



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2021

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue		54,932	71,503	54,932	71,503
Cost of sales		(36,707)	(54,310)	(36,707)	(54,310)
Gross profit		18,225	17,193	18,225	17,193
Other income		364	282	364	282
Administrative expenses		(5,635)	(4,575)	(5,635)	(4,575)
Selling and marketing expenses		(2,635)	(1,718)	(2,635)	(1,718)
Finance costs		(2,113)	(3,466)	(2,113)	(3,466)
Profit before tax	20	8,206	7,716	8,206	7,716
Income tax expense	23	(2,250)	(2,254)	(2,250)	(2,254)
Profit for the period		5,956	5,462	5,956	5,462
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,956	5,462	5,956	5,462
Profit for the period attributable to :					
Owners of the parent		5,576	5,413	5,576	5,413
Non-controlling interests		380	49	380	49
		5,956	5,462	5,956	5,462
Total comprehensive income attributable to :					
Owners of the parent		5,576	5,413	5,576	5,413
Non-controlling interests		380	49	380	49
		5,956	5,462	5,956	5,462



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the three-month period ended 31 March 2021

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	28	1.12	1.09	1.12	1.09
Diluted, for profit for the period (Sen)	28	1.12	1.09	1.12	1.09

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



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021 and 31 December 2020

	Note	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2020 RM'000
ASSETS			
Property, plant & equipment		63,243	60,507
Intangible asset		5,143	5,268
Investment in an associate		1,783	1,783
Inventories		45,134	45,134
Completed investment properties		114,300	114,300
Investment property under construction		2,502	2,096
Trade and other receivables	16	290	290
Deferred tax assets		9,897	10,340
Total non-current assets		242,292	239,718
Inventories		323,553	340,640
Trade and other receivables	16	40,731	36,032
Other current assets		118,789	109,838
Cash and bank balances		55,808	58,329
Total current assets		538,881	544,839
TOTAL ASSETS		781,173	784,557
Equity attributable to owners of the parent			
Share capital		248,203	248,203
Retained earnings		401,101	395,501
Non-controlling interests		14,141	15,281
Total Equity		415,242	410,782
LIABILITIES			
Loans and borrowings	24	104,600	109,575
Trade and other payables	17	15,554	14,497
Total non-current liabilities		120,154	124,072
Loans and borrowings	24	142,141	132,992
Trade and other payables	17	99,045	113,409
Other current liabilities		3,047	990
Income tax payable		1,544	2,312
Total current liabilities		245,777	249,703
Total liabilities		365,931	373,775
TOTAL EQUITY AND LIABILITIES		781,173	784,557

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2021
(The figures have not been audited)

	Attributable to owners of the parent			Total equity RM'000
	<i>Non-distributable</i> Share capital RM'000	<i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	
At 1 January 2020	248,203	112,353	16,752	377,308
Total comprehensive income	-	34,917	7	34,924
Acquisition of non-controlling interest	-	28	(328)	(300)
Contribution by non-controlling interest	-	-	30	30
Dividend paid to non-controlling interest	-	-	(1,180)	(1,180)
At 31 December 2020	<u>248,203</u> =====	<u>147,298</u> =====	<u>15,281</u> =====	<u>410,782</u> =====
At 1 January 2021	248,203	147,298	15,281	410,782
Total comprehensive income	-	5,576	380	5,956
Acquisition of non-controlling interest	-	(5)	(21)	(26)
Contribution by non-controlling interest	-	29	1	30
Dividend paid to non-controlling interest	-	-	(1,500)	(1,500)
At 31 March 2021	<u>248,203</u> =====	<u>152,898</u> =====	<u>14,141</u> =====	<u>415,242</u> =====

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



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2021

(The figures have not been audited)

	3 months ended 31 March	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,206	7,716
Adjustments for:		
Amortisation of intangible asset	125	125
Depreciation of property, plant and equipment	1,291	471
Dividend income	(3)	(3)
Gain from disposal of property, plant and equipment	(20)	-
Interest expenses	2,113	3,466
Interest income	(85)	(78)
Reversal of impairment of trade receivables	(26)	(54)
Operating profit before working capital changes	11,601	11,643
Changes in working capital:		
Deposit pledged for bank borrowings	(25)	-
Inventories	17,087	4,510
Receivables	(4,673)	8,716
Other current assets	(8,951)	22,825
Payables	(13,277)	(28,806)
Other current liabilities	2,508	17,178
Cash generated from operations	4,270	36,066
Interest paid	(2,113)	(3,466)
Interest received	85	78
Taxes paid	(2,575)	(4,049)
Taxes refunded	-	6,624
Net cash (used in)/generated from operating activities	(333)	35,253
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit with maturity more than three months	(3,815)	-
Dividend received	3	3
Expenditure incurred on investment properties under construction	(406)	-
Proceeds from disposal of property, plant and equipment	20	-
Purchase of property, plant and equipment	(4,478)	(4,396)
Net cash used in investing activities	(8,676)	(4,393)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the three-month period ended 31 March 2021

