



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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the six-month period ended 30 June 2023

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		89,410	70,731	168,603	127,783
Cost of sales		(56,525)	(48,410)	(109,955)	(89,170)
<b>Gross profit</b>		<b>32,885</b>	<b>22,321</b>	<b>58,648</b>	<b>38,613</b>
Other income		667	346	1,383	779
Administrative expenses		(9,285)	(9,906)	(16,964)	(17,036)
Selling and marketing expenses		(3,183)	(1,616)	(5,080)	(2,940)
Finance costs		(3,028)	(2,516)	(5,826)	(4,515)
<b>Profit before tax</b>	21	<b>18,056</b>	<b>8,629</b>	<b>32,161</b>	<b>14,901</b>
Income tax expense	24	(4,797)	(3,031)	(8,511)	(4,578)
<b>Profit for the period</b>		<b>13,259</b>	<b>5,598</b>	<b>23,650</b>	<b>10,323</b>
<b>Other comprehensive income</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>13,259</b>	<b>5,598</b>	<b>23,650</b>	<b>10,323</b>
<b>Profit for the period attributable to :</b>					
<b>Owners of the parent</b>		13,253	5,279	23,681	9,765
<b>Non-controlling interests</b>		6	319	(31)	558
		<b>13,259</b>	<b>5,598</b>	<b>23,650</b>	<b>10,323</b>
<b>Total comprehensive income attributable to :</b>					
<b>Owners of the parent</b>		13,253	5,279	23,681	9,765
<b>Non-controlling interests</b>		6	319	(31)	558
		<b>13,259</b>	<b>5,598</b>	<b>23,650</b>	<b>10,323</b>



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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)**

For the six-month period ended 30 June 2023

(The figures have not been audited)

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

Basic, for profit for the period (Sen)	28	2.43	0.97	4.34	1.79
Diluted, for profit for the period (Sen)	28	2.43	0.97	4.34	1.79

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



**IBRACO BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2023 and 31 December 2022

Note	Unaudited As at 30 June 2023 RM'000	Audited As at 31 December 2022 RM'000
<b>ASSETS</b>		
	77,517	72,585
Property, plant & equipment		
	4,023	4,272
Intangible asset		
	2,414	2,414
Investment in an associate		
	300	300
Investment in joint venture		
	51,962	51,440
Inventories		
	122,300	122,300
Completed investment properties		
	2,376	1,536
Trade and other receivables	16	
	7,727	8,584
Deferred tax assets		
<b>Total non-current assets</b>	268,619	263,431
	340,611	351,577
Inventories		
	52,474	39,963
Trade and other receivables	16	
	138,020	76,720
Other current assets		
	63,432	60,586
Cash and bank balances		
<b>Total current assets</b>	594,537	528,846
<b>TOTAL ASSETS</b>	863,156	792,277
<b>Equity attributable to owners of the parent</b>		
	271,832	271,832
Share capital		
	193,102	180,342
Retained earnings		
	464,934	452,174
<b>Non-controlling interests</b>	10,479	9,790
<b>Total Equity</b>	475,413	461,964
<b>LIABILITIES</b>		
	74,240	78,379
Loans and borrowings	25	
	13,073	13,287
Trade and other payables	17	
<b>Total non-current liabilities</b>	87,313	91,666
	166,474	132,923
Loans and borrowings	25	
	109,236	99,013
Trade and other payables	17	
	17,529	5,253
Other current liabilities		
	7,191	1,458
Income tax payable		
<b>Total current liabilities</b>	300,430	238,647
<b>Total liabilities</b>	387,743	330,313
<b>TOTAL EQUITY AND LIABILITIES</b>	863,156	792,277

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



**IBRACO BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the six-month period ended 30 June 2023  
(The figures have not been audited)

	<i>Non-distributable</i>	<b>Attributable to owners of the parent</b>		
	<b>Share capital</b>	<i>Distributable</i>	<b>Non-Controlling</b>	<b>Total</b>
	<b>RM'000</b>	<b>Retained earnings</b>	<b>interests</b>	<b>equity</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2022</b>	271,832	160,852	9,207	441,891
Total comprehensive income	-	30,411	683	31,094
Interests in a subsidiary donated to a foundation	-	-	1,470	1,470
Contribution by non-controlling interest	-	-	30	30
Dividend on ordinary shares	-	(10,921)	-	(10,921)
Dividend paid to non-controlling interest	-	-	(1,600)	(1,600)
<b>At 31 December 2022</b>	<u>271,832</u>	<u>180,342</u>	<u>9,790</u>	<u>461,964</u>
	=====	=====	=====	=====
<b>At 1 January 2023</b>	271,832	180,342	9,790	461,964
Total comprehensive income	-	23,681	(31)	23,650
Contribution by non-controlling interest	-	-	720	720
Dividend on ordinary shares	-	(10,921)	-	(10,921)
<b>At 30 June 2023</b>	<u>271,832</u>	<u>193,102</u>	<u>10,479</u>	<u>475,413</u>
	=====	=====	=====	=====

