



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2024

(The figures have not been audited)

| | Note | Current Quarter 3 months ended 30 June | | Cumulative Quarter 6 months ended 30 June | |
|---|------|--|----------------|---|----------------|
| | | 2024 RM'000 | 2023 RM'000 | 2024 RM'000 | 2023 RM'000 |
| Revenue | | 94,430 | 89,410 | 174,570 | 168,603 |
| Cost of sales | | (68,816) | (56,525) | (120,383) | (109,955) |
| Gross profit | | 25,614 | 32,885 | 54,187 | 58,648 |
| Other income | | 961 | 667 | 1,608 | 1,383 |
| Operation expenses | | (68) | - | (148) | - |
| Administrative expenses | | (10,566) | (9,285) | (22,610) | (16,964) |
| Selling and marketing expenses | | (3,201) | (3,183) | (8,084) | (5,080) |
| Finance costs | | (3,449) | (3,028) | (6,867) | (5,826) |
| Profit before tax | 21 | 9,291 | 18,056 | 18,086 | 32,161 |
| Income tax expense | 24 | (2,781) | (4,797) | (5,964) | (8,511) |
| Profit for the period | | 6,510 | 13,259 | 12,122 | 23,650 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period | | 6,510 | 13,259 | 12,122 | 23,650 |
| Profit for the period attributable to : | | | | | |
| Owners of the parent | | 6,238 | 13,253 | 11,534 | 23,681 |
| Non-controlling interests | | 272 | 6 | 588 | (31) |
| | | 6,510 | 13,259 | 12,122 | 23,650 |
| Total comprehensive income attributable to : | | | | | |
| Owners of the parent | | 6,238 | 13,253 | 11,534 | 23,681 |
| Non-controlling interests | | 272 | 6 | 588 | (31) |
| | | 6,510 | 13,259 | 12,122 | 23,650 |



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (cont'd)

For the six-month period ended 30 June 2024

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

| | | | | | |
|---|----|------|------|------|------|
| Basic, for profit for the period (Sen) | 28 | 1.14 | 2.43 | 2.11 | 4.34 |
| Diluted, for profit for the period (Sen) | 28 | 1.14 | 2.43 | 2.11 | 4.34 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024 and 31 December 2023

| | Note | Unaudited As at 30 June 2024 RM'000 | Audited As at 31 December 2023 RM'000 |
|--|------|--|--|
| ASSETS | | | |
| Property, plant & equipment | | 131,998 | 116,108 |
| Intangible asset | | 3,526 | 3,775 |
| Investment in an associate | | 3,204 | 3,204 |
| Investment in joint venture | | 300 | 300 |
| Inventories | | 51,675 | 51,661 |
| Completed investment properties | | 136,300 | 136,300 |
| Trade and other receivables | 16 | 1,243 | 525 |
| Deferred tax assets | | 4,688 | 7,167 |
| Total non-current assets | | 332,934 | 319,040 |
| Inventories | | 426,376 | 374,896 |
| Trade and other receivables | 16 | 45,427 | 39,911 |
| Other current assets | | 162,397 | 138,404 |
| Cash and bank balances | | 73,933 | 76,260 |
| Total current assets | | 708,133 | 629,471 |
| TOTAL ASSETS | | 1,041,067 | 948,511 |
| Equity attributable to owners of the parent | | | |
| Share capital | | 271,832 | 271,832 |
| Retained earnings | | 218,802 | 207,268 |
| | | 490,634 | 479,100 |
| Non-controlling interests | | 10,347 | 8,779 |
| Total Equity | | 500,981 | 487,879 |
| LIABILITIES | | | |
| Loans and borrowings | 25 | 114,155 | 95,680 |
| Trade and other payables | 17 | 22,203 | 18,292 |
| Total non-current liabilities | | 136,358 | 113,972 |
| Loans and borrowings | 25 | 208,423 | 185,032 |
| Trade and other payables | 17 | 155,175 | 140,678 |
| Other current liabilities | | 39,766 | 16,161 |
| Income tax payable | | 364 | 4,789 |
| Total current liabilities | | 403,728 | 346,660 |
| Total liabilities | | 540,086 | 460,632 |
| TOTAL EQUITY AND LIABILITIES | | 1,041,067 | 948,511 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2024
(The figures have not been audited)

