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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the quarter and year ended 31 December 2019
(The figures have not been audited)

		Current Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
Revenue		138,652	83,771	371,247	239,083
Cost of sales		(95,698)	(55,756)	(280,464)	(168,551)
Gross profit		42,954	28,015	90,783	70,532
Other income		357	514	1,708	952
Administrative expenses		(10,337)	(6,626)	(23,953)	(19,157)
Selling and marketing expenses		(3,380)	(2,247)	(9,785)	(6,203)
Finance costs		(4,850)	(1,343)	(10,265)	(4,310)
Profit before tax	21	24,744	18,313	48,488	41,814
Income tax expense	24	(7,972)	(5,101)	(13,518)	(11,449)
Profit for the period/year		16,772	13,212	34,970	30,365
Other comprehensive income		-	-	-	-
Total comprehensive income for the period/year		16,772	13,212	34,970	30,365
Profit for the period attributable to :					
Owners of the parent		18,113	14,104	34,210	30,138
Non-controlling interests		(1,341)	(892)	760	227
		16,772	13,212	34,970	30,365
Total comprehensive income attributable to :					
Owners of the parent		18,113	14,104	34,210	30,138
Non-controlling interests		(1,341)	(892)	760	227
		16,772	13,212	34,970	30,365

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)
For the quarter and year ended 31 December 2019
(The figures have not been audited)

Earnings Per Share attributable to owners of the parent:					
Basic, for profit for the period/year (Sen)	29	3.65	2.84	6.89	6.07
Diluted, for profit for the period/year (Sen)	29	3.65	2.84	6.89	6.07

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

IBRACO BERHAD (011286-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019 and 31 December 2018

	Note	Unaudited As at 31 December 2019 RM'000	Restated Unaudited As at 1 January 2019 RM'000	Audited As at 31 December 2018 RM'000
ASSETS				
Property, plant & equipment		41,453	29,901	29,901
Right-of-use assets		102	332	-
Investment in associate		3,430	49	49
Inventories		45,095	44,682	44,682
Completed investment properties		110,360	56,880	56,880
Investment property under construction		-	23,419	23,419
Trade and other receivables	16	290	290	290
Deferred tax assets		12,843	11,716	10,274
Total non-current assets		213,573	167,269	165,495
Inventories		363,442	381,129	390,074
Right-of-use assets		381	662	-
Trade and other receivables	16	61,869	39,362	39,362
Other current assets		128,821	86,746	86,746
Cash and bank balances		23,554	47,519	47,519
Total current assets		578,067	555,418	563,701
TOTAL ASSETS		791,640	722,687	729,196
Equity attributable to owners of the parent				
Share capital		248,203	248,203	248,203
Retained earnings		111,949	90,149	96,802
		360,152	338,352	345,005
Non-controlling interests		16,752	15,587	16,411
Total Equity		376,904	353,939	361,416
LIABILITIES				
Loans and borrowings	25	116,617	106,776	106,776
Lease liabilities		96	317	-
Trade and other payables	17	22,116	10,968	10,968
Total non-current liabilities		138,829	118,061	117,744
Loans and borrowings	25	148,828	139,482	139,482
Lease liabilities		371	651	-
Trade and other payables	17	116,537	88,757	88,757
Other current liabilities		10,171	21,797	21,797
Total current liabilities		275,907	250,687	250,036
Total liabilities		414,736	368,748	367,780
TOTAL EQUITY AND LIABILITIES		791,640	722,687	729,196

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2019
(The figures have not been audited)

	Attributable to owners of the parent			
	Non-distributable **Share capital RM'000**	*Distributable* **Retained earnings RM'000**	**Non-Controlling interests RM'000**	**Total equity RM'000**
At 1 January 2018	248,203	70,387	16,184	334,774
Total comprehensive income	-	30,138	227	30,365
Dividends on ordinary shares	-	(3,723)	-	(3,723)
At 31 December 2018	248,203	96,802	16,411	361,416
At 1 January 2019	248,203	96,802	16,411	361,416
Effect of adoption of MFRS 16	-	26	-	26
MFRS 123: Prior Year Adjustments	-	(6,679)	(824)	(7,503)
At 1 January 2019 (Restated)	248,203	90,149	15,587	353,939
Total comprehensive income	-	34,210	760	34,970
Dividends on ordinary shares	-	(12,410)	-	(12,410)
Contribution of capital by non-controlling interests	-	-	405	405
At 31 December 2019	248,203	111,949	16,752	376,904

