that with its strong track records in the State's construction projects, it will be at advantage to participate in bidding a number of key upcoming projects in Sarawak.

Meanwhile, the Group is setting up its own building and construction supply chain to enhance the Group's earnings growth over the long term, by meeting internal needs while quality control on the supply, it can be part generating a new revenue stream through sales to external parties.

With the strategies highlighted above, the Group remains in a resilient position to navigate the potential any potential fluctuations in FY2024 to deliver sustainable growth for the year.

SUSTAINABILITY STATEMENT

REPORTING PERIOD

Our Sustainability Statement covers information on our sustainability performance for the period from 1 January 2023 to 31 December 2023 ("FY2023").

REPORTING SCOPE

All information published herein covers our key business operations mainly the property development, construction works, and quarry operations.

REFERENCED REPORTING FRAMEWORKS

In deciding on the content for this statement, we have been guided by Bursa Malaysia Sustainability Reporting Guide as well as other frameworks as listed below:

- Task Force on Climate-related Financial Disclosures ("TCFD")
- United Nations Sustainable Development Goals ("UNSDGs")

All data in this report has been sourced internally and verified by the respective business units or information owners. We strive to continuously enhance our data collection and analysis processes towards improving data accuracy and quality of our Sustainability Statement.

ABOUT IBRACO

Ibraco is an integrated property development company based in Malaysia, with ongoing property development projects in both Sarawak and West Malaysia. The core businesses of Ibraco comprise property development and investment, construction, quarry operation, clubhouse operation and ready-mixed concrete operation.

SUSTAINABILITY FRAMEWORK

Our sustainability framework outlines our sustainability mission, goals, governance and approach in all our activities to guide us towards impact-focused targets.

OUR VISION

To be one of the leading conglomerates in the building and construction industry.

OUR MISSION

To provide quality products and services, embrace corporate sustainability, optimise shareholders' return and nurture employees.

OUR APPROACH TO SUSTAINABILITY

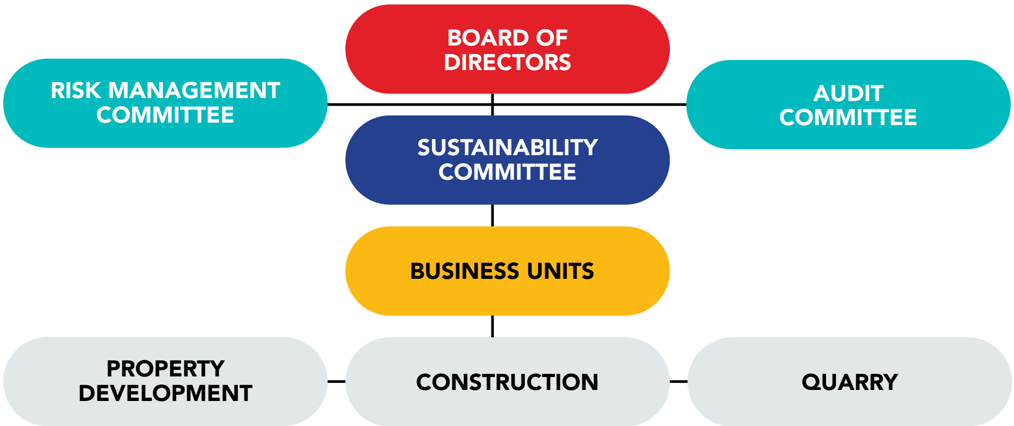
Identify sustainability matters and their impact on Economic, Environment and Social ("EES"), including stakeholders' needs and expectations.

Incorporate sustainability matters into our risk management framework to ensure they are addressed as part of the organisation's risks and opportunities.

Assign sustainability matters to the relevant departments where sustainability development is linked to their departmental key performance indicators.

SUSTAINABILITY STATEMENT

SUSTAINABILITY GOVERNANCE STRUCTURE



Note: The Company's sustainability measure was extended to its quarry operations in FY2023.

BOARD OVERSIGHT OF ESG MATTERS

Ibraco Board of Directors ("The Board") acknowledges sustainability as a top-level concern and maintains ultimate responsibility for it. In line with the Malaysian Code on Corporate Governance (MCCG), the Board exercises direct oversight of Environmental, Social and Governance ("ESG") matters, associated risks, and opportunities, as well as integration of sustainability considerations in corporate strategy, governance and decision-making.

The Sustainability Committee, chaired by our Senior Non-Independent Director, receives support from the Sustainability Working Committee, consisting of department heads, to foster a culture of sustainability within our daily operations. Under the guidance of the Board, the Sustainability Committee is responsible for supervising and ensuring the Group's responsible conduct in EES matters. Additionally, it assesses and makes recommendations on sustainability strategy, ESG targets and performance.

Board of Directors

- Sets policies to drive sustainability practices in the Group
- Maintains strategic oversight on ESG
- Sets the right tone at the top to internalise culture of sustainability and ESG
- Recognises sustainability as board-level issue and retains ultimate responsibility over sustainability

Sustainability Committee

- Chaired by Senior Independent Director
- Oversees and ensures the Group conducts its business in a responsible manner, in relation to the EES aspect
- Reviews and recommends sustainability strategy, ESG targets and performance

Sustainability Working Committee

- Comprises Heads of Departments to discharge the duties of embedding a sustainability culture in daily business operations
- Assist Sustainability Committee to ensure alignment and implementation of ESG plans across the Group

Business Units

- Sustainability-focused task is embedded in business units
- Actively working on specific sustainability issues
- Flexibility to set up and work on sustainability initiatives of their own

SUSTAINABILITY STATEMENT

OUR MATERIAL MATTERS

In FY2023, our management reviewed the material matters that guided our sustainability efforts in the previous year and determined that all topics continued to remain relevant and the Group's top 5 material topics have also remained unchanged. These are Labour Practices and Talent Management, Community/ Society, Environmental Footprint, Product Responsibility and Economic Performance.

We have matched our materiality matters to 7 of the 17 main Sustainability Development Goals ("SDGs") by the United Nations.

ZERO HUNGER

We regularly provide household necessities to underprivileged and indigenous families. We also collaborate with HOPE Place to extend our reach and ensure help is targeted to those most in need.

GOOD HEALTH & WELL-BEING

We prioritise health and safety in our business operations through policies and provision of Personal Protective Equipment ("PPE") at construction sites, and ensure that our staff receive various Occupational Safety and Health ("OSH") training.

We also promote work-life balance by carrying out various wellness initiatives to support our employees.

GENDER EQUITY

We are committed to promoting the advancement of women. We are focused on ensuring women's effective representation and access to equal opportunities for leadership across business activities.

DECENT WORK AND ECONOMIC GROWTH

Our infrastructure development projects create large economic multipliers, provide numerous employment opportunities and contribute to the development of the local economy.

We provide competitive remuneration packages to our employees in addition to training opportunities for career growth and development.

We also champion the rights of all our stakeholders as guided by our Human Rights Policy.

INDUSTRY, INNOVATION & INFRASTRUCTURE

We make efforts to incorporate sustainable features into our projects and innovation into designs to reduce defects and achieve resource efficiency. We also provide investment in infrastructure surrounding our developments to enhance the livability and sustainability of our communities.

SUSTAINABLE CITIES & COMMUNITIES

We contribute by connecting communities and businesses, integrating our developments with mass public transportation infrastructure. We also ensure the provision of comprehensive amenities, recreational and community spaces such as cycling and jogging tracks.

CLIMATE ACTION

We measure and disclose carbon emissions stemming from fossil fuel (Scope 1) and electricity purchased from the national grid (Scope 2). We record our energy, water consumption and waste generation; and dedicate at least 10% of our development areas for green zones; as well as provide Electric Vehicle ("EV") charging stations within our developments.

SUSTAINABILITY STATEMENT

DENTIFYING & MANAGING RISKS AND OPPORTUNITIES

The table below summarises the Group's key risks mapped against our identified material sustainability matters:

Key Risks	Description	Key Mitigation Measures	Related Material Matters
Weak market sentiment	Demand for properties cool off and affect the Group's sales performance	• Understand buyers' preferences and market demand and tailor product launches accordingly • Continue with innovative and aggressive marketing strategies	Economic performance and Product Responsibility
Increase in construction costs	Affect pricing strategies and Group's profitability	• Balance our supply chain and resources to ensure long-term growth • Prepare detailed cost estimates for each project before tender • Effective tenders for award of lump sum construction contracts • Value re-engineering to bring down overall cost • Engage in self-production of building materials, specifically, ready-mix concrete, for own use to ensure competitive pricing, better quality control and customised solutions	Economic performance
Non-performing contractors	Product quality not met, non-compliance of safety and health, and project delays	• Regular contractor performance appraisal • Close monitoring of contractor performance • Adopt good industry construction practices • Robust contractors' selection and evaluation process	Economic performance, Product Responsibility, Labour practices and decent work
Non-compliance with labour welfare practices	Negative impact on reputation and may lead to loss of investors' trust	• Prioritise the health and safety of employees • Set target to achieve zero fatality • Reduce recordable work-related injuries	Labour practices and talent management
Inability to retain talent	Fail to retain top talent and loss of knowledge; global opportunity increasingly more attractive	• Improve job satisfaction and develop talent capabilities • Increase employee motivation from realisation of work-life balance	Labour practices and talent management
Climate change	Physical and transitional risks that disrupt development projects, rising cost of doing business and environmental damage	• Increase green spaces and incorporate energy and water efficiency features into projects • Promote environmental education • Encourage tree planting to ensure new trees are introduced to the environment at our developments • Project management to be guided by the Environment Management System ISO 14001 : 2015	Environmental Footprint and Product Responsibility

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Key Concerns	Type of Engagement	Our Approach	Material Sustainability Matters
Employees	• Fair and competitive remuneration and benefits • Career development and training opportunities • Workplace safety and health • Work-life balance • Climate action	• Town halls • Surveys • Newsletters • Training and workshops • Staff gathering • Orientation programme • Annual performance assessment	• Fair and attractive remuneration package • Talent development programme • Health and safety awareness talks by safety officers or authorities • Emphasis on health and safety concerns during town hall meetings or induction briefings • Publication of health and safety, and work-life balance articles in staff newsletter • Health (including mental health) awareness talks by specialists • Student financial aid programme	• Labour practice and talent management
Customers	• Product quality and workmanship • Customer service and experience • Safety and security of developments • Pricing of property • Data privacy	• Customer satisfaction survey • Community apps • Company's website/ social media/ newsletters • Community outreach event • Loyalty programme	• Launch of affordable properties • Obtain customer feedback regularly via customer satisfaction survey • Implement customer engagement digital platform • Stringent selection of contractors and suppliers • Improved inspection and monitoring standards	• Product responsibility • Economic performance
Suppliers and contractors	• Pricing of contracts • Payment schedule • Transparency in procurement practices • Responsible material applications • Product quality • Delivery on time	• Contractor performance appraisal • Prequalification of tenderer • Post-project review • Contract negotiation • Pre-tender assessment • Regular meetings • Email correspondence	• Systematic review of selection, appointment and performance assessment • Tender process	• Product responsibility • Economic performance
Communities	• Safety and security • Community investment • Environmental issues	• Donation and financial aid • Communities outreach programmes • Company's website/ social media/ newsletter • Investor Relations web page • Contribution to environment and social enhancement	• To provide auxiliary police services • Corporate Social Responsibility partner engagement programmes • Improve our waste management system • Green design development • To obtain ISO14001:2015 certification for property development sites	• Community/Society • Environmental footprint
Investors	• Business performance • Corporate Governance • Sustainability model, performance and tracking	• Analyst and Fund Manager briefings • Annual General Meetings • Investor Relations Portal	• Committed to good corporate governance practices • Risk assesment and management • Embrace corporate sustainability	• Economic performance • Environmental footprint • Product responsibility

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE

Financial

Ibraco prioritises financial stability and long-term profitability to ensure that we can create value, now and in the future, for our stakeholders. As a renowned property developer and construction company, our focus is on providing good quality products and services to uphold our leading market position and reputation.

In line with our EES agenda, our core activities create a wide range of socio-economic multiplier effects. These include creating jobs for the local community, providing business opportunities for various enterprises, increasing tax contribution to the government, supporting the local supply chain, meeting obligations to financiers and fulfilling our dividend policy of returning not less than 30% of net earnings. These benefit a range of stakeholders such as shareholders, employees, local businesses, financial institutions, customers, communities and society at large.

The economic value we generated and distributed is highlighted in the table below:

FY2023 (RM million)		FY2022 (RM million)
391.87	Revenue	272.17
8.55	Other Income	6.37
293.02	Operational Costs	197.80
23.96	Employee wages & benefits	18.85
17.38	Taxes (government)	12.43
32.06	Capital providers	20.25
0.88	Communities	2.18

Supply chain management

At Ibraco, we continue to fulfil our objective of supporting the local economy by engaging with local suppliers and contractors. In FY2023, 100% of our major suppliers and contractors are local, as in FY2022.

Engagement, targeting 90% of our major suppliers and contractors, has formed a large percentage of our procurement activities.

ECONOMIC

We have performed 100% pre-qualification reviews of the invited tenderers during pre-tender assessment process. The most competitive tenderer based on set criteria will be awarded the contract and exceptions are only permissible in special cases where the job requires specialists or critical works. Contractors' performances are regularly monitored and assessed through regular meetings. Overall performance evaluations occur upon project completion and serve as track records for future engagements.

We have been working closely with local contractors to enable knowledge transfer among organisations, while enhancing our effort to reduce environmental footprint. To ensure quality, we maintain the standard in line with ISO9001:2015 Quality Management System certification and adopt quality standards based on the CIS7:2014 assessment system.

Affordability

We support the national agenda of making home ownership affordable. As such, we will continue to plan and build homes that are priced within the purchasing power of middle-income Malaysians.

The Ixora Count affordable apartment, which comprised 220 units and fully taken up, is scheduled to complete and hand over the units by 2nd half of 2024.

Customer service satisfaction

Customer feedback is actively sought via our Customer Satisfaction Survey. We obtain feedback at each stage of the purchasing process spanning from the time the customer registers with us till the closure of defect rectification. The survey shows we have generally maintained high customer satisfaction in terms of services and product quality in FY2023.

Approaches	FY2023	FY2022	FY2021	Targets	Progress Achieved
Response rate for customer satisfaction survey during handover	97%	94%	85%	>80%	Achieved
Product quality rating	85%	87%	85%	>80%	Achieved

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

ECONOMIC (Cont'd)

Ethics and integrity

We have adopted a number of policies to establish a strong corporate culture, with sustainability in mind, as well as to guide all Directors and employees to commit to high ethical standards and conduct at work. These policies include the Code of Conduct and Ethics Policy, Directors' Fit and Proper Policy, Board Diversity Policy, Shareholders' Communication Policy, Anti-Bribery and Corruption Policy, Whistle-Blower Policy, Human Right Policy, and Sustainability Policy.

Notably, the Anti-Bribery and Corruption Policy is to ensure integrity in conducting business at internal and external levels, while the Whistle-Blower Policy is to provide employees and other stakeholders an avenue to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

Briefing on all policies is provided to all new hires during the onboarding process. All newcomers will also receive anti-bribery training. Meanwhile, refresher courses are offered to existing staff, and any changes or updates to the policies are communicated to all staff via company-wide email.

In FY2023, our Group managed to maintain full business regulatory compliances, and zero proven bribery and corruption cases, as depicted in the following table:

Approaches	FY2023	FY2022	FY2021	Targets	Progress Achieved
Relevant business licenses and certification renewals are monitored closely	100%	100%	100%	Full Compliance	Achieved
Confirmed incidents of corruption action	zero	zero	zero	Zero case	Achieved

It is our practice to require our business associates, including consultants, contractors and vendors, to adhere to our Anti-Bribery and Corruption policy. As such, relevant clauses of our Anti-Bribery and Corruption policy are included in the contract terms.

More information about our policies can be found on our website at www.ibraco.com.

ENVIRONMENT

The role of the Board and management is to ensure continued progress at Ibraco towards realising the Net Zero Carbon 2050 goal.

As such, our management team is increasingly focused on climate change strategies and is always seeking opportunities to reduce the environmental impacts in the design and construction at our townships and other projects.

We strive to adopt industry standard practices in our daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate our environmental footprint.

SUSTAINABILITY STATEMENT

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

ENVIRONMENT (Cont'd)

The table below illustrates our Group's environmental efforts:

Approaches	FY2023	FY2022	FY2021	Targets	Progress Achieved
Provisions of EV charging facilities at our residential developments	Apartment suites at the NorthBank Avona Residence	-	-	Install at least one EV charging at high-rise properties and high-end development	Achieved
Pursue green certification on a case-by-case basis	-	-	-	Green certification for NewUrban Residence and office block for business park	Performance to be measured upon implementation of the projects
Tree and shrub planting in the development area	Planted 54 trees and 3,412 shrubs	Planted 1,050 trees and shrubs 17,180 shrubs	Planted 1,240 trees and 62,780 shrubs	Continuous planting of trees and shrubs at the Northbank development area	Achieved
Bunding solar panel options into project developments	-	-	-	For future premium or high-end project developments	Performance to be measured upon implementation of the projects
Gradually increase installation of solar panels on Ibraco's premises	-	-	-	Increase solar panels on HQ and Clubhouse	Currently working on a proposal for the installation of additional solar panels, including identifying a suitable area for implementation
Use of rainwater harvesting system for premium projects	-	-	-	For future premium or high-end project developments	Performance to be measured upon implementation of the projects
Zero fines or penalties for any incidents of environmental non-compliance	zero	zero	zero	Zero cases	Achieved

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

ENVIRONMENT (Cont'd)

Energy

Ibraco HQ is a certified green office building, with environmentally friendly features that showcase our commitment to sustainable development. We encourage conserving energy at our premises every day by switching off all electrical and electronic appliances when not in use, and not leaving any device on standby or idle mode. We also avoid using lights when not needed to ensure efficient and sustainable consumption of electricity, while reducing our carbon footprint.

To support the nation's transition to renewable energy, Ibraco has to date generated 54,027 kWh of solar energy from solar photovoltaic at our corporate office.

Carbon emission

Our objective is to reduce the carbon footprint of all our operations:

Scope	Emissions reported in FY2022	Additional emissions reported in FY2023
Scope 1	Emissions related to fuel consumption at our project sites and by company-owned vehicles	-
Scope 2	Emissions from the purchase of energy consumed by our headquarters	Emissions from purchase of energy consumed by sales galleries, branch offices and clubhouse

Notes:

Emissions from carbon fuel sources have been calculated using emission factors from the GHG Conversion Factors 2023, published by the UK Department for Environment, Food & Rural Affairs ("DEFRA").

Emissions from gride electricity have been calculated using the emission factor from the 2017 CDM Electricity Baseline for Malaysia by the Malaysia Green Technology Corporation.

The emissions from company vehicles are calculated based on employee petrol card consumption.

** Figures have been updated to reflect the revised emission factor and further calculations were made to include the quarry site, sales galleries, branch offices and clubhouse.

During the year under review, our Group reported an increase in carbon emissions. The increase is mainly due to higher fuel consumption resulting from diesel usage by heavy machinery to support infra works activity, as well as an increase in the number of company vehicles and purchased electricity as a result of an increase in manpower.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

ENVIRONMENT (Cont'd)

Sustainable products

We are committed to improving the delivery of green products and solutions at our developments. For this reason, we constantly embed green design and features in our properties to enable nature to thrive, while incorporating other vital components such as health, education, commercial, lifestyle and connectivity to enhance the living experience within our townships.

Our Group also takes steps to standardise sustainability elements and ensure these are integrated into our properties by setting the Minimum Sustainability Component Checklist. Our focus areas in this regard include design, construction, building materials, waste management and landscaping.

Water consumption and management

Ibraco is focused on both the quantity of water used in our operations and the quality of the water discharged from our sites.

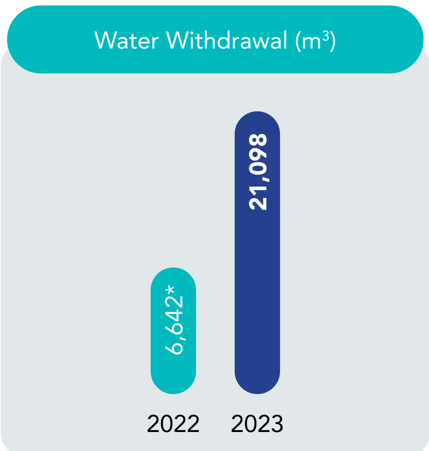
None of our sites are located in water-stressed areas. Our main source of potable water is from the municipality.

To maximise efficiency in water consumption, we use harvested rainwater for non-potable purposes, install water-saving fixtures and fittings across our projects, and instruct our property management department to regularly monitor usage and implement measures to reduce consumption such as serving reminders to staff to use water wisely.

Meanwhile, any water discharged from our sites is carefully supervised to ensure it is in compliance with the guidelines stipulated in the Environmental Impact Assessment ("EIA"). Our contractors are also required to comply with the EIA conditions.

We carry out quarterly monitoring through the Environmental Monitoring Report ("EMR") in line with the parameters of the National Water Quality Standards for Malaysia to showcase our compliance efforts.

Our total potable water withdrawal is as follows:



Note:

* Figure for Ibraco headquarters has been adjusted and further calculations have been made to include quarry, sales galleries and branch offices. The higher number is mainly due to consumption at our clubhouse (swimming pool) that came into operation in May 2023.

Waste management

In line with our effort to reduce waste disposal, a recycling centre has been established at our headquarters to sort and segregate waste into paper, metals and plastics. As much as possible, the waste will be reconstituted into useful new items.

We regularly evaluate our waste-management practices against all applicable statutory requirements, especially those pertaining to environmental protection and sustainable development, to ensure that our operations are aligned with best practices and standards.

This commitment is reflected in our construction division, Ibraco Construction Sdn Bhd ("ICSB"), which aligns its environmental management system to the ISO14001:2015 to ensure extra care towards environmental concerns. Our group is currently in the final stage of getting the ISO14001:2015 for our NorthBank township.

Moving forward, we will extend the ISO14001:2015 certification for other townships and developments under our belt.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL

LABOUR PRACTICES AND DECENT WORK

Respect for Human Rights

Ibraco upholds human rights in accordance with all the relevant regulations and legal requirements in our relationships with our employees and stakeholders. Our commitments are stipulated in the Group's Human Rights Policy which includes the following principles:-

- We promote diversity and inclusivity in the workplace. We are committed to promoting equal opportunity and we do not tolerate any form of harassment, abuse or discrimination on the basis of gender, marital status, race, nationality, ethnicity, age or any other status protected by applicable law.
- We are committed to providing and maintaining a safe and healthy workplace, and complying with the applicable safety and health laws and regulations.
- We prohibit the hiring of children in any work.
- We do not tolerate any form of forced labour, slavery, human trafficking and sexual exploitation.
- We are committed to maintaining a workplace that is free from violence, harassment, intimidation and other unsafe conditions.
- We promote open and two-way communication among all employees. We resolve complaints and grievances through an open, transparent and consultative process.

In FY2023, we set up a dedicated email address for employees to lodge complaints with the heads of department (HODs) or human resource. The table below indicates that we did not receive any complaints or reports about incidents of human rights infringement.

Approaches	FY2023	FY2022	FY2021	Targets	Progress Achieved
Incidents of infringement of the rights	zero	zero	zero	zero case	Achieved

Diversity and Inclusion

We are committed to promoting a diverse, equitable and inclusive culture to ensure a healthy and satisfying work environment for all employees.