| | <i>Non-distributable</i> Share capital RM'000 | Attributable to owners of the parent <i>Distributable</i> Retained earnings RM'000 | Non-Controlling interests RM'000 | Total equity RM'000 |
|---|---|--|---|------------------------------------|
| At 1 January 2023 | 271,832 | 180,342 | 9,790 | 461,964 |
| Total comprehensive income | - | 46,038 | (691) | 45,347 |
| Contribution by non-controlling interest | - | - | 720 | 720 |
| Dividend on ordinary shares | - | (19,112) | - | (19,112) |
| Dividend paid to non-controlling interest | - | - | (1,040) | (1,040) |
| At 31 December 2023 | <u>271,832</u> ===== | <u>207,268</u> ===== | <u>8,779</u> ===== | <u>487,879</u> ===== |
| At 1 January 2024 | 271,832 | 207,268 | 8,779 | 487,879 |
| Total comprehensive income | - | 11,534 | 588 | 12,122 |
| Contribution by non-controlling interest | - | - | 980 | 980 |
| At 30 June 2024 | <u>271,832</u> ===== | <u>218,802</u> ===== | <u>10,347</u> ===== | <u>500,981</u> ===== |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six-month period ended 30 June 2024
(The figures have not been audited)

| | 6 months ended 30 June | |
|---|-------------------------------|----------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 18,086 | 32,161 |
| Adjustments for: | | |
| Amortisation of intangible asset | 249 | 249 |
| Depreciation of property, plant and equipment | 3,876 | 2,533 |
| Dividend income | (28) | (19) |
| Gain from disposal of property, plant and equipment | (131) | (12) |
| Interest expense | 6,867 | 5,826 |
| Interest income | (371) | (284) |
| Reversal of impairment of trade receivables | (39) | (43) |
| Operating profit before working capital changes | 28,509 | 40,411 |
| Changes in working capital: | | |
| Deposit pledged for bank borrowings | - | (5) |
| Inventories | (51,494) | 10,444 |
| Receivables | (6,195) | (13,308) |
| Other current assets | (18,517) | (61,588) |
| Payables | 18,408 | 10,009 |
| Other current liabilities | 23,605 | 12,276 |
| Cash used in operations | (5,684) | (1,761) |
| Interest paid | (6,867) | (5,826) |
| Interest received | 371 | 284 |
| Taxes paid | (8,819) | (4,095) |
| Taxes refunded | - | 2,671 |
| Net cash used in operating activities | (20,999) | (8,727) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Deposit with maturity more than three months | (331) | 20 |
| Dividend received | 28 | 19 |
| Proceeds from disposal of property, plant and equipment | 132 | 12 |
| Purchase of property, plant and equipment | (15,524) | (7,429) |
| Net cash used in investing activities | (15,695) | (7,378) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Contribution by non-controlling interest | 980 | 720 |
| Dividend on ordinary shares | - | (10,921) |
| Proceeds from loans and borrowings | 81,906 | 46,112 |
| Repayment of finance leases | (1,551) | (253) |
| Repayment of lease liabilities | (166) | (158) |
| Repayment of loans and borrowings | (47,133) | (16,534) |
| Net cash generated from financing activities | 34,036 | 18,966 |



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the six-month period ended 30 June 2024

(The figures have not been audited)

| | 6 months ended 30 June | |
|---|-------------------------------|---------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Net (decrease)/increase in cash and cash equivalents | (2,658) | 2,861 |
| Cash and cash equivalents at beginning of financial period | 67,343 | 51,844 |
| Cash and cash equivalents at end of financial period | 64,685 | 54,705 |

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

| | As at 30 June | |
|---|----------------------|---------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Cash and bank balances | 73,933 | 63,432 |
| Less: | | |
| Deposits with maturity more than 3 months | (8,850) | (8,329) |
| Deposits pledged for bank borrowings | (398) | (398) |
| Cash and cash equivalents | 64,685 | 54,705 |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

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

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

2. Changes in Accounting Policies

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

On 1 January 2024, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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

3. Comments about Seasonal or Cyclical Factors

The Group's performance was not materially affected by any seasonal or cyclical factors for the quarter under review.