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

IBRACO BERHAD (011286-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

(The figures have not been audited)

	12 months ended 31 December 2019 RM'000	2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	48,488	41,814
Adjustments for:		
Depreciation of property, plant and equipment	1,420	1,643
Depreciation of rights-of-use assets	712	-
Dividend income	(13)	(5)
Fair value gain on investment properties	(130)	-
Interest expenses	10,265	4,310
Interest income	(360)	(237)
Impairment of property development costs	2,842	-
Property, plant and equipment written off	-	137
Reversal of impairment of trade receivables	(249)	(142)
Operating profit before working capital changes	62,975	47,520
Changes in working capital:		
Inventories	14,432	(36,054)
Receivables	(22,258)	(8,399)
Other current assets	(51,863)	(28,426)
Payables	38,928	29,176
Other current liabilities	(9,561)	5,495
Deposits pledged for bank borrowings	-	(11)
Cash generated from operations	32,653	9,301
Interest paid	(10,265)	(11,946)
Interest received	360	237
Taxes paid	(13,067)	(11,065)
Taxes refunded	8,210	994
Net cash generated from / (used in) operating activities	17,891	(12,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits with maturity more than 3 months	(1,690)	(985)
Dividend received	13	5
Expenditure incurred on investment properties under construction	(29,931)	(16,804)
Proceeds from disposal of investment securities	-	10
Purchase of investment securities	-	(1)
Purchase of property, plant and equipment	(14,210)	(12,519)
Subscription of shares in associate	(3,381)	(49)
Net cash used in investing activities	(49,199)	(30,343)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
For the year ended 31 December 2019
(The figures have not been audited)

	12 months ended 31 December	
	2019	2018
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	(12,410)	(13,651)
Proceeds from loans and borrowings	200,730	164,140
Proceeds from issuance of shares	405	-
Repayment of finance leases	(2,439)	(2,445)
Repayment of lease liabilities	(702)	-
Repayment of loans and borrowings	(179,931)	(96,396)
Net cash generated from financing activities	5,653	51,648
Net (decrease)/increase in cash and cash equivalents	(25,655)	8,826
Cash and cash equivalents at beginning of financial year	44,791	35,965
Cash and cash equivalents at end of financial year	19,136	44,791

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

	As at 31 December	
	2019	2018
	RM'000	RM'000
Cash and bank balances	23,554	47,519
Less:		
Deposits with maturity more than 3 months	(4,054)	(2,364)
Deposits pledged for bank borrowings	(364)	(364)
Cash and cash equivalents	19,136	44,791

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018. 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 2018.

In preparing its opening statement of financial position as at 1 January 2019, the Group has adjusted the amounts previously reported in financial statements due to the adoption of MFRS 16: Leases and prior year adjustments arising from the change in accounting policy of MFRS 123: Borrowing Costs. The Group has adopted the new standard, MFRS 16 on the required effective date using the modified retrospective method. Explanation of how the adoption of MFRS 16 and prior year adjustments on MFRS 123 have affected the Group's financial statements are 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 2018.

On 1 January 2019, the Group adopted the following MFRSs:-

MFRSs

Annual Improvements to MFRS Standards 2015-2017 Cycle:
(i) Amendments to MFRS 3: Business Combinations
(ii) Amendments to MFRS 11: Joint Arrangements
(iii) Amendments to MFRS 112: Income Taxes
(iv) Amendments to MFRS 123: Borrowing Costs
IC Interpretation 23: Uncertainty over Income Tax Treatment
MFRS 16: Leases
Amendments to MFRS 9: Prepayment Features with Negative Compensation
Amendments to MFRS 119: Employee Benefits Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Other than the application of MFRS 16 and MFRS 123, 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.

2. Changes in Accounting Policies (contd.)

MFRS 16: Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard will affect primarily the accounting for the Group's operating leases. The Group adopted the new standard using the modified retrospective approach and have assessed the effects of applying the new standard on the Group's financial statements and the impact is as shown in the following table.

