



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the quarter and year ended 31 December 2020

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue		96,284	138,652	308,494	371,247
Cost of sales		(69,044)	(94,096)	(223,058)	(278,862)
Gross profit		27,240	44,556	85,436	92,385
Other income		5,142	357	5,905	1,708
Administrative expenses		(7,042)	(10,790)	(21,422)	(24,406)
Selling and marketing expenses		(2,919)	(3,380)	(8,527)	(9,785)
Finance costs		(2,437)	(5,900)	(11,067)	(11,315)
Share of results in associate		(2,382)	-	(2,382)	-
Profit before tax	21	17,602	24,843	47,943	48,587
Income tax expense	24	(5,061)	(7,667)	(13,073)	(13,213)
Profit for the period/year		12,541	17,176	34,870	35,374
Other comprehensive income		-	-	-	-
Total comprehensive income for the period/year		12,541	17,176	34,870	35,374
Profit for the period/year attributable to :					
Owners of the parent		13,257	18,517	34,863	34,614
Non-controlling interests		(716)	(1,341)	7	760
		12,541	17,176	34,870	35,374
Total comprehensive income attributable to :					
Owners of the parent		13,257	18,517	34,863	34,614
Non-controlling interests		(716)	(1,341)	7	760
		12,541	17,176	34,870	35,374



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the quarter and year ended 31 December 2020

(The figures have not been audited)

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

Basic, for profit for the period/year (Sen)	29	2.67	3.73	7.02	6.97
Diluted, for profit for the period/year (Sen)	29	2.67	3.73	7.02	6.97

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020 and 31 December 2019

	Note	Unaudited As at 31 December 2020 RM'000	Audited As at 31 December 2019 RM'000
ASSETS			
Property, plant & equipment		60,507	51,350
Intangible asset		5,268	5,766
Investment in associate		1,783	3,430
Inventories		45,134	45,095
Completed investment properties		114,300	110,800
Trade and other receivables	16	290	290
Deferred tax assets		9,904	10,331
Total non-current assets		237,186	227,062
Inventories		342,603	363,442
Trade and other receivables	16	39,019	61,923
Other current assets		105,635	117,915
Cash and bank balances		57,790	25,270
Total current assets		545,047	568,550
TOTAL ASSETS		782,233	795,612
Equity attributable to owners of the parent			
Share capital		248,203	248,203
Retained earnings		147,216	112,353
		395,419	360,556
Non-controlling interests		15,309	16,752
Total Equity		410,728	377,308
LIABILITIES			
Loans and borrowings	25	110,306	116,713
Trade and other payables	17	14,497	22,123
Total non-current liabilities		124,803	138,836
Loans and borrowings	25	132,992	149,199
Trade and other payables	17	112,029	120,098
Other current liabilities		1,681	10,171
Total current liabilities		246,702	279,468
Total liabilities		371,505	418,304
TOTAL EQUITY AND LIABILITIES		782,233	795,612

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020
(The figures have not been audited)

	Attributable to owners of the parent			Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	
At 31 December 2018	248,203	90,123	15,587	353,913
Effect of adoption of MFRS 16	-	26	-	26
At 1 January 2019 (Restated)	248,203	90,149	15,587	353,939
Total comprehensive income	-	34,614	760	35,374
Dividends on ordinary shares	-	(12,410)	-	(12,410)
Contribution by non-controlling interest	-	-	405	405
At 31 December 2019	<u>248,203</u> =====	<u>112,353</u> =====	<u>16,752</u> =====	<u>377,308</u> =====
At 1 January 2020	248,203	112,353	16,752	377,308
Total comprehensive income	-	34,863	7	34,870
Additional investment in subsidiary	-	-	(300)	(300)
Contribution by non-controlling interest	-	-	30	30
Dividend paid to non-controlling interest	-	-	(1,180)	(1,180)
At 31 December 2020	<u>248,203</u> =====	<u>147,216</u> =====	<u>15,309</u> =====	<u>410,728</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 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

(The figures have not been audited)