Our efforts are reflected in the following tables:

BOARD MEMBERS

Board Gender Breakdown

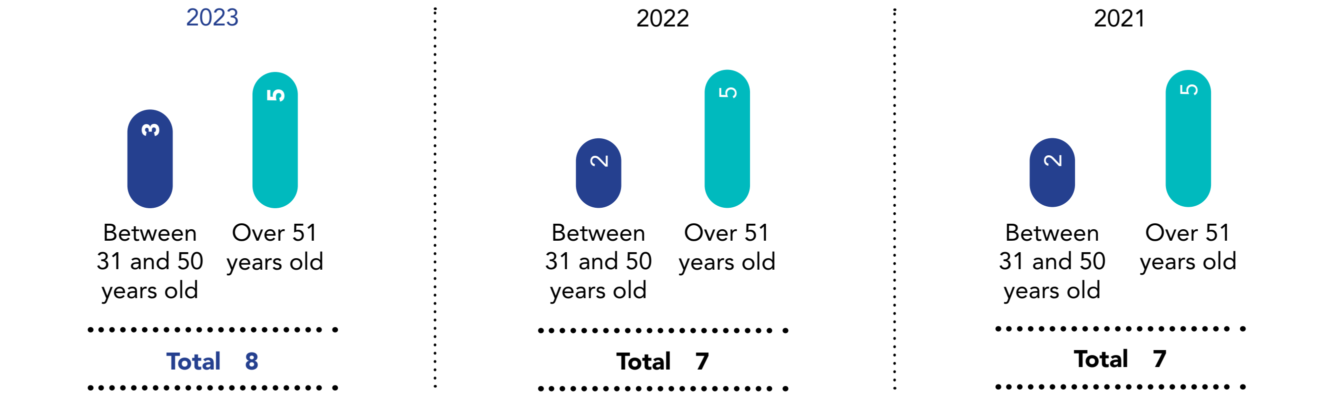
	2023	2022	2021
Male	4	5	5
Female	4	2	2
Total	8	7	7
	50%	29%	29%

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL (Cont'd)

Diversity and Inclusion (Cont'd)

Board Age Breakdown



We met the requirement of 30% women Directors on the Board in 2023

GROUP EMPLOYEE DATA

Total number of Staff Breakdown

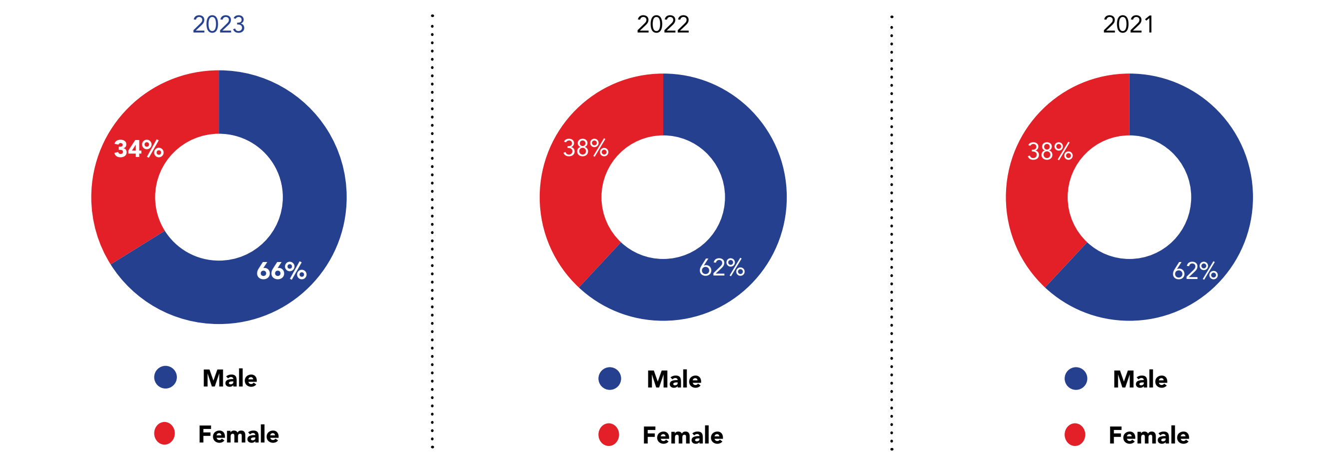
SUSTAINABILITY STATEMENT

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

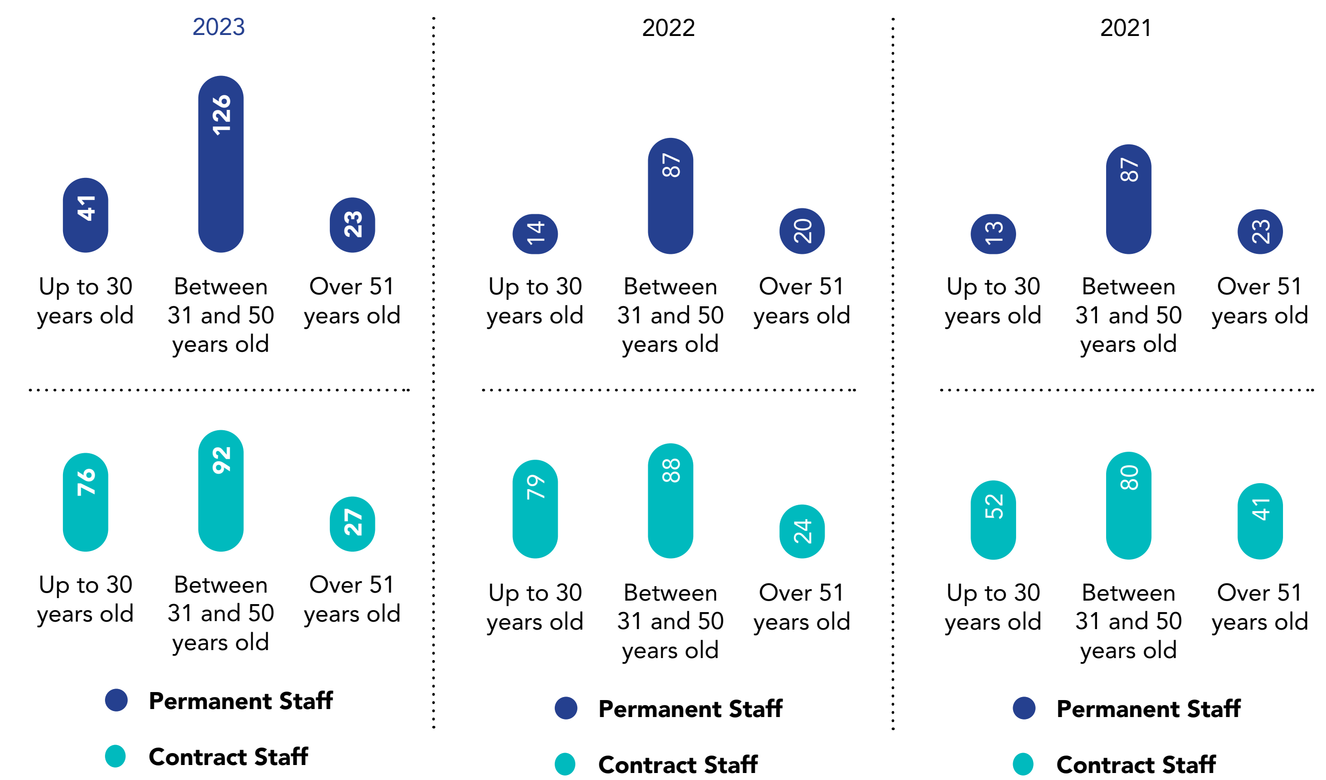
SOCIAL (Cont'd)

Diversity and Inclusion (Cont'd)

Staff Gender Breakdown



Staff Age Breakdown



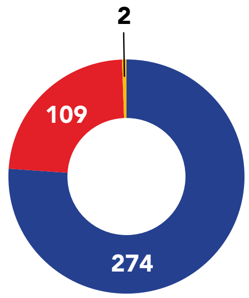
OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL (Cont'd)

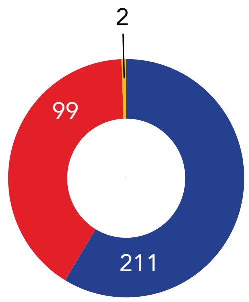
Diversity and Inclusion (Cont'd)

Staff Ethicity Breakdown

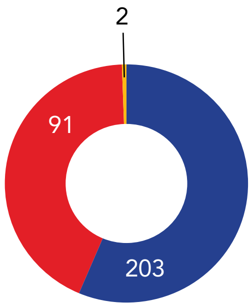
2023



2022



2022

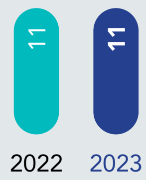


- Bumiputra
- Chinese
- Indian

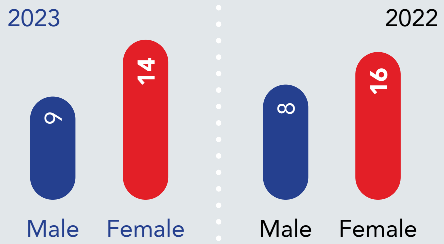
Talent Management

Total training hours FY2023	Total training hours FY2022
4,138	3,375

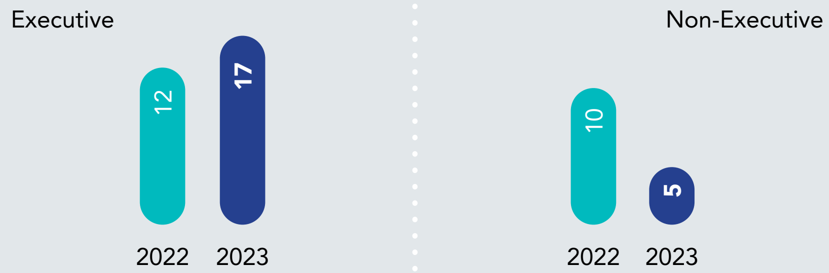
Average training hour per participant



Average training hour per gender



Average training hour per category



Total learning and programmes FY2023	Total learning and programmes FY2022
80	53

Ibraco regards employees as the main driver of our business. As such, we go to great lengths to ensure our staff have the tools and support they need to reach their full potential and thrive with our organisation.

Towards this end, we take great care in managing and developing programmes to train our employees and provide them with a wide range of opportunities at the workplace to equip themselves with the relevant knowledge and skills to enhance their work performance. Where there are competency gaps or skills requirements as identified during annual employee appraisals, appropriate training will be provided as a remedial measure.

During the year, we participated in about 80 professional learning programmes aimed at improving employees' technical knowledge, interpersonal skills, management capabilities and safety understanding.

In total, our employees received 4,138 hours of training, or an average of 11 hours per participant in FY2023. We will continue to assess, plan and provide our employees with opportunities to achieve their intended learning outcomes.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL (Cont'd)

Employee Engagement and Satisfaction

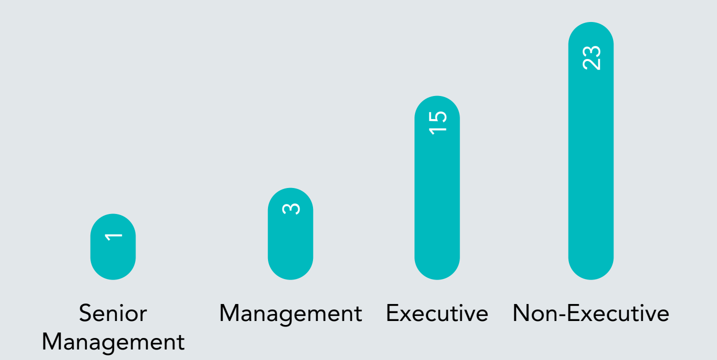
Ibraco always seeks to create working conditions that promote satisfaction, fulfilment and work-life balance. In line with our commitment to creating a positive and supportive work environment, we regularly organise activities to enhance employee engagement, productivity and retention.

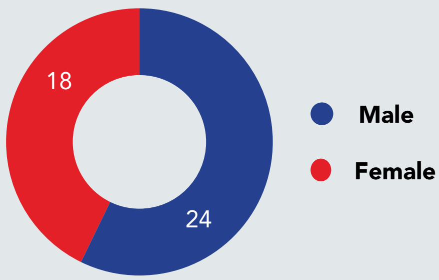
Among the activities held during the year were townhall meetings, annual dinner, birthday parties, team-building activities and inter-department social soiree to enable employees to interact with the senior management as well as to strengthen the bond among our staff.

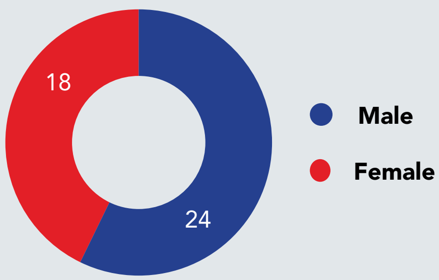
In addition, we keep our employees updated on upcoming activities and developments within the Group through internal newsletters printed in both English and Bahasa Malaysia to promote a sense of belonging.

The table below shows the total number of staff turnover by category in FY2023, which is the first time for the company to disclose such information:

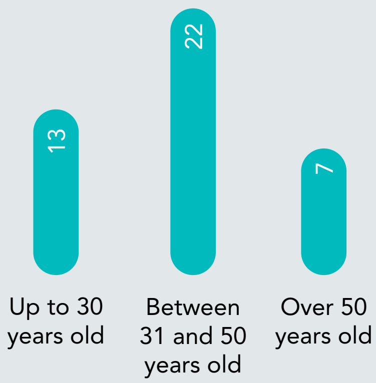
Total number of staff turnover by position







Total number of staff turnover by age



SUSTAINABILITY STATEMENT

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL (Cont'd)

PARENTAL LEAVE

Number of employees that took parental leave	Number of employees that returned after parental leave	Number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work
5 ♂ ♀ 7	5 ♂ ♀ 7	5 ♂ ♀ 6

Occupational Safety and Health

Ibraco prioritises the health and safety of its people, including the workers employed by its contractors. This is reflected in our continuous commitment to maintain a positive track record of zero fatalities and no major injuries at our work sites through various safety measures.

On that note, we are pleased to report that there were no fatalities at our construction sites in FY2023.

For protection, we consistently require our construction contractors to provide details of their Occupational Safety and Health ("OSH") management plans. Concurrently, the safety officer of our construction arm is also required to provide high standards of OSH performance, regular safety briefings to site workers and monthly reporting to the Management.

All our site employees are covered under the Social Security Organisation, Construction Industry Development Board and personal accident insurance.

In addition, we progressively equip our employees with the necessary training and knowledge on safety and health to protect our people and the relevant stakeholders. During the year, 64 employees were trained on safety and health-related topics and 8 safety-related courses were conducted out of 80 courses.

We closely monitor construction/operation activities to provide updates on the safety and health conditions at sites. We had not been affected by any incidents of non-compliance with regulations concerning safety in the reporting period.

Total man hours at sites by business segments for FY2023:

Business Segments	man hours at sites
Construction	3,173,294
Quarry	14,255
Total Man Hours	3,187,549
Number of Lost Time Injury	zero

SUSTAINABILITY STATEMENT

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

SOCIAL (Cont'd)

CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

Ibraco plays its part to reduce social inequalities by assisting the underprivileged communities via its CSR programme. Our CSR initiatives include providing financial assistance and other forms of support directly to needy groups. We also support the development of sports and infrastructure, and the provision of healthcare, among others, to improve their welfare.

HOPE PLACE, a charitable non-profit organisation, remained our CSR partner in providing support and financial assistance to the needy. To date, we have supported 296 underprivileged families through this partnership.

Further, we implement other CSR initiatives to make a lasting positive impact on the communities.

CSR activities for FY2023:

- Voluntary and periodical contribution in cash or goods by our employees
- Sponsorship to sports partners
- Charity sales and food fair
- Donations to schools
- Charity runs
- Sponsorship of events during festive seasons

Total contribution for FY2023 = RM879,000

CSR - Staff are encouraged to participate in the distribution of essential goods to those less fortunate in our community

CSR - Staff donations to our charity partner, Hope Place, bring essential goods to the underproviledged in our community

CONCLUSION

Going forward, we will continue to strive to improve our sustainability performance to better fulfil our responsibilities and commitments to our stakeholders. We will also focus on improving our ESG disclosures and reporting on the risks and opportunities arising from the EES impacts.

This Sustainability Statement was approved by the Board on 22 March 2024.

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE

Indicators	Measurement Unit	2023	Target
1. Anti-Corruption			
C1 (a) Percentage of employees who have received training on anti-corruption by employee category			100% of employees attending anti-corruption awareness training
Management	Percentage	78%	
Executive	Percentage	79%	
Non-Executive	Percentage	51%	
C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	100%	-
C1 (c) Confirmed incidents of corruption and action taken	Number	0	Zero tolerance on bribery and corruption
2. Community/Society			
C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	879,102	-
C2 (b) Total number of beneficiaries of the investment in communities	Number	296	-
3. Diversity			
C3 (a) Percentage of employees by gender and age group, for each employee category			-
Gender Group by Employee Category			
Management Male	Percentage	63%	
Management Female	Percentage	37%	
Executive Male	Percentage	53%	
Executive Female	Percentage	47%	
Non-Executive Male	Percentage	76%	
Non-Executive Female	Percentage	24%	
Age Group by Employee Category			
Management Under 30	Percentage	0%	
Management Between 30 - 50	Percentage	76%	
Management Above 50	Percentage	24%	
Executive Under 30	Percentage	29%	
Executive Between 30 - 50	Percentage	59%	
Executive Above 50	Percentage	12%	
Non-Executive Under 30	Percentage	39%	
Non-Executive Between 30 - 50	Percentage	50%	
Non-Executive Above 50	Percentage	11%	
Ethnicity by Employee Category			
Management Bumiputra	Percentage	15%	
Management Chinese	Percentage	85%	
Management Indian	Percentage	0%	

SUSTAINABILITY PERFORMANCE DATA TABLE (Cont'd)

Indicators	Measurement Unit	2023	Target
3. Diversity (Cont'd)			
C3 (a) Percentage of employees by gender and age group, for each employee category (Cont'd)			
Ethnicity by Employee Category (Cont'd)			
Executive Bumiputra	Percentage	57%	
Executive Chinese	Percentage	42%	
Executive Indian	Percentage	1%	
Non-Executive Bumiputra	Percentage	94%	
Non-Executive Chinese	Percentage	6%	
Non-Executive Indian	Percentage	0%	
C3 (b) Percentage of directors by gender and age group			To have at least 30% representation of women in the Board
Male	Percentage	50%	
Female	Percentage	50%	
Below 30 yrs	Percentage	0%	
30 - 50 yrs	Percentage	38%	
Above 50 yrs	Percentage	62%	
4. Energy Management			
C4 (a) Total energy consumption	MW	1144.25	-
5. Health & Safety			
C5 (a) Number of work-related fatalities	Number	0	Zero fatality
C5 (b) Lost time incident rate	Rate	0.0	-
C5 (c) Number of employees trained on health and safety standards	Number	64	-
6. Labour Practices & Standards			
C6 (a) Total hours training by employee category			Average 15 training hours per employee
Management	Hours	936	
Executive	Hours	2,113	
Non-Executive	Hours	1,089	
C6 (b) Percentage of employees that are contractors or temporary staff	Percentage	50.6%	-
C6 (c) Total number of employee turnover by employee category			To record staff attrition rate below 15%
Management	Number	4	
Executive	Number	15	
Non-Executive	Number	23	

SUSTAINABILITY STATEMENT

SUSTAINABILITY PERFORMANCE DATA TABLE (Cont'd)

Indicators	Measurement Unit	2023	Target
6. Labour Practices & Standards (Cont'd)			
C6 (d) Number of substantiated complaints concerning human rights violations	Number	0	-
7. Supply Chain Management			To have more than 90% of spending on local suppliers
C7 (a) Proportion of spending on local suppliers	Percentage	100%	
8. Data Privacy & Security			
C8 (a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-
9. Water			
C9 (a) Total volume of water used	Megalitres	21.10	-

Notes:

1. Total energy consumption and volume of water used comprised only of HQ and branch offices, sales galleries, quarry office and clubhouse.
2. The data and information provided have been prepared to the best of our ability in ensuring completeness, accuracy and reliability.

STATEMENT OF ASSURANCE

Assurance undertaken

In strengthening the credibility of the Sustainability Statement, selected aspects/parts of this Sustainability Statement has been subjected to an internal review by the company's internal auditors and has been approved by the company's Audit Committee.

Subject matter

The subject matters covered by the internal review include the nine Common Sustainability Matters.

Scope

The boundary of the internal review includes all companies within the Ibraco Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("The Board") of Ibraco Berhad ("Ibraco" or "the Company") is committed to ensuring high standards of corporate governance are practiced throughout the Company and its subsidiaries ("the Group"). The Board believes in maintaining good corporate governance as the fundamental tool in discharging its responsibility to protect and enhance stakeholders' values consistent with acceptable levels of risks.

This Corporate Governance Overview Statement ("CG Statement") provides a summary of the Group's corporate governance practices during the financial year ("FY") ended 31 December 2023 ("FY2023") based on the following 3 Key Principles set out in the Malaysian Code on Corporate Governance ("MCCG"):

(i) Board Leadership and Effectiveness;
(ii) Effective Audit and Risk Management; and
(iii) Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

The CG Statement is to be read together with the Corporate Governance Report ("CG Report") 2023 available on Ibraco's website at www.ibraco.com.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for the stewardship of the Group's business and affairs, setting the Group's long-term strategic direction and the delivery of sustainable value to its stakeholders. The Board delegates responsibility for the day-to-day operation of the Group's businesses to the Management and ensures the necessary resources and capabilities are in place.

Ibraco has established and formalised a Board Charter which clearly sets out the roles and responsibilities of the Board and serves as a reference for Board activities and those delegated to Management.

The Board also established various Board Committees to assist the Board in the running of the Group, namely:-

- Audit Committee ("AC");
- Nomination and Remuneration Committee ("NRC");
- Risk Management Committee ("RMC"); and
- Sustainability Committee ("SC").

It should be always noted that the Board retains collective oversight over the Board Committees. The functions and terms of reference of the Board Committees, as well as the authorities and duties delegated by the Board to these Board Committees, have been clearly defined in the Board Charter. The Board Charter is accessible on Ibraco's website at www.ibraco.com.

Board's role in setting strategy

The Board has assumed the following principal responsibilities in discharging its fiduciary functions:-

- reviewing and adopting a strategic plan, as developed by Management, that promotes sustainability within the aspect of environmental, social and governance to support long-term value creation;
- overseeing the conduct of the Group's business in accordance with its strategic plan and budget;
- monitoring the performance of Management to ensure sound financial and operational management;
- identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks, including climate-related risks;
- overseeing and reviewing the identification and management of sustainability matters;
- overseeing the development and implementation of investor relations and shareholder communication policy;
- ensuring succession planning is in place for the orderly succession of board and senior management;
- reviewing the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework for reporting internal controls and regulatory compliance; and
- overseeing the Group's adherence to the appropriate corporate governance structure and ethical corporate behaviour.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Code of Conduct and Ethics

Ibraco has adopted a set of Code of Conduct and Ethics to establish a strong corporate culture to guide Directors and employees to commit themselves to ethical standards and conduct at work. The Code of Conduct and Ethics is subject to periodical review.

Directors are expected to observe, amongst others, the following salient points in the Code of Conduct and Ethics:-

- observed the highest standards of ethical conduct and comply with all applicable laws, rules and regulations;
- to act in the interest of Ibraco Group to the best of their ability and judgement; and
- maintain the confidentiality of non-public information about Ibraco Group or its activities or operations.

The Code of Conduct and Ethics is available on Ibraco's website at www.ibraco.com.

Whistle-blower Policy

The Group's Whistle-blower Policy has been established to encourage all employees or members of the public to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

The Whistle-blower Policy is designed to:-

- support the Group's values;
- provide and facilitate a consistent and systematic process for managing any actual or potential improper conduct;
- provide protection to whistleblower without fear of reprisals as a consequence of the disclosure; and
- provide a transparent and confidential process for dealing with concerns.

The Whistle-blower Policy is available on Ibraco's website at www.ibraco.com.

Anti-Bribery and Corruption Policy

Ibraco has also established and adopted a set of Anti-Bribery and Corruption Policy to commit integrity in conducting business in accordance to the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysia Anti-Corruption Commission Act 2009.

The Anti-Bribery and Corruption Policy serves as Ibraco's overall position on bribery and corruption in all its forms and both Directors and employees are bound to this Policy and shall act professionally with integrity in their performance of their duties.

The Policy is subject to periodical review and is accessible on Ibraco's website at www.ibraco.com.

Sustainability

The Board, in collaboration with Management, is committed to driving sustainability across Environment, Social and Governance ("ESG") aspects within both its operations and communities associated with the Company. A sustainability framework has been adopted to define and guide the Groups towards impact-focused targets. The Board was satisfied with its performance in addressing the sustainability issues of the Group. Detailed information on the Group's sustainability initiatives can be found in the Sustainability Statement on pages 19 to 38.

Roles of Chairman and Group Managing Director

The respective roles and responsibilities of the Chairman of the Board and the Group Managing Director ("GMD") are held by two different individuals, where such division is to ensure that there is clear and proper balance of power and authority. As an added measure, the Chairman of the Board is also not the chairman of the AC and NRC.

