



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter and year ended 31 December 2021

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue		96,001	96,285	273,370	308,495
Cost of sales		(69,953)	(69,255)	(193,717)	(223,269)
Gross profit		26,048	27,030	79,653	85,226
Other income		1,531	5,141	2,377	5,904
Administrative expenses		(9,594)	(7,158)	(28,681)	(21,538)
Selling and marketing expenses		(3,593)	(2,919)	(10,909)	(8,527)
Finance costs		(2,097)	(1,516)	(9,193)	(10,146)
Share of results in associate		(932)	(2,382)	(932)	(2,382)
Profit before tax	21	11,363	18,196	32,315	48,537
Income tax expense	24	(2,202)	(5,601)	(8,846)	(13,613)
Profit for the period/year		9,161	12,595	23,469	34,924
Other comprehensive income		-	-	-	-
Total comprehensive income for the period/year		9,161	12,595	23,469	34,924
Profit for the period/year attributable to :					
Owners of the parent		9,675	13,311	23,223	34,917
Non-controlling interests		(514)	(716)	246	7
		9,161	12,595	23,469	34,924
Total comprehensive income attributable to :					
Owners of the parent		9,675	13,311	23,223	34,917
Non-controlling interests		(514)	(716)	246	7
		9,161	12,595	23,469	34,924



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the quarter and year ended 31 December 2021

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period/year (Sen)	29	1.77	2.68	4.25	7.03
Diluted, for profit for the period/year (Sen)	29	1.77	2.68	4.25	7.03

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021 and 31 December 2020

	Note	Unaudited As at 31 December 2021 RM'000	Audited As at 31 December 2020 RM'000
ASSETS			
Property, plant & equipment		61,777	60,507
Intangible asset		4,770	5,268
Investment in an associate		1,831	1,783
Investment in joint venture		300	-
Inventories		44,145	45,134
Completed investment properties		118,065	114,300
Investment property under construction		-	2,096
Trade and other receivables	16	8,536	290
Deferred tax assets		10,965	10,340
Total non-current assets		250,389	239,718
Inventories		345,253	340,640
Trade and other receivables	16	51,383	36,032
Other current assets		67,426	109,838
Cash and bank balances		58,995	58,329
Total current assets		523,057	544,839
TOTAL ASSETS		773,446	784,557
Equity attributable to owners of the parent			
Share capital		271,832	248,203
Retained earnings		160,617	147,298
		432,449	395,501
Non-controlling interests		9,207	15,281
Total Equity		441,656	410,782
LIABILITIES			
Loans and borrowings	25	91,175	109,575
Trade and other payables	17	9,661	14,497
Total non-current liabilities		100,836	124,072
Loans and borrowings	25	115,952	132,992
Trade and other payables	17	108,773	113,409
Other current liabilities		6,229	990
Income tax payable		-	2,312
Total current liabilities		230,954	249,703
Total liabilities		331,790	373,775
TOTAL EQUITY AND LIABILITIES		773,446	784,557

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021
(The figures have not been audited)

	Attributable to owners of the parent			Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	
At 1 January 2020	248,203	112,353	16,752	377,308
Total comprehensive income	-	34,917	7	34,924
Acquisition of non-controlling interest	-	28	(328)	(300)
Contribution by non-controlling interest	-	-	30	30
Dividend paid to non-controlling interest	-	-	(1,180)	(1,180)
At 31 December 2020	<u>248,203</u> =====	<u>147,298</u> =====	<u>15,281</u> =====	<u>410,782</u> =====
At 1 January 2021	248,203	147,298	15,281	410,782
Total comprehensive income	-	23,223	246	23,469
Acquisition of non-controlling interest	-	(5)	(21)	(26)
Contribution by non-controlling interest	-	29	1	30
Dividends on ordinary shares	-	(9,928)	-	(9,928)
Dividends paid to non-controlling interest	-	-	(6,300)	(6,300)
Ordinary shares issued	23,629	-	-	23,629
At 31 December 2021	<u>271,832</u> =====	<u>160,617</u> =====	<u>9,207</u> =====	<u>441,656</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 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