4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 June 2024.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 June 2024.



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6. Property, Plant and Equipment

Acquisition and Disposals

During the period ended 30 June 2024, the Group acquired property, plant and equipment with an aggregate cost of RM5,014,400 by means of finance lease (six months ended 30 June 2023: RM244,600). The cash outflow on acquisition of property, plant and equipment amounted to RM15,524,054 during the period ended 30 June 2024 (six months ended 30 June 2023: RM7,428,934).

There were disposal of property, plant and equipment at RM131,800 during the six months ended 30 June 2024 (six months ended 30 June 2023: RM12,300).

7. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 June 2024.

8. Dividend Paid

The final single-tier dividend of 2.00 sen per ordinary share totaling RM10,920,924 in respect of the financial year ended 31 December 2023 was declared on 25 April 2024 and paid on 30 July 2024.



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9. Segmental Information

Geographical segment

No geographical segment analysis has been presented as the Group's business interest is predominantly located in Malaysia.

Business segment

The Group is principally engaged in property development, property holding and management, construction works, quarry operation, clubhouse operation and ready-mixed concrete operation. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

Results for 3 months ended 30 June 2024 (2Q2024) and 3 months ended 30 June 2023 (2Q2023) are as follows:

| | Property development activities | | Property holding & management | | Construction works | | Quarry operation | | Clubhouse operation | | Ready-mixed concrete | | Elimination | | Per consolidated financial statements | |
|-------------------------|---------------------------------|------------------|-------------------------------|------------------|--------------------|------------------|------------------|------------------|---------------------|------------------|----------------------|------------------|------------------|------------------|---------------------------------------|------------------|
| | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 | 2Q2024 RM'000 | 2Q2023 RM'000 |
| Revenue: | | | | | | | | | | | | | | | | |
| External customers | 52,381 | 74,138 | 1,727 | 1,989 | 34,905 | 5,922 | 2,306 | 6,705 | 702 | 656 | 2,409 | - | - | 94,430 | 89,410 | |
| Inter-segment | - | - | - | - | 58,277 | 30,666 | - | - | - | - | - | - | (58,277) | (30,666) | - | - |
| Total Revenue | 52,381 | 74,138 | 1,727 | 1,989 | 93,182 | 36,588 | 2,306 | 6,705 | 702 | 656 | 2,409 | - | (58,277) | 94,430 | 89,410 | |
| Segment profit / (loss) | 4,956 | 16,566 | 979 | 1,081 | 4,337 | (1,005) | (319) | 885 | (191) | 123 | 37 | - | (508) | 406 | 9,291 | 18,056 |



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9. Segmental Information (cont'd)

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

| | 2Q2024 | 2Q2023 |
|-------------------|---------------|---------------|
| | RM'000 | RM'000 |
| Segment profit | 12,740 | 21,084 |
| Finance costs | (3,449) | (3,028) |
| Profit before tax | 9,291 | 18,056 |

Results for 6 months ended 30 June 2024 (6M2024) and 6 months ended 30 June 2023 (6M2023) are as follows:

| | Property development activities | | Property holding & management | | Construction works | | Quarry operation | | Clubhouse operation | | Ready-mixed concrete | | Elimination | | Per consolidated financial statements | |
|-------------------------|--|---------------|--|---------------|---------------------------|---------------|-------------------------|---------------|----------------------------|---------------|-----------------------------|---------------|--------------------|---------------|--|---------------|
| | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 | 6M2024 | 6M2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue: | | | | | | | | | | | | | | | | |
| External customers | 94,544 | 133,385 | 3,455 | 4,147 | 63,401 | 16,882 | 7,139 | 13,533 | 1,200 | 656 | 4,831 | - | - | - | 174,570 | 168,603 |
| Inter-segment | - | - | - | - | 106,838 | 72,666 | - | - | - | - | - | - | (106,838) | (72,666) | - | - |
| Total Revenue | 94,544 | 133,385 | 3,455 | 4,147 | 170,239 | 89,548 | 7,139 | 13,533 | 1,200 | 656 | 4,831 | - | (106,838) | (72,666) | 174,570 | 168,603 |
| Segment profit / (loss) | 11,282 | 27,395 | 2,022 | 2,383 | 6,187 | (672) | (8) | 1,886 | (654) | 123 | 5 | - | (748) | 1,046 | 18,086 | 32,161 |