MFRS 123: Borrowing Costs

In November 2018, the International Financial Reporting Interpretation Committee ("IFRIC") has concluded that the Agenda Decision on IAS 23 *Borrowing Costs*, borrowing costs incurred in relation to the construction of real estate can no longer be capitalised. On 20 March 2019, Malaysia Accounting Standard Board ("MASB") has issued a Press Release with regards to the IFRIC decision on IAS 23 *Borrowing Costs*. As stated in the Press Release, MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the Malaysia Financial Reporting Standards, which are word-for-word the IFRS Standards, MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 *Borrowing Costs* to financial statements of annual periods beginning on or after 1 July 2020.

On 27 March 2019, at a forum attended by Securities Commission, MASB, auditors and industry players, MASB clarified that the Agenda Decision should be implemented as soon as the information is available. Hence, the Group has decided to early adopt the change in accounting policy and the impact on the Group's financial statements is as shown in the table below.

2. Changes in Accounting Policies (contd.)

MFRS 16: Leases & MRFS 123: Borrowing Costs (contd.)

Reconciliation of equity as at 1 January 2019:

	Audited As at 31 December 2018 RM'000	Impact of MFRS 16 RM'000	MFRS 123 Prior Year Adjustments RM'000	Restated Unaudited As at 1 January 2019 RM'000
ASSETS				
Property, plant & equipment	29,901	-	-	29,901
Right-of-use assets	-	332	-	332
Investment in associate	49	-		49
Inventories	44,682	-	-	44,682
Completed investment properties	56,880	-	-	56,880
Investment property under construction	23,419	-	-	23,419
Trade and other receivables	290	-	-	290
Deferred tax assets	10,274	-	1,442	11,716
Total non-current assets	165,495	332	1,442	167,269
Inventories	390,074	-	(8,945)	381,129
Right-of-use assets	-	662	-	662
Trade and other receivables	39,362	-	-	39,362
Other current assets	86,746	-	-	86,746
Cash and bank balances	47,519	-	-	47,519
Total current assets	563,701	662	(8,945)	555,418
TOTAL ASSETS	729,196	994	(7,503)	722,687
Equity attributable to owners of the parent				
Share capital	248,203	-	-	248,203
Retained earnings	96,802	26	(6,679)	90,149
	345,005	26	(6,679)	338,352
Non-controlling interests	16,411	-	(824)	15,587
Total Equity	361,416	26	(7,503)	353,939
LIABILITIES				
Loans and borrowings	106,776	-	-	106,776
Lease liabilities	-	317	-	317
Trade and other payables	10,968	-	-	10,968
Total non-current liabilities	117,744	317	-	118,061
Loans and borrowings	139,482	-	-	139,482
Lease liabilities	-	651	-	651
Trade and other payables	88,757	-	-	88,757
Other current liabilities	21,797	-	-	21,797
Total current liabilities	250,036	651	-	250,687
Total liabilities	367,780	968	-	368,748
TOTAL EQUITY AND LIABILITIES	729,196	994	(7,503)	722,687

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 2019.

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 2019.

6. Property, Plant and Equipment

Acquisition and Disposals

During the year ended 31 December 2019, the Group acquired property, plant and equipment with an aggregate cost of RM826,700 (year ended 31 December 2018: RM388,000) by means of finance lease. The cash outflow on acquisition of property, plant and equipment amounted to RM14,210,196 during the year ended 31 December 2019 (year ended 31 December 2018: RM12,518,835).

There were no disposal and write off during the year ended 31 December 2019 (year ended 31 December 2018: RM136,953 of property, plant and equipment were written off and the amount was included in the administrative expenses).

7. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 December 2019.

8. Dividend Paid

On 4 December 2019, the Board of Directors have approved an interim single-tier dividend of 1.00 sen per ordinary share for the financial year ending 31 December 2019. The dividend was paid on 30 December 2019 to shareholders whose name appear in the Register of Depositors on 19 December 2019.