(The figures have not been audited)

	12 months ended 31 December	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	32,315	48,537
Adjustments for:		
Amortisation of intangible asset	498	498
Depreciation of property, plant and equipment	6,035	2,383
Dividend income	(16)	(11)
Fair value gain on investment properties	(21)	(3,500)
Gain from disposal of property, plant and equipments	(20)	(1)
Interest expenses	9,193	10,146
Interest income	(304)	(341)
Inventory written off	-	29
Property, plant and equipment written off	1	67
Reversal of impairment of trade receivables	(109)	(120)
Share of results in associate	932	2,382
Operating profit before working capital changes	48,504	60,069
Changes in working capital:		
Deposit pledged for bank borrowings	(25)	-
Inventories	(4,613)	22,773
Land held for developments	989	(38)
Receivables	(23,488)	26,011
Other current assets	43,722	1,264
Payables	(9,443)	(14,315)
Other current liabilities	6,332	(9,180)
Cash generated from operations	61,978	86,584
Interest paid	(9,193)	(10,990)
Interest received	304	341
Taxes paid	(13,725)	(13,116)
Taxes refunded	632	10,770
Net cash generated from operating activities	39,996	73,589
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits with maturity more than 3 months	(3,918)	(140)
Dividend received	16	11
Expenditure incurred on investment properties under construction	(1,648)	(2,096)
Net cash inflow on incorporation of subsidiary	-	30
Proceeds from disposal of property, plant and equipment	20	16
Purchase of property, plant and equipment	(7,529)	(12,931)
Subscription of shares in associate and joint venture	(1,280)	(735)
Net cash used in investing activities	(14,339)	(15,845)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the year ended 31 December 2021

(The figures have not been audited)

	12 months ended 31 December	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	(26)	(300)
Dividends paid on ordinary shares	(9,928)	-
Dividends paid to non-controlling interest	(6,300)	(1,180)
Proceeds from loans and borrowings	71,392	53,978
Proceeds from issuance of shares	23,629	-
Repayment of finance leases	(2,279)	(2,307)
Repayment of lease liabilities	(189)	(371)
Repayment of loans and borrowings	(105,233)	(74,645)
Net cash used in financing activities	(28,934)	(24,825)
Net (decrease)/increase in cash and cash equivalents	(3,277)	32,919
Cash and cash equivalents at beginning of financial year	53,771	20,852
Cash and cash equivalents at end of financial year	50,494	53,771

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

	As at 31 December	
	2021	2020
	RM'000	RM'000
Cash and bank balances	58,995	58,329
Less:		
Deposits with maturity more than 3 months	(8,112)	(4,194)
Deposits pledged for bank borrowings	(389)	(364)
Cash and cash equivalents	50,494	53,771

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 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 2020. 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 2020.

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 2021, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 16 Leases - Covid-19-Related Rent Concessions
- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - Interest Rate Benchmark Reform - Phase 2

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

3. Comments about Seasonal or Cyclical Factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 31 December 2021.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect on the quarter ended 31 December 2021.



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6. Property, Plant and Equipment

Acquisition and Disposals

During the year ended 31 December 2021, the Group acquired property, plant and equipment with an aggregate cost of RM122,000 (year ended 31 December 2020: RM NIL). The cash outflow on acquisition of property, plant and equipment amounted to RM7,528,840 during the year ended 31 December 2021 (year ended 31 December 2020: RM13,774,823).

There were disposal of property, plant and equipment at RM20,281 during the year ended 31 December 2021 (year ended 31 December 2020: RM15,995).

7. Debt and Equity Securities

On 13 October 2021, the Company has completed Private Placement of up to 10% of the total number of issued shares in the Company, i.e. 49,640,565 new ordinary shares at RM0.4760 per placement share. Arising from this, the Company's issued and paid up share capital has increased to RM271,831,735, comprising 546,046,217 ordinary shares. Except for the abovementioned, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 December 2021.