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9. Segmental Information (cont'd)

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

| | 6M2024 | 6M2023 |
|-------------------|---------------|---------------|
| | RM'000 | RM'000 |
| Segment profit | 24,953 | 37,987 |
| Finance costs | (6,867) | (5,826) |
| Profit before tax | <u>18,086</u> | <u>32,161</u> |

10. Event After the Reporting Period

There are no material events subsequent to the reporting date that have any material effect on the quarter ended 30 June 2024.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2024.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

| | Unaudited | Audited |
|---|------------------|--------------------|
| | 30 June | 31 December |
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies | <u>568,701</u> | <u>329,315</u> |

There were no contingent assets since the last annual statement of financial position as at 31 December 2023 till the end of the financial period.

13. Capital Commitments

| | As at 30 June | |
|-------------------------------------|----------------------|---------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Approved and contracted for: | | |
| Investment properties | - | 47 |
| Property, plant and equipment | <u>29,971</u> | <u>49,221</u> |
| Total | <u>29,971</u> | <u>49,268</u> |



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14. Directors and Key Management Personnel Compensation

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

| | 3 months ended 30 June | |
|--------------------------|-------------------------------|---------------|
| | 2024 | 2023 |
| | RM'000 | RM'000 |
| Directors | 632 | 585 |
| Key management personnel | 771 | 564 |

15. Related Party Transactions

The related party transactions are as follows:

| | Note | Transaction value | | Balance | |
|--|------|--------------------------|---------------|----------------------|---------------|
| | | 3 months ended | | Outstanding | |
| | | 30 June | | as at 30 June | |
| | | 2024 | 2023 | 2024 | 2023 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Sharifah Deborah Sophia Ibrahim | (a) | | | | |
| Sales of townhouses at The NorthBank, Alyvia Residence | * | - | - | 35 | 35 |
| Hiap Ghee Seng Sdn Bhd | (b) | | | | |
| Rental expense on premises | | 37 | 37 | - | - |
| Purchase of motor vehicles | | 165 | - | - | - |
| Heng Say Properties (Sarawak) Sdn Bhd | (c) | | | | |
| Purchase of land | * | - | - | - | 6,502 |
| Sales of parcel of office block at The NorthBank Commercial Centre | * | 2,651 | - | 2,472 | - |

Notes

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

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

(b) Hiap Ghee Seng Sdn Bhd is a company connected to a Director of the Company who is also a major shareholder of the Company.

(c) Heng Say Properties (Sarawak) Sdn Bhd is a company connected to a Director of the Company who is also a major shareholder of the Company.

The Directors are of the opinion that the related party transactions and balances described above were carried out in the ordinary course of business and on mutually agreed terms.



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16. Trade and Other Receivables

| | Unaudited 30 June 2024 RM'000 | Audited 31 December 2023 RM'000 |
|--|--|--|
| Current | | |
| Trade receivables | | |
| Third parties | 37,170 | 29,753 |
| Less: Allowance for impairment | (506) | (545) |
| Trade receivables, net | 36,664 | 29,208 |
| Other receivables | | |
| Third parties | 2,751 | 5,873 |
| Deposits | 6,118 | 4,936 |
| | 8,869 | 10,809 |
| Less: Allowance for impairment – third parties | (106) | (106) |
| Other receivables, net | 8,763 | 10,703 |
| Total trade and other receivables | 45,427 | 39,911 |
| Non-Current | | |
| Trade receivables | | |
| Third parties | 1,243 | 525 |
| Total trade and other receivables (current and non-current) | 46,670 | 40,436 |

