



IBRACO BERHAD (011286-P)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2018

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Revenue		49,344	22,338	81,837	41,401
Cost of sales		(34,596)	(13,787)	(58,216)	(25,526)
Gross profit		14,748	8,551	23,621	15,875
Other income		595	291	786	504
Administrative expenses		(4,582)	(3,442)	(8,599)	(6,667)
Selling and marketing expenses		(1,650)	(118)	(2,714)	(178)
Finance costs		(1,022)	(907)	(1,768)	(1,705)
Profit before tax	23	8,089	4,375	11,326	7,829
Income tax expense	26	(2,348)	(1,042)	(3,124)	(806)
Profit for the period		5,741	3,333	8,202	7,023
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,741	3,333	8,202	7,023
Profit for the period attributable to :					
Owners of the parent		5,087	3,016	7,412	6,352
Non-controlling interests		654	317	790	671
		5,741	3,333	8,202	7,023
Total comprehensive income attributable to :					
Owners of the parent		5,087	3,016	7,412	6,352
Non-controlling interests		654	317	790	671
		5,741	3,333	8,202	7,023



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the six-month period ended 30 June 2018

(The figures have not been audited)

Earnings Per Share

**attributable to owners of
the parent:**

Basic, for profit for the period (Sen)	31	1.02	0.61	1.49	1.28
Diluted, for profit for the period (Sen)	31	1.02	0.61	1.49	1.28

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (011286-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018 and 31 December 2017

	Note	Unaudited As at 30 June 2018 RM'000	Restated Unaudited As at 1 January 2018 RM'000	Audited As at 31 December 2017 RM'000
ASSETS				
Property, plant & equipment		27,055	20,993	20,993
Investment in associate		49	-	-
Land held for property development		44,623	44,614	44,614
Investment properties		68,865	63,495	63,495
Trade and other receivables	18	290	308	308
Deferred tax assets		12,140	13,082	12,326
Total non-current assets		153,022	142,492	141,736
Property development costs		319,960	257,018	262,964
Inventories		76,114	87,967	87,967
Trade and other receivables	18	41,224	30,803	30,803
Other current assets		64,552	53,564	50,839
Investment securities	17	9	9	9
Cash and bank balances		25,667	37,697	37,697
Total current assets		527,526	467,058	470,279
TOTAL ASSETS		680,548	609,550	612,015
Equity attributable to owners of the parent				
Share capital		248,203	248,203	248,203
Retained earnings		77,428	70,015	77,563
		325,631	318,218	325,766
Non-controlling interests		16,939	16,150	11,095
Total Equity		342,570	334,368	336,861
LIABILITIES				
Loans and borrowings	27	89,775	51,958	51,958
Total non-current liabilities		89,775	51,958	51,958
Loans and borrowings	27	142,871	128,613	128,613
Trade and other payables	19	82,520	86,395	86,598
Other current liabilities		22,812	7,176	6,945
Income tax payable		-	1,040	1,040
Total current liabilities		248,203	223,224	223,196
Total liabilities		337,978	275,182	275,154
TOTAL EQUITY AND LIABILITIES		680,548	609,550	612,015

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD (011286-P)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six-month period ended 30 June 2018
(The figures have not been audited)

	<i>Non-distributable</i> Share capital RM'000	Attributable to owners of the parent		Total equity RM'000
		<i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	
At 1 January 2017	248,203	73,454	10,801	332,458
Total comprehensive income	-	14,038	894	14,932
Dividends on ordinary shares	-	(9,928)	-	(9,928)
Dividends paid to non-controlling interests	-	-	(600)	(600)
At 31 December 2017	<u>248,203</u> =====	<u>77,564</u> =====	<u>11,095</u> =====	<u>336,862</u> =====
At 1 January 2018	248,203	77,564	11,095	336,862
Effect of adoption of MFRS 15	-	(7,548)	5,054	(2,494)
At 1 January 2018 (Restated)	<u>248,203</u>	<u>70,016</u>	<u>16,149</u>	<u>334,368</u>
Total comprehensive income	-	7,412	790	8,202
At 30 June 2018	<u>248,203</u> =====	<u>77,428</u> =====	<u>16,939</u> =====	<u>342,570</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 2017 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 2018