8. Dividend Paid

On 25 February 2022, the Board of Directors have approved an interim single-tier dividend of 2.00 sen per ordinary share for the financial year ended 31 December 2021. The dividend is payable on 18 April 2022 to shareholders whose name appear in the Register of Depositors on 6 April 2022.



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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 and quarry operation. Revenue and profit generated from landscaping works is insignificant compared to the Group's overall revenue and profit.

Results for 3 months ended 31 December 2021 (4Q2021) and 3 months ended 31 December 2020 (4Q2020) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry		Elimination		Per consolidated financial statements	
	4Q2021 RM'000	4Q2020 RM'000	4Q2021 RM'000	4Q2020 RM'000	4Q2021 RM'000	4Q2020 RM'000	4Q2021 RM'000	4Q2020 RM'000	4Q2021 RM'000	4Q2020 RM'000	4Q2021 RM'000	4Q2020 RM'000
Revenue:												
External customers	56,077	64,788	1,881	2,110	32,141	25,207	5,902	4,180	-	-	96,001	96,285
Inter-segment	-	-	-	-	21,861	20,793	-	1,202	(21,861)	(21,995)	-	-
Total revenue	<u>56,077</u>	<u>64,788</u>	<u>1,881</u>	<u>2,110</u>	<u>54,002</u>	<u>46,000</u>	<u>5,902</u>	<u>5,382</u>	<u>(21,861)</u>	<u>(21,995)</u>	<u>96,001</u>	<u>96,285</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit/(loss)	<u>11,014</u>	<u>16,926</u>	<u>928</u>	<u>988</u>	<u>(1,188)</u>	<u>(387)</u>	<u>23</u>	<u>162</u>	<u>586</u>	<u>507</u>	<u>11,363</u>	<u>18,196</u>
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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9. Segmental Information (contd.)

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

	4Q2021	4Q2020
	RM'000	RM'000
Segment profit	14,392	22,094
Finance costs	(2,097)	(1,516)
Share of results in associate	(932)	(2,382)
	<u> </u>	<u> </u>
Profit before tax	11,363	18,196
	=====	=====

Results for 12 months ended 31 December 2021 (12M2021) and 12 months ended 31 December 2020 (12M2020) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry		Elimination		Per consolidated financial statements	
	12M2021	12M2020	12M2021	12M2020	12M2021	12M2020	12M2021	12M2020	12M2021	12M2020	12M2021	12M2020
	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	180,276	202,317	8,202	7,174	62,586	91,654	22,306	7,350	-	-	273,370	308,495
Inter-segment	-	-	-	-	61,893	64,155	-	3,722	(61,893)	(67,877)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue	180,276	202,317	8,202	7,174	124,479	155,809	22,306	11,072	(61,893)	(67,877)	273,370	308,495
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit/(loss)	31,438	37,571	4,675	2,894	(6,834)	5,758	1,273	(675)	1,763	2,989	32,315	48,537
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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9. Segmental Information (contd.)

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

	12M2021 RM'000	12M2020 RM'000
Segment profit	42,440	61,065
Finance costs	(9,193)	(10,146)
Share of results in associate	(932)	(2,382)
	<u>32,315</u>	<u>48,537</u>
Profit before tax	====	====

10. Event After the Reporting Period

On 28 January 2022, the Company entered into a Memorandum of Understanding with Sarawak Metro Sdn Bhd with intention to collaborate to build an Automated Rapid Transit Station within the Company's strategic integrated township at the NorthBank Kuching with a view to increase the economic and social benefits of the Kuching Urban Transportation Station System project.

On 16 February 2022, a wholly owned subsidiary of the Company, Ibraco Ascent Sdn Bhd, entered into an agreement with Heng Say Properties (Sarawak) Sdn Bhd ("HSPSB") for the acquisition of approximately 10.32 acres of vacant land described as Plot 1 of Lot 1208 Block 8 Muara Tebas Land District for a purchase consideration of RM7,224,000 to be fully satisfied in cash. HSPSB is a company in which Mr. Ng Cheng Chuan is a major shareholder, who is also the Chairman and major shareholder of the Company.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2021.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	156,918	123,918

There were no contingent assets since the last annual statement of financial position as at 31 December 2020 till the end of the financial year.