The Chairman's main responsibility is to set tone at the top, ensure effectiveness of the Board functions, and encourage participation and deliberation by all the Board members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Roles of Chairman and Group Managing Director (Cont'd)

The GMD as an Executive Director, supported by the senior management, has overall responsibilities over the Group's operational, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. At the management level, several committees namely Risk Management Committee, Sustainability Working Committee and Tender Committee have been established to ensure good governance and practices are upheld at all times in the Group's operations and business dealings.

During FY2023, the Chairman conducted a separate session with the Non-Executive Directors to discuss among others, strategic, governance and operational issues.

Qualified and Competent Company Secretaries

The Board is regularly updated and advised by the joint Company Secretaries, who are qualified, experienced and competent on statutory and regulatory requirements, on the resultant implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The joint Company Secretaries oversee adherence to Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board.

The in-house Company Secretary ensures the Board papers and other relevant information are circulated at least 5 working days in advance to ensure sufficient time is given to the Board members to read and seek any clarification that they may need from the Management or Company Secretaries before the Board meetings. Board members may also seek external advice at the Company's expense should they feel this is necessary in facilitating the execution of their duties.

Board Composition

The Board has in March 2023 amended its Board Charter by setting a policy that the Board shall comprise not less than three (3) and not more than eleven (11) Directors. The composition of the Board and Board Committees shall be reviewed by the NRC annually to ensure an appropriate balance of skills, experience and diversity.

The Board currently comprises eight (8) members, with three (3) Independent Directors and five (5) Non-Independent Directors out of which two (2) are Executive Directors. With the current composition of the Board, the Company fulfilled the Main Market Listing Requirements ("MMLR") of Bursa Securities para 15.02 that at least two (2) Directors or 1/3 of the Board, whichever is higher must be Independent Directors.

The Directors have a wide range of relevant experience and expertise and have contributed significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Executive Directors, in particular, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business strategies adopted whilst the Independent Directors have provided balanced and independent view and judgement to the Board.

Throughout FY2023, the NRC conducted a review of the Board and Board Committees' composition, ensuring a balanced mix of skills, experience and diversity, encompassing various skill sets, experience levels, and functional knowledge among its members. In addition to this comprehensive mix, any individual considered for appointment, election, or re-election must meet the fit and proper criteria outlined in the Directors' Fit and Proper Policy. The said policy is accessible on Ibraco's website at www.ibraco.com.

The profile of each of the Board Members is presented in the Profile of Directors of this Annual Report.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Composition (Cont'd)

1. Independence

The Board conducts an annual evaluation of Independent Directors as well as Fit and Proper assessment to ensure compliance with the MMLR's requirements for Independent Directors. Prior to the appointment and subsequently, the Board assesses the independence and effectiveness of Independent Directors, considering their skills, competencies and ability to bring independent and objective judgement to Board deliberations.

Mr Ng Kee Tiong, who had served as an Independent Director for more than 12 years, expressed his intention not to seek re-appointment and retired from the Board at the 51st Annual General Meeting ("AGM") held on 26 May 2023.

On 26 May 2023, Mr Guido Paul Philip Joseph Ravelli was re-designated as the Deputy Chairman of the Board. Consequently, he relinquished his role as Chairman of the NRC and his membership in the Audit Committee to adhere to the 12-year tenure limit for Independent Director.

The Board is satisfied with the level of independence demonstrated by the Independent Directors. As of the date of this Statement, none of the independent directors has served more than nine (9) years on the Board.

2. New Appointments

On 26 May 2023, the Board approved the appointment of Mr Chin Mui Khiong and Puan Junijah Binti Ismail as Independent Non-Executive Director. This appointment filled the Board vacancy that arose due to the retirement of Mr Ng Kee Tiong and the redesignation of Mr Guido Paul Philip Joseph Ravelli.

Mr Chin Mui Khiong is the Senior Independent Non-Executive Director ("SINED"). The SINED's role includes:

- acting in good faith and in the best interest of the Group;
- acting with care and diligence;
- refraining from making improper use of information gained through the position of director and from taking improper advantage of the position of director; and
- monitoring the Group's performance and contributing to the development of the Group.

Following the retirement of Mr Liu Tow Hua as Executive Director/Chief Financial Official ("CFO") on 31 December 2023, the NRC has conducted assessments before recommending Madam Lily Tang Lee Lin ("Madam Lily Tang")'s appointment as the new Chief Financial Official ("CFO") to the Board for approval. The Board has subsequently approved the appointment of Madam Lily Tang as the new CFO of the Company effective 31 December 2023.

All new appointments to the Board are strategically made in alignment with the Group's needs, concurrently enhancing the Board's skills mix to respond to evolving developments. This process involves introducing fresh perspectives, ideas and strategies to invigorate the Board's dynamics.

3. Board Diversity

The Board recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element towards achieving sustainable business growth. When appointing a Director, the NRC and the Board will evaluate the candidate giving due consideration for boardroom diversity.

In FY 2023, with the appointment of Puan Junijah Binti Ismail and Madam Lily Tang to the Board, the Board now consists of four (4) women Directors out of a total of eight (8) Directors, hence has met the requirement of 30% of women director on the Board.

Apart from the Board, the Group promotes gender diversity at the management and staff level. The Group recorded 34% female workforce at Group level and 60% female at Senior Management level.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Nomination and Remuneration Committee

The Nomination Committee and Remuneration Committee were both set up on 16 April 2003 and were renamed as the Nomination and Remuneration ("NRC") on 24 February 2022. The NRC comprises three (3) members with a majority of them being Independent Non-Executive Directors. The composition of the members is set out below:-

Committee Members

Chin Mui Khiong (Chairman, Senior Independent Non-Executive Director)
Guido Paul Philip Joseph Ravelli (Non-Independent Non-Executive Director)
Wong Siaw Wei (Independent Non-Executive Director)

Key Responsibilities of the NRC

- Assess and recommend the appointment of new Directors and Board Committee Members. For the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidate's ability to discharge such responsibilities as expected from Independent Non-Executive Directors;
- Review of the re-election of Directors at the AGM;
- Review the size, structure and composition of the Board;
- Review annually the mix of skills, knowledge, professionalism, integrity and experience, and other qualities to enable the Board to function completely and efficiently;
- Annual assessment that the number of Independent Directors on the Board is sufficient to meet the regulatory requirements, and make such recommendation to the Board, where necessary;
- Annual evaluation of the Board's and Board Committees' performance. Performance assessment shall be used to assess whether the Directors are spending enough time to fulfil their duties;
- Identify and develop succession plan for those in key positions in senior management;
- Make recommendations to the Board concerning the succession plan for Directors, in particular, the Chairman and Group Managing Director and the re-appointment of Director at the conclusion of the term of office;
- Reviewing and recommending the remuneration of all the Executive Directors of the Group; and
- To ensure that the remuneration framework is set at a competitive level of similar roles within comparable markets to recruit, attract, retain and motivate high caliber individuals to pursue the long-term growth and success of the Group.

In the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibilities undertaken by each Non-Executive Director. Individual Directors do not participate in the decision regarding their individual remuneration.

Summary of Activities of the NRC during the Year

- Review the required mix skills, experience and other qualities required for the Board;
- Review the size of the Board;
- Annual assessment of the performance of Directors;
- Annual assessment of the performance of the Board, the Board Committees and its members;
- Review and assess the performance and make recommendation to the Board with regard to Directors who seek re-election at the AGM;
- Propose the new Directors and Board Committee Members;
- Conducted its annual assessment of the Board, Board Committees and Individual Directors using a set of detailed questionnaires completed by the Directors;
- Review of Directors' fees and benefits payable to Non-Executive Directors of the Company and its subsidiaries; and
- Review of salaries, bonuses and incentives of senior management of the Group.

For FY2023, the NRC has conducted its annual assessment of the Board, Board Committees and Individual Directors using a set of questionnaires. The results of the assessment were compiled by the Company Secretary and tabled to the Board for review and deliberation. The Board is satisfied with the overall performance of individual Director, effectiveness of the Board and Board committees as well as the independency of the Independent Directors and concluded that the composition of the Board has an appropriate mix of skills and core competencies and that all the members of the Board and various committees are suitably qualified to hold their positions as Directors in view of their respective academic and professional qualifications, experiences and qualities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Time Commitment

The Board meets at least five (5) times a year, with additional meetings convened as and when necessary for special matters. Board meetings are scheduled in advance prior to the new calendar year, to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

During the FY2023, the Board met on five (5) occasions where it deliberated upon and considered a variety of matters including business plans and strategy, financial performance, corporate governance, risk management, group policies and sustainability. Directors received information and materials required for at least five (5) business days in advance of the board meeting.

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the MMLR of Bursa Malaysia. Details of Directors' attendances of Board Meetings in 2023 are as follows:-

Directors	Number of Board Meetings attended
Ng Cheng Chuan	4/5
Guido Paul Philip Joseph Ravelli	5/5
Chin Mui Khiong *	2/2
Datuk Chew Chiaw Han	5/5
Liu Tow Hua ***	5/5
Sharifah Deborah Sophia Ibrahim	4/5
Junijah Binti Ismail *	2/2
Wong Siaw Wei	5/5
Ng Kee Tiong **	3/3

* Appointed on 26 May 2023
** Ng Kee Tiong retired from the Board effective 26 May 2023
*** Liu Tow Hua retired from the Board effective 31 December 2023

At present, no directors have held more than five (5) directorships during the financial year.

Directors' Training

The Directors continuously attend conferences, seminars and training programs as well as reading materials and publications to further broaden their perspective, skills, knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

During the financial year under review, the Directors, individually or collectively, attended various training programs and seminars as set out below:-

Name of Director	Topics of Training Attended
Datuk Chew Chiaw Han	• JKR Sarawak General Conditions of Contracts (PWD 75 – Version 2021)
Liu Tow Hua	• ESG Oversight for Boards • Malaysia Tax Budget Conference 2024: Unleash the T.I.G.E.R. • MFRS15 Revenue from Contracts with Customers MPERS Sections 23 & 34
Sharifah Deborah Sophia Ibrahim	• Securities Commission Guidelines on the Conduct of Directors of Listed Co and Subsidiaries
Junijah Binti Ismail	• Bursa Malaysia Mandatory Accreditation Training Programme • ESG Oversight for Boards

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Directors' Training (Cont'd)

During the financial year under review, the Directors, individually or collectively, attended various training programs and seminars as set out below:- (Cont'd)

Name of Director	Topics of Training Attended
Wong Siaw Wei	• Sustainability & Climate Change Disclosure Requirement • Kick off Your ESG • Contract and Procurement Fraud: Internal Controls, 3rd Party Due Diligence and Reporting Mechanism • Bursa Malaysia Mandatory Accreditation Training Programme Part II: Leading for Impact (LIP) • Carbon Footprinting and Reporting for Organisations • ChatGPT Prompt Engineering for Financial Professionals (Beginner Level) • AOB's Oversight of Auditors of Public Listed Companies • SSM Annual Dialogue 2023 • Business Combinations, Group consolidation and Changes in Controlling interests
Ng Kee Tiong	• Taxation of Property Developers & Contractors • Tax Compliance Challenges in Recent Finance Acts and Finance Bill • Advanced Corporate Tax Issues and Strategies-Inclusive of Late Development and Updates on Budget 2023
Chin Mui Khiong	• Seminar Percukaian Kebangsaan 2022 (Bajet 2023) • ISA500 to 599 Series: Audit Evidence and Related Standards • A New Approach to Risk Assessment: ISA 315 (Revised 2019) • Audit Quality Enhancement Programme for SMPs • Audit Committee Conference 2023 • Malaysian Property Tax, Estates and Trusts • Tax Audits and Investigations • Seminar Percukaian Kebangsaan 2023 • EY 2024 Budget and Tax Conference • Interest Income, Interest Expenses and Remittance of Foreign Interest Income • Compliance with Listing Requirements-Reporting of Financial Statements • Google Meet on Compliance with Listing Requirement-Reporting of Financial Statements

In addition, an orientation programme was conducted for newly appointed Directors. This orientation program is aimed to deepen a director's understanding of the Group, its industry and the specific responsibilities associated with their role. The orientation includes site visits to various locations within the Group's operating businesses to enable the Directors to gain a nuanced perspective of the business and enhance their overall comprehension of the Group's operations.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration of Directors and Senior Management

The remuneration of the Executive Directors and Non-Executive Directors of the Group for FY2023 is set out as follows:-

	From the Company				From Subsidiary Companies	
2023	**Fees (i) RM**	**Other emoluments (ii) RM**	**Benefits-in-kind RM**	**Company Total RM**	**Fees (i) RM**	**Group Total RM**
Executive Directors						
Datuk Chew Chiaw Han	-	1,645,056	51,471	1,696,527	18,000	1,714,527
Liu Tow Hua	-	621,300	5,300	626,600	30,500	657,100
	-	2,266,356	56,771	2,323,127	48,500	2,371,627
Non-Executive Directors						
Ng Cheng Chuan	240,000	-	-	240,000	-	240,000
Chin Mui Khiong	58,049	-	-	58,049	-	58,049
Sharifah Deborah Sophia Ibrahim	48,000	-	-	48,000	8,400	56,400
Guido Paul Philip Joseph Ravelli	86,000	-	-	86,000	-	86,000
Ng Kee Tiong	40,500	-	-	40,500	43,161	83,661
Wong Siaw Wei	84,500	-	-	84,500	-	84,500
Puan Junijah Bin Ismail	28,774	-	-	28,774	-	28,774
	585,823	-	-	585,823	51,561	637,384
Total Director's Remuneration	**585,823**	**2,266,356**	**56,771**	**2,908,950**	**100,061**	**3,009,011**

(i) Included in fees are Director's fees and attendance fees.
(ii) Included in other emoluments are salaries, gratuity, bonus and defined contribution plan.

The remuneration packages of the Senior Management Personnel are determined by considering individual responsibilities, skills, expertise, experiences and contributions to the Group's performance. It is essential to offer competitive and sufficient remuneration packages to ensure executive talents' retention. The Board is of the view that it would not be beneficial to the Company to disclose the Key Senior Management Personnel's remunerations on a named basis, which might raise a negative impact to maintain a stable working environment for long-term strategic goals.

The details of the aggregate remuneration of the Key Senior Management Personnel during the year under review are set out as below:-

	From the Company RM
Salaries	2,067,753
Bonus	457,245
Benefits-in-kind	52,210
Other emoluments**	200,911
Total	**2,778,119**

** Included in other emoluments are defined contribution plan and social security costs.

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC is established by the Board and comprises three (3) members. The AC comprises a majority of Independent Non-Executive Directors with the Chairman of the AC is a member of the Malaysian Institute of Accounts. The AC Chairman is not the Chairman of the Board.

The AC assists and supports the Board primarily in the area of financial reporting in liaison with the external auditors and the Group's system of risk management and internal control in liaison with the internal auditors. The functions of the AC are clearly defined in the Terms of Reference, which is accessible on Ibraco's website at www.ibraco.com.

Collectively, the AC members have a wide range of necessary skills, knowledge and experiences to discharge their duties. The details summarising the work of AC for FY2023 are presented in the AC Report within this Annual Report.

Internal Audit Function

Ibraco has established an in-house Internal Audit Department ("IAD"), which provides the Board with adequate assurance it requires regarding the adequacy and effectiveness of risk management, internal control, anti-corruption, whistle-blowing and governance processes. The IAD is guided by the Internal Audit Charter as well as the Professional Practices Framework in assessing the reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

The IAD is led by Group Internal Auditor ("GIA"), assisted by an Internal Audit Executive, and reports directly to AC. The AC is responsible to oversee the performance and the effectiveness of the internal audit function. As guided by the Internal Audit Charter, independence of the IAD is essential for the effectiveness of their function. In this regard, the internal audit has no direct authority or responsibility for the activities it audited and has no responsibility for developing or implementing procedures or system and does not prepare records or engage in original line processing functions or activities.

Further details of the internal audit function that is oversighted by the AC are set out in the AC Report of this Annual Report.

Relationship with External Auditors

The AC has an appropriate and transparent relationship with the external auditors. The role of the AC in relation to the external auditors and the assessment of external auditors by the AC are set out in the AC Report of this Annual Report.

Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for maintaining a system of internal controls that provides reasonable assurance of effective and efficient operations, and compliance with applicable laws and regulations, as well as with internal procedures and guidelines. The Board recognises that it is also responsible for reviewing its effectiveness. A sound system of internal control is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group, and can only provide reasonable and not absolute assurance against any risk of material errors, frauds or losses occurring.

The overview on the state of internal control is set out in the "Statement of Risk Management and Internal Control" of this Annual Report.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements for each financial year are prepared in accordance with the requirements of the Companies Act 2016 and applicable approved accounting standards to give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of their performance and their cash flows for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for FY2023, appropriate accounting policies have been consistently applied, supported by reasonable and prudent judgments and estimates. The Group has complied with all applicable approved accounting standards. Furthermore, the Directors have ensured that the accounting records for Ibraco and the Group have been properly maintained.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

MCCG PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Stakeholder Relationship and Communication

Ibraco recognises the importance of maintaining transparency and accountability to its stakeholders. This is done through optimised levels of disclosure and communications with its stakeholders through readily accessible channels. It is also a practice to provide clear, comprehensive and timely information to all stakeholders, particularly shareholders and investors, to facilitate informed investment decision-making. All communication with media or public and disclosures made are in accordance with the Group Communication Policy. The Board is committed to ensuring that the shareholders and other stakeholders are well-informed of significant developments within the Group. The Board may seek external advice to ensure that announcements do not omit any material information. Financial results are released quarterly to provide shareholders with an overview of the Group's performance. The Annual Report is also a key channel of communication with shareholders and investors.

Conduct of General Meetings

The AGM has been a main forum for dialogue with shareholders and investors. Opportunities will be given to shareholders and investors to raise questions and to seek clarifications on the business and performance of the Group. All Directors and external auditors are anticipated to attend every shareholder's meeting to address questions raised by shareholders. Ibraco has adopted the practice where notice of the AGM is to be given to shareholders at least 28 days before the date of AGM.

Electronic Communications

Ibraco's corporate website at www.ibraco.com is the one of the key platforms to ensure the stakeholders can access communications and documents once they are published. A dedicated investor relation section is available on the website, where information released by the Company to Bursa Malaysia Securities Berhad is made available immediately after the announcement, and all newsletters issued by the Company are made available on the website.

This Corporate Governance Statement is issued in accordance with the Board's approval on 22 March 2024.

ADDITIONAL COMPLIANCE INFORMATION

On 13 October 2021, the Company has completed Private Placement of up to 10% of the total number of issued shares in the Company, amounted to 49,640,565 new ordinary shares at RM0.4760 per placement share. The gross proceeds from the private placement 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)**	**-**		

Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditor and a company affiliated to the External Auditors' firm for FY2023 were as follows:

Purpose	Group (RM)	Company (RM)
Audit Fees	222,500	154,000
Non-Audit Fees:		
- Tax advisory, computation and filing	63,650	19,000
- Review of Statement on Risk Management and Internal Control	8,000	8,000
- Review of Housing Development Accounts	16,500	13,500
Total	**310,650**	**194,500**

Related Party Transactions

The value and types of related party transactions entered into by Ibraco Group are shown on pages 133 to 135 of this Annual Report (see Note 31 to the financial statements).

Material Contracts

There were no material contracts entered into by Ibraco Group involving Directors and major shareholders, either still running at the end of the financial year or entered into since the end of the previous financial year other than those disclosed in the financial statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Background

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") of listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principal B of the Malaysian Code of Corporate Governance 2021 and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

Responsibility of the Board

The Board acknowledges its overall responsibility and the importance of having a sound risk management framework and internal control system, and for reviewing the adequacy and effectiveness thereof. Such system covers not only financial controls but also operational, compliance with applicable laws, regulations and other guidelines (professional, statutory or otherwise). Due to the limitations that are inherent in any system of risk management and internal control, it is designed to manage, rather than to eliminate, the risk of failure to achieve business objectives. Therefore, it can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Group has an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the risk management and internal control system when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board to promote long-term success of the Group, in accordance with the MMLR of Bursa Securities and guided by the Guidelines.

The Management assists the Board in the implementation of the Board's policies and procedures on risks and controls by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks to an acceptable level.

The Board has received reasonable assurance from the Group Managing Director and the Chief Financial Officer that the Group's risk management framework and internal control system is operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system of the Group.

The disclosures in this statement do not include risk management and internal control practices of the Group's material associate. The Group's interests in associate are safeguarded through representation on the Board of the associate company.

The Board is of the view that the risk management and internal control system are generally in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Risk Management Framework

The Risk Management Committee ("RMC") was established to assist the Board to oversee the overall management of principal areas of risk of the Group.

In order to properly manage risks, the Group has adopted an appropriate risk assessment and evaluation framework as an on-going process as well as appropriate control systems to manage and control these risks. The following provide an overview of the Group's risk management process:

- The Board has approved a Risk Management Policies and Procedures Manual, which outlines the risk management framework for the Group and offers practical guidance to all employees on risk management matters.
- The RMC, headed by the Group Managing Director, continuously carries out its responsibility to identify and communicate to the Board the critical risks (present and potential) which the Group faces, their changes, and what the management action plans are to manage the risks.
- All Heads of Departments have identified risks (present and potential) faced at departmental levels and suggested action plans to mitigate these risks for deliberation during the meeting. These action plans are closely monitored to assess their effectiveness over the period during which they are subject to such risks.
- A consolidated risk profile of the Group was developed and will be updated in accordance with the risk appetite of the Group, together with a summary of key findings and proposed mitigating measures, which were discussed and finalised in the various RMC meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Framework (Cont'd)

In order to properly manage risks, the Group has adopted an appropriate risk assessment and evaluation framework as an on-going process as well as appropriate control systems to manage and control these risks. The following provide an overview of the Group's risk management process: (Cont'd)

- The RMC has identified, compiled and worked out the remedial measures to mitigate the risks encountered by each Department, which falls under the categories of Project Planning, Contract, Property Development, Property Management, Marketing and Sales, Conveyance and Credit, Customer Service, Leasing, Corporate and Secretarial, Quarry, Procurement, Accounts and Finance, Human Resources and Administration.

- The RMC reports to the Audit Committee on the overall Group Risk Profile annually. Should there be any new proposals or projects, the RMC will report separately to the Audit Committee on the additional new risks (if any). The Audit Committee has the power to request the RMC to prepare and present the risk areas that they are concerned with, when necessary.

Internal Audit Function

The Group has established an Internal Audit Department, who reports independently to the Audit Committee, to provide the Board with adequate assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The annual internal audit plan is approved by the Audit Committee and the scope of internal audit work covers the audit of key business processes in the Group. The internal auditors also monitor the implementation of their audit recommendations in order to obtain assurance that all major risks and control measures identified have been duly addressed by the Management in the most effective and timely manner.

The internal auditors adopt a risk-based approach towards the planning and conduct of internal audits, which are consistent with the Group's established framework of designing, implementing and monitoring its internal control system.

For control issues that may be raised by the external auditors, the internal auditors will follow up to ensure that significant issues are duly acted upon by the Management in the most timely and appropriate manner.

Other Key Elements

Other key elements of the Group's risk management and internal control system, which may also fall under the ambit of risk management practices or internal control procedures, are described below:

Committees at the Various Levels

Various Committees have been established to assist the Board in the discharge of their fiduciary duties. They are the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Sustainability Committee and the Emergency Management Committee. Each Committee has its clearly defined terms of reference, authority and responsibility.

Policies and Procedures

- The Group has established a system of governance and compliance through code of conduct, whistle blower policy, anti-bribery and corruption policy, board diversity policy, dividend policy and the board charter.

- Operational Procedures for all business processes are also in place to ensure effectiveness, transparency and continuity.

- The procedures, amongst other things, outlines the reporting and authority structures. Pre-defined limits are also established at appropriate levels to deliberate and approve expenditures.

- For the Group's construction arm, it has ISO 9001: 2015 Quality Management System certification, with standards, policies and procedures in place to continuously improve and maintain product quality and customer satisfaction.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Other Key Elements (Cont'd)

Planning, Performance Monitoring and Reporting

- Established budgeting process requiring all business segments within the Group to prepare the annual budget, taking into consideration the strategic plans, capital and operating expenditures for the upcoming financial year for discussion and approval by the Board.

- The Audit Committee reviews the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof.

- Management meetings are held to identify, discuss and resolve operational, financial and key management issues. Information covering all key financial and operational indicators are also provided to senior management for monitoring of performance against budget. Key variances are followed up by the management and management action is taken, where necessary.

- The professionalism and competency of staff are enhanced through training programs. A performance management system is in place with established Key Performance Indicators to instill a strong performance culture.