(The figures have not been audited)

	6 months ended 30 June	
	2018	2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	11,326	7,829
Adjustments for:		
Depreciation of property, plant and equipment	811	761
Dividend income	(3)	(131)
Interest expenses	1,768	1,705
Interest income	(135)	(97)
Reversal of impairment of trade receivables	(64)	(248)
Operating profit before working capital changes	<u>13,703</u>	<u>9,819</u>
Changes in working capital:		
Land held for property development	(9)	(27)
Investment properties	-	(324)
Property development costs	(69,421)	(28,331)
Inventories	11,853	4,082
Receivables	(10,339)	10,464
Other current assets	(10,763)	(12,585)
Payables	5,822	(164)
Other current liabilities	15,867	9,179
Deposits pledged for bank borrowings	(11)	870
Cash used in operations	<u>(43,298)</u>	<u>(7,017)</u>
Interest paid	(1,768)	(1,705)
Interest received	135	97
Taxes paid	(4,441)	(7,580)
Taxes refunded	994	-
Net cash used in operating activities	<u>(48,378)</u>	<u>(16,205)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits with maturity more than 3 months	(393)	(36)
Dividend received	3	131
Expenditure incurred on investment properties under construction	(5,370)	-
Proceeds from disposal of investment securities	-	4,863
Purchase of investment securities	-	(5,956)
Purchase of property, plant and equipment	(256)	(519)
Subscription of shares in associate	(49)	-
Net cash used in investing activities	<u>(6,065)</u>	<u>(1,517)</u>



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the six-month period ended 30 June 2018

(The figures have not been audited)

	6 months ended 30 June	
	2018	2017
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	(9,928)	-
Proceeds from loans and borrowings	85,196	27,100
Repayment of finance leases	(1,137)	(287)
Repayment of loans and borrowings	(32,122)	(14,358)
Net cash generated from financing activities	42,009	12,455
Net decrease in cash and cash equivalents	(12,434)	(5,267)
Cash and cash equivalents at beginning of financial period	35,965	20,346
Cash and cash equivalents at end of financial period	23,531	15,079

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

	As at 30 June	
	2018	2017
	RM'000	RM'000
Cash and bank balances	25,667	16,811
Less:		
Deposits with maturity more than 3 months	(1,772)	(1,379)
Deposits pledged for bank borrowings	(364)	(353)
Cash and cash equivalents	23,531	15,079

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO FRS 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 2017. 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 2017.

In preparing its opening statement of financial position as at 1 January 2018, the Group has adjusted the amounts previously reported in financial statements due to the adoption of MFRS 15: Revenue from Contracts with Customers. The Group has adopted the new standard on the required effective date using the modified retrospective method. An explanation of how the adoption of MFRS 15 has affected the Group's financial statements is set out in Note 2 below, which include reconciliation of equity for comparative period.

2. Changes in Accounting Policies

Except as described below, the significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2017.

On 1 January 2018, the Group adopted the following MFRSs:-

MFRSs

Annual Improvements to MFRS Standards 2014-2016 Cycle:

(i) Amendments to MFRS 1: First-time Adoption of Financial Reporting Standards

(ii) Amendments to MFRS 128: Investments in Associates and Joint Ventures

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 140: Transfers of Investment Property

MFRS 9: Financial Instruments

MFRS 15: Revenue from Contracts with Customers

IC Interpretation 22: Foreign Currency Transactions and Advance Consideration

Other than the application of MFRS 15, the application of the above MFRSs, Amendments to MFRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.



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2. Changes in Accounting Policies (contd.)