	12 months ended 31 December	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	47,943	48,587
Adjustments for:		
Amortisation of intangible asset	498	-
Depreciation of property, plant and equipment	2,383	2,133
Dividend income	(11)	(13)
Fair value gain on investment properties	(3,500)	(290)
Gain from disposal of property, plant and equipments	(1)	-
Impairment of property development costs	-	2,842
Interest expenses	11,067	11,315
Interest income	(341)	(360)
Property, plant and equipment written off	67	-
Reversal of impairment of trade receivables	(120)	(249)
Share of results in associate	2,382	-
Operating profit before working capital changes	60,367	63,965
Changes in working capital:		
Inventories	20,839	14,432
Land held for developments	(39)	-
Receivables	23,024	(22,313)
Other current assets	3,315	(36,074)
Payables	(15,695)	42,497
Other current liabilities	(7,672)	(11,626)
Cash generated from operations	84,139	50,881
Interest paid	(11,067)	(14,209)
Interest received	341	360
Taxes paid	(13,116)	(13,067)
Taxes refunded	10,770	8,210
Net cash generated from operating activities	71,067	32,175
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in subsidiary	(300)	-
Contribution from non-controlling interest	-	405
Deposits with maturity more than 3 months	(140)	(1,690)
Dividend received	11	13
Expenditure incurred on investment properties under construction	-	(28,545)
Proceeds from disposal of property, plant and equipments	16	-
Purchase of intangible asset	-	(5,766)
Purchase of property, plant and equipment	(13,775)	(22,398)
Subscription of shares in associate	(735)	(3,381)
Net cash used in investing activities	(14,923)	(61,362)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the year ended 31 December 2020

(The figures have not been audited)

	12 months ended 31 December	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	-	(12,410)
Dividends paid to non-controlling interest	(1,180)	-
Proceeds from loans and borrowings	111,299	159,064
Proceeds from issuance of shares	30	-
Repayment of finance leases	(2,307)	(2,439)
Repayment of lease liabilities	(371)	(702)
Repayment of loans and borrowings	(131,235)	(138,265)
Net cash (used in) / generated from financing activities	(23,764)	5,248
Net increase / (decrease) in cash and cash equivalents	32,380	(23,939)
Cash and cash equivalents at beginning of financial year	20,852	44,791
Cash and cash equivalents at end of financial year	53,232	20,852

	As at 31 December	
	2020	2019
	RM'000	RM'000
Cash and bank balances	57,790	25,270
Less:		
Deposits with maturity more than 3 months	(4,194)	(4,054)
Deposits pledged for bank borrowings	(364)	(364)
Cash and cash equivalents	53,232	20,852

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

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

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. 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 2019.

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 2019.

On 1 January 2020, the Group adopted the following MFRSs:-

MFRSs

Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
Revised Conceptual Framework for Financial Reporting

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

3. Comments about Seasonal or Cyclical Factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 31 December 2020.

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 2020.



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6. Property, Plant and Equipment

Acquisition and Disposals

There were no acquisition of property, plant and equipment by means of finance lease during the year ended 31 December 2020 (year ended 31 December 2019: RM826,700). The cash outflow on acquisition of property, plant and equipment amounted to RM13,774,854 during the year ended 31 December 2020 (year ended 31 December 2019: RM22,397,782).

There were disposal of property, plant and equipment at RM15,995 during the year ended 31 December 2020 (year ended 31 December 2019: RM Nil).

Property, plant and equipment with the carrying amount of RM67,027 were written off during the year ended 31 December 2020 and the amount was included in the administrative expenses (31 December 2019: RM Nil).

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 2020.

8. Dividend Payable

On 25 February 2021, the Board of Directors have approved an interim single-tier dividend of 2.00 sen per ordinary share for the financial year ended 31 December 2020. The dividend is payable on 15 April 2021 to shareholder whose name appear in the Register of Depositors on 6 April 2021.



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9. Segmental Information

Geographical segment

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

Business segment

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

Results for 3 months ended 31 December 2020 (4Q2020) and 3 months ended 31 December 2019 (4Q2019) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Elimination		Per consolidated financial statements	
	4Q2020 RM'000	4Q2019 RM'000	4Q2020 RM'000	4Q2019 RM'000	4Q2020 RM'000	4Q2019 RM'000	4Q2020 RM'000	4Q2019 RM'000	4Q2020 RM'000	4Q2019 RM'000	4Q2020 RM'000	4Q2019 RM'000
Revenue:												
External customers	64,788	80,643	2,110	948	25,206	57,061	4,180	-	-	-	96,284	138,652
Inter-segment	-	-	-	-	20,793	26,703	1,202	-	(21,995)	(26,703)	-	-
Total revenue	64,788	80,643	2,110	948	45,999	83,764	5,382	-	(21,995)	(26,703)	96,284	138,652
Segment profit/(loss)	12,486	1,815	1,002	101	3,990	22,860	(94)	-	218	67	17,602	24,843