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13. Capital Commitments

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Approved and contracted for:		
Investment properties	153	2,819
Property, plant and equipment	13,895	1,597
Total	14,048	4,416

14. Directors and Key Management Personnel Compensation

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

	3 months ended 31 December	
	2021 RM'000	2020 RM'000
Directors	421	425
Key management personnel	786	838

15. Related Party Transactions

The related party transactions are as follows:

		Transaction value 3 months ended 31 December		Balance Outstanding as at 31 December	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank Alyvia	*	-	-	137	480
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Ho Bee Contractor & Engineering Sdn Bhd	(c)				
Quarry operation		1,317	819	504	375

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.



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15. Related Party Transactions (contd.)

- (b) Hiap Ghee Seng Sdn Bhd is a company connected to the Director of the Company and of its subsidiary and is also a major shareholder of the Company.
- (c) Ho Bee Contractor & Engineering Sdn Bhd is a company connected to the Director of the Company.

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

16. Trade and Other Receivables

	Unaudited 31 December 2021	Audited 31 December 2020
Current		
Trade receivables		
Third parties	36,924	26,931
Bills receivables	-	3,013
	36,924	29,944
Less: Allowance for impairment	(658)	(767)
Trade receivables, net	36,266	29,177
Other receivables		
Third parties	11,895	3,346
Deposits	3,328	3,615
	15,223	6,961
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	15,117	6,855
Total trade and other receivables	51,383	36,032
Non-Current		
Trade receivables		
Third parties	175	-
Other receivables		
Third parties	8,071	-
Deposits	290	290
Other receivables	8,361	290
Total trade and other receivables	8,536	290
Total trade and other receivables (current and non-current)	59,919	36,322



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16. Trade and Other Receivables (contd.)

Ageing analysis of trade receivables

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Current		
Neither past due nor impaired	4,506	15,474
1 to 119 days past due but not impaired	31,041	10,372
More than 120 days but not impaired	719	3,331
Impaired	658	767
Total trade receivables	36,924	29,944
Non-current		
Neither past due nor impaired	175	-
Total trade receivables (current and non-current)	37,099	29,944

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 RM31.76 million that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.

17. Trade and Other Payables

	Unaudited 31 December 2021 RM'000	Audited 31 December 2020 RM'000
Current		
Trade and other payables	60,908	64,532
Provision for projects	47,865	48,877
Total trade and other payables	108,773	113,409
Non-Current		
Trade payables	9,661	14,497
Total trade and other payables (current and non-current)	118,434	127,906



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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 (4Q2021) Vs Corresponding Financial Quarter (4Q2020)

	Current Quarter 3 months ended 31 December		Changes	
	2021 RM'000	2020 RM'000	RM'000	%
Revenue	96,001	96,285	(284)	(0)
Operating profit	26,048	27,030	(982)	(4)
Profit before interest and tax	13,460	19,712	(6,252)	(32)
Profit before tax	11,363	18,196	(6,833)	(38)
Profit after tax	9,161	12,595	(3,434)	(27)
Profit for the period attributable to owners of the parent	9,675	13,311	(3,636)	(27)

The Group's revenue for 4Q2021 decreased to RM96.00 million from RM96.29 million in 4Q2020. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suite at The NorthBank Avona, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2 and at The NorthBank Business Exchange Phase 2, sales of townhouses at The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of vacant lots at Tabuan Tranquility Phase 2, construction of the Methanol Project Sarawak and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 4Q2020 was primarily recognised from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 and at Tabuan Tranquility Phase 3 Stage 2, sales of Small Office Home Office ("SOHO") and SOHO Commercial at Tabuan Tranquility Phase 3, sales of residential houses at The NorthBank Nova 72, The NorthBank Alyvia and at Tabuan Tranquility Phase 2 Stage 3, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of office building at The NorthBank, construction of the new Airport at Mukah, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Other income decreased from RM5.14 million in 4Q2020 to RM1.53 million in 4Q2021. This other income comprised of fair value gain on investment properties, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased to RM9.59 million from RM7.16 million in 4Q2020. The increase was mainly due to increase in depreciation of property, plant and equipment and staff costs during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 4Q2020.