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 superseded the previous revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it became effective as at 1 January 2018.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group adopted the new standard using the modified retrospective method and have assessed the effects of applying the new standard on the Group's financial statements, and have identified the following affected areas:

(i) Costs incurred in obtaining a contract

Sales commissions incurred are previously taken to profit or loss because they do not qualify for recognition as an asset under any of the other accounting standards. Upon the adoption of MFRS 15, the Group capitalises such commissions as incremental costs to obtain a contract if these costs are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

(ii) Determination of transaction price

The Group has considered the terms of the contracts and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to its customers, excluding amounts collected on behalf of third parties (for example, some sales taxes). Free legal and professional fees offered to customers are previously accounted for as part of the development costs. Upon the adoption of MFRS 15, these are considered as consideration payable to the customers which would be taken as a reduction in the transaction price.

(iii) Presentation and disclosure requirements

The presentation and disclosure requirements in MFRS 15 are more detailed than the previous standard. Many of the disclosure requirements in MFRS 15 are new and the Group has assessed that the impact of some of these disclosures will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgments made, i.e. when determining the transaction price of those contracts that include variable consideration, how the transaction price has been allocated to each performance obligation and the assumptions made to estimate the stand-alone selling prices of each performance obligation. MFRS 15 also requires revenue recognised to be disaggregated into categories that depict the nature, amount, timing and uncertainty of revenue and cash flows.



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2. Changes in Accounting Policies (contd.)

MFRS 15: Revenue from Contracts with Customers (contd.)

In summary, the impact of MFRS 15 adoption is as follows:

Reconciliation of equity as at 1 January 2018:

	Audited As at 31 December 2017 RM'000	Impact of MFRS 15 RM'000	(Restated) Unaudited As at 1 January 2018 RM'000
ASSETS			
Property, plant & equipment	20,993	-	20,993
Land held for property development	44,614	-	44,614
Investment properties	63,495	-	63,495
Trade and other receivables	308	-	308
Deferred tax assets	12,326	756	13,082
Total non-current assets	141,736	756	142,492
Property development costs	262,964	(5,946)	257,018
Inventories	87,967	-	87,967
Trade and other receivables	30,803	-	30,803
Other current assets	50,839	2,725	53,564
Investment securities	9	-	9
Cash and bank balances	37,697	-	37,697
Total current assets	470,279	(3,221)	467,058
TOTAL ASSETS	612,015	(2,465)	609,550
Equity attributable to owners of the parent			
Share capital	248,203	-	248,203
Retained earnings	77,563	(7,548)	70,015
	325,766	(7,548)	318,218
Non-controlling interests	11,095	5,055	16,150
Total Equity	336,861	(2,493)	334,368
LIABILITIES			
Loans and borrowings	51,958	-	51,958
Total non-current liabilities	51,958	-	51,958
Loans and borrowings	128,613	-	128,613
Trade and other payables	86,598	(203)	86,395
Other current liabilities	6,945	231	7,176
Income tax payable	1,040	-	1,040
Total current liabilities	223,196	28	223,224
Total liabilities	275,154	28	275,182
TOTAL EQUITY AND LIABILITIES	612,015	(2,465)	609,550



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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 2018.

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 2018.

6. Property, Plant and Equipment

Acquisition and Disposals

During the six months ended 30 June 2018, the Group acquired property, plant and equipment with an aggregate cost of RM138,000 (six months ended 30 June 2017: RM927,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM256,413 during the six months ended 30 June 2018 (six months ended 30 June 2017: RM519,135).

There was no disposal and write off during the six months ended 30 June 2018 (six months ended 30 June 2017: RM Nil).

7. Debt and Equity Securities

Except for those disclosed in Note 17, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 June 2018.

8. Dividend Paid

There was no dividend paid during the quarter ended 30 June 2017.

9. Dividend Payable

On 25 May 2018, the Board of Directors and shareholders have approved a final single tier dividend of 0.75 sen per ordinary share for the financial year ended 31 December 2017 (financial year ended 31 December 2016: RM Nil). The dividend was paid on 6 August 2018 to shareholders as per Register of Depositors dated 17 July 2018.