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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:

	4Q2020	4Q2019
	RM'000	RM'000
Segment profit	22,421	30,743
Finance costs	(2,437)	(5,900)
Share of results in associate	(2,382)	-
	<u> </u>	<u> </u>
Profit before tax	17,602	24,843
	=====	=====

Results for 12 months ended 31 December 2020 (12M2020) and 12 months ended 31 December 2019 (12M2019) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Elimination		Per consolidated financial statements	
	12M2020	12M2019	12M2020	12M2019	12M2020	12M2019	12M2020	12M2019	12M2020	12M2019	12M2020	12M2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue:												
External customers	202,317	271,449	7,174	4,001	91,653	95,797	7,350	-	-	-	308,494	371,247
Inter-segment	-	-	-	-	64,155	133,653	3,723	-	(67,878)	(133,653)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenue	202,317	271,449	7,174	4,001	155,808	229,450	11,073	-	(67,878)	(133,653)	308,494	371,247
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Segment profit/(loss)	33,131	27,136	2,908	1,954	10,135	14,202	(931)	-	2,700	5,295	47,943	48,587
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



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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:

	12M2020 RM'000	12M2019 RM'000
Segment profit	61,392	59,902
Finance costs	(11,067)	(11,315)
Share of results in associate	(2,382)	-
	<u>47,943</u>	<u>48,587</u>
Profit before tax	===== 47,943	===== 48,587

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 2020.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 December 2020.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited 31 December 2020 RM'000	Audited 31 December 2019 RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	123,918	115,118
	<u>123,918</u>	<u>115,118</u>

There were no contingent assets since the last annual statement of financial position as at 31 December 2019 till the end of the financial year.

13. Capital Commitments

	As at 31 December	
	2020 RM'000	2019 RM'000
Approved and contracted for:		
Investment properties	16,898	4,858
Property, plant and equipment	1,597	13,242
Total	<u>18,495</u>	<u>18,100</u>



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14. Directors and Key Management Personnel Compensation

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

	3 months ended 31 December	
	2020	2019
	RM'000	RM'000
Directors	425	405
Key management personnel	838	883

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance	
		3 months ended		Outstanding	
		31 December		as at 31	
		2020	2019	2020	2019
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		-	102	-	-
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Ho Bee Contractor & Engineering Sdn Bhd	(c)				
Quarry operation		839	-	375	-
Datuk Chew Chiaw Han					
Sales of apartment suite at The NorthBank, Avona	*	-	-	-	-

Notes

* The Sale and Purchase agreement entered into in November 2019 was rescinded in October 2020.

- (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) Ho Bee Contractor & Engineering Sdn Bhd is a company connected to the Director of the Company.

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



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16. Trade and Other Receivables

	Unaudited 31 December 2020	Audited 31 December 2019
Trade receivables		
Third parties	27,664	38,804
Bills receivables	3,013	14,226
	30,677	53,030
Less: Allowance for impairment	(767)	(887)
Trade receivables, net	29,910	52,143
Other receivables		
Third parties	5,600	7,236
Deposits	3,615	2,650
	9,215	9,886
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	9,109	9,780
Total trade and other receivables	39,019	61,923
Non-Current		
Other receivables		
Deposits	290	290
Total trade and other receivables (current and non-current)	39,309	62,213

Ageing analysis of trade receivables

	Unaudited 31 December 2020 RM'000	Audited 31 December 2019 RM'000
Neither past due nor impaired	15,568	16,977
1 to 119 days past due but not impaired	10,992	31,693
More than 120 days but not impaired	3,350	3,473
Impaired	767	887
Total trade receivables	30,677	53,030

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 RM14.34 million that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.