Review of the Statement by External Auditors

As required by Para 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, 'Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and the Management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Securities and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of this report.

Conclusion

The Board is not aware of any significant control failures or weaknesses identified during the financial year under review that would result in material losses and require disclosure in the Annual Report of the Group.

The Board and Management will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and integrity of the risk management framework and internal control system of the Group.

This statement is issued in accordance with the Board's approval on 22 March 2024.

AUDIT COMMITTEE REPORT

The Audit Committee ("the Committee") takes on the role of assisting the Board of Directors ("Board") in the discharge of its fiduciary duties, the responsibility of overseeing the financial reporting, governance, internal control and risk management process of Ibraco Group.

TERMS OF REFERENCE

The Committee is guided by its Terms of Reference in performing its duties and discharging its responsibilities. The terms of reference of the Committee is available on the Company's corporate website at www.ibraco.com.

MEMBERSHIP AND ATTENDANCE

The Committee comprises a majority of Independent Non-Executive Directors with at least one member who is a professional or qualified accountant. The Audit Committee met five times during the year and the attendance record of each member is as tabulated below:

Composition of Committee	Total Number of Meetings Attended
Chin Mui Khiong # Chairman/Independent Non-Executive Director	2/2
Wong Siaw Wei Member/Independent Non-Executive Director	5/5
Ng Kee Tiong * Chairman/Independent Non-Executive Director	3/3
Guido Paul Philip Joseph Ravelli ^ Member/Non-Independent Non-Executive Director	5/5

\# *Mr Chin Mui Khiong was appointed as chairman w.e.f. 26 May 2023*
* *Mr Ng Kee Tiong resigned w.e.f. 26 May 2023*
^ *Mr Guido Paul Philip Joseph Ravelli resigned w.e.f. 25 March 2024*

The meetings were appropriately structured through the use of agendas. Board papers were distributed to the Committee with sufficient notice to allow the Committee the opportunity to review and seek addition information (if required) from the Management and Group Internal Auditor ("GIA").

The Group Managing Director, the Chief Financial Officer ("CFO") and the Company Secretary were present in all the meetings to provide explanation and to address audit and internal control issues as well as to report on the Group's financial performance. The GIA, who is also the Secretary to the Committee, attended all the meetings to present the quarterly internal audit reports and the annual audit plan. The External Auditors were invited, when necessary to report their audit status, findings on areas of audit emphasis, key audit matters, financial reporting updates and Audit Planning Memorandum.

The minutes of all the Committee meetings were recorded and tabled for confirmation at the subsequent meetings. All minutes were presented to the Board for noting and discussion. The Chairman of the Committee reported the recommendations and remedial action (if any) to the Board for its consideration, approval and Management's implementation.

SUMMARY OF WORK DURING THE FINANCIAL YEAR

The Committee carried out its functions and duties as set out in the terms of reference and the work undertaken during the financial year are described as below:

1. **Financial Reporting**

    - Reviewed the quarterly interim reports and year end unaudited financial statements of the Group before recommending them for approval by the Board.

    - Reviewed the annual audited financial statements prior to submission to the Board for approval.

      The review was to ensure the financial reporting and disclosures are in compliance with the provisions of the Companies Act 2016, applicable Malaysian Financial Reporting Standards ("MFRS"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("LR") and other relevant legal and regulatory requirements.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK DURING THE FINANCIAL YEAR (Cont'd)

1. Financial Reporting (Cont'd)

- Deliberated significant accounting issues and reasonableness of accounting standards application highlighted by the external auditors or management to derive the Group's financial statements.
- The CFO had on each quarterly Committee meeting, presented and given assurance to the Committee that:
  - Appropriate accounting policies had been adopted and applied consistently;
  - The going concern basis applied in the Annual Financial Statements and quarterly unaudited financial statements were appropriate;
  - Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
  - Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and LRs; and
  - The annual financial statements and quarterly unaudited financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for 2023.
- Reviewed the financial performance of the Group and the quarterly results against financial estimates approved by the Board.

2. Internal Audit

- Reviewed the annual internal audit plan to ensure adequacy of scope and coverage on the activities of the Group, taking into consideration the assessment of key risk areas and recommended changes where necessary.
- Reviewed the internal audit reports, which included audit findings, audit recommendations and Management's responses to assess whether or not appropriate actions have been taken with respect to the audit recommendations.
- At each Committee meeting, the Committee had an executive session with the GIA to discuss problems and reservations arising from internal audits and any other matters without the presence of Management.
- Assessed the Internal Audit Function via questionnaires, which aimed to gauge the level of satisfaction with the Internal Audit's roles and services, competency and professionalism in governance, risk and controls, as well as their independence and objectivity. The results indicated the Internal Audit Function was satisfactory.
- Reviewed and approved annual training budget to equip the internal audit team with an appropriate level of skills and knowledge to carry out the function effectively.

3. External Audit

- On 24 November 2023, reviewed the External Auditors' Group Audit Planning Memorandum ("APM") for the financial year ended 31 December 2023. The APM outlined the External Auditors' engagement and reporting responsibilities, their audit approach, areas of audit emphasis, their engagement team as well as audit reporting, deliverables and audit fees.
- The Committee had two private sessions with the External Auditors to discuss any issues and reservations arising from their annual audit without the presence of Management on 28 February 2024 and 22 March 2024. The external auditors were given the opportunity to raise any matters of concern arising from their audit work.
- The Committee was informed that there was no major concern from the external auditors and have received full cooperation from the management during the course of audit.
- The Committee having considered the nature, scope and amount of the non-audit fee, was satisfied that there was no conflict of interest and it would not impair the independence and objective of the external auditors.
- The Committee deliberated on the external auditors' report at its meeting on 22 March 2024 with regard to the relevant disclosures in the annual audited financial statements.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK DURING THE FINANCIAL YEAR (Cont'd)

3. External Audit (Cont'd)

- On 22 March 2024, the Committee undertook an annual assessment of the suitability, effectiveness and independence of the external auditors, taking into consideration the Management's feedback on external auditors' performance. Assessment questionnaires were used as a tool to obtain input from the personnel who had substantial contact with the external auditors throughout the year. The external auditors' performance was rated on their ability to provide advice, suggestions or clarifications relating to the presentation of financial statements, ability to provide realistic analysis of issues using technical knowledge and independent judgement, and maintain active engagement, through both verbal and written communication during the audit process, including their responsiveness to issues. The Committee also took into account the observations of the audit engagement partner and engagement team's performance during the meetings held between the Committee and the external auditors in November 2023, February 2024 and March 2024. Based on the evaluation conducted, the Committee is satisfied with the external auditors' performance, adequacy of resources, technical competency, audit independence and quality of services rendered.

- The external auditors had confirmed their professional independence in respect to the audit engagement.

4. Related Party Transactions

- Reviewed all related party transactions of the Group as reported by the Management and incorporated them in relevant quarterly announcements and related party transactions announcements made during the financial year.

- Reviewed the estimated recurrent related party transaction ("RRPT") mandate for the year. No shareholders' mandate for RRPT was sought as the estimated RRPT for the Group was not expected to reach/exceed the prescribed threshold under the Main Market Listing Requirements.

5. Risk Management

- Reviewed the Statement on Risk Management and Internal Control duly confirmed by the External Auditors that no exception was noted and is in accordance with Audit and Assurance Practice Guide 3 for the publication in the Annual Report 2023.

- Reviewed reports from the Risk Management Committee and the corresponding action plans to manage such risks at the Committee meeting held on 24 November 2023 to ensure that mitigating measures were appropriate and adequate to help reduce the risk identified to an acceptable and tolerable level in accordance to the risk appetite of the Group.

6. Others

- Reviewed Audit Committee Report for inclusion in the Annual Report 2023 and recommended it for adoption by the Board.

TRAINING AND CONTINUOUS ENGAGEMENT

During the year, the Chairman of the Committee engaged with the Management and GIA by way of telephone conversations and attending ad-hoc meeting in order to be kept informed of matters affecting the Group. Through such engagement, relevant issues were brought to the attention of the Committee in a timely manner

Members of the Committee have attended relevant training seminars and programmes to enhance their competency in fulfilling their functions and duties more effectively. The details of training programs and seminars attended by the members of the Committee during the financial year ended 31 December 2023 are set out under "Directors' Training" on pages 44 to 45.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department, which reports directly to the Committee, to assist the Committee in discharging its duties and responsibilities. The Department undertakes regular, independent and systematic reviews of the internal control systems so as to provide reasonable assurance that such systems will continue to operate effectively, efficiently and economically in accordance with the Group's overall objectives and goals. The Department also verifies data and information given to external agencies such as Bursa Malaysia Securities Berhad.

The Internal Audit Department carries out its functions in accordance with the annual audit plan approved by the Committee each year covering the scope of the audit work and resources needed to perform such work. The Internal Audit Department reports directly to the Committee on major findings and any significant control issues and concerns. The Committee regularly evaluates and monitors the performance of the internal audit function to assess its effectiveness in discharging its duties and responsibilities.

A risk-based approach is adopted for all audits conducted by the Internal Audit Department, among the scope of coverage were:

- Sales and marketing management
- Information management
- Variation order management
- Procurement management
- Asset management

These audits will help to ensure that control measures put in place are appropriate, effectively applied and are adequate to cover the exposure to risks, consistent with the Group's policies.

The Internal Audit Department is guided by the Internal Audit Charter as well as the Professional Practices Framework in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

The audit reports were presented to the Committee every quarter for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

The summary of internal audit work performed during the financial year is as below:

a. prepared annual audit plan for deliberation and approval by the Committee;
b. performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of their system of internal controls, governance and risk management;
c. presented internal audit reports, which include audit findings, audit recommendations and Management responses;
d. performed statutory compliance audits including related party transactions;
e. discussed with Management in identifying significant concerns and risk areas perceived by Management for inclusion in the internal audit plan; and
f. reviewed the extent of the Group's compliance with provisions of the Malaysian Code of Corporate Governance.

The total costs incurred by the Internal Audit Department for the year under review amounted to approximately RM236,000. The internal audit function was carried out solely by the Internal Audit Department and there were no areas of the internal audit function which were outsourced.

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development, investment holding and operation of a clubhouse. The principal activities of the subsidiaries are set out in Note 7 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	45,346,681	51,234,359
Attributable to:-		
Owners of the Company	46,037,994	51,234,359
Non-controlling interests	(691,313)	-
	45,346,681	51,234,359

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2022 are as follows:-

	RM
Ordinary Share	
In respect of the financial year ended 31 December 2023	
Interim single-tier dividend of 1.50 sen per ordinary shares declared on 1 November 2023 and paid on 27 November 2023	8,190,694
In respect of the financial year ended 31 December 2022	
Interim single-tier dividend of 2.00 sen per ordinary shares declared on 16 February 2023 and paid on 13 March 2023	10,920,924

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

DIRECTORS' REPORT

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The names of directors of the Company who served during the financial year and up to the date of this report are as follows: -

Ng Cheng Chuan	
Datuk Chew Chiaw Han	
Sharifah Deborah Sophia Ibrahim	
Guido Paul Philip Joseph Ravelli	
Wong Siaw Wei	
Chin Mui Khiong	(Appointed on 26 May 2023)
Junijah Binti Ismail	(Appointed on 26 May 2023)
Lily Tang Lee Lin	(Appointed on 31 December 2023)
Ng Kee Tiong	(Retired on 26 May 2023)
Liu Tow Hua	(Retired on 31 December 2023)

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Datuk Barry Tan Chong Liang	
May Wong Mei Ling	
Monaliza Binti Zaidel	
Law Ka Tong	
Ting Sie King	
Davidran A/L Somasundiram Prakasam	
Haji Muhammad Yakup Bin Kari	
Abdul Rahim Bin Abdullah	
Ng Kim Thiea	
Mohamad Azrai Bin Karim	
Su Kuang Yiaw	
Ong Sheng Haur	
Ng Kee Tiong	(Appointed on 31 May 2023)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2023	**Bought**	**Sold**	**At 31.12.2023**
The Company				
Direct Interests				
Ng Cheng Chuan	42,077,478	-	-	42,077,478
Datuk Chew Chiaw Han	15,875,440	4,550,000	-	20,425,440
Sharifah Deborah Sophia Ibrahim	99,366,120	-	-	99,366,120
Indirect Interests				
Ng Cheng Chuan	80,720,720	-	-	80,720,720
Datuk Chew Chiaw Han	130,619,438	-	4,550,000	126,069,438

By virtue of their shareholdings in the Company, Ng Cheng Chuan, Datuk Chew Chiaw Han and Sharifah Deborah Sophia Ibrahim are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 31(b) to the financial statements.

Neither during nor at the end of the financial year, the Group or the Company was a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNIFICATION OF OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM19,472 respectively.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows: -

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Executive directors' remuneration:				
Fees	**48,500**	36,000	**-**	-
Salaries and other emoluments	**2,266,356**	1,839,840	**2,266,356**	1,839,840
	2,314,856	1,875,840	**2,266,356**	1,839,840
Non-Executive directors' remuneration:				
Fees and other emoluments	**734,384**	648,100	**585,823**	567,700
Total directors' remuneration	**3,049,240**	2,523,940	**2,852,179**	2,407,540
Estimated money value of benefits-in-kind	**56,771**	50,145	**56,771**	50,145
	3,106,011	2,574,085	**2,908,950**	2,457,685
Insurance effected to indemnify directors	**19,472**	19,472	**19,472**	19,472

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Crowe Malaysia PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Crowe Malaysia PLT during the financial year and up to the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM222,500 and RM154,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2024.

Datuk Chew Chiaw Han

Lily Tang Lee Lin

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Chew Chiaw Han and Lily Tang Lee Lin, being two of the directors of Ibraco Berhad, state that, in the opinion of the directors, the financial statements set out on pages 69 to 153 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 22 March 2024.

Datuk Chew Chiaw Han **Lily Tang Lee Lin**

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Lily Tang Lee Lin, MIA membership number: 31721, being the director primarily responsible for the financial management of Ibraco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 153 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Lily Tang Lee Lin
at Kuching
in the State of Sarawak
on 22 March 2024

Lily Tang Lee Lin

Before me

Phang Dah Nan (No. Q119)
Commissioner For Oaths
No.55, 1st Floor,
Jalan Chan Bee Kiew
Off Jalan Padungan
93100 Kuching, Sarawak

INDEPENDENT AUDITORS' REPORT

To the members of Ibraco Berhad
(Incorporated in Malaysia)
Registration No: 197101000730 (011286-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ibraco Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 153.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the members of Ibraco Berhad
(Incorporated in Malaysia)
Registration No: 197101000730 (011286-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition – Property Development and Construction Contracts Refer to Note 21 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group's revenue from property development and construction contracts contributed 77% of the Group's revenue. For the financial year ended 31 December 2023, the Group's revenue and cost from property development amounted to RM230,530,513 and RM 144,389,047 respectively, and the Group's revenue and costs from construction contract amounted to RM71,357,527 and RM67,732,973 respectively. Revenue from property development is recognised based on the percentage of completion basis which in turn is determined based on the proportion of contract costs incurred to-date and the total budgeted costs for the respective development projects. For construction contracts, the stage of completion and the revenue to be recognised are calculated based on estimates made of work completed at the reporting date. Significant management judgements and estimation are involved in the recognition of the revenue and its associated costs. Significant judgment and estimation are also required in determining the stage of completion, gross profit margin, provision for foreseeable losses and liquidated ascertained damages, if any. These estimates are subject to uncertainties that depend on the outcome of future events. We determined this to be a key audit matter due to the complexity and judgemental nature of these activities.	Our procedures included amongst others:- • Obtained an understanding of the basis of key judgements made for the revenue recognition and compare them with requirements of the accounting standards; • Test actual sales of development properties to signed sales and purchase agreements; • Evaluated the estimate made for the revenue recognition by determining that inputs applied were reasonable and supportable; • Assessed the reasonableness of the estimated revenue and property development cost and construction cost; • Tested the accuracy of the revenue recognition towards satisfaction of performance obligation; • Checked the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year; • Assessed the adequacy and reasonableness of provisions for foreseeable losses as well as liquidated ascertained damages, if any;and • Performed site visits to the various property development phases and construction project sites.

INDEPENDENT AUDITORS' REPORT

To the members of Ibraco Berhad
(Incorporated in Malaysia)
Registration No: 197101000730 (011286-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

Fair Value of Investment Properties Refer to Note 11 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 31 December 2023, the Group's investment properties which are carried at fair value, amounted to RM136,300,000. The Group adopts the fair value model for its investment properties and had engaged an external valuer to determine the fair value of the investment properties at the reporting date. We focused on this area due to the complexities in determining the fair value of the investment properties, which involved significant judgements in estimating the underlying assumption to be applied.	Our procedures included, amongst others:- • Obtained the full valuation/indicative valuer's report to review the methodology adopted by the independent valuer; • Assessed the independent external valuers' competency, capabilities, objectivity, independence and qualification; • Assessed the inputs underpinning the valuation of the properties by discussion with valuers, the key assumptions and critical judgement area; and • Evaluated the reasonableness of the key assumptions used in the valuation.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

To the members of Ibraco Berhad
(Incorporated in Malaysia)
Registration No: 197101000730 (011286-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the members of Ibraco Berhad
(Incorporated in Malaysia)
Registration No: 197101000730 (011286-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chong Thian Poh
01580/02/2025 J
Chartered Accountant

Kuching
22 March 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	The Group 2023 RM	The Group 2022 RM	The Company 2023 RM	The Company 2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	**116,108,320**	72,585,049	**58,259,781**	57,123,064
Intangible assets	6	**3,774,649**	4,272,405	**-**	-
Investment in subsidiaries	7	**-**	-	**38,429,944**	37,477,166
Investment in an associate	8	**3,204,395**	2,414,464	**6,860,000**	6,125,000
Investment in a jointly-controlled entity	9	**300,000**	300,000	**300,000**	300,000
Inventories	10	**51,661,143**	51,439,772	**51,324,452**	50,799,014
Investment properties	11	**136,300,000**	122,300,000	**136,300,000**	122,300,000
Trade and other receivables	12	**524,396**	1,535,863	**-**	-
Deferred tax assets	13	**7,166,575**	8,583,672	**2,311,736**	3,456,436
		319,039,478	263,431,225	**293,785,913**	277,580,680
CURRENT ASSETS					
Inventories	10	**374,896,803**	351,577,458	**264,641,041**	316,908,339
Trade and other receivables	12	**39,911,034**	39,962,828	**138,922,947**	85,810,642
Other current assets	14	**138,404,435**	76,719,747	**60,450,637**	45,143,983
Fixed deposits with licensed banks	15	**8,916,793**	8,742,290	**8,813,772**	8,641,408
Cash and bank balances	16	**67,342,547**	51,843,615	**48,839,296**	34,790,812
		629,471,612	528,845,938	**521,667,693**	491,295,184
TOTAL ASSETS		**948,511,090**	792,277,163	**815,453,606**	768,875,864

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 (CONT'D)

		The Group		The Company	
	NOTE	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	**17**	**271,831,735**	271,831,735	**271,831,735**	271,831,735
Retained profits		**207,268,217**	180,341,841	**188,427,089**	156,304,348
Equity attributable to owners of the Company		**479,099,952**	452,173,576	**460,258,824**	428,136,083
Non-controlling interests		**8,778,872**	9,790,185	**-**	-
TOTAL EQUITY		**487,878,824**	461,963,761	**460,258,824**	428,136,083
NON-CURRENT LIABILITIES					
Loans and borrowings	**18**	**95,680,224**	78,379,575	**73,775,523**	75,428,540
Trade and other payables	**19**	**18,292,489**	13,287,494	**9,827,912**	11,154,411
		113,972,713	91,667,069	**83,603,435**	86,582,951
CURRENT LIABILITIES					
Loans and borrowings	**18**	**185,031,469**	132,922,178	**106,766,859**	83,458,333
Trade and other payables	**19**	**140,677,613**	99,013,007	**140,598,937**	158,758,612
Other current liabilities	**20**	**16,161,000**	5,253,114	**19,797,603**	10,503,593
Current tax liabilities		**4,789,471**	1,458,034	**4,427,948**	1,436,292
		346,659,553	238,646,333	**271,591,347**	254,156,830
TOTAL LIABILITIES		**460,632,266**	330,313,402	**355,194,782**	340,739,781
TOTAL EQUITY AND LIABILITIES		**948,511,090**	792,277,163	**815,453,606**	768,875,864

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
	NOTE	2023 RM	2022 RM	2023 RM	2022 RM
REVENUE	**21**	**391,870,688**	272,172,726	**337,485,787**	194,375,176
COST OF SALES	**22**	**(269,033,141)**	(183,935,702)	**(229,981,243)**	(122,401,113)
GROSS PROFIT		**122,837,547**	88,237,024	**107,504,544**	71,974,063
OTHER INCOME		**8,549,899**	6,366,468	**10,934,488**	7,333,551
		131,387,446	94,603,492	**118,439,032**	79,307,614
ADMINISTRATIVE EXPENSES		**(44,051,983)**	(35,293,277)	**(29,915,496)**	(23,708,939)
SELLING AND MARKETING EXPENSES		**(11,721,056)**	(6,064,152)	**(10,661,568)**	(5,997,074)
PROFIT FROM OPERATIONS		**75,614,407**	53,246,063	**77,861,968**	49,601,601
FINANCE COSTS	**23**	**(12,943,457)**	(9,324,425)	**(10,769,713)**	(11,105,081)
SHARE OF RESULTS OF EQUITY ACCOUNTED ASSOCIATES		**54,931**	(396,675)	**-**	-
PROFIT BEFORE TAXATION	**24**	**62,725,881**	43,524,963	**67,092,255**	38,496,520
INCOME TAX EXPENSE	**27**	**(17,379,200)**	(12,431,294)	**(15,857,896)**	(9,998,337)
PROFIT AFTER TAXATION, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**45,346,681**	31,093,669	**51,234,359**	28,498,183
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**46,037,994**	30,410,422	**51,234,359**	28,498,183
Non-controlling interests		**(691,313)**	683,247	**-**	-
		45,346,681	31,093,669	**51,234,359**	28,498,183
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**46,037,994**	30,410,422	**51,234,359**	28,498,183
Non-controlling interests		**(691,313)**	683,247	**-**	-
		45,346,681	31,093,669	**51,234,359**	28,498,183
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (SEN PER SHARE)					
- Basic	**28**	**8**	6		
- Diluted	**28**	**8**	6		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	NOTE	Share Capital RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group						
Balance as at 1.1.2022		271,831,735	160,852,343	432,684,078	9,206,938	441,891,016
Profit after taxation for the financial year		-	30,410,422	30,410,422	683,247	31,093,669
Acquisition of non-controlling interest		-	-	-	30,000	30,000
Dividends on ordinary shares	29	-	(10,920,924)	(10,920,924)	-	(10,920,924)
Dividends paid to non-controlling interest		-	-	-	(1,600,000)	(1,600,000)
Interests in a subsidiary donated to a foundation		-	-	-	1,470,000	1,470,000
Total contributions by and distributions to owners		-	19,489,498	19,489,498	583,247	20,072,745
Balance as at 31.12.2022/1.1.2023		**271,831,735**	**180,341,841**	**452,173,576**	**9,790,185**	**461,963,761**
Profit after taxation for the financial year		**-**	**46,037,994**	**46,037,994**	**(691,313)**	**45,346,681**
Acquisition of non-controlling interest		**-**	**-**	**-**	**720,000**	**720,000**
Dividends on ordinary shares	29	**-**	**(19,111,618)**	**(19,111,618)**	**-**	**(19,111,618)**
Dividends paid to non-controlling interest		**-**	**-**	**-**	**(1,040,000)**	**(1,040,000)**
Total contributions by and distributions to owners		**-**	**26,926,376**	**26,926,376**	**(1,011,313)**	**25,915,063**
Balance as at 31.12.2023		**271,831,735**	**207,268,217**	**479,099,952**	**8,778,872**	**487,878,824**

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	NOTE	Share Capital RM	Retained Profits RM	Total Equity RM
The Company				
Balance as at 1.1.2022		271,831,735	138,727,089	410,558,824
Profit after taxation / Total comprehensive income for the financial year		-	28,498,183	28,498,183
Dividends	29	-	(10,920,924)	(10,920,924)
Total contributions by and distributions to owners		-	17,577,259	17,577,259
Balance as at 31.12.2022/1.1.2023		**271,831,735**	**156,304,348**	**428,136,083**
Profit after taxation / Total comprehensive income for the financial year		**-**	**51,234,359**	**51,234,359**
Dividends	29	**-**	**(19,111,618)**	**(19,111,618)**
Total contributions by and distributions to owners		**-**	**32,122,741**	**32,122,741**
Balance as at 31.12.2023		**271,831,735**	**188,427,089**	**460,258,824**