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10. 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, and construction works. 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 2018 (2Q2018) and 3 months ended 30 June 2017 (2Q2017) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	2Q2018 RM'000	2Q2017 RM'000	2Q2018 RM'000	2Q2017 RM'000	2Q2018 RM'000	2Q2017 RM'000	2Q2018 RM'000	2Q2017 RM'000	2Q2018 RM'000	2Q2017 RM'000
Revenue:										
External customers	37,833	21,451	1,068	887	10,443	-	-	-	49,344	22,338
Inter-segment	-	-	-	-	25,095	15,661	(25,095)	(15,661)	-	-
Total revenue	37,833	21,451	1,068	887	35,538	15,661	(25,095)	(15,661)	49,344	22,338
Segment profit/(loss)	4,267	2,962	713	561	1,892	(361)	1,217	1,213	8,089	4,375



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10. Segmental Information (contd.)

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

	2Q2018	2Q2017
	RM'000	RM'000
Segment profit	9,111	5,282
Finance costs	(1,022)	(907)
	-----	-----
Profit before tax	8,089	4,375
	=====	=====

Results for 6 months ended 30 June 2018 (6M2018) and 6 months ended 30 June 2017 (6M2017) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	6M2018	6M2017	6M2018	6M2017	6M2018	6M2017	6M2018	6M2017	6M2018	6M2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:										
External customers	62,545	39,654	2,127	1,747	17,165	-	-	-	81,837	41,401
Inter-segment	-	-	-	-	43,095	31,762	(43,095)	(31,762)	-	-
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Total revenue	62,545	39,654	2,127	1,747	60,260	31,762	(43,095)	(31,762)	81,837	41,401
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
 Segment profit/(loss)	 4,995	 5,677	 1,469	 1,072	 2,154	 (488)	 2,708	 1,568	 11,326	 7,829
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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10. Segmental Information (contd.)

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

	6M2018	6M2017
	RM'000	RM'000
Segment profit	13,094	9,534
Finance costs	(1,768)	(1,705)
	<u> </u>	<u> </u>
Profit before tax	11,326	7,829
	<u> </u>	<u> </u>

11. 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 2018.

12. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 June 2018.

13. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited	Audited
	30 June 2018	31 December
	RM'000	2017
	RM'000	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	130,918	130,918
	<u> </u>	<u> </u>

Contingent Assets

There were no contingent assets since the last annual statement of financial position as at 31 December 2017 till the end of the financial period.

14. Capital Commitments

	As at 30 June	
	2018	2017
	RM'000	RM'000
Approved and contracted for:		
Investment properties	39,829	79
Property, plant and equipment	20,552	7,204
Total	<u>60,381</u>	<u>7,283</u>



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15. 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	
	2018	2017
	RM'000	RM'000
Directors	380	365
Key management personnel	657	577

16. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value 3 months ended 30 June		Balance outstanding as at 30 June	
		2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		102	102	-	-
Sales of apartment suite at ContiNew, Kuala Lumpur	*	-	803	-	652
Datuk Chew Chiaw Han	(b)				
Sales of apartments suite at ContiNew, Kuala Lumpur	*	-	1,265	-	1,202
Ng Cheng Chuan	(c)				
Sales of apartment suite at ContiNew, Kuala Lumpur	*	-	1,087	-	1,032
Ng Kee Tiong	(d)				
Sales of apartments suite at ContiNew, Kuala Lumpur	*	-	1,594	-	1,514
Global Makna Sdn Bhd	(e)				
Sales of apartments suite at ContiNew, Kuala Lumpur	*	-	2,697	-	2,563
Hiap Ghee Seng Sdn Bhd	(f)				
Rental expense on premises		37	37	-	-



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16. Related Party Transactions (contd.)