Ageing analysis of trade receivables

| | Unaudited 30 June 2024 RM'000 | Audited 31 December 2023 RM'000 |
|--|--|--|
| Current | | |
| Neither past due nor impaired | 19,482 | 10,441 |
| 1 to 119 days past due but not impaired | 16,321 | 18,368 |
| More than 120 days but not impaired | 861 | 399 |
| Impaired | 506 | 545 |
| Total trade receivables | 37,170 | 29,753 |
| Non-current | | |
| Neither past due nor impaired | 1,243 | 525 |
| Total trade receivables (current and non-current) | 38,413 | 30,278 |

Trade receivables are non-interest bearing and are generally on 14 to 30 day terms. Other credit terms are assessed and approved on a case-by-case basis. The Group has trade receivables amounting to RM17.18 million that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.



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17. Trade and Other Payables

| | Unaudited 30 June 2024 RM'000 | Audited 31 December 2023 RM'000 |
|---|--|--|
| Current | | |
| Trade and other payables | 104,339 | 77,576 |
| Provision for projects | 50,836 | 63,102 |
| Total trade and other payables | <u>155,175</u> | <u>140,678</u> |
| Non-Current | | |
| Trade payables | 22,203 | 18,292 |
| Total trade and other payables (current and non-current) | <u>177,378</u> | <u>158,970</u> |



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

Review of Performance

18. Current Financial Quarter (2Q2024) Vs Corresponding Financial Quarter (2Q2023)

| | Current Quarter 3 months ended 30 June | | Changes | |
|--|---|------------------------|----------------|----------|
| | 2024 RM'000 | 2023 RM'000 | RM'000 | % |
| Revenue | 94,430 | 89,410 | 5,020 | 6 |
| Operating profit | 25,614 | 32,885 | (7,271) | (22) |
| Profit before interest and tax | 12,740 | 21,084 | (8,344) | (40) |
| Profit before tax | 9,291 | 18,056 | (8,765) | (49) |
| Profit after tax | 6,510 | 13,259 | (6,749) | (51) |
| Profit for the period attributable to owners of the parent | 6,238 | 13,253 | (7,015) | (53) |

The Group's revenue for 2Q2024 increased by 6% to RM94.43 million, up from RM89.41 million in 2Q2023. This growth was primarily driven by the construction segment, which saw its revenue increase from RM5.92 million in 2Q2023 to RM34.91 million in 2Q2024. However, this growth was partially offset by a decline in the property segment, which reported revenue of RM52.38 million this quarter, compared to RM74.14 million in the corresponding reporting quarter.

Other income increased to RM0.96 million in 2Q2024 compared to RM0.67 million in 2Q2023. Other income comprised rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, gain from disposal of property, plant and equipment, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased to RM10.57 million in 2Q2024 compared to RM9.29 million in 2Q2023. The increase was mainly due to the increase in staff cost and depreciation of property, plant and equipment in 2Q2024. Other components of the administrative expenses have not varied much compared to those incurred during 2Q2023.

19. Current 6-month financial period (6M2024) Vs corresponding 6-month financial period (6M2023)

| | Cumulative Quarter 6 months ended 30 June | | Changes | |
|--|--|------------------------|----------------|----------|
| | 2024 RM'000 | 2023 RM'000 | RM'000 | % |
| Revenue | 174,570 | 168,603 | 5,967 | 4 |
| Operating profit | 54,187 | 58,648 | (4,461) | (8) |
| Profit before interest and tax | 24,953 | 37,987 | (13,034) | (34) |
| Profit before tax | 18,086 | 32,161 | (14,075) | (44) |
| Profit after tax | 12,122 | 23,650 | (11,528) | (49) |
| Profit for the period attributable to owners of the parent | 11,534 | 23,681 | (12,147) | (51) |



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19. Current 6-month financial period (6M2024) Vs corresponding 6-month financial period (6M2023) (cont'd)

The Group's revenue for 6M2024 increased by 4% to RM174.57 million, up from RM168.6 million in 6M2023. This increase was largely driven by the construction segment, which grew from RM16.88 million in 6M2023 to RM63.40 million in 6M2024. However, this growth was partially offset by a decline in the property segment, which reported revenue of RM94.54 million in 6M2024 compared to RM133.38 million in 6M2023.