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17. Trade and Other Payables

	Unaudited 31 December 2020 RM'000	Audited 31 December 2019 RM'000
Current		
Trade and other payables	63,152	58,302
Provision for projects	48,877	61,796
Total trade and other payables	112,029	120,098
Non-Current		
Trade payables	14,497	22,123
Total trade and other payables (current and non-current)	126,526	142,221



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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 (4Q2020) Vs Corresponding Financial Quarter (4Q2019)

	Current Quarter 3 months ended 31 December		Changes	
	2020 RM'000	2019 RM'000	RM'000	%
Revenue	96,284	138,652	(42,368)	(31)
Operating profit	27,240	44,556	(17,316)	(39)
Profit before interest and tax	20,039	30,743	(10,704)	(35)
Profit before tax	17,602	24,843	(7,241)	(29)
Profit after tax	12,541	17,176	(4,635)	(27)
Profit for the period attributable to owners of the parent	13,257	18,517	(5,260)	(28)

The Group's revenue for 4Q2020 decreased by 31% to RM96.28 million from RM138.65 million in 4Q2019. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 and at Tabuan Tranquility Phase 3 Stage 2, sales of Small Office Home Office ("SOHO") and SOHO Commercial at Tabuan Tranquility Phase 3, sales of residential houses at The NorthBank Nova 72, The NorthBank Alyvia and at Tabuan Tranquility Phase 2 Stage 3, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of office building at The NorthBank, construction of the new Airport at Mukah and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 4Q2019 was mainly 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 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.

Other income increased from RM0.36 million in 4Q2019 to RM5.14 million in 4Q2020. Other income comprised of fair value gain on investment property, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses decreased to RM7.04 million from RM10.79 million in 4Q2019. The decrease was mainly due to decrease in staff costs in 4Q2020 and impairment of property development costs in 4Q2019. Other components of the administrative expenses have not varied much compared to those incurred during 4Q2019.



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19. Current 12-month financial period (12M2020) Vs corresponding 12-month financial period (12M2019)

	Cumulative Quarter 12 months ended 31 December		Changes	
	2020 RM'000	2019 RM'000	RM'000	%
Revenue	308,494	371,247	(62,753)	(17)
Operating profit	85,436	92,385	(6,949)	(8)
Profit before interest and tax	59,010	59,902	(892)	(1)
Profit before tax	47,943	48,587	(644)	(1)
Profit after tax	34,870	35,374	(504)	(1)
Profit for the period attributable to owners of the parent	34,863	34,614	249	1

The Group's profit before tax for 12M2020 decreased slightly to RM47.94 million from RM48.59 million recorded in 12M2019.

The Group's revenue for 12M2020 decreased to RM308.49 million from RM371.25 million in 12M2019. 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 apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of residential houses at The NorthBank Nova 72, The NorthBank Alyvia and at Tabuan Tranquility Phase 2 Stage 3, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of office building at The NorthBank, construction of the new Airport at Mukah and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 12M2019 was mainly 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.

Other income increased from RM1.71 million to RM5.91 million in 12M2020. Other income comprised of fair value gain on investment property, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses decreased to RM21.42 million compared to RM24.41 million in 12M2019. The decrease was mainly due to decrease in staff costs in 4Q2020 and impairment of property development costs in 4Q2019. 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

	Current Quarter 3 months ended 31 December 2020 RM'000	Immediate Preceding Quarter 3 months ended 30 September 2020 RM'000	Changes	
			RM'000	%
Revenue	96,284	84,929	11,355	13
Operating profit	27,240	24,807	2,433	10
Profit before interest and tax	20,039	17,186	2,853	17
Profit before tax	17,602	14,568	3,034	21
Profit after tax	12,541	10,783	1,758	16
Profit for the period attributable to owners of the parent	13,257	10,708	2,549	24

The Group recorded a profit before tax of RM17.60 million compared to a profit before tax of RM14.57 million recorded in the immediate preceding quarter ended 30 September 2020.

The Group's revenue for the current financial quarter ended 31 December 2020 increased to RM96.28 million from RM84.93 million in the immediate preceding quarter ended 30 September 2020. Apart from the recognition of revenue from sales of SOHO at Bintulu Town Square in the immediate preceding quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development and completed projects namely, sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 and at Tabuan Tranquility Phase 3 Stage 2, sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3, sales of residential houses at The NorthBank Nova 72, The NorthBank Alyvia and at Tabuan Tranquility Phase 2 Stage 3, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of office building at The NorthBank, construction of the new Airport at Mukah and construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Other income increased from RM0.25 million in the immediate preceding quarter to RM5.14 million in this reporting quarter. Other income comprised of fair value gain on investment property, adjustment to project provision, rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased from RM5.21 million in the immediate preceding quarter ended 30 September 2020 to RM7.04 million in this current financial quarter. The increase was mainly due to increase in staff costs during current reporting period. Other components of the administrative expenses have not varied much compared to those incurred during the immediate preceding quarter.