Notes

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

- (a) Sharifah Deborah Sophia Ibrahim is a major shareholder and Director of the Company.
- (b) Datuk Chew Chiaw Han is a major shareholder and Managing Director of the Company.
- (c) Ng Cheng Chuan is a major shareholder and Director of the Company.
- (d) Ng Kee Tiong is a shareholder and Director of the Company.
- (e) Global Makna Sdn Bhd is a company connected to a Director of the Company.
- (f) 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.

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.

17. Investment Securities

	Unaudited 30 June 2018 RM'000		Audited 31 December 2017 RM'000	
	Carrying amount	Fair value of quoted securities	Carrying amount	Fair value of quoted securities
<i>Financial assets at fair value through profit or loss</i>				
- Unit trusts (quoted in Malaysia)	9	9	9	9

18. Trade and Other Receivables

	Unaudited 30 June 2018 RM'000	Audited 31 December 2017 RM'000
Current		
Trade receivables		
Third parties	34,544	27,095
Less: Allowance for impairment	(1,213)	(1,278)
Trade receivables, net	<u>33,331</u>	<u>25,817</u>



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18. Trade and Other Receivables (contd.)

	Unaudited 30 June 2018 RM'000	Audited 31 December 2017 RM'000
Current (contd.)		
Other receivables		
Third parties	6,631	3,755
Deposits	1,368	1,337
	<hr/>	<hr/>
	7,999	5,092
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	<hr/>	<hr/>
	7,893	4,986
Total trade and other receivables	<hr/>	<hr/>
	41,224	30,803
Non-Current		
Other receivables		
Deposits	290	308
Total trade and other receivables (current and non-current)	<hr/>	<hr/>
	41,514	31,111

Ageing analysis of trade receivables

	Unaudited 30 June 2018 RM'000	Audited 31 December 2017 RM'000
Neither past due nor impaired	21,592	4,739
1 to 69 days past due but not impaired	4,776	15,057
More than 70 days but not impaired	6,977	6,015
Impaired	1,199	1,284
Total trade receivables	<hr/>	<hr/>
	34,544	27,095

Trade receivables are non-interest bearing and are generally on 14-day terms. Other credit terms are assessed and approved on a case-by case basis. The Group has trade receivables amounting to RM11.75 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.

19. Trade and Other Payables

	Unaudited 30 June 2018 RM'000	Audited 31 December 2017 RM'000
Trade and other payables	53,275	54,141
Provision for projects	29,245	32,457
Total trade and other payables	<hr/>	<hr/>
	82,520	86,598



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

Review of Performance

20. Current Financial Quarter (2Q2018) Vs Corresponding Financial Quarter (2Q2017)

	Current Quarter 3 months ended 30 June		Changes	
	2018 RM'000	2017 RM'000	RM'000	%
Revenue	49,344	22,338	27,006	121
Operating profit	14,748	8,551	6,197	72
Profit before interest and tax	9,111	5,282	3,829	72
Profit before tax	8,089	4,375	3,714	85
Profit after tax	5,741	3,333	2,408	72
Profit for the period attributable to owners of the parent	5,087	3,016	2,071	69

The Group's revenue for 2Q2018 increased by 121% to RM49.34 million from RM22.34 million in 2Q2017. During this reporting quarter, the Group's revenue was primarily recognised from the sales of Small Office Home Office ("SOHO") and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of apartment suites at ContiNew, Kuala Lumpur, sales of residential houses at Tabuan Tranquility Phase 2, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of office building at The NorthBank, construction of the new Airport at Mukah, Sarawak and rental income from investment properties.

Whilst, the Group's revenue for 2Q2017 was mainly recognised from sales of residential houses at Tabuan Tranquility Phase 2, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of shop lots at Bintulu Town Square and rental income from investment properties.

Other income increased from RM0.29 million in 2Q2017 to RM0.60 million in 2Q2018. This other income comprised of 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 RM4.58 million from RM3.44 million in 2Q2017. The increase was mainly due to increase in staff costs and corporate social responsibility expenses during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 2Q2017.