Other income increased to RM1.61 million compared to RM1.38 million in 6M2023. This other income comprised rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, gain from disposal of property, plant and equipment, reversal of impairment of trade receivables, tender document fees and administrative charges for sub-sales and re-financing.

Administrative expenses increased to RM22.61 million compared to RM16.96 million in 6M2023. The increase was mainly due to the increase in staff cost and depreciation of property, plant and equipment. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding period.

20. Comparison with Immediate Preceding Quarter's Results

| | Current Quarter | Immediate | Changes | |
|--|------------------------|--------------------------|----------------|----------|
| | 3 months ended | Preceding Quarter | | |
| | 30 June | 31 March | | |
| | 2024 | 2024 | RM'000 | % |
| | RM'000 | RM'000 | | |
| Revenue | 94,430 | 80,140 | 14,290 | 18 |
| Operating profit | 25,614 | 28,573 | (2,959) | (10) |
| Profit before interest and tax | 12,740 | 12,213 | 527 | 4 |
| Profit before tax | 9,291 | 8,795 | 496 | 6 |
| Profit after tax | 6,510 | 5,612 | 898 | 16 |
| Profit for the period attributable to owners of the parent | 6,238 | 5,296 | 942 | 18 |

The Group's revenue for the current financial quarter increased to RM94.43 million, up from RM80.14 million in the previous quarter. This increase was primarily driven by the property and construction segments, which saw their revenues grow from RM42.16 million and RM28.50 million in 1Q2024 to RM52.38 million and RM34.91 million in 2Q2024, respectively.

Other income increased slightly from RM0.65 million in the immediate preceding quarter to RM0.96 million in this reporting quarter. Other income comprised rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, gain from disposal of property, plant and equipment, reversal of impairment of trade receivables, tender document fees and administrative charges for sub-sales and re-financing which are similar to that in the immediate preceding quarter.

Administrative expenses decreased from RM12.04 million in the immediate preceding quarter to RM10.57 million in this current financial quarter. This was due to higher professional fees incurred in the immediate preceding quarter. Other components of the administrative expenses have not varied much compared to those incurred in the immediate preceding quarter.



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21. Profit Before Tax

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

| | 3 months ended | | 6 months ended | |
|---|-----------------------|---------------|-----------------------|---------------|
| | 30 June | | 30 June | |
| | 2024 | 2023 | 2024 | 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Amortisation of intangible assets | 125 | 125 | 249 | 249 |
| Depreciation of property, plant and equipment | 1,937 | 1,269 | 3,877 | 2,533 |
| Dividend income | (10) | (8) | (28) | (19) |
| Gain from disposal of property, plant and equipment | (131) | (10) | (131) | (12) |
| Interest expense | 3,449 | 3,028 | 6,867 | 5,826 |
| Interest income | (187) | (145) | (371) | (284) |
| Other income | (611) | (493) | (1,039) | (1,025) |
| Reversal of impairment of trade receivables | (22) | (11) | (39) | (43) |

22. Group's Prospects

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

The Group is optimistic about Malaysia's economic recovery in 2024 and is confident in its ability to stay resilient despite the tough local property market, increasing cost of living and high interest rates. To date, the Group has RM194.67 million unbilled sales and outstanding order book of RM1.11 billion as at 30 June 2024.

The NorthBank, spanning across 123 acres, continues to be our key focus for the next few years. This new township creates a vibrant economy and convenience to the surrounding communities, which offer purchasers with a variety of choices in the type of residences built within walking distance to commercials and office units, and also other community facilities, such as an exclusive social clubhouse and healthcare facility. With the existing well-established educational institution and an exclusive private social clubhouse, The NorthBank Autonomous Rapid Transit (ART) station and upcoming reputable private healthcare centre will further enhance the living experience and its surrounding value. Furthermore, the Group has acquired the rights to develop a 76-acre site in the Samarahan Division at the end of 2021, which will be our next highly integrated self-sustaining township development – Arden City. This upcoming township will feature a diverse mix of commercial spaces, offices, residential units, healthcare facilities and leisure area.