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
	NOTE	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**62,725,881**	43,524,963	**67,092,255**	38,496,520
Adjustments for:-					
Allowance for expected credit losses on trade receivables	12(a)	**-**	66,858	**-**	-
Allowance for expected credit losses on amount due from a subsidiary	12(b)	**-**	-	**730,638**	-
Allowance for impairment loss on investment in a subsidiary	24	**-**	-	**750,000**	-
Amortisation of intangible assets	6	**497,756**	497,756	**-**	-
Bad debts written off	24	**640,996**	345,727	**-**	345,727
Depreciation of property, plant and equipment	5	**6,206,763**	5,164,249	**4,050,688**	3,257,807
Dividend income from subsidiaries	21(c)	**-**	-	**(6,930,000)**	(2,800,000)
Gain on disposal of property, plant and equipment	24	**(12,297)**	(725,819)	**(9,998)**	(200,822)
Interest income from licensed banks		**(46,794)**	(45,917)	**(31,842)**	(39,828)
Other interest income		**(1,039,445)**	(520,374)	**(4,886,688)**	(2,803,830)
Fair value gain on investment properties	11	**(5,632,700)**	(4,000,000)	**(4,003,476)**	(4,000,000)
Interest expense	23	**12,943,457**	9,324,425	**10,769,713**	11,105,081
Loss on disposal of shares in a subsidiary to a charitable trust	7	**-**	1,470,000	**-**	1,470,000
Gain on disposal of investment in subsidiary upon liquidation		**-**	-	**(180,612)**	-
Reversal of allowance for expected credit losses on trade receivables	12(a)	**(95,137)**	(84,613)	**-**	-
Reversal of allowance for expected credit losses on investment in a subsidiary	24	**-**	-	**(802,778)**	-
Share of results in associate		**(54,931)**	396,675	**-**	-
Operating profit before working capital changes		**76,133,549**	55,413,930	**66,547,900**	44,830,655
BALANCE CARRIED FORWARD		**76,133,549**	55,413,930	**66,547,900**	44,830,655

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		The Group		The Company	
	NOTE	2023 RM	2022 RM	2023 RM	2022 RM
BALANCE BROUGHT FORWARD		**76,133,549**	55,413,930	**66,547,900**	44,830,655
(Increase)/Decrease in inventories		**(31,908,016)**	(54,562,502)	**41,745,336**	(56,938,393)
(Increase)/Decrease in trade and other receivables		**517,402**	18,492,650	**(53,842,943)**	15,532,252
(Increase)/Decrease in other current assets		**(59,730,372)**	34,869,787	**(15,306,654)**	38,314,338
Increase/(Decrease) in trade and other payables		**46,669,604**	(6,526,806)	**(19,486,174)**	6,451,822
Increase/(Decrease) in other current liabilities		**10,907,886**	(975,855)	**9,294,010**	(2,153,226)
CASH FROM OPERATIONS		**42,590,053**	46,711,204	**28,951,475**	46,037,448
Interest paid		**(12,943,457)**	(9,434,239)	**(10,769,713)**	(11,322,340)
Interest received		**1,039,445**	520,374	**4,886,688**	2,803,830
Income tax refunded		**3,966,868**	744,160	**1,070,663**	-
Income tax paid		**(17,807,260)**	(11,232,955)	**(12,792,203)**	(7,118,158)
NET CASH FROM OPERATING ACTIVITIES		**16,845,649**	27,308,544	**11,346,910**	30,400,780
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received from subsidiaries	21(c)	**-**	-	**6,930,000**	2,800,000
Interest received from licensed banks		**46,794**	45,917	**31,842**	39,828
Increase in deposits pledged for bank loans		**(5,222)**	(3,908)	**(5,222)**	(3,908)
Placement of deposits with maturity of more than 3 months		**(130,899)**	(110,640)	**(130,899)**	(110,640)
Purchase of property, plant and equipment	5(ii)	**(38,626,630)**	(15,115,846)	**(5,102,707)**	(9,715,607)
Proceeds from disposal of property, plant and equipment		**12,300**	767,301	**10,000**	239,781
Proceeds from disposal of investment in a subsidiary upon liquidation		**-**	-	**1,180,612**	-
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		**(38,703,657)**	(14,417,176)	**2,913,626**	(6,750,546)

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		The Group		The Company	
	NOTE	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES (CONT'D)					
Subscription of shares in a subsidiary	7	**-**	-	**(1,900,000)**	(3,430,000)
Subscription of shares in an associate	8	**(735,000)**	(980,000)	**(735,000)**	(980,000)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(39,438,657)**	(15,397,176)	**278,626**	(11,160,546)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Contribution by non-controlling interest		**720,000**	30,000	**-**	-
Dividends paid on ordinary shares	29	**(19,111,618)**	(10,920,924)	**(19,111,618)**	(10,920,924)
Dividends paid to non-controlling interest		**(1,040,000)**	(1,600,000)	**-**	-
Repayment of bank loans	30(a)	**(20,536,248)**	(18,073,537)	**(18,570,120)**	(16,107,408)
Repayment of revolving credit	30(a)	**(28,462,560)**	(12,300,000)	**(24,000,000)**	(12,300,000)
Repayment of principal portion of lease liabilities	30(a)	**(321,563)**	(255,179)	**(206,609)**	(170,642)
Repayment of hire purchase payables	30(a)	**(1,043,984)**	(1,643,626)	**(116,197)**	(82,159)
Proceeds from bank loans	30(a)	**33,163,735**	4,334,647	**20,163,735**	4,334,647
Proceeds from revolving credit	30(a)	**74,762,560**	29,993,018	**44,300,000**	17,000,000
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**38,130,322**	(10,435,601)	**2,459,191**	(18,246,486)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**15,537,314**	1,475,767	**14,084,727**	993,748
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**53,584,454**	52,108,687	**36,430,769**	35,437,021
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(b)	**69,121,768**	53,584,454	**50,515,496**	36,430,769

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business are as follows:-

Registered office and principal place of business	:	No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 March 2024.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development, investment holding and operation of a clubhouse. The principal activities of the subsidiaries are set out in Note 7. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
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
Amendments to MFRS 112: International Tax Reform – Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024

3. BASIS OF PREPARATION (Cont'd)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Revenue Recognition for Property Development

The Group and the Company apply the percentage of completion method to account for all of its property development projects. This method requires reliable estimation of future outcomes that invariably must rely on estimates of stage of completion, future revenues, future costs, and collectability progress billings. Internal budgets and forecasts are used in these estimates. The actual outcome will only be known when a development project is completed and all units sold to customers, and its actual outcome may not coincide with the estimate made. The carrying amount of contract asset and contract liabilities are disclosed in Note 14 and Note 20 to the financial statements.

(b) Revenue Recognition for Construction Contracts

The Group recognises certain construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

The Group recognises certain construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

The carrying amount of contract asset and contract liabilities as at the reporting date are disclosed in Note 14 and Note 20 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant, and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

(d) Fair Value of Investment Properties

Investment properties of the Group and of the Company are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining market rental used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Property, Plant and Equipment and Investment Properties

The Group and the Company determine whether an item of its property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant, and equipment and investment properties as at the reporting date are disclosed in Note 5 and Note 11 to the financial statements.

(f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(g) Impairment of Trade Receivables and Contract Assets

The Group and the Company use the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group and the Company develop the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amount of trade receivables and contract assets as at the reporting date are disclosed in Note 12 and Note 14 to the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(i) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits would be available against which the unused tax losses could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 13 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-.

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group and the Company account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

<u>Financial Assets Through Profit or Loss</u>

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.2 FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial Assets (Cont'd)

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for those business combinations which were accounted for using merger method of accounting.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.3 BASIS OF CONSOLIDATION (Cont'd)

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehend reflect the results of the merger entities for the full reporting period (irrespective of then the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.5 INVESTMENTS IN ASSOCIATES

Investments in associates are stated in the separate financial statements of the Company at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

4.6 INVESTMENTS IN JOINT VENTURES

Investments in joint ventures are stated in the separate financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method in the consolidated financial statements.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	50 years
Furniture, fittings and equipment	5% - 20%
Motor vehicles	20%
Office renovation	20%
Plant and equipment	10% - 20%

Capital work-in-progress represent factory buildings under construction and production machinery under installation. They are not depreciated until such time when the asset is available for use.

4.8 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are measured at fair value with fair value changes recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.10 INTANGIBLE ASSETS - LICENSE

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of an asset. An intangible asset shall be measured initially at cost.

Intangible assets with finite lives are amortised over their useful economics lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The principal amortisation rates used for this purpose are:-

License	12 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.11 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group and the Company are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.12 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:-

(a) Land Held for Property Development

Land held for property development represents right-of-use asset (leasehold land) on which no significant development work has been undertaken or which development activities are not expected to be completed within the normal operating cycle is classified as non-current asset.

The cost comprises cost associated to the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, other relevant levies and an appropriate proportion of common infrastructure costs.

Net realisable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realizable value.

Land held for property development is transferred to property development costs category when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Development Cost

The cost comprises cost associated with the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, aggregate cost of development, materials and suppliers, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.12 INVENTORIES (Cont'd)

Inventories are stated at the lower of cost and net realisable value. Cost and net realisable value are determined as below:- (Cont'd)

(c) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sales comprises cost associated with the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, aggregate cost of development, materials and suppliers, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4.13 CONTRACT COST ASSETS

(a) Incremental Costs of Obtaining Contracts

The Group and the Company recognise incremental costs of obtaining contracts with customers as an asset when the Group and the Company expect to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil A Contract

The Group and the Company recognise costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group and of the Company, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.14 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's and the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group and of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.16 IMPAIRMENT

(a) Impairment of Financial Assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group and the Company always recognise lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's and the Company's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group and the Company recognise lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company determine the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.17 PROVISIONS

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

4.18 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group and the Company.

(b) Defined Contribution Plans

The Group's and the Company's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

4.19 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.19 INCOME TAXES (Cont'd)

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.20 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.21 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.22 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.23 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group and the Company recognise revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group and the Company transfer control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.
- The Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

(a) Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an assets with an alternative's use by the Group and the Company. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group and the Company have a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceeded, a contract liability is recognised.

(b) Sale of Completed Properties

Sale of completed properties are recognised at a point in time.

(c) Construction Services

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which they will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time when the customer simultaneously received and consumes the benefits provided or at a point in time.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Revenue is recognised progressively based on the percentage of completion and the revenue are calculated based on estimates made of work performed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

4.24 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(d) Property Management Fees

Property management fees are recognised when services are rendered.

(e) Sales of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(f) Clubhouse operation

Revenue represents membership subscriptions, entrance fees, surcharges and revenue generated from the activities from the clubhouse.

Sales of goods and services rendered are recognised upon delivery of products and when the risks and rewards of ownership have passed to the members. Sales represent gross value of goods sold and services rendered net of trade discounts.

(g) Rental income

Rental income from investment properties is accounted for on a straight-line method over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

4.25 REVENUE FROM OTHER SOURCES AND OTHER INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method

4.26 CONTINGENT ASSETS

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group and of the Company.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2023 RM	Additions RM	Disposals RM	Re-classification RM	Depreciation Charges: Recognised in profit or loss (Note 24) RM	Depreciation Charges: Capitalised in construction costs (Note 14 (c)) RM	At 31.12.2023 RM
The Group							
Carrying Amount							
Buildings and renovation	31,551,710	483,058	(1)	15,678,858	(2,650,793)	-	45,062,832
Motor vehicles, office equipment furniture and fittings	3,588,442	3,110,508	(2)	422,906	(633,920)	(249,370)	6,238,564
Plant and equipment	16,511,965	9,672,827	-	4,210,922	(2,922,050)	(495,223)	26,978,441
Capital work-in-progress	20,932,932	37,208,237	-	(20,312,686)	-	-	37,828,483
	72,585,049	50,474,630	(3)	-	(6,206,763)	(744,593)	116,108,320

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2022 RM	Additions RM	Disposals RM	Modification of lease RM	Re-classification RM	Depreciation Charges: Recognised in profit or loss (Note 24) RM	Depreciation Charges: Capitalised in construction costs (Note 14 (c)) RM	At 31.12.2022 RM
The Group								
Carrying Amount								
Buildings and renovation	33,416,826	357,182	(638)	2,803	-	(2,224,463)	-	31,551,710
Motor vehicles, office equipment furniture and fittings	3,673,111	814,850	(40,841)	-	42,993	(679,119)	(222,552)	3,588,442
Plant and equipment	17,765,891	2,124,154	(3)	-	(42,993)	(2,260,667)	(1,074,417)	16,511,965
Capital work-in-progress	6,920,818	14,012,114	-	-	-	-	-	20,932,932
	61,776,646	17,308,300	(41,482)	2,803	-	(5,164,249)	(1,296,969)	72,585,049

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
31.12.2023			
Buildings and renovation	**54,389,494**	**(9,326,662)**	**45,062,832**
Motor vehicles, office equipment, furniture and fittings	**16,142,222**	**(9,903,658)**	**6,238,564**
Plant and equipment	**45,308,509**	**(18,330,068)**	**26,978,441**
Capital work-in-progress	**37,828,483**	**-**	**37,828,483**
	153,668,708	**(37,560,388)**	**116,108,320**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
31.12.2022			
Buildings and renovation	38,290,281	(6,738,571)	31,551,710
Motor vehicles, office equipment, furniture and fittings	12,866,080	(9,277,638)	3,588,442
Plant and equipment	31,424,760	(14,912,795)	16,511,965
Capital work-in-progress	20,932,932	-	20,932,932
	103,514,053	(30,929,004)	72,585,049

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2023 RM	Additions RM	Disposals RM	Reclassification RM	Depreciation Charges (Note 24) RM	At 31.12.2023 RM
The Company						
Carrying Amount						
Buildings and renovation	**31,345,267**	**351,238**	**-**	**16,217,905**	**(2,563,015)**	**45,351,395**
Motor vehicles, office equipment, furniture and fittings	**2,870,352**	**677,583**	**(2)**	**423,500**	**(437,908)**	**3,533,525**
Plant and equipment	**6,015,735**	**75,780**	**-**	**4,333,111**	**(1,049,765)**	**9,374,861**
Capital work-in-progress	**16,891,710**	**4,082,806**	**-**	**(20,974,516)**	**-**	**-**
	57,123,064	**5,187,407**	**(2)**	**-**	**(4,050,688)**	**58,259,781**

	At 1.1.2022 RM	Additions RM	Disposals RM	Modification of lease RM	Depreciation Charges (Note 24) RM	At 31.12.2022 RM
The Company						
Carrying Amount						
Buildings and renovation	33,122,847	357,182	-	1,553	(2,136,315)	31,345,267
Motor vehicles, office equipment, furniture and fittings	2,520,886	752,383	(38,959)	-	(363,958)	2,870,352
Plant and equipment	6,768,169	5,100	-	-	(757,534)	6,015,735
Capital work-in-progress	7,118,127	9,773,583	-	-	-	16,891,710
	49,530,029	10,888,248	(38,959)	1,553	(3,257,807)	57,123,064

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
31.12.2023			
Buildings and renovation	**53,631,941**	**(8,280,546)**	**45,351,395**
Motor vehicles, office equipment, furniture and fittings	**8,003,074**	**(4,469,549)**	**3,533,525**
Plant and equipment	**11,987,627**	**(2,612,766)**	**9,374,861**
	73,622,642	**(15,362,861)**	**58,259,781**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
31.12.2022			
Buildings and renovation	37,062,798	(5,717,531)	31,345,267
Motor vehicles, office equipment, furniture and fittings	7,159,263	(4,288,911)	2,870,352
Plant and equipment	7,578,736	(1,563,001)	6,015,735
Capital work-in-progress	16,891,710	-	16,891,710
	68,692,507	(11,569,443)	57,123,064

(i) Current year depreciation charges are recognised as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Recognised in profit or loss (Note 24)	**6,206,763**	5,164,249	**4,050,688**	3,257,807
Capitalised in construction costs (Note 14(c))	**744,593**	1,296,969	**-**	-
	6,951,356	6,461,218	**4,050,688**	3,257,807

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(ii) Acquisition of property, plant and equipment during the financial year were by the following mean:

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Cash	**38,626,630**	15,115,846	**5,102,707**	9,715,607
Hire purchase arrangement	**11,848,000**	1,761,000	**84,700**	600,000
Lease arrangement (Note 18(b))	**-**	358,185	**-**	356,935
Interest capitalised (Note 23)	**-**	76,072	**-**	217,259
	50,474,630	17,311,103	**5,187,407**	10,889,801

(iii) The corporate office building and clubhouse building of the Group and of the Company amounting to RM38.9 million (2022 – RM24.9 million) are pledged as security for the related borrowings as set in Note 18.

(iv) Right-of-use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	At 1.1.2023 RM	Additions RM	Disposal RM	Depreciation Charges RM	At 31.12.2023 RM
The Group					
Carrying Amount					
Buildings and renovation	**741,418**	**-**	**-**	**(321,133)**	**420,285**
Motor vehicles	**1,046,756**	**1,868,509**	**(1)**	**(475,495)**	**2,439,769**
Plant and equipment	**1,253,498**	**7,409,459**	**-**	**(787,614)**	**7,875,343**
Capital work-in-progress	**-**	**7,380,940**	**-**	**-**	**7,380,940**
	3,041,672	**16,658,908**	**(1)**	**(1,584,242)**	**18,116,337**

	At 1.1.2022 RM	Additions RM	Disposal RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2022 RM
The Group						
Carrying Amount						
Buildings and renovation	657,320	355,382	-	2,803	(274,087)	741,418
Motor vehicles	888,433	707,901	-	-	(549,578)	1,046,756
Plant and equipment	1,042,019	1,296,705	(3)	-	(1,085,223)	1,253,498
	2,587,772	2,359,988	(3)	2,803	(1,908,888)	3,041,672

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(iv) Right-of-use assets (Cont'd)

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	At 1.1.2023 RM	Additions RM	Disposal RM	Depreciation Charges RM	At 31.12.2023 RM
The Company					
Carrying Amount					
Buidlings and renovation	**574,189**	**-**	**-**	**(209,647)**	**364,542**
Motor vehicles	**648,912**	**92,300**	**(1)**	**(149,272)**	**591,939**
	1,223,101	**92,300**	**(1)**	**(358,919)**	**956,481**

	At 1.1.2022 RM	Additions RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2022 RM
The Company					
Carrying Amount					
Buidlings and renovation	399,168	355,382	1,553	(181,914)	574,189
Motor vehicles	65,962	707,901	-	(124,951)	648,912
	465,130	1,063,283	1,553	(306,865)	1,223,101

The Group and the Company have lease contracts for buildings and renovation, motor vehicles and plant and equipment used in their operations. Their lease terms are as below:-

	2023	2022
	Number of years	
The Group		
Buildings and renovation	**1 - 4**	3 - 5
Motor vehicles	**5**	5
Plant and equipment	**5**	5

	2023	2022
	Number of years	
The Company		
Buildings and renovation	**1 - 4**	3 - 5
Motor vehicles	**5**	5

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(iv) Right-of-use assets (Cont'd)

Details of the terms and conditions of the lease arrangements are disclosed in Note 18.

Lease motor vehicles and plant and equipment are pledged as security for the related lease liabilities as set in Note 18.

6. INTANGIBLE ASSETS

	At 1.1.2023 RM	Amortisation Charges RM	At 31.12.2023 RM
The Group			
Carrying Amount			
Quarry	**4,272,405**	**(497,756)**	**3,774,649**

	At 1.1.2022 RM	Amortisation Charges RM	At 31.12.2022 RM
The Group			
Carrying Amount			
Quarry	4,770,161	(497,756)	4,272,405

	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
The Group			
31.12.2023			
Quarry	**5,765,673**	**(1,991,024)**	**3,774,649**

	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
The Group			
31.12.2022			
Quarry	5,765,673	(1,493,268)	4,272,405

The above intangible asset represents the right to operate the quarry arising from the Extraction Agreement dated 3 July 2019 entered into with a third party, which commenced operations in 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT IN SUBSIDIARIES

	The Company	
	2023 RM	2022 RM
Unquoted shares, at cost:		
- in Malaysia	**39,179,944**	38,279,944
Less: Accumulated impairment losses	**(750,000)**	(802,778)
	38,429,944	37,477,166

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2023 %	2022 %	
Subsidiaries of the Company				
Foso One Sdn. Bhd.	Malaysia	**100**	100	Construction
Ibraco Quarry Sdn. Bhd.	Malaysia	**100**	100	Housing and Property Development, Quarry Operations
Ibraco Construction Sdn. Bhd.	Malaysia	**100**	100	Construction
Ibraco HGS Sdn. Bhd.	Malaysia	**70**	70	Property Development and Construction
Ibraco Pelita Sdn. Bhd.	Malaysia	**75**	75	Property Development and Construction
Ibraco Plantation Sdn. Bhd.	Malaysia	**-**	100	Liquidated
Ibraco Spectrum Sdn. Bhd.	Malaysia	**100**	100	Landscaping and Trading of Building Materials and Related Products
Ibraco Infinity Sdn. Bhd.	Malaysia	**100**	100	Property Management Services
Syarikat Ibraco-Peremba Sdn. Bhd.	Malaysia	**100**	100	Land and Property Development

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries are as follows:- (Cont'd)

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2023 %	2022 %	Principal Activities
Subsidiaries of the Company				
Ibraco Ascent Sdn. Bhd.	Malaysia	**100**	100	Manufacturing of Pipes and Construction Material
NewUrban Sdn. Bhd.	Malaysia	**100**	100	Property Development and Construction
Sekitar Gemilang Sdn. Bhd.	Malaysia	**70**	70	Quarry Operation
Subsidiary of Ibraco HGS Sdn. Bhd.				
Warisar Sdn. Bhd.	Malaysia	**80**	80	Property Development and Construction
Subsidiaries of Ibraco Construction Sdn. Bhd.				
Ibraco Construction Polybuilding Construction JV Sdn. Bhd.	Malaysia	**70**	70	Construction
Dynaciate Engineering Ibraco Construction JV Sdn. Bhd.	Malaysia	**70**	70	Construction
Ibraco KPP Concrete Sdn. Bhd.	Malaysia	**70**	70	Operate and Sales of Ready Mix Concrete

(a) Acquisition of additional interest

On 25 April 2023, the Company subscribed for additional 1,900,000 ordinary shares in Ibraco Ascent Sdn. Bhd. at an issue price of RM1 each for a total cash consideration of RM1,900,000. There is no change in the Company's effective ownership as results of the additional shares purchased.

In the previous financial year, the Company subscribed for additional 4,900,000 ordinary shares in Sekitar Gemilang Sdn. Bhd. ("SGSB") at an issue price of RM1 each for a total cash consideration of RM4,900,000. There is no change in the Company's effective ownership as results of the additional shares purchased. The Company also donated 1,470,000 ordinary shares, representing 30% equity interest in SGSB to a charitable trust in fulfilment of a condition for the granting of a license to operate a quarry to SGSB. Following the disposal, SGSB became 70% owned subsidiary of the Company. The Group and the Company reported a loss on disposal of RM1,470,000.

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(b) Incorporation of new subsidiary

On 16 December 2022, Ibraco Construction Sdn. Bhd., a subsidiary of the Company, incorporated a new subsidiary, Ibraco KPP Concrete Sdn. Bhd. ("IKPPSB") of which it subscribed 70% equity interest for RM70,000, settled in cash.

(c) Liquidation of existing subsidiary

On 31 January 2023, Ibraco Plantation Sdn. Bhd., a subsidiary of the Company, is under members' voluntary winding up pursuant to Section 439(1)(b) of the Companies Act 2016. The subsidiary has been successfully winded up during the financial year.