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19. Current 12-month financial period (12M2021) Vs corresponding 12-month financial period (12M2020)

	Cumulative Quarter 12 months ended 31 December		Changes	
	2021 RM'000	2020 RM'000	RM'000	%
Revenue	273,370	308,495	(35,125)	(11)
Operating profit	79,653	85,226	(5,573)	(7)
Profit before interest and tax	41,508	58,683	(17,175)	(29)
Profit before tax	32,315	48,537	(16,222)	(33)
Profit after tax	23,469	34,924	(11,455)	(33)
Profit for the year attributable to owners of the parent	23,223	34,917	(11,694)	(33)

The Group's profit before tax for 12M2021 decreased by 33% to RM32.32 million compared to a profit before tax of RM48.54 million recorded in 12M2020.

The Group's revenue for 12M2021 decreased to RM273.37 million from RM308.50 million in 12M2020. The property development segment remains the main contributor of the Group's revenue. During the current financial year, the Group's revenue was primarily recognised from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 & 2, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO commercial at Bintulu Town Square, sales of residential houses at The NorthBank Nova 72 and The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of vacant lots at Tabuan Tranquility Phase 2 and 5, construction of the new Airport at Mukah and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of the Methanol Project Sarawak, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 12M2020 was mainly recognised from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of residential houses at The NorthBank Nova 72, The NorthBank Alyvia and at Tabuan Tranquility Phase 2 Stage 3, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of office building at The NorthBank, construction of the new Airport at Mukah and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Other income decreased from RM5.90 million to RM2.38 million in 12M2021. Other income comprised of fair value gain on investment properties, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased to RM28.68 million compared to RM21.54 million in 12M2020. The increase was mainly due to increase in depreciation of property, plant and equipment and staff costs incurred during the reporting year. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding year.



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20. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 31 December 2021 RM'000	Immediate Preceding Quarter 3 months ended 30 September 2021 RM'000	Changes	
			RM'000	%
Revenue	96,001	82,686	13,315	16
Operating profit	26,048	20,393	5,655	28
Profit before interest and tax	13,460	10,984	2,476	23
Profit before tax	11,363	8,343	3,020	36
Profit after tax	9,161	5,252	3,909	74
Profit for the period attributable to owners of the parent	9,675	5,149	4,526	88

The Group recorded a profit before tax of RM11.36 million compared to a profit before tax of RM8.34 million recorded in the immediate preceding quarter ended 30 September 2021.

The Group's revenue for the current financial quarter ended 31 December 2021 increased to RM96.00 million from RM82.69 million in the immediate preceding quarter ended 30 September 2021. Apart from the recognition of revenue from sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1, sales of SOHO commercial at Bintulu Town Square, sales of vacant lots at Tabuan Tranquility Phase 5, construction of the new Airport at Mukah in the immediate preceding quarter and sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2, sales of vacant lots at Tabuan Tranquility Phase 2 and construction of the Methanol Project Sarawak in current quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development and completed projects namely, sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, sales of residential houses at The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Other income increased from RM0.25 million in the immediate preceding quarter to RM1.53 million in this reporting quarter. Other income comprised of fair value gain on investment properties, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased from RM7.03 million in the immediate preceding quarter ended 30 September 2021 to RM9.59 million in this current financial quarter. The increase was mainly due to increase in staff costs during current reporting period. Other components of the administrative expenses have not varied much compared to those incurred during 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		12 months ended	
	31 December		31 December	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	125	124	498	498
Depreciation of property, plant and equipment	1,528	814	6,035	2,383
Dividend income	(6)	(3)	(16)	(11)
Fair value gain on investment properties	(21)	(3,500)	(21)	(3,500)
Gain from disposal of property, plant and equipment	-	-	(20)	(1)
Interest expenses	2,097	1,516	9,193	10,146
Interest income	(98)	(100)	(304)	(341)
Other income	(1,387)	(1,519)	(1,907)	(1,931)
Property, plant and equipment written off	1	67	1	67
Reversal of impairment of trade receivables	(19)	(19)	(109)	(120)