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21. Current 6-month financial period (6M2018) Vs corresponding 6-month financial period (6M2017)

	Cumulative Quarter 6 months ended 30 June		Changes	
	2018 RM'000	2017 RM'000	RM'000	%
Revenue	81,837	41,401	40,436	98
Operating profit	23,621	15,875	7,746	49
Profit before interest and tax	13,094	9,534	3,560	37
Profit before tax	11,326	7,829	3,497	45
Profit after tax	8,202	7,023	1,179	17
Profit for the period attributable to owners of the parent	7,412	6,352	1,060	17

The Group's profit before tax for 6M2018 increased by 45% to RM11.33 million compared to a profit before tax of RM7.83 million recorded in 6M2017.

The Group's revenue for 6M2018 increased to RM81.84 million from RM41.40 million in 6M2017. The property development segment remains the main contributor of the Group's revenue. During the current financial period, the Group's revenue was primarily recognised from the sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of apartment suites at ContiNew, Kuala Lumpur, sales of residential houses at Tabuan Tranquility Phase 2, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of office building at The NorthBank, construction of the new Airport at Mukah, Sarawak and rental income from investment properties.

Whilst, the Group's revenue for 6M2017 was mainly recognised from sales of residential houses at Tabuan Tranquility Phase 2, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square Phase 1, sales of shop lots at Bintulu Town Square, sales of developed vacant land at Tabuan Tranquility Phase 4 and rental income from investment property.

Other income increased from RM0.50 million to RM0.79 million in 6M2018. This other income comprised of 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 RM8.60 million compared to RM6.67 million in 6M2017. The increase was mainly due to increase in staff costs, corporate social responsibility expenses and depreciation expenses during the reporting period. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding period.



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22. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Immediate	Changes	
	3 months ended	Preceding Quarter		
	30 June 2018	3 months ended	RM'000	%
	RM'000	31 March 2018	RM'000	
Revenue	49,344	32,493	16,851	52
Operating profit	14,748	8,873	5,875	66
Profit before interest and tax	9,111	3,983	5,128	129
Profit before tax	8,089	3,237	4,852	150
Profit after tax	5,741	2,461	3,280	133
Profit for the period attributable to owners of the parent	5,087	2,325	2,762	119

The Group recorded a profit before tax of RM8.09 million compared to a profit before tax of RM3.24 million recorded in the immediate preceding quarter ended 31 March 2018.

The Group's revenue for the current financial quarter ended 30 June 2018 increased to RM49.34 million from RM32.49 million in the immediate preceding quarter ended 31 March 2018. 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, sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of residential houses at Tabuan Tranquility Phase 2, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of office building at The NorthBank, construction of the new Airport at Mukah, Sarawak, and rental income from investment properties.

Other income increased from RM0.19 million in the immediate preceding quarter to RM0.60 million in this reporting quarter. This other income comprised of 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 RM4.58 million compared to RM4.02 million in the immediate preceding quarter ended 31 March 2018. The increase was mainly due to increase in staff costs and corporate social responsibility expenses during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during the immediate preceding quarter.



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23. Profit Before Tax

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

	3 months ended 30 June		6 months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Depreciation of property, plant and equipment	395	397	811	761
Dividend income	(2)	(71)	(3)	(131)
Interest expenses	1,022	907	1,768	1,705
Interest income	(53)	(72)	(135)	(97)
Other income	(501)	(7)	(584)	(28)
Reversal of impairment of trade receivables	(39)	(141)	(64)	(248)

24. 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 confident that the financial results will upsurge in the coming quarters as the Group have RM267.81 million unbilled sales and outstanding order book of RM241.86 million as at 30 June 2018.

With the current 632 acres of land bank, the Group plans to launch projects mainly comprising residential and commercial properties in 2018 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects. With this, the Group is set to unveil its next major and highly anticipated mixed development project, The NorthBank in 2018. This integrated development sits on a 123 acres of land, located right opposite the Group's highly successful 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 as well as a social clubhouse and even an educational institution proudly known as Tunku Putra-Help International School which will commence operation by January 2020.