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



**IBRACO BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the six-month period ended 30 June 2023

(The figures have not been audited)

	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	32,161	14,901
Adjustments for:		
Amortisation of intangible asset	249	249
Depreciation of property, plant and equipment	2,533	2,574
Dividend income	(19)	(12)
Gain from disposal of property, plant and equipment	(12)	(200)
Loss on disposal of shares in a subsidiary to a charitable trust	-	1,470
Interest expenses	5,826	4,515
Interest income	(284)	(220)
Reversal of impairment of trade receivables	(43)	(47)
Operating profit before working capital changes	40,411	23,230
Changes in working capital:		
Deposit pledged for bank borrowings	(5)	-
Inventories	10,444	(46,991)
Receivables	(13,308)	8,178
Other current assets	(61,588)	44,890
Payables	10,009	(17,723)
Other current liabilities	12,276	11,979
Cash (used in)/generated from operations	(1,761)	23,563
Interest paid	(5,826)	(4,515)
Interest received	284	220
Taxes paid	(4,095)	(5,996)
Taxes refunded	2,671	744
<b>Net cash (used in)/generated from operating activities</b>	<b>(8,727)</b>	<b>14,016</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Deposit with maturity more than three months	20	(69)
Dividend received	19	12
Proceeds from disposal of property, plant and equipment	12	200
Purchase of property, plant and equipment	(7,429)	(5,527)
Subscription of shares in associate	-	(490)
<b>Net cash used in investing activities</b>	<b>(7,378)</b>	<b>(5,874)</b>



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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)**

For the six-month period ended 30 June 2023  
(The figures have not been audited)

	<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contribution by non-controlling interest	720	-
Dividends on ordinary shares	(10,921)	(10,921)
Dividends paid to non-controlling interest	-	(200)
Proceeds from loans and borrowings	46,112	25,430
Repayment of finance leases	(253)	(1,099)
Repayment of lease liabilities	(158)	(102)
Repayment of loans and borrowings	(16,534)	(9,071)
<b>Net cash generated from financing activities</b>	<b>18,966</b>	<b>4,037</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,861</b>	<b>12,179</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>51,844</b>	<b>50,494</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>54,705</b>	<b>62,673</b>

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

	<b>As at 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	63,432	71,243
Less:		
Deposits with maturity more than 3 months	(8,329)	(8,181)
Deposits pledged for bank borrowings	(398)	(389)
<b>Cash and cash equivalents</b>	<b>54,705</b>	<b>62,673</b>

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



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**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

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**1. Basis of Preparation**

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

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2022.

**2. Changes in Accounting Policies**

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

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

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

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

**3. Comments about Seasonal or Cyclical Factors**

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

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 June 2023.

**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 2023.



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**6. Property, Plant and Equipment**

**Acquisition and Disposals**

During the period ended 30 June 2023, the Group acquired property, plant and equipment with an aggregate cost of RM244,600 by means of finance lease (six months ended 30 June 2022: RM Nil). The cash outflow on acquisition of property, plant and equipment amounted to RM7,428,934 during the six months ended 30 June 2023 (six months ended 30 June 2022: RM5,526,504).

There were disposal of property, plant and equipment at RM12,300 during the six months ended 30 June 2023 (six months ended 30 June 2022: RM200,000).

**7. Debt and Equity Securities**

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 June 2023.

**8. Dividend Paid**

There was no dividend paid during the quarter ended 30 June 2023.