22. Group's Prospects

The principal activity of the Group is realty development. 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 faced with rising cost of doing business and slowdown of economy resulting from the current coronavirus (COVID-19) pandemic and the enforcement of movement control order (MCO) by Malaysian Government. Although we are unable to reasonably quantify the financial impact of these events, with the introduction of National Recovery Plan and the additional stimulus package, the Group is confident to sustain these events and projected that the financial results would be satisfactory in the coming quarters as the Group have RM195.61 million unbilled sales and outstanding order book of RM305.65 million as at 31 December 2021.

The Group plans to launch projects mainly comprising residential and commercial properties in 2022 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects. At present the Group is focusing on a mixed development project namely, The NorthBank. This integrated development sits on a 123-acre land, located right opposite the Tabuan Tranquility project. Combining the popularity of landed residences with the growing trend of high-rise developments, and complemented with commercial components, The NorthBank offers purchasers with choices of various type of residences built within a walking distance to commercials, office units, social clubhouse, educational institution and Medical Specialist Centre.

We have completed and handed over the first residential project of The NorthBank in 2020 and also handed over the first shop office development to purchasers in the first quarter 2021. These two projects are fully sold prior to completion. Other on-going projects at The NorthBank include Avona Residence comprising two blocks of 12-storey service apartments, Alyvia Residence with 102 units of townhouse, Renna Residence offering 296 units of service apartment, 36 units of semi-detached houses at Crestwood Estates and shop office development. More residential development would be launched during the financial 2022.



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22. Group's Prospects (contd.)

Added to that, riding on the success of ContiNew Kuala Lumpur, the Group continue to venture in West Malaysia with the acquired land at Bandar Petaling Jaya Selatan in 2018. The Group aims to kick off the development in second quarter of 2022, taking into consideration the revision of statutory requirements and the market demands.

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

The Group has also 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.

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		12 months ended	
	31 December		31 December	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	2,459	6,528	11,452	13,533
- (Over)/underprovision in respect of previous years	(1,939)	90	(1,981)	90
	520	6,618	9,471	13,623
Deferred tax	1,682	(1,017)	(625)	(10)
Total income tax expense	2,202	5,601	8,846	13,613

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the period/year.

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



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25. Loans and Borrowings

	Unaudited As at 31 December 2021 RM'000	Audited As at 31 December 2020 RM'000
Short term borrowings		
Secured: Finance lease liabilities	1,849	2,371
Revolving credits	95,907	102,577
Collateralised borrowings	-	3,013
Term loans	18,196	25,031
	115,952	132,992
Long term borrowings		
Secured: Finance lease liabilities	724	1,801
Term loans	90,451	107,774
	91,175	109,575
Total loans and borrowings	207,127	242,567

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

The Group did not issue any debt securities.

The Group total loans and borrowings for the current financial year as at 31 December 2021 has decreased by RM35.44 million as compared to the corresponding financial year. The decrease was mainly due to the repayment of the borrowings.

26. Corporate Exercise

Status of corporate exercise

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

Status of utilisation of proceeds

The gross proceeds from the issuance of 49,640,565 ordinary shares at RM0.4760 per share of approximately RM23.63 million have been/shall be 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	-	(3,566)	14,434	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	-	(9,196)	14,434		



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27. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 18 February 2022, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

28. Changes in Material Litigation

There was no known material litigation as at 18 February 2022.

29. Earnings Per Share

(a) Basic

	3 months ended 31 December		12 months ended 31 December	
	2021	2020	2021	2020
Profit attributable to owners of the parent (RM'000)	9,675	13,311	23,223	34,917
Weighted average number of ordinary shares in issue ('000)	546,046	496,406	546,046	496,406
Basic earnings per share (sen)	1.77	2.68	4.25	7.03

(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.

30. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2020 was not qualified.

31. 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 25 February 2022.