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21. Profit Before Tax

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

	3 months ended		12 months ended	
	31 December		31 December	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	124	-	498	-
Depreciation of property, plant and equipment	814	519	2,383	2,133
Dividend income	(3)	(3)	(11)	(13)
Fair value gain on investment properties	(3,500)	(160)	(3,500)	(290)
Gain from disposal of property, plant and equipment	-	-	(1)	-
Impairment of property development costs	-	2,842	-	2,842
Interest expenses	2,437	5,900	11,067	11,315
Interest income	(100)	(121)	(341)	(360)
Other income	(1,520)	(31)	(1,932)	(796)
Property, plant and equipment written off	67	-	67	-
Reversal of impairment of trade receivables	(19)	(42)	(120)	(249)
Share of results in associate	2,382	-	2,382	-

22. Group's Prospects

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

The Group is faced with rising cost of doing business and slowdown of economy resulting from the current coronavirus (COVID-19) pandemic and the enforcement of movement control order (MCO) by Malaysian Government. Although we are unable to reasonably quantify the financial impact of these events, the Group is confident to sustain these events and that the financial results would be satisfactory in the coming quarters as the Group have RM218.17 million unbilled sales and outstanding order book of RM45.82 million as at 31 December 2020.

The Group plans to launch projects mainly comprising residential and commercial properties in 2021 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects. At present the Group is focusing on a mixed development project namely, The NorthBank. This integrated development sits on a 123-acre land, located right opposite the Tabuan Tranquility project. Combining the popularity of landed residences with the growing trend of high-rise developments, and complemented with commercial components, The NorthBank offers purchasers with choices of various type of residences built within a walking distance to commercials, office units, social clubhouse, educational institution and Medical Specialist Centre.

The NorthBank got off to a good start with the first residential project, NOVA 72, which was fully sold and ready to hand over to purchasers. In March and June 2019, the Group has officially launched the commercial space and service apartments as the opening chapter of The NorthBank Business Exchange and high-rise development. The Group first townhouse development, The Alyvia was launched in November 2019. Another phase of shop office development was launched in September 2020.



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22. Group's Prospects (contd.)

Added to that, riding on the success of ContiNew Kuala Lumpur, the Group continue to venture in West Malaysia with the acquired land at Bandar Petaling Jaya Selatan in 2018. The Group aims to kick off the development in second half of 2021, taking into consideration the revision of statutory requirements and the market needs.

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

23. Actual Profit against Forecast Profit and Profit Guarantee

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

24. Income Tax Expense

	3 months ended		12 months ended	
	31 December		31 December	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	5,551	2,006	12,556	13,536
- Under/(over)provision in respect of previous years	90	-	90	(1,708)
	<u>5,641</u>	<u>2,006</u>	<u>12,646</u>	<u>11,828</u>
Deferred tax	(580)	5,661	427	1,385
Total income tax expense	<u>5,061</u>	<u>7,667</u>	<u>13,073</u>	<u>13,213</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 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 are not tax deductible.



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25. Loans and Borrowings

	Unaudited As at 31 December 2020 RM'000	Audited As at 31 December 2019 RM'000
Short term borrowings		
Secured: Finance lease liabilities	2,371	2,678
Revolving credits	102,577	113,170
Collaterised borrowings	3,013	14,226
Term loans	25,031	19,125
	<hr/> 132,992	<hr/> 149,199
Long term borrowings		
Secured: Finance lease liabilities	1,800	4,172
Term loans	108,506	112,541
	<hr/> 110,306	<hr/> 116,713
Total loans and borrowings	<hr/> 243,298	<hr/> 265,912

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

The Group did not issue any debt securities.

The Group total loans and borrowings for the current financial year as at 31 December 2020 has decreased by RM22.61 million as compared to the corresponding financial year. The decrease was mainly due to the repayment of finance lease liabilities and collaterised borrowings.

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 18 February 2021, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

28. Changes in Material Litigation

There was no known material litigation as at 18 February 2021.



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29. Earnings Per Share

(a) Basic

	3 months ended 31 December		12 months ended 31 December	
	2020	2019	2020	2019
Profit attributable to owners of the parent (RM'000)	13,257	18,517	34,863	34,614
Weighted average number of ordinary shares in issue ('000)	496,406	496,406	496,406	496,406
Basic earnings per share (sen)	2.67	3.73	7.02	6.97

(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 2019 was not qualified.

31. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2021.