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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 and clubhouse 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 2023 (2Q2023) and 3 months ended 30 June 2022 (2Q2022) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Clubhouse operation		Elimination		Per consolidated financial statements	
	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000	2Q2023 RM'000	2Q2022 RM'000
<b>Revenue:</b>														
External customers	74,138	50,961	1,989	2,129	5,922	11,464	6,705	6,177	656	-	-	-	89,410	70,731
Inter-segment	-	-	-	-	30,666	33,613	-	-	-	-	(30,666)	(33,613)	-	-
<b>Total Revenue</b>	<b>74,138</b>	<b>50,961</b>	<b>1,989</b>	<b>2,129</b>	<b>36,588</b>	<b>45,077</b>	<b>6,705</b>	<b>6,177</b>	<b>656</b>	<b>-</b>	<b>(30,666)</b>	<b>(33,613)</b>	<b>89,410</b>	<b>70,731</b>
<b>Segment profit / (loss)</b>	<b>16,566</b>	<b>7,191</b>	<b>1,081</b>	<b>1,258</b>	<b>(1,005)</b>	<b>(936)</b>	<b>885</b>	<b>464</b>	<b>123</b>	<b>-</b>	<b>406</b>	<b>652</b>	<b>18,056</b>	<b>8,629</b>



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**9. Segmental Information (contd.)**

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

	<b>2Q2023</b>	<b>2Q2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	21,084	11,145
Finance costs	(3,028)	(2,516)
	<u>18,056</u>	<u>8,629</u>
Profit before tax	=====	=====

Results for 6 months ended 30 June 2023 (6M2023) and 6 months ended 30 June 2022 (6M2022) are as follows:

	<b>Property development activities</b>		<b>Property holding &amp; management</b>		<b>Construction works</b>		<b>Quarry operation</b>		<b>Clubhouse operation</b>		<b>Elimination</b>		<b>Per consolidated financial statements</b>	
	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>	<b>6M2023</b>	<b>6M2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue:</b>														
External customers	133,385	87,410	4,147	4,127	16,882	27,132	13,533	9,114	656	-	-	-	168,603	127,783
Inter-segment	-	-	-	-	72,666	54,889	-	-	-	-	(72,666)	(54,889)	-	-
Total Revenue	<u>133,385</u>	<u>87,410</u>	<u>4,147</u>	<u>4,127</u>	<u>89,548</u>	<u>82,021</u>	<u>13,533</u>	<u>9,114</u>	<u>656</u>	<u>-</u>	<u>(72,666)</u>	<u>(54,889)</u>	<u>168,603</u>	<u>127,783</u>
Segment profit / (loss)	<u>27,395</u>	<u>12,525</u>	<u>2,383</u>	<u>2,486</u>	<u>(672)</u>	<u>(1,058)</u>	<u>1,886</u>	<u>346</u>	<u>123</u>	<u>-</u>	<u>1,046</u>	<u>602</u>	<u>32,161</u>	<u>14,901</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:

	<b>6M2023</b>	<b>6M 2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Segment profit	37,987	19,416
Finance costs	(5,826)	(4,515)
	<hr/>	<hr/>
Profit before tax	32,161	14,901
	=====	=====

**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 2023.

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

There were no changes in the composition of the Group during the current quarter ended 30 June 2023.

**12. Changes in Contingent Liabilities and Contingent Assets**

**Contingent Liabilities**

Unsecured:

	<b>Unaudited</b>	<b>Audited</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	253,135	250,661
	<hr/>	<hr/>

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

**13. Capital Commitments**

	<b>As at 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Approved and contracted for:</b>		
Investment properties	47	142
Property, plant and equipment	49,221	24,690
Total	<hr/>	<hr/>
	49,268	24,832
	<hr/>	<hr/>



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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:

	<b>3 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
Directors	585	551
Key management personnel	564	598

**15. Related Party Transactions**

The related party transactions are as follows:

	<b>Note</b>	<b>Transaction value</b>		<b>Balance</b>	
		<b>3 months ended</b>		<b>Outstanding</b>	
		<b>30 June</b>		<b>as at 30 June</b>	
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Sharifah Deborah Sophia Ibrahim</b>	(a)				
Sales of townhouses at The NorthBank, Alyvia	*	-	-	35	137
<b>Hiap Ghee Seng Sdn Bhd</b>	(b)				
Rental expense on premises		37	37	-	-
<b>Heng Say Properties (Sarawak) Sdn Bhd</b>	(c)				
Purchase of land	*	-	-	6,502	6,502

**Notes**

\* These outstanding balances are not yet due for payment in accordance with 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 the 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 the 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**

	<b>Unaudited 30 June 2023 RM'000</b>	<b>Audited 31 December 2022 RM'000</b>
<b>Current</b>		
<b>Trade receivables</b>		
Third parties	35,070	22,393
Less: Allowance for impairment	(597)	(640)
<b>Trade receivables, net</b>	<b>34,473</b>	<b>21,753</b>
<b>Other receivables</b>		
Third parties	14,108	14,658
Deposits	3,999	3,658
	18,107	18,316
Less: Allowance for impairment – third parties	(106)	(106)
<b>Other receivables, net</b>	<b>18,001</b>	<b>18,210</b>
<b>Total trade and other receivables</b>	<b>52,474</b>	<b>39,963</b>
<b>Non-Current</b>		
<b>Trade receivables</b>		
Third parties	2,376	1,536
<b>Total trade and other receivables (current and non-current)</b>	<b>54,850</b>	<b>41,499</b>