(d) The non-controlling interest at the end of the reporting period comprise the followings:-

	Effective Equity Interest		The Group	
	2023 %	**2022 %**	**2023 RM**	**2022 RM**
Ibraco HGS Sdn. Bhd.	**70**	70	**(530,639)**	687,460

(e) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2023 RM	**2022 RM**
At 31 December		
Non-current assets	**1,952,367**	2,006,967
Current assets	**75,603,835**	66,680,859
Non-current liabilities	**(1,350,500)**	(1,503,200)
Current liabilities	**(56,725,368)**	(43,543,572)
Net assets	**19,480,334**	23,641,054
Financial Year Ended 31 December		
Revenue	**12,537,872**	11,298,104
(Loss)/Profit for the financial year	**(1,160,720)**	1,577,071
Total comprehensive (expenses)/income	**(1,160,720)**	1,577,071
Total comprehensive income attributable to non-controlling interests	**7,614,839**	9,185,478
Dividends paid to non-controlling interests	**(1,040,000)**	(1,600,000)
Net cash flows from operating activities	**4,281,550**	4,690,504
Net cash flows for investing activities	**20,178**	4,157
Net cash flows for financing activities	**(3,000,000)**	(4,400,000)

8. INVESTMENT IN AN ASSOCIATE

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Unquoted shares, at cost:				
- Ordinary shares	**490,000**	490,000	**490,000**	490,000
- Redeemable non-cumulative preference shares	**6,370,000**	5,635,000	**6,370,000**	5,635,000
	6,860,000	6,125,000	**6,860,000**	6,125,000
Share of post-acquisition deficit	**(3,655,605)**	(3,710,536)	**-**	-
	3,204,395	2,414,464	**6,860,000**	6,125,000

The details of the associate is as follows:-

Name of Associate	Principal Place of Business	Percentage of Ownership		Principal Activities
		2023 %	**2022 %**	
Ibraco HELP Education Sdn. Bhd.	Malaysia	**49**	49	Education services

During the current financial year, the Company subscribed for 735,000 new redeemable preference shares at RM1 each in Ibraco HELP Education Sdn. Bhd. amounting RM735,000, settled in cash.

In the previous financial year, the Company subscribed for 980,000 new redeemable preference shares at RM1 each in Ibraco HELP Education Sdn. Bhd. amounting RM980,000, settled in cash.

The summarised financial information (after any fair value adjustment at acquisition date) for the associate is as follows:-

	Ibraco HELP Education Sdn. Bhd. (Economic entity)	
	2023 RM	**2022 RM**
At 31 December		
Current assets	**6,566,670**	4,867,050
Current liabilities	**(27,090)**	(15,074)
Net assets	**6,539,580**	4,851,976
Financial Year Ended 31 December		
Revenue	**-**	-
Profit/(Loss) for the financial year	**187,604**	(885,044)
Total comprehensive income/(expenses)	**187,604**	(885,044)
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets	**3,204,395**	2,414,464

9. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	The Group/Company	
	2023 RM	2022 RM
Unquoted shares, at cost	300,000	300,000

The details of the jointly–controlled entity is as follows:-

Name of Jointly-Controlled Entity	Principal Place of Business	Percentage of Ownership		Principal Activities
		2023 %	2022 %	
NorthBank Specialist Hospital Sdn. Bhd.	Malaysia	**50**	50	Intended for health care services

10. INVENTORIES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current				
At cost:-				
Land held for property development	**51,661,143**	51,439,772	**51,324,452**	50,799,014
Current				
At cost:-				
Property development costs	**318,273,444**	265,144,090	**215,023,881**	237,059,626
Completed properties held for sale	**56,471,001**	86,433,368	**49,586,370**	79,848,713
Beverages	**30,790**	-	**30,790**	-
Raw materials	**121,568**	-	**-**	-
	374,896,803	351,577,458	**264,641,041**	316,908,339
Total inventories	**426,557,946**	403,017,230	**315,965,493**	367,707,353

Certain land held for property development of the Group and the Company have been amalgamated, sub-divided and are pending issuance of land titles by the relevant government authority.

10. INVENTORIES (Cont'd)

Land held for property development

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost:				
At 1 January	**51,439,772**	44,145,121	**50,799,014**	43,504,363
Additions	**221,371**	7,294,651	**525,438**	7,294,651
At 31 December	**51,661,143**	51,439,772	**51,324,452**	50,799,014
Represented by:-				
Right-of-use assets - Leasehold land	**12,709,905**	12,709,905	**11,293,119**	11,293,119
Freehold land	**16,351,051**	16,351,051	**15,874,651**	15,874,651
Property development cost	**22,600,187**	22,378,816	**24,156,682**	23,631,244
	51,661,143	51,439,772	**51,324,452**	50,799,014

The Group and the Company have freehold and leasehold land with aggregate carrying values of RM27,056,062 (2022 – RM27,056,062) and RM21,408,670 (2022 – RM21,408,670) respectively, which are pledged as security for loans and borrowings as disclosed in Note 18.

Property development costs

Leasehold land of the Group and the Company classified under property development costs with aggregate carrying values of RM50,000,000 (2022 – RM36,172,246) and Nil (2022 – RM36,172,246) are pledged as security for loans and borrowings as disclosed in Note 18.

11. INVESTMENT PROPERTIES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Carrying amount				
At 1 January	**122,300,000**	118,300,000	**122,300,000**	118,300,000
Transfer from inventories	**8,367,300**	-	**9,996,524**	-
Fair value gain (Note 24)	**5,632,700**	4,000,000	**4,003,476**	4,000,000
At 31 December	**136,300,000**	122,300,000	**136,300,000**	122,300,000
Fair value of investment properties	**136,300,000**	122,300,000	**136,300,000**	122,300,000

11. INVESTMENT PROPERTIES (Cont'd)

(a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 2 to 18 (2022 – 2 to 13) years and an option that is exercisable by the customers to extend their leases. Certain leases are with lease payments indexed to the customer price index.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group/The Company	
	2023 RM	**2022 RM**
Not later than 1 year	**6,837,792**	7,821,672
Later than 1 year but not later than 5 years	**26,412,940**	30,652,751
Later than 5 years	**39,594,586**	36,588,218
	72,845,318	75,062,641

(b) The investment property with carrying amount of RM122,000,000 (2022: RM118,500,000) are pledged as security for loans and borrowings as disclosed in Note 18.

(c) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting based on the investment method that makes reference to net rental income which is capitalised at the appropriate market rates of return and other adjustment factors. There has been no change to the valuation technique during the financial year.

The investment properties are classified as Level 3 in the fair value hierarchy (Note 34).

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

(d) The income received and related maintenance costs from the above completed investments properties are disclosed in Note 21 and Note 22, respectively.

(e) The level 3 fair value of the building has been determined using a discounted cash flow approach performed by independent professional valuers based on the following significant unobservable inputs:-

Significant unobservable inputs		Relationship of Unobservable Inputs to Fair Value
(a) Future rental cash inflows with monthly rental ranging from RM15,750 to RM410,000 (2022 – RM15,225 to RM407,000)	Based on the location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar property	The higher the rental income, the higher the fair value. If expected cash flows were 5% (2022 - 5%) higher or lower, the fair value would increase/ decrease by RM6.4 million (2022 – RM6.2 million).
(b) Discount rate of 5% to 7.50%(2022 - 5% to 6.75%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value. A change in the discount rate by 2.5% (2022 – 2.5%) would increase/decrease the fair value by RM3.9 million (2022 – RM3.7 million).)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Trade receivables				
Third parties	**29,752,902**	22,392,998	**20,556,608**	14,964,840
Less: Allowance for expected credit losses - third parties	**(545,021)**	(640,158)	**-**	-
Trade receivables, net	**29,207,881**	21,752,840	**20,556,608**	14,964,840
Other receivables				
Third parties (Note (c)(iii))	**5,873,332**	14,657,919	**362,363**	10,634,653
Deposits	**4,935,892**	3,658,140	**2,562,633**	2,655,600
Amount due from subsidiaries	**-**	-	**116,171,981**	57,555,549
	10,809,224	18,316,059	**119,096,977**	70,845,802
Less: Allowance for expected credit losses - third parties	**(106,071)**	(106,071)	**-**	-
Less: Allowance for expected credit losses - amount due from a subsidiary	**-**	-	**(730,638)**	-
Other receivables, net	**10,703,153**	18,209,988	**118,366,339**	70,845,802
Total trade and other receivables (current)	**39,911,034**	39,962,828	**138,922,947**	85,810,642
Non-current				
Trade receivables				
Third parties	**524,396**	1,535,863	**-**	-
Other receivables				
Third parties (Note (c)(iii))	**-**	-	**-**	-
Amount due from a subsidiary	**-**	-	**5,066,070**	5,066,070
	-	-	**5,066,070**	5,066,070
Less: Allowance for expected credit losses - amount due from a subsidiary	**-**	-	**(5,066,070)**	(5,066,070)
Total trade and other receivables (non-current)	**524,396**	1,535,863	**-**	-
Total trade and other receivables (current and non-current)	**40,435,430**	41,498,691	**138,922,947**	85,810,642

12. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 30 days (2022 - 14 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group are retention sums totaling RM3,105,860 (2022 - RM2,767,614).

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	The Group	
	2023 RM	**2022 RM**
Movement in expected credit losses account		
At 1 January	**640,158**	657,913
Allowance for expected credit losses on trade receivables (Note 24)	**-**	66,858
Reversal of allowance for expected credit losses (Note 24)	**(95,137)**	(84,613)
At 31 December	**545,021**	640,158

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, bore interest at 5.60% (2022 - 4.28%) per annum and are repayable on demand.

Non-current amount due from a subsidiary is unsecured and bore interest at 5.60% (2022 - 4.28%) per annum and repayable on demand.

Set out below is the movement in the allowance for expected credit losses of a non-current amount due from subsidiaries:

	The Company	
	2023 RM	**2022 RM**
Movement in expected credit losses account		
At 1 January	**5,066,070**	5,066,070
Allowance for expected credit losses on amount due from a subsidiary (Note 24)	**730,638**	-
At 31 December	**5,796,708**	5,066,070

(c) Other receivables

(i) Other receivables are non-interest bearing and are generally on 30 days (2022 - 30 days) terms.

(ii) At the reporting date, the Group has provided an allowance for expected credit loss of RM106,071 (2022 - RM106,071) for the amount due from third parties with nominal amount of RM106,071 (2022 - RM106,071).

12. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) Other receivables (Cont'd)

(iii) Included in the Group's and the Company's current other receivables in previous financial year are amounts receivable from a solicitor of RM9,024,318. These amounts being the final 50% receivables are monies withheld by the solicitor as stakeholder for payments received from property buyers of a property development project in West Malaysia and has been released by the solicitor during current financial year.

13. DEFERRED TAXATION

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2023 RM
The Group			
2023			
Deferred Tax Liabilities			
Investment properties	**1,576,862**	**960,000**	**2,536,862**
Property, plant and equipment	**3,018,715**	**464,160**	**3,482,875**
Rent receivable	**1,613,287**	**463,310**	**2,076,597**
	6,208,864	**1,887,470**	**8,096,334**
Deferred Tax Assets			
Property development cost	**(5,738,729)**	**(108,871)**	**(5,847,600)**
Provisions for expenses	**(7,969,197)**	**298,354**	**(7,670,843)**
Staff leave balance	**(122,968)**	**9,706**	**(113,262)**
Unabsorbed capital allowances	**(452,041)**	**(470,578)**	**(922,619)**
Unused tax losses	**(509,601)**	**(198,984)**	**(708,585)**
	(14,792,536)	**(470,373)**	**(15,262,909)**
	(8,583,672)	**1,417,097**	**(7,166,575)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. DEFERRED TAXATION (Cont'd)

	At 1.1.2022 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2022 RM
The Group			
2022			
Deferred Tax Liabilities			
Investment properties	616,862	960,000	1,576,862
Property, plant and equipment	3,052,214	(33,499)	3,018,715
Rent receivable	1,050,030	563,257	1,613,287
	4,719,106	1,489,758	6,208,864
Deferred Tax Assets			
Property development cost	(6,512,843)	774,114	(5,738,729)
Provisions for expenses	(8,021,645)	52,448	(7,969,197)
Staff leave balance	(102,854)	(20,114)	(122,968)
Unabsorbed capital allowances	(538,509)	86,468	(452,041)
Unused tax losses	(508,537)	(1,064)	(509,601)
	(15,684,388)	891,852	(14,792,536)
	(10,965,282)	2,381,610	(8,583,672)

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2023 RM
The Company			
2023			
Deferred Tax Liabilities			
Investment properties	**1,764,191**	**960,000**	**2,724,191**
Property, plant and equipment	**2,112,259**	**54,589**	**2,166,848**
Rent receivable	**1,613,287**	**463,310**	**2,076,597**
	5,489,737	**1,477,899**	**6,967,636**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

13. DEFERRED TAXATION (Cont'd)

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2023 RM
Deferred Tax Assets			
Property development cost	**(2,953,144)**	**(19,118)**	**(2,972,262)**
Provisions for expenses	**(5,872,594)**	**11,732**	**(5,860,862)**
Staff leave balance	**(120,435)**	**30,695**	**(89,740)**
Unabsorbed capital allowances	**-**	**(310,109)**	**(310,109)**
Unused tax losses	**-**	**(46,399)**	**(46,399)**
	(8,946,173)	**(333,199)**	**(9,279,372)**
	(3,456,436)	**1,144,700**	**(2,311,736)**

	At 1.1.2022 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2022 RM
The Company			
2022			
Deferred Tax Liabilities			
Investment properties	804,191	960,000	1,764,191
Property, plant and equipment	2,306,231	(193,972)	2,112,259
Rent receivable	1,050,030	563,257	1,613,287
	4,160,452	1,329,285	5,489,737
Deferred Tax Assets			
Property development cost	(3,644,049)	690,905	(2,953,144)
Provisions for expenses	(5,528,856)	(343,738)	(5,872,594)
Staff leave balance	(100,883)	(19,552)	(120,435)
	(9,273,788)	327,615	(8,946,173)
	(5,113,336)	1,656,900	(3,456,436)

13. DEFERRED TAXATION (Cont'd)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2023 RM	2022 RM
Unused tax losses:		
--> expires year of assessment 2028	**755,646**	755,646
--> expires year of assessment 2029	**60,696**	60,696
--> expires year of assessment 2030	**1,804,822**	42,920
--> expires year of assessment 2031	**516,428**	144,539
--> expires year of assessment 2032	**472,341**	546,127
--> expires year of assessment 2033	**2,893,205**	-
Unabsorbed capital allowances	**2,569,507**	1,934,278
	9,072,645	3,484,206

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

14. OTHER CURRENT ASSETS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Prepayments (a)	**28,090,527**	3,748,586	**737,888**	1,332,519
Tax recoverable	**4,417,083**	3,207,361	**-**	-
Contract assets - property under construction (b)	**49,075,954**	37,778,330	**47,496,454**	33,967,906
Contract assets - construction contracts (c)	**44,604,576**	22,141,912	**-**	-
Rent receivable	**8,652,488**	6,722,026	**8,652,488**	6,722,026
Cost to obtain a contract (d)	**3,563,807**	3,121,532	**3,563,807**	3,121,532
	138,404,435	76,719,747	**60,450,637**	45,143,983

(a) Prepayment

Included in the Group's prepayment is an amount of RM16,529,970 (2022 - Nil) paid in respect of a construction contract entered into by the Group during the financial year.

14. OTHER CURRENT ASSETS (Cont'd)

(b) Contract assets - property under construction

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	**37,778,330**	36,003,059	**33,967,906**	34,423,560
Revenue recognised during the year	**132,996,965**	152,942,403	**132,342,614**	141,510,505
Progress billings during the year	**(121,699,341)**	(151,167,132)	**(118,814,066)**	(141,966,159)
At 31 December	**49,075,954**	37,778,330	**47,496,454**	33,967,906

Contract assets relate to sale of properties under construction that are initially recognised for revenue earned from construction as receipt of consideration from customers is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

The Group and the Company only deals with creditworthy customers. Historically, the Group and the Company have not encountered any material default by these customers. Consequently, no allowance for expected credit loss was recorded for contract assets as at reporting date.

(c) Contract assets – construction contracts

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	**22,141,912**	21,620,588	**-**	-
Revenue recognised during the year	**71,357,527**	45,312,416	**-**	-
Progress billings during the year	**(48,894,863)**	(44,791,092)	**-**	-
At 31 December	**44,604,576**	22,141,912	**-**	-

Contract assets – construction contracts relate to sale of construction contracts that are initially recognised for revenue earned from construction as receipt of consideration from customers is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

Included in the construction contract costs incurred during the year are:

	The Group	
	2023 RM	**2022 RM**
Depreciation of property, plant and equipment	**744,593**	1,296,969
Hire purchase interest	**132,468**	33,742
Employee benefit expense	**1,012,504**	1,150,644

14. OTHER CURRENT ASSETS (Cont'd)

(d) Cost to obtain a contract

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	**3,121,532**	3,183,568	**3,121,532**	3,183,568
Additions	**5,179,534**	3,396,725	**5,179,534**	3,396,725
Amortisation	**(4,737,259)**	(3,458,761)	**(4,737,259)**	(3,458,761)
At 31 December	**3,563,807**	3,121,532	**3,563,807**	3,121,532

Cost to obtain a contract primarily comprises of incremental commission fees paid to intermediaries in order to obtain contracts.

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.25% to 3.05% (2022 – 1.32% to 2.55%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2022 – 1 to 12) months.

(b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was a total amount of RM398,123 (2022 – RM392,901) which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 18.

16. CASH AND BANK BALANCES

(a) Included in cash at banks of the Group and the Company are amounts of RM33,411,087 (2022 - RM20,570,247) and RM31,156,278 (2022 - RM20,186,086) respectively held pursuant to Section 12 of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.

(b) Included in cash at banks of the Group and the Company are amounts of RM3,664,594 (2022 - RM611,453) held pursuant to Section 7A of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.

17. SHARE CAPITAL

	The Group/The Company			
	2023	2022	2023	2022
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January and 31 December	**546,046,217**	546,046,217	**271,831,735**	271,831,735

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. LOANS AND BORROWINGS

		The Group		The Company	
	Maturity	2023 RM	2022 RM	2023 RM	2022 RM
Short-term borrowings:-					
Secured:					
Hire purchase payables	2024	**2,744,788**	493,950	**132,055**	111,187
Lease liabilities	2024	**237,854**	321,563	**178,413**	206,609
Revolving credits	2024	**159,900,000**	113,600,000	**86,900,000**	66,600,000
Bank loans:					
- RM loan at CFR(1) +2.00%	2024	**3,090,137**	2,952,250	**3,090,137**	2,952,250
- RM loan at CFR +1.10%	2024	**2,405,307**	2,339,216	**2,405,307**	2,339,216
- RM loan at COF(2) +1.75%	2024	**-**	3,437,500	**-**	3,437,500
- RM loan at COF +2.00%	2024	**2,400,000**	2,220,000	**2,400,000**	2,220,000
- RM loan at ECOF(3) +1.85%	2024	**4,924,903**	4,924,903	**4,924,903**	4,924,903
- RM loan at ECOF(3) +1.85%	2024	**1,899,680**	666,668	**1,899,680**	666,668
- RM loan at ECOF(3) +2.00%	2024	**4,836,364**	-	**4,836,364**	-
- RM loan at BFR (4) -1.00%	2024	**1,802,236**	1,966,128	**-**	-
- RM loan at BFR (4) -1.00%	2024	**790,200**	-	**-**	-
Total loans and borrowings (current)		**185,031,469**	132,922,178	**106,766,859**	83,458,333

(1) Cost of Funding Rate
(2) Cost of Funds
(3) Effective Cost of Funds
(4) Base Financing Rate

18. LOANS AND BORROWINGS (Cont'd)

		The Group		The Company	
	Maturity	2023 RM	2022 RM	2023 RM	2022 RM
Long-term borrowings:-					
Secured:					
Hire purchase payables	2025-2028	**10,095,462**	1,542,284	**400,561**	452,926
Lease liabilities	2025-2027	**198,012**	435,866	**198,012**	376,425
Bank loans:					
- RM loan at CFR(1) +2.00%	2025-2028	**10,497,409**	13,575,770	**10,497,409**	13,575,770
- RM loan at CFR +1.10%	2025-2030	**14,873,220**	17,276,469	**14,873,220**	17,276,469
- RM loan at COF +2.00%	2025-2029	**12,644,051**	15,044,051	**12,644,051**	15,044,051
- RM loan at ECOF(3) +1.85%	2025-2029	**20,110,017**	25,034,920	**20,110,017**	25,034,920
- RM loan at ECOF(3) +1.85%	2025-2028	**6,986,826**	3,667,979	**6,986,826**	3,667,979
- RM loan at ECOF(3) +2.00%	2025-2026	**8,065,427**	-	**8,065,427**	-
- RM loan at BFR (4) -1.00%		**-**	1,802,236	**-**	-
- RM loan at BFR (4) -1.00%	2025-2028	**4,209,800**	-	**-**	-
- RM loan at COF - 2.25%	2025-2028	**8,000,000**	-	**-**	-
Total loans and borrowings (non-current)		**95,680,224**	78,379,575	**73,775,523**	75,428,540
Total loans and borrowings (current and non-current)		**280,711,693**	211,301,753	**180,542,382**	158,886,873

(a) Hire purchase payables

The movement of hire purchase payables during the financial year is as follows:

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Minimum hire purchase payments				
- not later than 1 year	**3,478,199**	603,601	**152,484**	133,440
- later than 1 year and not later than 5 years	**11,195,526**	1,716,060	**425,609**	489,280
	14,673,725	2,319,661	**578,093**	622,720
Less: Future finance charges	**(1,833,475)**	(283,427)	**(45,477)**	(58,607)
Present value of hire purchase payables	**12,840,250**	2,036,234	**532,616**	564,113

18. LOANS AND BORROWINGS (Cont'd)

(a) Hire purchase payables (Cont'd)

The movement of hire purchase payables during the financial year is as follows: (Cont'd)

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Analysed by:-				
Current liabilities	**2,744,788**	493,950	**132,055**	111,187
Non-current liabilities	**10,095,462**	1,542,284	**400,561**	452,926
	12,840,250	2,036,234	**532,616**	564,113

(i) The hire purchase payables of the Group and of the Company are secured by the motor vehicle and plant and equipment under hire purchase as disclosed in Note 5(v) to the financial statements.

(ii) The hire purchase payables of the Group and of the Company at the end of the reporting period bore interest rate of 2.10% to 4.60% and 2.24% to 2.47% (2022 - 2.10% to 3.68% and 2.24%) per annum respectively. The interest rates are fixed at the inception of the hire purchase arrangements.

(b) Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At 1 January	**757,429**	654,423	**583,034**	396,741
Addition (Note 5(ii))	**-**	355,382	**-**	355,382
Modification of lease (Note 5(ii))	**-**	2,803	**-**	1,553
Interest expense recognised in profit or loss (Note 23)	**24,277**	38,662	**19,230**	23,198
Repayment of principal	**(321,563)**	(255,179)	**(206,609)**	(170,642)
Repayment of interest expense	**(24,277)**	(38,662)	**(19,230)**	(23,198)
At 31 December	**435,866**	757,429	**376,425**	583,034

18. LOANS AND BORROWINGS (Cont'd)

(b) Lease liabilities (Cont'd)

The expenses relating to payments not included in the measurement of the hire purchase payables and lease liabilities are as follows:

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Depreciation of right-of-use assets	**1,584,242**	1,908,888	**358,919**	306,865
Interest expense recognised in profit or loss (Note 23)	**180,504**	74,891	**42,821**	32,937
Expenses relating to leases of low value assets (Note 24)	**-**	-	**-**	4,000
Expenses relating to short term leases (Note 24)	**28,200**	9,600	**-**	-

(c) Other borrowings

(i) Revolving credits

- RM117.9 million (2022 – RM98.7 million) is secured by a charge over the few parcels of land held for property development (Note 10), fixed deposits with licensed banks (Note 15), corporate office building (Note 5) and three of the investment properties (Note 11); and
- RM10.0 million (2022 - RM10.0 million) of the revolving credit is secured over a deed of assignment in respect of one of the Group's project contract proceeds.
- During the year, interest was charged at rates ranging from 1% to 2.5% (2022 - 1% to 2%) per annum above the bankers' cost of funds.