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 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 31 December 2019 (4Q2019) and 3 months ended 31 December 2018 (4Q2018) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	4Q2019 RM'000	4Q2018 RM'000	4Q2019 RM'000	4Q2018 RM'000	4Q2019 RM'000	4Q2018 RM'000	4Q2019 RM'000	4Q2018 RM'000	4Q2019 RM'000	4Q2018 RM'000
Revenue:										
External customers	80,643	68,508	948	883	57,061	14,380	-	-	138,652	83,771
Inter-segment	-	-	-	-	26,703	34,449	(26,703)	(34,449)	-	-
Total revenue	80,643	68,508	948	883	83,764	48,829	(26,703)	(34,449)	138,652	83,771
Segment profit	1,538	4,232	110	526	23,029	10,604	67	2,951	24,744	18,313

9. Segmental Information (contd.)

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

	4Q2019 RM'000	4Q2018 RM'000
Segment profit	29,594	19,656
Finance costs	(4,850)	(1,343)
Profit before tax	24,744	18,313

Results for 12 months ended 31 December 2019 (12M2019) and 12 months ended 31 December 2018 (12M2018) are as follows:

	Property development activities		Property holding & management		Construction works		Elimination		Per consolidated financial statements	
	12M2019 RM'000	12M2018 RM'000	12M2019 RM'000	12M2018 RM'000	12M2019 RM'000	12M2018 RM'000	12M2019 RM'000	12M2018 RM'000	12M2019 RM'000	12M2018 RM'000
Revenue:										
External customers	271,449	180,049	4,001	4,076	95,797	54,958	-	-	371,247	239,083
Inter-segment	-	-	-	-	133,653	105,058	(133,653)	(105,058)	-	-
Total revenue	271,449	180,049	4,001	4,076	229,450	160,016	(133,653)	(105,058)	371,247	239,083
Segment profit	26,859	14,326	1,963	2,597	14,371	16,393	5,295	8,498	48,488	41,814

9. Segmental Information (contd.)

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

	12M2019 RM'000	12M2018 RM'000
Segment profit	58,753	46,124
Finance costs	(10,265)	(4,310)
Profit before tax	48,488	41,814

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 31 December 2019.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2019.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited 31 December 2019 RM'000	Audited 31 December 2018 RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	115,118	130,918

There were no contingent assets since the last annual statement of financial position as at 31 December 2018 till the end of the financial period.

13. Capital Commitments

	As at 31 December	
	2019 RM'000	2018 RM'000
Approved and contracted for:		
Investment properties	4,858	29,544
Property, plant and equipment	11,804	14,373
Total	16,662	43,917

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	
	2019	2018
	RM'000	RM'000
Directors	405	380
Key management personnel	883	1,067

15. Related Party Transactions

The related party transactions are as follows:

		Transaction value 3 months ended 31 December		Balance outstanding as at 31 December	
		2019	2018	2019	2018
	Note	RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		102	102	-	-
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Datuk Chew Chiaw Han	(c)				
Sales of apartment suite at The NorthBank, Avona	*	438	-	416	-

Notes

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

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

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

(c) Datuk Chew Chiaw Han is a major shareholder and Managing 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 2019 RM'000	Audited 31 December 2018 RM'000
Current		
Trade receivables		
Third parties	53,030	31,128
Less: Allowance for impairment	(887)	(1,136)
Trade receivables, net	52,143	29,992
Other receivables		
Third parties	7,182	7,660
Deposits	2,650	1,816
	9,832	9,476
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	9,726	9,370
Total trade and other receivables	61,869	39,362
Non-Current		
Other receivables		
Deposits	290	290
Total trade and other receivables (current and non-current)	62,159	39,652

Ageing analysis of trade receivables

	Unaudited 31 December 2019 RM'000	Audited 31 December 2018 RM'000
Neither past due nor impaired	16,976	7,766
1 to 150 days past due but not impaired	31,693	15,406
More than 150 days but not impaired	3,474	6,820
Impaired	887	1,136
Total trade receivables	53,030	31,128

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 RM35.17 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 2019 RM'000	Audited 31 December 2018 RM'000
Current		
Trade and other payables	54,740	46,812
Provision for projects	61,797	41,945
Total trade and other payables	116,537	88,757
Non-Current		
Trade payables	22,116	10,968
Total trade and other payables (current and non-current)	138,653	99,725