**Ageing analysis of trade receivables**

	<b>Unaudited 30 June 2023 RM'000</b>	<b>Audited 31 December 2022 RM'000</b>
<b>Current</b>		
Neither past due nor impaired	22,294	16,786
1 to 119 days past due but not impaired	10,619	2,929
More than 120 days but not impaired	1,560	2,038
Impaired	597	640
<b>Total trade receivables</b>	<b>35,070</b>	<b>22,393</b>
<b>Non-current</b>		
Neither past due nor impaired	2,376	1,536
<b>Total trade receivables (current and non-current)</b>	<b>37,446</b>	<b>23,929</b>



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**16. Trade and Other Receivables (contd.)**

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 RM12.18 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.

**17. Trade and Other Payables**

	<b>Unaudited 30 June 2023 RM'000</b>	<b>Audited 31 December 2022 RM'000</b>
<b>Current</b>		
Trade and other payables	64,320	46,835
Provision for projects	44,916	52,178
<b>Total trade and other payables</b>	<b>109,236</b>	<b>99,013</b>
<b>Non-Current</b>		
Trade payables	13,073	13,287
<b>Total trade and other payables (current and non-current)</b>	<b>122,309</b>	<b>112,300</b>



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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 (2Q2023) Vs Corresponding Financial Quarter (2Q2022)**

	<b>Current Quarter 3 months ended 30 June</b>		<b>Changes</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	89,410	70,731	18,679	26
Operating profit	32,885	22,321	10,564	47
Profit before interest and tax	21,084	11,145	9,939	89
Profit before tax	18,056	8,629	9,427	109
Profit after tax	13,259	5,598	7,661	137
Profit for the period attributable to owners of the parent	13,253	5,279	7,974	151

The Group's revenue for 2Q2023 increased by 26% to RM89.41 million from RM70.73 million in 2Q2022. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona Residence, Renna Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Tabuan Tranquility Phase 3 Stage 2, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, sales of Small Office Home Office ("SOHO") Commercial at Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation, clubhouse operation and rental income from investment properties.

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

Other income increased to RM0.67 million in 2Q2023 as compared to RM0.35 million in 2Q2022. Other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses decreased slightly from RM9.91 million to RM9.29 million in 2Q2023. The decrease was mainly due to the interests in a subsidiary donated to a foundation in 2Q2022. Other components of the administrative expenses have not varied much compared to those incurred during 2Q2022.



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**19. Current 6-month financial period (6M2023) Vs corresponding 6-month financial period (6M2022)**

	<b>Cumulative Quarter 6 months ended 30 June</b>		<b>Changes</b>	
	<b>2023 RM'000</b>	<b>2022 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	168,603	127,783	40,820	32
Operating profit	58,648	38,613	20,035	52
Profit before interest and tax	37,987	19,416	18,571	96
Profit before tax	32,161	14,901	17,260	116
Profit after tax	23,650	10,323	13,327	129
Profit for the period attributable to owners of the parent	23,681	9,765	13,916	143

The Group's profit before tax for 6M2023 increased by 116% to RM32.16 million compared to profit before tax of RM14.90 million recorded in 6M2022.

The Group's revenue for 6M2023 increased by 32% to RM168.60 million from RM127.78 million in 6M2022. The property development segment remains the main contributor of the Group's revenue. During the current financial period, the Group's revenue was primarily recognized from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona Residence, Renna Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Tabuan Tranquility Phase 3 Stage 2, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, sales of SOHO Commercial at Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation, clubhouse operation and rental income from investment properties.

Whilst, the Group's revenue for 6M2022 was mainly recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona and Renna Residence, sales of condominiums at the Park Residence, sales of townhouses at The NorthBank Alyvia, sales of apartments at IXORA Court, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of temporary facility works and building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income increased slightly from RM0.78 million to RM1.38 million in 6M2023. This other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses decreased to RM16.96 million compared to RM17.04 million in 6M2022. The decrease was mainly due to the interests in a subsidiary donated to a foundation in 2Q2022. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding period.