(ii) Bank loans

- RM1.80 million (2022 – RM3.77 million) of the Group's bank loans is secured over deed of assignment in respect of the rights and benefits of the Extraction Agreement between a third party and Ibraco Spectrum Sdn. Bhd., a subsidiary of the Company.
- RM5.0 million (2022 – Nil) of the Group's bank loans is secured by charge over a parcel of land together with a building.
- The other bank loans of the Group and the Company amounting to RM100.7 million and RM92.7 million (2022: RM91.1 million and RM91.1 million) are secured by charges over the few parcels of land held for property development (Note 10), corporate office building (Note 5) and investment property (Note 11).
- Corporate guarantees were provided by the Company to banks on the subsidiaries' loans and borrowings amounting to RM329.3 million (2022 – RM250.6 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Trade payables				
Third parties	**46,009,204**	24,164,095	**10,504,964**	8,864,466
Accruals	**63,101,503**	52,177,684	**65,695,391**	46,267,291
Amount due to subsidiaries	**-**	-	**34,829,867**	82,534,440
Retention sum on contracts payable within 1 year	**15,589,880**	10,580,721	**12,223,939**	8,010,789
	124,700,587	86,922,500	**123,254,161**	145,676,986
Other payables				
Sundry payables	**4,957,698**	4,395,296	**3,326,734**	842,599
Accruals	**10,911,639**	7,566,820	**8,756,087**	6,080,540
Deposits	**107,689**	128,391	**-**	-
Amount due to subsidiaries	**-**	-	**5,261,955**	6,158,487
	15,977,026	12,090,507	**17,344,776**	13,081,626
Total trade and other payables (current)	**140,677,613**	99,013,007	**140,598,937**	158,758,612
Non- current				
Trade payables				
Retention sum on contracts payable more than 1 year	**18,292,489**	13,287,494	**9,827,912**	11,154,411
Total trade and other payables (current and non-current)	**158,970,102**	112,300,501	**150,426,849**	169,913,023

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 days to 60 days (2022 - 30 days to 60 days) terms.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on an average term of 30 days (2022 - 30 days).

(c) Amounts due to subsidiaries

Amounts due to subsidiaries under other payables are unsecured, bore interest at 5.60% (2022 - 4.28%) per annum and are repayable on demand.

20. OTHER CURRENT LIABILITIES

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Contract liabilities	**16,161,000**	5,253,114	**19,797,603**	10,503,593
The movement of contract liabilities are as follows:-				
At 1 January	**5,253,114**	6,228,969	**5,232,731**	6,226,874
Revenue recognised during the year	**(151,143,837)**	(42,388,090)	**(139,201,649)**	(42,388,090)
Progress billings during the year	**162,051,723**	41,412,235	**149,613,845**	41,393,947
	16,161,000	5,253,114	**15,644,927**	5,232,731
Amount due to a subsidiary	**-**	-	**4,152,676**	5,270,862
At 31 December	**16,161,000**	5,253,114	**19,797,603**	10,503,593

The Group's and the Company's contract liabilities due to third parties relate to advance consideration received from customers for construction contracts which revenue is recognised over time during the construction work. The contract liabilities are expected to be recognised as revenue over a period of one to six months (2022 – one to six months).

The Company's contract liabilities due to subsidiary relates to an unbilled portion of the land acquired through a joint venture agreement with a subsidiary, Ibraco HGS Sdn. Bhd., to develop housing and commercial projects.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. REVENUE

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers.

(a) Disaggregation of Group's revenue from contracts with customers

	Property development activities RM	Property holding and managment RM	Construction works RM	Clubhouse operation RM	Ready mix concrete operation RM	Quarry operation RM	Total RM
2023							
Group							
Type of goods and services							
Sales of properties under construction	230,530,513	-	-	-	-	-	230,530,513
Sales of completed properties and land	53,610,289	-	-	-	-	-	53,610,289
Construction revenue	-	-	71,357,527	-	-	-	71,357,527
Property management services	-	307,022	-	-	-	-	307,022
Quarry operation	-	-	-	-	-	24,657,156	24,657,156
Clubhouse operation	-	-	-	1,599,802	-	-	1,599,802
Sales of ready mix concrete	-	-	-	-	2,396,657	-	2,396,657
Total revenue from contracts with customers	284,140,802	307,022	71,357,527	1,599,802	2,396,657	24,657,156	384,458,966
Rental income from investment properties	-	7,411,722	-	-	-	-	7,411,722
	284,140,802	7,718,744	71,357,527	1,599,802	2,396,657	24,657,156	391,870,688
Timing of revenue recognition							
Revenue recognised over time	230,530,513	307,022	71,357,527	-	-	-	302,195,062
Revenue recognised at a point in time	53,610,289	-	-	1,599,802	2,396,657	24,657,156	82,263,904
Total revenue from contracts with customers	284,140,802	307,022	71,357,527	1,599,802	2,396,657	24,657,156	384,458,966

21. REVENUE (Cont'd)

(a) Disaggregation of Group's revenue from contracts with customers (Cont'd)

	Property development activities RM	Property holding and managment RM	Construction works RM	Quarry operation RM	Total RM
2022					
Group					
Type of goods and services					
Sales of properties under construction	154,874,908	-	-	-	154,874,908
Sales of completed properties and land	40,455,584	-	-	-	40,455,584
Construction revenue	-	-	45,312,416	-	45,312,416
Property management services	-	714,708	-	-	714,708
Quarry operation	-	-	-	23,138,528	23,138,528
Total revenue from contracts with customers	195,330,492	714,708	45,312,416	23,138,528	264,496,144
Rental income from investment properties	-	7,676,582	-	-	7,676,582
	195,330,492	8,391,290	45,312,416	23,138,528	272,172,726
Timing of revenue recognition					
Revenue recognised over time	154,874,908	714,708	45,312,416	-	200,902,032
Revenue recognised at a point in time	40,455,584	-	-	23,138,528	63,594,112
Total revenue from contracts with customers	195,330,492	714,708	45,312,416	23,138,528	264,496,144

21. REVENUE (Cont'd)

(b) Transaction prices allocated to the remaining performance obligation

	Property development activities RM	Construction works RM	Total RM
Group			
2023			
Sale of properties under construction			
- within one year	**183,019,730**	**-**	**183,019,730**
- over one year	**28,832,299**	**-**	**28,832,299**
	211,852,029	**-**	**211,852,029**
Construction revenue			
- within one year	**-**	**157,582,341**	**157,582,341**
- over one year	**-**	**2,287,462**	**2,287,462**
	-	**159,869,803**	**159,869,803**
2022			
Sale of properties under construction			
- within one year	116,096,592	-	116,096,592
- over one year	22,153,572	-	22,153,572
	138,250,164	-	138,250,164
Construction revenue			
- within one year	-	22,821,879	22,821,879
- over one year	-	6,462,521	6,462,521
	-	29,284,400	29,284,400

21. REVENUE (Cont'd)

(c) Disaggregation of Company's revenue from contracts with customers

	The Company	
	2023 **RM**	**2022** **RM**
Type of goods and services		
Sales of properties under construction	**220,414,333**	154,874,908
Sales of completed properties and land	**101,129,930**	29,023,686
Total revenue from contracts with customers	**321,544,263**	183,898,594
Rental income from investment properties	**7,411,722**	7,676,582
Revenue from clubhouse operations	**1,599,802**	-
Dividend income from subsidiaries	**6,930,000**	2,800,000
Total revenue	**337,485,787**	194,375,176
Timing of revenue recognition		
Revenue recognised over time	**220,414,333**	154,874,908
Revenue recognised at a point in time	**101,129,930**	29,023,686
	321,544,263	183,898,594

(d) Transaction prices allocated to the remaining performance obligation

	The Company	
	2023 **RM**	**2022** **RM**
Sale of properties under construction		
- within one year	**151,217,430**	116,096,592
- over one year	**23,518,713**	22,153,572
	174,736,143	138,250,164

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

22. COST OF SALES

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property development costs	**144,389,047**	97,312,552	**144,728,426**	101,933,163
Costs of completed properties sold and land	**35,197,790**	26,289,602	**84,265,260**	20,206,746
Construction costs	**67,732,973**	41,597,038	**-**	-
Investment properties maintenance costs	**367,996**	261,204	**367,996**	261,204
Property management costs	**753**	6,328	**-**	-
Quarry operation costs	**18,777,075**	18,468,978	**-**	-
Manufacturing of concrete	**1,947,946**	-	**-**	-
Clubhouse operation costs	**619,561**	-	**619,561**	-
	269,033,141	183,935,702	**229,981,243**	122,401,113

23. FINANCE COSTS

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest expense on:-				
- Bank loans and bank overdraft	**12,762,953**	9,325,606	**9,466,872**	7,340,056
- Amount due to subsidiaries	**-**	-	**1,260,020**	3,949,347
- Hire purchase interest (Note 18(a))	**288,695**	69,971	**23,591**	9,739
- Lease liabilities interest (Note 18(b))	**24,277**	38,662	**19,230**	23,198
	13,075,925	9,434,239	**10,769,713**	11,322,340
Less: Interest expense capitalised in:				
- Property, plant and equipment (Note 5 (ii))	**-**	(76,072)	**-**	(217,259)
- Construction contracts	**(132,468)**	(33,742)	**-**	-
	12,943,457	9,324,425	**10,769,713**	11,105,081

24. PROFIT BEFORE TAXATION

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowances for expected credit losses on trade receivables (Note 12(a))	**-**	66,858	**-**	-
Allowances for expected credit losses on amount due from a subsidiary (Note 12(b))	**-**	-	**730,638**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. PROFIT BEFORE TAXATION (Cont'd)

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
Allowance for impairment loss on investment in subsidiary	**-**	-	**750,000**	-
Auditors' remuneration:				
- statutory audit				
- current financial year	**222,500**	220,000	**154,000**	154,000
- overprovision in the previous financial year	**-**	(3,000)	**-**	(1,500)
- other services	**8,000**	10,000	**8,000**	10,000
Amortisation of intangible assets (Note 6)	**497,756**	497,756	**-**	-
Bad debts written off	**640,996**	345,727	**-**	345,727
Depreciation of property, plant and equipment (Note 5)	**6,206,763**	5,164,249	**4,050,688**	3,257,807
Employee benefits expenses (Note 25)	**23,957,157**	18,850,371	**15,328,608**	12,445,702
Expenses relating to short term leases (Note 18(b))	**28,200**	9,600	**-**	-
Expenses relating to low value assets (Note 18(b))	**-**	-	**-**	4,000
Loss on disposal of shares in subsidiary donated to a charitable trust (Note 7(a))	**-**	1,470,000	**-**	1,470,000
Non- executive directors' remuneration	**734,384**	648,100	**585,823**	567,700
Dividend income from subsidiaries	**-**	-	**(6,930,000)**	(2,800,000)
Gain on disposal of property, plant and equipment	**(12,297)**	(725,819)	**(9,998)**	(200,822)
Fair value gain on investment properties (Note 11)	**(5,632,700)**	(4,000,000)	**(4,003,476)**	(4,000,000)
Interest income:				
- licensed banks	**(46,794)**	(45,917)	**(31,842)**	(39,828)
- others	**(1,039,445)**	(520,374)	**(4,886,688)**	(2,803,830)
Rental income	**(533,612)**	(438,895)	**-**	-
Reversal of allowance for expected credit losses (Note 12(a))	**(95,137)**	(84,613)	**-**	-
Reversal for impairment loss on investment in subsidiary	**-**	-	**(802,778)**	-
Gain arising from a liquidated subsidiary	**-**	-	**(180,612)**	-

25. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages and salaries	**22,282,394**	17,766,851	**13,701,216**	11,033,775
Contribution to defined contribution plan	**2,435,961**	2,035,696	**1,494,082**	1,301,685
Social security contributions	**251,306**	198,468	**133,310**	110,242
	24,969,661	20,001,015	**15,328,608**	12,445,702
Less: Employee benefits capitalised in constuction costs (Note 14(c))	**(1,012,504)**	(1,150,644)	**-**	-
	23,957,157	18,850,371	**15,328,608**	12,445,702

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM2,266,356 (2022 – RM1,839,840) as furthered disclosed in Note 26.

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Executive directors:-				
Fees	**48,500**	36,000	**-**	-
Salaries and other emoluments	**2,266,356**	1,839,840	**2,266,356**	1,839,840
	2,314,856	1,875,840	**2,266,356**	1,839,840
Non-executive directors:-				
Fees and other emoluments	**594,223**	567,700	**585,823**	567,700
Total director's remuneration	**2,909,079**	2,443,540	**2,852,179**	2,407,540
Estimated money value of benefits-in-kind	**56,771**	50,145	**56,771**	50,145
Total Company directors' remuneration including benefits-in-kind	**2,965,850**	2,493,685	**2,908,950**	2,457,685

26. KEY MANAGEMENT PERSONNEL COMPENSATION (Cont'd)

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Directors of the Subsidiaries				
Non-executive directors:-				
Fees and other emoluments	**140,161**	80,400	**-**	-
Total Group directors' remuneration	**3,106,011**	2,574,085	**2,908,950**	2,457,685
Other Key Management Personnel				
Short-term employee benefits	**2,524,998**	2,552,745	**2,524,998**	2,552,745
Defined contirbution benefits	**195,871**	207,823	**195,871**	207,823
Other short-term benefits	**5,040**	5,217	**5,040**	5,217
Benefits-in-kind	**52,210**	56,873	**52,210**	56,873
	2,778,119	2,822,658	**2,778,119**	2,822,658

27. INCOME TAX EXPENSE

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Income tax:				
- Current year provision	**15,996,136**	10,515,100	**14,681,100**	8,754,700
- (Over)/underprovision in the previous financial year	**(34,033)**	(465,416)	**32,096**	(413,263)
	15,962,103	10,049,684	**14,713,196**	8,341,437
Deferred taxation:				
- Origination and reversal of temporary differences	**1,659,497**	2,474,698	**1,232,700**	1,635,700
- (Over)/underprovision in the previous financial year	**(242,400)**	(93,088)	**(88,000)**	21,200
	1,417,097	2,381,610	**1,144,700**	1,656,900
	17,379,200	12,431,294	**15,857,896**	9,998,337

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. INCOME TAX EXPENSE (Cont'd)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Profit before taxation	**62,725,881**	43,524,963	**67,092,255**	38,496,520
Tax at the statutory tax rate of 24% (2022 - 24%)	**15,054,211**	10,445,991	**16,102,141**	9,239,165
Tax effects of:-				
Non-taxable income	**(275,051)**	(65,086)	**(1,855,867)**	(672,000)
Non-deductible expenses	**2,256,101**	2,328,968	**1,667,526**	1,823,235
Deferred tax assets not recognised during the financial year	**633,555**	184,723	**-**	-
Share of results in associate	**(13,183)**	95,202	**-**	-
(Over)/underprovision in the previous financial year:				
- income tax	**(34,033)**	(465,416)	**32,096**	(413,263)
- deferred tax	**(242,400)**	(93,088)	**(88,000)**	21,200
Income tax expense for the financial year	**17,379,200**	12,431,294	**15,857,896**	9,998,337

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 24%) of the estimated assessable profit for the financial year.

28. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the consolidated profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2023	**2022**
Profit attributable to owners of the Company (RM)	**46,037,994**	30,410,422
Weighted average number of ordinary shares at 31 December	**546,046,217**	546,046,217
Basic earnings per ordinary share (Sen)	**8.00**	6.00

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

29. DIVIDENDS

	The Company	
	2023 RM	2022 RM
Interim single dividend of 1.50 sen per ordinary shares in respect of the financial year ended 31.12.2023	**8,190,694**	-
Interim single dividend of 2.00 sen per ordinary shares in respect of the financial year ended 31.12.2022/31.12.2021	**10,920,924**	10,920,924
	19,111,618	10,920,924

30. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Group					
2023					
At 1 January	**2,036,234**	**113,600,000**	**757,429**	**94,908,090**	**211,301,753**
Changes in Financing Cash Flows					
Proceeds from drawndown	**-**	**74,762,560**	**-**	**33,163,735**	**107,926,295**
Repayment of borrowing principal	**(1,043,984)**	**(28,462,560)**	**(321,563)**	**(20,536,248)**	**(50,364,355)**
Repayment of borrowing interest (Note 23)	**(156,227)**	**(7,688,913)**	**(24,277)**	**(5,074,040)**	**(12,943,457)**
	(1,200,211)	**38,611,087**	**(345,840)**	**7,553,447**	**44,618,483**
Other Changes					
Acquisition of new leases (Note 5(ii))	**11,848,000**	**-**	**-**	**-**	**11,848,000**
Interest expense recognised in profit or loss (Note 23)	**23,759**	**7,688,913**	**24,277**	**5,074,040**	**12,810,989**
Borrowing cost capitalised	**132,468**	**-**	**-**	**-**	**132,468**
	12,004,227	**7,688,913**	**24,277**	**5,074,040**	**24,791,457**
At 31 December	**12,840,250**	**159,900,000**	**435,866**	**107,535,577**	**280,711,693**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Group					
2022					
At 1 January	1,918,860	95,906,982	654,423	108,646,980	207,127,245
Changes in Financing Cash Flows					
Proceeds from drawndown	-	29,993,018	-	4,334,647	34,327,665
Repayment of borrowing principal	(1,643,626)	(12,300,000)	(255,179)	(18,073,537)	(32,272,342)
Repayment of borrowing interest (Note 23)	(69,971)	(4,877,744)	(38,662)	(4,447,862)	(9,434,239)
	(1,713,597)	12,815,274	(293,841)	(18,186,752)	(7,378,916)
Other Changes					
Acquisition of new leases (Note 5(ii))	1,761,000	-	355,382	-	2,116,382
Modification of leases (Note 5(ii))	-	-	2,803	-	2,803
Interest expense recognised in profit or loss (Note 23)	36,229	4,877,744	38,662	4,371,790	9,324,425
Borrowing cost capitalised	33,742	-	-	76,072	109,814
	1,830,971	4,877,744	396,847	4,447,862	11,553,424
At 31 December	2,036,234	113,600,000	757,429	94,908,090	211,301,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Company					
2023					
At 1 January	**564,113**	**66,600,000**	**583,034**	**91,139,726**	**158,886,873**
Changes in Financing Cash Flows					
Proceeds from drawndown	**-**	**44,300,000**	**-**	**20,163,735**	**64,463,735**
Repayment of borrowing principal	**(116,197)**	**(24,000,000)**	**(206,609)**	**(18,570,120)**	**(42,892,926)**
Repayment of borrowing interest (Note 23)	**(23,591)**	**(4,755,816)**	**(19,230)**	**(4,711,056)**	**(9,509,693)**
	(139,788)	**15,544,184**	**(225,839)**	**(3,117,441)**	**12,061,116**
Other Changes					
Acquisition of new leases (Note 5(ii))	**84,700**	**-**	**-**	**-**	**84,700**
Interest expense recognised in profit or loss (Note 23)	**23,591**	**4,755,816**	**19,230**	**4,711,056**	**9,509,693**
	108,291	**4,755,816**	**19,230**	**4,711,056**	**9,594,393**
At 31 December	**532,616**	**86,900,000**	**376,425**	**92,733,341**	**180,542,382**

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Company					
2022					
At 1 January	46,272	61,900,000	396,741	102,912,487	165,255,500
Changes in Financing Cash Flows					
Proceeds from drawndown	-	17,000,000	-	4,334,647	21,334,647
Repayment of borrowing principal	(82,159)	(12,300,000)	(170,642)	(16,107,408)	(28,660,209)
Repayment of borrowing interest (Note 23)	(9,739)	(3,114,301)	(23,198)	(4,225,755)	(7,372,993)
	(91,898)	1,585,699	(193,840)	(15,998,516)	(14,698,555)
Other Changes					
Acquisition of new leases (Note 5(ii))	600,000	-	355,382	-	955,382
Modification of leases (Note 5(ii))	-	-	1,553	-	1,553
Interest expense recognised in profit or loss (Note 23)	9,739	3,114,301	23,198	4,149,683	7,296,921
Borrowing cost capitalised	-	-	-	76,072	76,072
	609,739	3,114,301	380,133	4,225,755	8,329,928
At 31 December	564,113	66,600,000	583,034	91,139,726	158,886,873

(b) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits with licensed banks	**8,916,793**	8,742,290	**8,813,772**	8,641,408
Cash and bank balances	**67,342,547**	51,843,615	**48,839,296**	34,790,812
	76,259,340	60,585,905	**57,653,068**	43,432,220
Less: Fixed deposits pledged to licensed banks	**(6,739,449)**	(6,608,550)	**(6,739,449)**	(6,608,550)
Cash at bank pledged for borrowings	**(398,123)**	(392,901)	**(398,123)**	(392,901)
Cash and cash equivalents	**69,121,768**	53,584,454	**50,515,496**	36,430,769

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, companies connected to directors of the Group, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
(i) Progress billings issuedto Liu Tow Hua for townhouse at NorthBank Alyvia	**46,875**	478,125	**46,875**	478,125
(ii) Progress billings issued to Liu Sze Wei (1) for townhouse at NorthBank Alyvia	**46,875**	509,375	**46,875**	509,375
(iii) Purchase of vacant land Heng Say Properties (Sarawak) Sdn. Bhd. (2)	**-**	7,224,000	**-**	-
(iv) Rental expense of office building: Hiap Ghee Seng Sdn. Bhd. (3)	**147,840**	147,840	**147,840**	147,840
(v) Progress billings issued to Sharifah Deborah Sophia Ibrahim for townhouse at NorthBank Alyvia	**102,750**	-	**102,750**	-

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (Cont'd)

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest: (Cont'd)

(1) Liu Sze Wei ("LSW")

LSW is a person connected to Liu Tow Hua ("LTH"), a director of the Company.

(2) Heng Say Properties (Sarawak) Sdn. Bhd. ("HSPSB")

HSPSB is a company connected to Ng Cheng Chuan, who is also a director and major shareholder of HSPSB.

(3) Hiap Ghee Seng Sdn. Bhd. ("HGS")

HGS is a major shareholder of the Company. Datuk Chew Chiaw Han, a director of the Company, is also a director and major shareholder of HGS.