Review of Performance

18. Current Financial Quarter (4Q2019) Vs Corresponding Financial Quarter (4Q2018)

	Current Quarter 3 months ended 31 December		Changes	
	2019 RM'000	2018 RM'000	RM'000	%
Revenue	138,652	83,771	54,881	66
Operating profit	42,954	28,015	14,939	53
Profit before interest and tax	29,594	19,656	9,938	51
Profit before tax	24,744	18,313	6,431	35
Profit after tax	16,772	13,212	3,560	27
Profit for the period attributable to owners of the parent	18,113	14,104	4,009	28

The Group's revenue for 4Q2019 increased by 66% to RM138.65 million from RM83.77 million in 4Q2018. 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 and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of residential houses at The NorthBank Nova 72, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Bintulu Town Square, Tabuan Tranquility Phase 3 and The NorthBank Business Exchange Phase 1, 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 4Q2018 was mainly recognised from 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 and The NorthBank Nova 72, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3, sales of office building at The NorthBank, construction of the new Airport at Mukah, Sarawak and rental income from investment properties.

Other income decreased from RM0.51 million in 4Q2018 to RM0.36 million in 4Q2019. 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 increased to RM10.34 million from RM6.63 million in 4Q2018. The increase was mainly due to increase in staff costs, charity donation and impairment of property development costs during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 4Q2018.

19. Current 12-month financial period (12M2019) Vs corresponding 12-month financial period (12M2018)

	Cumulative Quarter 12 months ended 31 December		Changes	
	2019 RM'000	2018 RM'000	RM'000	%
Revenue	371,247	239,083	132,164	55
Operating profit	90,783	70,532	20,251	29
Profit before interest and tax	58,753	46,124	12,629	27
Profit before tax	48,488	41,814	6,674	16
Profit after tax	34,970	30,365	4,605	15
Profit for the period attributable to owners of the parent	34,210	30,138	4,072	14

The Group's profit before tax for 12M2019 increased by 16% to RM48.49 million compared to a profit before tax of RM41.81 million recorded in 12M2018.

The Group's revenue for 12M2019 increased to RM371.25 million from RM239.08 million in 12M2018. The property development segment remains the main contributor of the Group's revenue with 73% follow by the construction segment with 26%. 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 and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of residential houses at The NorthBank Nova 72 , sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at Tabuan Tranquility Phase 3, The NorthBank Business Exchange Phase 1 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 12M2018 was mainly 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 and The NorthBank Nova 72, 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 RM0.95 million to RM1.71 million in 12M2019. 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 increased to RM23.95 million compared to RM19.16 million in 12M2018. The increase was mainly due to increase in staff costs, professional fees and impairment of property development costs during the reporting period. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding period.

20. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 31 December 2019 RM'000	Immediate Preceding Quarter 3 months ended 30 September 2019 RM'000	Changes RM'000	%
Revenue	138,652	101,046	37,606	37
Operating profit	42,954	18,530	24,424	132
Profit before interest and tax	29,594	11,134	18,460	166
Profit before tax	24,744	9,100	15,644	172
Profit after tax	16,772	7,886	8,886	113
Profit for the period attributable to owners of the parent	18,113	6,453	11,660	181

The Group recorded a profit before tax of RM24.74 million compared to a profit before tax of RM9.10 million recorded in the immediate preceding quarter ended 30 September 2019.

The Group's revenue for the current financial quarter ended 31 December 2019 increased to RM138.65 million from RM101.05 million in the immediate preceding quarter ended 30 September 2019. Apart from the recognition of revenue from sales of commercial lots at ContiNew, Kuala Lumpur and sales of 3-storey shop offices at Tabuan Tranquility Phase 3 in the current financial 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 and The NorthBank Avona, sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of residential houses at The NorthBank Nova 72, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 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 RM0.29 million in the immediate preceding quarter to RM0.36 million in this reporting quarter. 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 increased from RM4.60 million in the immediate preceding quarter ended 30 September 2019 to RM10.34 million in this current financial quarter. The increase was mainly due to increase in staff costs arising from provision for bonus and impairment of property development costs during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during the immediate preceding quarter.