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

	<b>Current Quarter 3 months ended 30 June 2023 RM'000</b>	<b>Immediate Preceding Quarter 3 months ended 31 March 2023 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	89,410	79,193	10,217	13
Operating profit	32,885	25,763	7,122	28
Profit before interest and tax	21,084	16,903	4,181	25
Profit before tax	18,056	14,105	3,951	28
Profit after tax	13,259	10,391	2,868	28
Profit for the period attributable to owners of the parent	13,253	10,428	2,825	27

The Group recorded a profit before tax of RM18.06 million compared to a profit before tax of RM14.11 million recorded in the immediate preceding quarter ended 31 March 2023.

The Group's revenue for the current financial quarter ended 30 June 2023 increased to RM89.41 million from RM79.19 million in the immediate preceding quarter ended 31 March 2023. Apart from the recognition of revenue from sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2, sales of apartment suite at Horizonz Residence at Bintulu Town Square and income from clubhouse operation 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 at ContiNew, Kuala Lumpur, The NorthBank Avona Residence and Renna Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, sales of SOHO Commercial at Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation, clubhouse operation and rental income from investment properties.

Other income decreased from RM0.72 million in the immediate preceding quarter to RM0.67 million in this reporting quarter. Other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased from RM7.68 million in the immediate preceding quarter ended 31 March 2023 to RM9.29 million in this current financial quarter. The increase was mainly due to increase in staff costs and clubhouse operation expenses 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:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amortisation of intangible asset	125	125	249	249
Depreciation of property, plant and equipment	1,269	1,277	2,533	2,574
Dividend income	(8)	(9)	(19)	(12)
Gain from disposal of property, plant and equipment	(10)	-	(12)	(200)
Loss on disposal of shares in a subsidiary to a charitable trust	-	1,470	-	1,470
Interest expenses	3,028	2,516	5,826	4,515
Interest income	(145)	(159)	(284)	(220)
Other income	(493)	(152)	(1,025)	(300)
Reversal of impairment of trade receivables	(11)	(26)	(43)	(47)

**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 uncertainties in the economic recoveries, concerns over employment and tightening of end financing for buyers, and the rising of interest rates over the year have impacted the spending behaviour of home buyers. However, the declining trend of the average prices for the key building materials such as crude oil, steel bar, copper, and aluminium make the construction costs more manageable, and profit margins are no longer as depressed as before when prices of these building materials reached all-time highs in the first half of 2022. Hence, the Group is confident to sustain these events and projected that the financial results would improve in the coming quarters. To date, the Group have RM267.34 million unbilled sales and outstanding order book of RM922.16 million.

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

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



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**22. Group's Prospects (contd.)**

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

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

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

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

**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**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current income tax:				
- Malaysian income tax	4,535	2,118	7,653	3,409
- Underprovision in respect of previous year	1	-	1	-
	<u>4,536</u>	<u>2,118</u>	<u>7,654</u>	<u>3,409</u>
Deferred tax	261	913	857	1,169
<b>Total income tax expense</b>	<u><u>4,797</u></u>	<u><u>3,031</u></u>	<u><u>8,511</u></u>	<u><u>4,578</u></u>

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

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



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**25. Loans and Borrowings**

	<b>Unaudited As at 30 June 2023 RM'000</b>	<b>Unaudited As at 30 June 2022 RM'000</b>	<b>Audited As at 31 December 2022 RM'000</b>
<b>Short term borrowings</b>			
Secured: Finance lease liabilities	853	841	816
Revolving credits	142,900	121,337	113,600
Term loans	22,721	18,285	18,507
	166,474	140,463	132,923
<b>Long term borrowings</b>			
Secured: Finance lease liabilities	1,775	526	1,978
Term loans	72,465	81,291	76,401
	74,240	81,817	78,379
<b>Total loans and borrowings</b>	240,714	222,280	211,302

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

The Group did not issue any debt securities.

The Group total loans and borrowings for the current financial period as at 30 June 2023 has increased by RM29 million as compared to the amount reported in the Audit Financial Statement as at 31 December 2022.

**26. Off Balance Sheet Financial Instruments**

The Group does not have any financial instruments with off balance sheet risk as at 18 August 2023, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

**27. Changes in Material Litigation**

There was no known material litigation as at 18 August 2023.

**28. Earnings Per Share**

(a) Basic

	<b>3 months ended 30 June</b>		<b>6 months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit attributable to owners of the parent (RM'000)	13,253	5,279	23,681	9,765
Weighted average number of ordinary shares in issue ('000)	546,046	546,046	546,046	546,046
Basic earnings per share (sen)	2.43	0.97	4.34	1.79

(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.



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**29. Auditors' Report on Preceding Annual Financial Statements**

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

**30. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 August 2023.