(b) Transactions with subsidiaries

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

	The Company	
	2023	**2022**
	RM	**RM**
Interest charged by subsidiaries:		
Foso One Sdn. Bhd.	**278,716**	202,607
Ibraco Construction Sdn. Bhd.	**375,353**	3,187,469
Ibraco HGS Sdn. Bhd.	**146,637**	150,998
Ibraco Plantation Sdn. Bhd.	**-**	49,402
Syarikat Ibraco-Peremba Sdn. Bhd	**459,314**	358,872
Interest charged to subsidiaries:		
Ibraco Ascent Sdn. Bhd.	**(429,996)**	(141,467)
Ibraco Construction Sdn. Bhd.	**(22,595)**	(99,600)
Ibraco Infinity Sdn. Bhd.	**(49,606)**	(19,761)
Ibraco Quarry Sdn. Bhd.	**(142,344)**	(144,578)
NewUrban Sdn. Bhd.	**(1,046,980)**	(310,738)
Warisar Sdn. Bhd.	**(2,207,783)**	(1,661,458)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (Cont'd)

(b) Transactions with subsidiaries (Cont'd)

	The Company	
	2023 RM	**2022 RM**
Marketing fees charged to a subsidiary:		
Warisar Sdn. Bhd.	**(964,226)**	(154,151)
Subcontractor billings from subsidiaries:		
Ibraco Construction Sdn. Bhd.	**141,187,313**	113,739,074
Ibraco HGS Sdn. Bhd.	**1,059,520**	1,026,589

32. OPERATING SEGMENT

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 6 main reportable segments as follows:-

- Property development – development and sales of residential and commercial properties;
- Property holding and management – provision of property management services and lease of retail and education facilities;
- Quarry operation – quarry operations and sales of stone products;
- Construction works – construction of residential and commercial properties and infrastructure works;
- Clubhouse operation – private clubhouse operation; and
- Ready mix concrete operation – operate and sales of ready mixed concrete.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. OPERATING SEGMENT (Cont'd)

	Property development activities		Property holding and management		Quarry operation		Construction works		Clubhouse opreation		Ready mix concrete operation	
	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM	2023 RM	2022 RM
Revenue:												
External customer	**284,140,802**	195,330,492	**307,022**	714,708	**24,657,156**	23,138,528	**71,357,527**	45,312,416	**1,599,802**	-	**2,396,657**	-
Inter-segment	**-**	-	**-**	-	**-**	-	**205,361,919**	126,818,965	**-**	-	**-**	-
Revenue from contracts with customers	**284,140,802**	195,330,492	**307,022**	714,708	**24,657,156**	23,138,528	**276,719,446**	172,131,381	**1,599,802**	-	**2,396,657**	-
Rental income	**-**	-	**7,411,722**	7,676,582	**-**	-	**-**	-	**-**	-	**-**	-
Total	**284,140,802**	195,330,492	**7,718,744**	8,391,290	**24,657,156**	23,138,528	**276,719,446**	172,131,381	**1,599,802**	-	**2,396,657**	-
Results:												
Interest income	**1,822,127**	1,740,229	**-**	-	**14,228**	4,421	**1,166,928**	3,667,963	**-**	-	**-**	-
Fair value gain on investment properties	**-**	-	**(5,632,700)**	(4,000,000)	**-**	-	**-**	-	**-**	-	**-**	-
Amortisation of intangible assets	**-**	-	**-**	-	**497,756**	497,756	**-**	-	**-**	-	**-**	-
Depreciation of property, plant and equipment	**3,282,744**	3,245,655	**8,185**	9,819	**1,223,730**	1,170,486	**681,293**	738,289	**756,603**	-	**254,208**	-
Other non-cash items	**(107,434)**	(285,435)	**-**	-	**-**	-	**-**	(524,997)	**-**	-	**-**	-
Segment profit/(loss)	**55,035,900**	35,293,014	**4,228,622**	4,721,031	**2,973,969**	1,756,115	**684,236**	124,901	**(1,093,864)**	-	**(351,734)**	-
Assets:												
Additions to non-current assets	**35,549,015**	16,900,029	**-**	938	**325,968**	823,984	**6,741,858**	1,353,451	**4,755,588**	-	**5,220,924**	-
Segment assets	**658,065,357**	573,280,268	**136,626,321**	122,645,033	**27,031,486**	17,008,935	**225,490,145**	159,564,393	**(453,700)**	-	**7,394,475**	-
Liabilities:												
Segment liabilities	**295,591,274**	264,098,765	**26,314,628**	30,886,833	**17,933,101**	14,781,660	**181,989,919**	112,122,232	**536,164**	-	**5,190,566**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. OPERATING SEGMENT (Cont'd)

	Total		Elimination		Note	Per consolidated financial statements	
	2023 RM	2022 RM	2023 RM	2022 RM		2023 RM	2022 RM
Revenue:							
External customer	**384,458,966**	264,496,144	**-**	-		**384,458,966**	264,496,144
Inter-segment	**205,361,919**	126,818,965	**(205,361,919)**	(126,818,965)	A	**-**	-
Revenue from contracts with customers	**589,820,885**	391,315,109	**(205,361,919)**	(126,818,965)		**384,458,966**	264,496,144
Rental income	**7,411,722**	7,676,582	**-**	-		**7,411,722**	7,676,582
Total	**597,232,607**	398,991,691	**(205,361,919)**	(126,818,965)		**391,870,688**	272,172,726
Results:							
Interest income	**3,003,283**	5,412,613	**(1,917,042)**	(4,846,322)	B	**1,086,241**	566,291
Fair value gain on investment properties	**(5,632,700)**	(4,000,000)	**-**	-		**(5,632,700)**	(4,000,000)
Amortisation of intangible assets	**497,756**	497,756	**-**	-		**497,756**	497,756
Depreciation of property, plant and equipment	**6,206,763**	5,164,249	**-**	-		**6,206,763**	5,164,249
Other non-cash items	**(107,434)**	(810,432)	**-**	-	C	**(107,434)**	(810,432)
Segment profit/(loss)	**61,477,129**	41,895,061	**1,248,752**	1,629,902		**62,725,881**	43,524,963
Assets:							
Additions to non-current assets	**52,593,353**	19,078,402	**(1,383,723)**	(787,299)	D	**51,209,630**	18,291,103
Segment assets	**1,054,154,084**	872,498,629	**(105,642,994)**	(80,221,466)	E	**948,511,090**	792,277,163
Liabilities:							
Segment liabilities	**527,555,653**	421,889,490	**(66,923,387)**	(91,576,088)	F	**460,632,266**	330,313,402

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

32. OPERATING SEGMENT (Cont'd)

A. Inter-segment revenues are eliminated on consolidation.

B. Inter-segment interest income is eliminated on consolidation.

C. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements.

	2023 RM	2022 RM
Gain on disposal of property, plant and equipment	**(12,297)**	(725,819)
Reversal of allowance for expected credit losses	**(95,137)**	(84,613)
	(107,434)	(810,432)

D. Additions to non-current assets consists of:

	2023 RM	2022 RM
Investment in associate	**735,000**	980,000
Property, plant and equipement	**50,474,630**	17,311,103
	51,209,630	18,291,103

E. The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Deferred tax assets	**(7,166,575)**	(8,583,672)
Inter-segment assets	**(98,476,419)**	(71,637,794)
	(105,642,994)	(80,221,466)

F. The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2023 RM	2022 RM
Inter-segment liabilities	**(66,923,387)**	(91,576,088)

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

33. CAPITAL COMMITMENT

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Authorised And Contracted For				
Investment properties	-	108,675	-	108,675
Property, plant and equipment	**47,183,323**	16,974,154	**757,400**	4,706,674
	47,183,323	17,082,829	**757,400**	4,815,349

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Effects on Profit After Taxation				
Increase of 25 basis points	**(155,104)**	(180,325)	**(151,680)**	(173,165)
Decrease of 25 basis points	**155,104**	180,325	**151,680**	173,165

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customer, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months (2022 – 12 months) from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts using linear regressive analysis. The Group has identified the Gross Domestic Product (GDP), inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Property Development

Purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

Construction Contract

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Group			
2023			
Non-current (not past due)	**524,396**	**-**	**524,396**
Current (not past due)	**10,441,066**	**-**	**10,441,066**
1 to 119 days past due	**18,367,813**	**-**	**18,367,813**
121 to 150 days past due	**399,002**	**-**	**399,002**
Credit impaired	**545,021**	**(545,021)**	**-**
Trade receivables (current)	**29,752,902**	**(545,021)**	**29,207,881**
Total trade receivables	**30,277,298**	**(545,021)**	**29,732,277**
Contract assets	**93,680,530**	**-**	**93,680,530**
	123,957,828	**(545,021)**	**123,412,807**
2022			
Non-current (not past due)	1,535,863	-	1,535,863
Current (not past due)	16,785,700	-	16,785,700
1 to 119 days past due	2,928,812	-	2,928,812
121 to 150 days past due	2,038,328	-	2,038,328
Credit impaired	640,158	(640,158)	-
Trade receivables (current)	22,392,998	(640,158)	21,752,840
Total trade receivables	23,928,861	(640,158)	23,288,703
Contract assets	59,920,242	-	59,920,242
	83,849,103	(640,158)	83,208,945

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Company			
2023			
Current (not past due)	**4,532,400**	**-**	**4,532,400**
1 to 119 days past due	**15,941,996**	**-**	**15,941,996**
121 to 150 days past due	**82,212**	**-**	**82,212**
Trade receivables	**20,556,608**	**-**	**20,556,608**
Contract assets	**47,496,454**	**-**	**47,496,454**
	68,053,062	**-**	**68,053,062**
2022			
Current (not past due)	10,175,211	-	10,175,211
1 to 119 days past due	2,762,281	-	2,762,281
121 to 150 days past due	2,027,348	-	2,027,348
Trade receivables	14,964,840	-	14,964,840
Contract assets	33,967,906	-	33,967,906
	48,932,746	-	48,932,746

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 90 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 270 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP), inflation rate, as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

<u>Other Receivables (Cont'd)</u>

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Group			
2023			
Low credit risk	**5,767,261**	**-**	**5,767,261**
Credit impaired	**106,071**	**(106,071)**	**-**
	5,873,332	**(106,071)**	**5,767,261**
2022			
Low credit risk	14,551,848	-	14,551,848
Credit impaired	106,071	(106,071)	-
	14,657,919	(106,071)	14,551,848

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2023			
Low credit risk	**362,363**	**-**	**362,363**
2022			
Low credit risk	10,634,653	-	10,634,653

The movements in the loss allowances is disclosed in Note 12 to the financial statements.

<u>*Fixed Deposits with Licensed Banks, Cash and Bank Balances*</u>

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government authority. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Due From Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
The Company			
2023			
Low credit risk	**115,441,343**	**-**	**115,441,343**
Credit impaired	**5,796,708**	**(5,796,708)**	**-**
	121,238,051	**(5,796,708)**	**115,441,343**
2022			
Low credit risk	57,555,549	-	57,555,549
Credit impaired	5,066,070	(5,066,070)	-
	62,621,619	(5,066,070)	57,555,549

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2023						
Non-derivative Financial Liabilities						
Loans and borrowings	2.10 - 6.51	280,711,693	297,269,081	191,698,155	100,414,606	5,156,320
Trade and other payables	5.6	158,970,102	158,970,102	140,677,613	18,292,489	-
		439,681,795	456,239,183	332,375,768	118,707,095	5,156,320

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2022						
Non-derivative Financial Liabilities						
Loans and borrowings	2.24 - 6.40	211,301,753	226,488,601	137,969,264	71,933,937	16,585,400
Trade and other payables	4.28	112,300,501	112,300,501	99,013,007	13,287,494	-
		323,602,254	338,789,102	236,982,271	85,221,431	16,585,400

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2023						
Non-derivative Financial Liabilities						
Loans and borrowings	**2.24 - 6.51**	**180,542,382**	**193,933,049**	**112,135,109**	**76,641,620**	**5,156,320**
Trade and other payables	**5.6**	**150,426,849**	**153,669,074**	**143,290,799**	**10,378,275**	**-**
		330,969,231	**347,602,123**	**255,425,908**	**87,019,895**	**5,156,320**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:- (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2022						
Non-derivative Financial Liabilities						
Loans and borrowings	2.24 - 6.40	158,886,873	173,421,926	88,039,708	68,796,818	16,585,400
Trade and other payables	4.28	169,913,023	174,347,516	149,551,404	24,796,112	-
		328,799,896	347,769,442	237,591,112	93,592,930	16,585,400

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.2 CAPITAL RISK MANAGEMENT (Cont'd)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Loans and borrowings	**280,711,693**	211,301,753	**180,542,382**	158,886,873
Trade and other payables	**158,970,102**	112,300,501	**150,426,849**	169,913,023
	439,681,795	323,602,254	**330,969,231**	328,799,896
Less: Fixed deposits with licensed banks	**(8,916,793)**	(8,742,290)	**(8,813,772)**	(8,641,408)
Less: Cash and bank balances	**(67,342,547)**	(51,843,615)	**(48,839,296)**	(34,790,812)
Net debt	**363,422,455**	263,016,349	**273,316,163**	285,367,676
Total equity	**487,878,824**	461,963,761	**460,258,824**	428,136,083
Debt-to-equity ratio	**0.74**	0.57	**0.59**	0.67

There was no change in the Group's approach to capital management during the financial year.

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Financial Assets				
Amortised Cost				
Trade and other receivables (Note 12)	**35,499,538**	37,840,551	**136,360,314**	83,155,042
Other current assets (Note 14)	**8,652,488**	6,722,026	**8,652,488**	6,722,026
Fixed deposits with licensed banks (Note 15)	**8,916,793**	8,742,290	**8,813,772**	8,641,408
Cash and bank balances (Note 16)	**67,342,547**	51,843,615	**48,839,296**	34,790,812
	120,411,366	105,148,482	**202,665,870**	133,309,288
Financial Liabilities				
Amortised Cost				
Loans and borrowings (Note 18)	**280,711,693**	211,301,753	**180,542,382**	158,886,873
Trade and other payables (Note 19)	**158,862,413**	112,172,110	**150,426,849**	169,913,023
	439,574,106	323,473,863	**330,969,231**	328,799,896

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2023								
Financial Asset								
Investment properties	**-**	**-**	**136,300,000**	**-**	**-**	**-**	**136,300,000**	**136,300,000**
Financial Liability								
Loans and borrowings	**-**	**-**	**-**	**-**	**297,269,081**	**-**	**297,269,081**	**280,711,693**
2022								
Financial Asset								
Investment properties	-	-	122,300,000	-	-	-	122,300,000	122,300,000
Financial Liability								
Loans and borrowings	-	-	-	-	226,488,601	-	226,488,601	211,301,753

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 FAIR VALUE INFORMATION (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
The Company								
2023								
Financial Asset								
Investment properties	**-**	**-**	**136,300,000**	**-**	**-**	**-**	**136,300,000**	**136,300,000**
Financial Liability								
Loans and borrowings	**-**	**-**	**-**	**-**	**193,933,049**	**-**	**193,933,049**	**180,542,382**
2022								
Financial Asset								
Investment properties	-	-	122,300,000	-	-	-	122,300,000	122,300,000
Financial Liability								
Loans and borrowings	-	-	-	-	173,421,926	-	173,421,926	158,886,873

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. FINANCIAL INSTRUMENTS (CONT'D)

34.4 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

35. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 4 January 2024, a wholly owned subsidiary of the Company, Ibraco Construction Sdn. Bhd., incorporated a newsubsidiary, IBRACO CREC JV Sdn. Bhd. of which it subscribed 51% equity interest for RM1,020,000, settled in cash.

ANALYSIS OF SHAREHOLDINGS
as at 1 April 2024

No. of shares issued	:	546,046,217
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary shares

DISTRIBUTION OF SHAREHOLDINGS

	Shareholders		Shareholdings	
Size of shareholding	**No.**	**%**	**No.**	**%**
Less than 100	38	3.17	1,231	0.00
100 to 1,000	434	36.17	153,866	0.03
1,001 to 10,000	408	34.00	2,061,852	0.38
10,001 to 100,000	229	19.08	8,187,346	1.50
100,001 and 27,302,309(*)	86	7.17	176,747,326	32.37
27,302,310 and above (**)	5	0.41	358,894,596	65.72
Total	**1,200**	**100.00**	**546,046,217**	**100.00**

*** - Less than 5% of issued shares**
**** - 5% and above of issued shares**

SUBSTANTIAL SHAREHOLDERS

	No. of shares held			
Name	**Direct**	**%**	**Indirect**	**%**
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-
Ng Cheng Chuan	42,077,478	7.70	80,720,720*	14.78
Hiap Ghee Seng Sdn. Bhd.	126,069,438	23.08	-	-
Datuk Chew Chiaw Han	20,425,440	3.75	126,069,438**	23.08
Chia Kwai Lin	35,720,720	6.54	87,077,478***	15.94
Ng Sheng Nian	45,000,000	8.24	77,798,198@	14.24

* *Deemed interested by virtue of his spouse's and son's shareholding in the Company.*
** *Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.*
*** *Deemed interested by virtue of her spouse's and son's shareholding in the Company.*
@ *Deemed interested by virtue of his parent's shareholding in the Company.*

TOP THIRTY SHAREHOLDERS

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Hiap Ghee Seng Sdn.Bhd.	102,016,078	18.68
2.	Sharifah Deborah Sophia Ibrahim	99,366,120	18.20
3.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (Client Account)	64,955,998	11.90
4.	RHB Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (A/C Clients)	47,556,400	8.71

ANALYSIS OF SHAREHOLDINGS

as at 1 April 2024

TOP THIRTY SHAREHOLDERS (Cont'd)

(Without aggregating the securities from different securities accounts belonging to the same person) (Cont'd)

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
5.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd	45,000,000	8.24
6.	Ibrahim Bin Baki	24,140,565	4.42
7.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hiap Ghee Seng Sdn. Bhd.	22,134,898	4.05
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kenyalang Capital Sdn. Bhd.	17,000,000	3.11
9.	LCDA Holdings Sdn. Bhd.	12,211,080	2.24
10.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Chiaw Han	11,878,720	2.18
11.	UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte.) Ltd. for Chew Chiaw Han	8,546,720	1.57
12.	Sinar Rezeki Bersatu Sdn. Bhd.	8,500,000	1.56
13.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Microsite Enterprise Sdn. Bhd.	7,698,820	1.41
14.	Lee Keck Liang	7,192,708	1.32
15.	Ong Hong Lian	6,000,000	1.10
16.	Kamunting Premix Plant Sdn. Bhd.	4,850,000	0.89
17.	Tan Hock Liong	3,800,000	0.70
18.	Orienter Intertrade Co. Sdn. Bhd.	3,170,000	0.58
19.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thian Cheong Meng	2,928,000	0.54
20.	Khor Kowi Kim	2,841,300	0.52
21.	Phang Chung Tchet	2,340,240	0.43
22.	Hiap Ghee Seng Sdn. Bhd.	1,918,462	0.35
23.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Sheng Haur	1,834,020	0.34
24.	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Philip Securities Pte Ltd (Clients)	1,703,001	0.31
25.	Ong Li Xin	1,600,000	0.29
26.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for Ng Chee Meng	1,543,920	0.28
27.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hemang Yu Abit	1,299,500	0.24
28.	Chin Chiew Ted	1,012,000	0.19
29.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Kee Tiong	1,000,000	0.18
30.	Ong Sheng Yen	992,320	0.18

ANALYSIS OF SHAREHOLDINGS
as at 1 April 2024

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

	No. of shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Ng Cheng Chuan	42,077,478	7.70	80,720,720*	14.78
Datuk Chew Chiaw Han	20,425,440	3.75	126,069,438**	23.08
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-

* *Deemed interested by virtue of his spouse's and son's shareholding in the Company.*
** *Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.*

LIST OF MATERIAL PROPERTIES

Held by the Group as at 1 April 2024

No.	Location	Term of Lease/Date of Expiry of Lease	Description & Existing Land Use	Land Area		Age of Buildings	At Cost/Net Book Value	Date of Acquisition	Date of Revaluation
				Hectare	Acre	Year	RM		
1	Lot 16766, Block 11, Muara Tebas LD, Kuching	Freehold/ Perpetuity	Single Storey Commercial Mall	2.621	6.477	13.0	61,000,000	29.12.2010	Dec 2023
2	Lot 3830, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Educational Institution	2.436	6.020	4.2	55,200,000	14.11.2011	Dec 2023
3	No. PT2003, Bandar Petaling Jaya Selatan, Daerah Petaling, Negeri Selangor	99 years/ 5.10.2122	Residential Development	1.66	4.109	-	49,207,642	11.9.2017	-
4	Lot 3741, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Corporate Offices	0.834	2.061	3.5	41,276,212	14.11.2011	-
5	Lot 3146, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Mix Development	45.544	112.495	-	38,111,529	14.11.2011	-
6	Lot 4027, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	NorthBank ClubHouse	0.686	1.695	1	20,974,516	14.11.2011	-
7	Lot 3530, Muara Tebas LD, Sg. Nida, Kuching*	Freehold/ Perpetuity	Residential Development	2.011	4.970	-	8,128,949	29.12.2010	-
8	Lot 4271, Muara Tebas LD, Ulu Sg. Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.840	14.431	-	5,993,038	30.07.2003	-
9	Lot 2890, Block 8, Muara Tebas LD, Demak Laut, Industrial Park, Kuching	60 years/ 25.04.2071	Factory and supporting facilities	4.175	10.316	-	7,224,000	16.02.2022	-
10	Lot 4587, Muara Tebas LD, Sg Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.419	13.391	-	5,561,005	4.8.2003	-

* Ibraco Berhad as the beneficial owner

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Second Annual General Meeting ("**AGM**") of Ibraco Berhad will be held at NorthBank Club, The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 24 May 2024 at 11.30 a.m.** to transact the following businesses:-

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon.	*Explanatory Note 1*
2.	To declare a final tax exempt (single-tier) dividend of 2.00 sen per ordinary share in respect of the financial year ended 31 December 2023.	Resolution No. 1
3.	To re-elect the following Directors in accordance with Article 93 and 100 of the Company's Constitution:-	*Explanatory Note 2*
	i. Datuk Chew Chiaw Han	Resolution No. 2
	ii. Mr. Chin Mui Khiong	Resolution No. 3
	iii. Pn. Junijah Binti Ismail	Resolution No. 4
	iv. Mdm Lily Tang Lee Lin	Resolution No. 5
4.	To approve the payment of Directors' fees of up to RM1,000,000 and benefits payable to the Directors up to an aggregate amount of RM100,000 from this AGM until the next AGM of the Company.	Resolution No. 6
5.	To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration.	*Explanatory Note 3* Resolution No. 7

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution:-

6. <u>Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and waiver of pre-emptive rights</u> — *Explanatory Note 4* / Resolution No. 8

"THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company at any point in time, AND THAT pursuant to Section 85 of the Act to be read together with Clause 51 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad, AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders at the 52nd AGM of the Company to be held on 24 May 2024 for the payment of the final dividend under single-tier system in respect of the financial year ended 31 December 2023 ("Dividend") under Ordinary Resolution 1, the Dividend will be paid on 30 July 2024 to Depositors whose names appear in the Record of Depositors on 12 July 2024. Depositors shall be only entitled to the Dividend in respect of:

(a) securities transferred into the Depositor's Securities Account before 4:30 p.m. on 12 July 2024 for ordinary transfers; and
(b) securities bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By order of the Board,

Yeo Puay Huang [SSM PC No. 202008000727 (LS0000577)]
May Wong Mei Ling [SSM PC No. 202008002420 (MIA 18483)]
Company Secretaries
25 April 2024

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 16 May 2024 be regarded as members and entitled to attend, speak and vote at the meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorised officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 52nd AGM or at any adjournment thereof.

Explanatory Note 1

This Agenda is meant for discussion only and hence it will not put forward for voting.

Explanatory Note 2

Ordinary Resolution 2:	Datuk Chew Chiaw Han is due for retirement by rotation pursuant to Article 93 of the Company's Constitution and being eligible, is standing for re-election.
Ordinary Resolution 3 and 4:	Mr. Chin Mui Khiong and Pn. Junijah Binti Ismail were both appointed as Directiors of the Company on 26 May 2023. Thus, both Directors are due for retirement pursuant to Article 100 of the Company's Constitution and being eligible, are standing for re-election.
Ordinary Resolution 5:	Mdm Lily Tang Lee Lin was appointed as Directior of the Company on 31 December 2023. Thus, she is due for retirement pursuant to Article 100 of the Company's Constitution and being eligible, is standing for re-election.

The profiles of Datuk Chew Chiaw Han, Mr. Chin Mui Khiong, Pn. Junijah Binti Ismail and Mdm Lily Tang Lee Lin are set out in the Profile of Directors appearing on pages 5 to 8 of the Annual Report 2023. Their shareholdings in the Company are set out in the Analysis of Shareholdings on page 154 of the Annual Report 2023.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note 3

The Audit Committee ("AC") has assessed the suitability, effectiveness and independence of Messrs. Crowe Malaysia PLT ("Crowe") via the annual External Auditors Evaluation. The AC and the Board were satisfied with the performance of Crowe and hence, the Board recommends the re-appointment of Crowe as external auditors of the Company for the financial year ending 31 December 2024.

Explanatory Note 4

The proposed Resolution No. 7, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company at any point in time, for such purposes as the Directors consider would be in the interests of the Company and waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The general authority sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purposes of funding investment(s), working capital and/or acquisitions.

The Company did not issue any shares pursuant to Sections 75 and 76 of the Act under the general mandate sought at the Fifty-First AGM held on 26 May 2023, which will lapse upon the conclusion of the forthcoming Fifty-Second AGM to be held on 24 May 2024.

Proxy Form

No. of Shares Held:	

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

I/We ______________________________ NRIC No./ Company No. ____________
(Full Name in Capital Letters)

of ____
(Full Address)

being a member/members of IBRACO BERHAD hereby appoint

______________________________ NRI/C No. ____________
(Full Name in Capital Letters)

of ____
(Full Address)

and/or failing him/her, ______________________________ NRI/C No.____________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her, the Chairman of the meeting as *my/our proxy/proxies to vote for *me/us on my/our behalf, at the Fifth-Second Annual General Meeting of the Company to be held at NorthBank Club, The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 24 May 2024 at 11.30 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	To approve a Final Single-Tier Dividend of two (2) sen per ordinary share in respect of the financial year ended 31 December 2023 as recommended by the Directors.		
2.	Re-election of Datuk Chew Chiaw Han		
3.	Re-election of Mr. Chin Mui Khiong as Director		
4.	Re-election of Pn. Junijah Binti Ismail as Director		
5.	Re-election of Mdm Lily Tang Lee Lin as Director		
6.	Approval for the payment of Directors' Fees		
7.	Re-appointment of Messrs. Crowe Malaysia PLT as Auditors		
8.	Authorise Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.		

(Please indicate with an "X" in the spaces above how you wish your votes to be cast on the resolution specified in the Notice of Meeting. If no specific direction as to the voting is indicated, the proxy/proxies will vote or abstain from voting as he/she/they think(s) fit.)

Dated this

....
Signature of Shareholder(s)/Common Seal

Notes:
1. Only depositors whose names appear in the Record of Depositors as at 16 May 2024 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorized officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 52nd Annual General Meeting or at any adjournment thereof.

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STAMP

Company's Registered Office
IBRACO Berhad
(197101000730(011286-P))

No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching,
Sarawak

FOLD HERE

IBRACO BERHAD
[197101000730(011286-P)]

No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching, Sarawak.

T: +60 82 361 111   F: +60 82 361 188

www.ibraco.com