21. Profit Before Tax

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

	3 months ended 31 December		12 months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Depreciation of property, plant and equipment	340	383	1,420	1,643
Dividend income	(3)	(2)	(13)	(5)
Fair value gain on investment properties	-	-	(130)	-
Impairment of property development costs	2,842	-	2,842	-
Interest expenses	4,850	1,343	10,265	4,310
Interest income	(121)	(67)	(360)	(237)
Other income	(191)	(401)	(956)	(568)
Property, plant and equipment written off	-	64	-	137
Reversal of impairment of trade receivables	(42)	(44)	(249)	(142)

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 confident that the financial results will upsurge in the coming quarters as the Group have RM295.59 million unbilled sales and outstanding order book of RM132.30 million as at 31 December 2019.

With the current 632 acres of land bank, the Group plans to launch projects mainly comprising residential and commercial properties in 2020 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 had unveiled its next flagship and highly anticipated mixed development project, The NorthBank. This integrated development sits on a 123-acre land, located right opposite the Group's highly successful Tabuan Tranquility project is expected to be completed over a 5-year plan. 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.

The NorthBank got off to a roaring start with the first residential project, NOVA 72, which was launched and sold out in March 2018, providing the Group with a positive indicator to launch the subsequent developments in 2019 and after. In March 2019, the Group has officially launched the commercial space at The NorthBank as the opening chapter of The NorthBank Business Exchange. Thereafter, in June 2019, the Group has officially launched The NorthBank's latest landmark – Avona, which will be the first significant landmark to light the skyline of the Group's new avant-garde township. Avona comprises of two 12-level towers of 298 units of serviced apartment was 80% sold within the first week of launching.

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 newly acquired land last year at Bandar Petaling Jaya Selatan. The Group aims to kick off the development in 2020, taking into consideration the revision of statutory requirements and the market needs.

As for our construction segment, the Group's subsidiary, Ibraco Construction Polybuilding Construction JV Sdn Bhd has received and accepted a contract from Jabatan Bekalan Air Luar Bandar, Kuching, Sarawak for the Design, Construction, Completion, Testing and Commissioning of Proposed Package NR4 (Northen Region) for Sarawak Water Supply Grid Programme – Stressed Areas ("Project"). The contract amount for the said Project is about RM44.89 million and shall be completed within 22 months from 12 June 2019.

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 31 December		12 months ended 31 December	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax:				
- Malaysian income tax	4,823	4,955	16,353	8,497
- (Over)/under provision in respect of previous years	-	-	(1,708)	454
	4,823	4,955	14,645	8,951
Deferred tax	3,149	146	(1,127)	2,498
Total income tax expense	7,972	5,101	13,518	11,449

Income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the period.

The effective tax rate of the Group for the current financial quarter and 12 months financial period are higher than the statutory tax rate mainly due to certain expenses are not tax deductible.

25. Loans and Borrowings

	Unaudited As at 31 December 2019 RM'000	Audited As at 31 December 2018 RM'000
Short term borrowings		
Secured: Finance lease liabilities	2,307	2,349
Revolving credits	113,170	120,160
Collaterised borrowings	14,226	-
Term loans	19,125	16,973
	148,828	139,482
Long term borrowings		
Secured: Finance lease liabilities	4,076	5,646
Term loans	112,541	101,130
	116,617	106,776
Total loans and borrowings	265,445	246,258

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 31 December 2019 has increased by RM19.19 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, construction of Tunku Putra-Help International School and the Group Corporate Office as well as the construction of the new Airport at Mukah, Sarawak.

26. Corporate Exercise

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

27. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 17 February 2020, 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 17 February 2020.

29. Earnings Per Share

(a) Basic

	3 months ended 31 December 2019	3 months ended 31 December 2018	12 months ended 31 December 2019	12 months ended 31 December 2018
Profit attributable to owners of the parent (RM'000)	18,113	14,104	34,210	30,138
Weighted average number of ordinary shares in issue ('000)	496,406	496,406	496,406	496,406
Basic earnings per share (sen)	3.65	2.84	6.89	6.07

(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 2018 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 21 February 2020.