Apart from The NorthBank and Arden City, the Group has entered into contracts for the construction works for the implementation of affordable housing project at Matang Land District, Kuching, and various development activities at Muara Tuang Land District, Kuching.

Riding on 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 is confident in the potential of this strategically positioned development, given its outstanding accessibility and the convenience of its surrounding amenities.



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22. Group's Prospects (cont'd)

The Group monitors the market demand for our products and adopts a prudent approach with respect to any new launches. With the solid experience in developing township that creates the marketability, together with the normalisation of the economy's vibrant and social activities, we are confident to achieve satisfactory take up rate of these developments and future launches.

On the construction sector, the Group has been actively tendering for the Government's construction and infrastructure projects to strengthen the Group's source of income amidst the current property market sentiment. The Group has been awarded the contract for construction of part of the second trunk road in the Samarahan Division and the infrastructure works from Rembus to Stutong for Kuching Urban Transportation System. Other ongoing contracts include the New Operator Residence 2 located at Bakun awarded by Bakun Hydro Power Generation Sdn Bhd and the Earthworks package for Rembus Hydrogen Plant at Kota Samarahan Division by ICE Wood Sdn Bhd. These construction contracts are expected to contribute positively to the Group's financial performance.

The Group has expanded into the building and construction value chain to facilitate smoother operation and advancement in its core activities of realty development and construction. The Group operates a quarry plant at Pulau Salak that produces aggregates of granites with an annual capacity of 600,000 MT, and the quarry operation would be further expanded with the granting of a new quarry license for quarry reserve located at Gunung Sinmajau which is expected to commence operation in the first half of 2025. Furthermore, the Group runs a ready-mixed concrete operation with an annual capacity of 120,000 MT, and the upcoming asphalt mixing plant is expected to commence operation in the second half of 2024.

23. Actual Profit against Forecast Profit and Profit Guarantee

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

24. Income Tax Expense

| | 3 months ended | | 6 months ended | |
|--|-----------------------|---------------|-----------------------|---------------|
| | 30 June | | 30 June | |
| | 2024 | 2023 | 2024 | 2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current income tax: | | | | |
| - Malaysian income tax | 2,942 | 4,535 | 3,485 | 7,653 |
| - Underprovision in respect of previous year | - | 1 | - | 1 |
| | <u>2,942</u> | <u>4,536</u> | <u>3,485</u> | <u>7,654</u> |
| Deferred tax | (161) | 261 | 2,479 | 857 |
| Total income tax expense | <u>2,781</u> | <u>4,797</u> | <u>5,964</u> | <u>8,511</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the period.

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



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25. Loans and Borrowings

| | Unaudited As at 30 June 2024 RM'000 | Audited As at 31 December 2023 RM'000 |
|------------------------------------|--|--|
| Short term borrowings | | |
| Secured: Finance lease liabilities | 4,996 | 2,983 |
| Revolving credits | 178,900 | 159,900 |
| Term loans | 24,527 | 22,149 |
| | 208,423 | 185,032 |
| Long term borrowings | | |
| Secured: Finance lease liabilities | 15,373 | 10,293 |
| Term loans | 98,782 | 85,387 |
| | 114,155 | 95,680 |
| Total loans and borrowings | 322,578 | 280,712 |

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

The Group did not issue any debt securities.

The Group total loans and borrowings for the current financial period as at 30 June 2024 has increased by RM41.87 million as compared to the amount reported in the Audited Financial Statement as at 31 December 2023.

26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 16 August 2024, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

27. Changes in Material Litigation

There was no known material litigation as at 16 August 2024.

28. Earnings Per Share

(a) Basic

| | 3 months ended 30 June | | 6 months ended 30 June | |
|--|-----------------------------------|-------------|-----------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Profit attributable to owners of the parent (RM'000) | 6,238 | 13,253 | 11,534 | 23,681 |
| Weighted average number of ordinary shares in issue ('000) | 546,046 | 546,046 | 546,046 | 546,046 |
| Basic earnings per share (sen) | 1.14 | 2.43 | 2.11 | 4.34 |



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28. Earnings Per Share (cont'd)

(b) Diluted

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

29. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 August 2024.