In March 2018, the Group officially launched its first project in The NorthBank, Nova 72, which consists of 50 units of double-storey terrace house ("DST"), 14 units of double-storey semi-detached house ("DSSD") and 8 units of three-storey semi-detached house ("3SSD"). This development is estimated to have a GDV of over RM80.00 million. Except for the 3SSD houses which were launched at the end of June 2018, the DST houses and DSSD houses were sold out on the launching date, providing the Group with a positive indicator to launch The NorthBank subsequent developments in 2018.

Added to that, riding on the success of ContiNew Kuala Lumpur, the Group has entered into a separate sale and purchase agreements ("SPA") with Milan Sanctuary Sdn Bhd and Jurapat Sdn Bhd to acquire 15,811.66 square meter leasehold land located at Bandar Petaling Jaya Selatan, Daerah Petaling and fronting onto Baru Pantai Highway ("the Land") for aggregate consideration of RM37.44 million. The Land is approved for mixed commercial development and the Group has identified the Land as an appropriate and strategic investment which will enhance the future earning potential of the Group and its presence in West Malaysia.



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24. Group's Prospects (contd.)

As for the construction segment, the Group has been actively participating in bidding for the Government's construction and infrastructure projects.

In addition to the generation of revenue via the Group's current normal business activities, the Group had ventured into another new segment - providing international education services. In March 2018, the Group collaborated with HELP Education Services Sdn Bhd and CMS Education Sdn Bhd, to embark on an exciting journey in educational growth by establishing the Tunku Putra-Help International School in Kuching, and it is located strategically at The NorthBank, Tabuan Jaya, the residential heart of Kuching. The Group believes that this joint venture will diversify its source of income as well as enhancing the value of the surrounding developments within The NorthBank.

25. 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.

26. Income Tax Expense

	3 months ended 30 June		6 months ended 30 June	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Current income tax:				
- Malaysian income tax	1,544	783	1,863	2,374
Deferred tax	804	259	1,261	(1,568)
Total income tax expense	2,348	1,042	3,124	806

Income tax is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the current financial quarter and 6 months financial period are higher than the statutory tax rate mainly due to certain expenses are not tax deductible.

27. Loans and Borrowings

	Unaudited As at 30 June 2018 RM'000	Unaudited As at 30 June 2017 RM'000	Audited As at 31 December 2017 RM'000
Short term borrowings			
Secured: Finance lease liabilities	2,333	598	2,285
Revolving credits	121,256	83,300	106,160
Collateralised borrowings	4,510	-	2,362
Term loans	14,772	21,132	17,806
	142,871	105,030	128,613
Long term borrowings			
Secured: Finance lease liabilities	6,720	1,606	7,767
Term loans	83,055	47,387	44,191
	89,775	48,993	51,958
Total loans and borrowings	232,646	154,023	180,571



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27. Loans and Borrowings (contd.)

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 2018 has increased by RM78.62 million as compared to the corresponding financial period. The increase was mainly due to drawdown of financing facilities for the on-going projects, namely CONTINEW and the construction of the new Airport at Mukah, Sarawak as well as the acquisition of 15,811.66 square meter leasehold land located at Bandar Petaling Jaya Selatan, Daerah Petaling.

28. Corporate Exercise

There were no corporate proposals announced and not completed as at the reporting date.

29. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 21 August 2018, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

30. Changes in Material Litigation

There was no known material litigation as at 21 August 2018.

31. Earnings Per Share

(a) Basic

	3 months ended 30 June		6 months ended 30 June	
	2018	2017	2018	2017
Profit attributable to owners of the parent (RM'000)	5,087	3,016	7,412	6,352
Weighted average number of ordinary shares in issue ('000)	496,406	496,406	496,406	496,406
Basic earnings per share (sen)	1.02	0.61	1.49	1.28

(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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32. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2017 was not qualified.

33. 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 24 August 2018.