(The figures have not been audited)

	3 months ended 31 March	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	(26)	-
Dividends paid to non-controlling interest	(1,500)	-
Proceeds from loans and borrowings	34,419	42,477
Proceeds from issuance of shares	-	30
Repayment of finance leases	(577)	(579)
Repayment of lease liability	(32)	(172)
Repayment of loans and borrowings	(29,636)	(61,812)
Net cash generated from/(used in) financing activities	2,648	(20,056)
Net (decrease)/increase in cash and cash equivalents	(6,361)	10,804
Cash and cash equivalents at beginning of financial period	53,771	20,852
Cash and cash equivalents at end of financial period	47,410	31,656

	As at 31 March	
	2021	2020
	RM'000	RM'000
Cash and bank balances	55,808	36,074
Less:		
Deposits with maturity more than 3 months	(8,009)	(4,054)
Deposits pledged for bank borrowings	(389)	(364)
Cash and cash equivalents	47,410	31,656

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



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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

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

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

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

2. Changes in Accounting Policies

Except as described below, the significant accounting policies adopted are consistent with those of the audited financial statement for the year ended 31 December 2020.

On 1 January 2021, the Group adopted Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform Phase 2.

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 March 2021.

5. Significant Estimates and Changes in Estimates

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



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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 three months ended 31 March 2021 (three months ended 31 March 2020: RM Nil). The cash outflow on acquisition of property, plant and equipment amounted to RM64,718 during the three months ended 31 March 2021 (three months ended 31 March 2020: RM4,395,629).

There were disposal of property, plant and equipment at RM20,000 during the three months ended 31 March 2021 (three months ended 31 March 2020: 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 March 2021.

8. Dividend Paid

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 was paid 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 March 2021 (1Q2021) and 3 months ended 31 March 2020 (1Q2020) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Elimination		Per consolidated financial statements	
	1Q2021 RM'000	1Q2020 RM'000	1Q2021 RM'000	1Q2020 RM'000	1Q2021 RM'000	1Q2020 RM'000	1Q2021 RM'000	1Q2020 RM'000	1Q2021 RM'000	1Q2020 RM'000	1Q2021 RM'000	1Q2020 RM'000
Revenue:												
External customers	43,935	47,549	2,107	1,258	4,755	22,696	4,135	-	-	-	54,932	71,503
Inter-segment	-	-	-	-	14,009	17,968	-	-	(14,009)	(17,968)	-	-
Total revenue	43,935	47,549	2,107	1,258	18,764	40,664	4,135	-	(14,009)	(17,968)	54,932	71,503
Segment profit/(loss)	6,824	6,064	1,311	131	(288)	901	219	(518)	140	1,138	8,206	7,716



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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:

	1Q2021 RM'000	1Q2020 RM'000
Segment profit	10,319	11,182
Finance costs	(2,113)	(3,466)
Profit before tax	<u>8,206</u> =====	<u>7,716</u> =====

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 March 2021.

11. Changes in Composition of the Group

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

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

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

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

13. Capital Commitments

	As at 31 March	
	2021 RM'000	2020 RM'000
Approved and contracted for:		
Investment properties	2,283	4,854
Property, plant and equipment	14,575	6,976
Total	<u>16,858</u>	<u>11,830</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 March	
	2021	2020
	RM'000	RM'000
Directors	614	635
Key management personnel	567	650

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance	
		3 months ended		Outstanding	
		31 March		as at 31 March	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Rental expense on premises		-	102	-	-
Sales of townhouses at The NorthBank, Alyvia	*	-	1,370	-	1,233
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Ho Bee Contractor & Engineering Sdn Bhd	(c)				
Quarry operation		942	-	354	-

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 who 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 March 2021	Audited 31 December 2020
Trade receivables		
Third parties	33,514	26,931
Bills receivables	809	3,013
	34,323	29,944
Less: Allowance for impairment	(741)	(767)
Trade receivables, net	33,582	29,177
Other receivables		
Third parties	3,475	3,346
Deposits	3,780	3,615
	7,255	6,961
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	7,149	6,855
Total trade and other receivables	40,731	36,032
Non-Current		
Other receivables		
Deposits	290	290
Total trade and other receivables (current and non-current)	41,021	36,322

Ageing analysis of trade receivables

	Unaudited 31 March 2021 RM'000	Audited 31 December 2020 RM'000
Neither past due nor impaired	17,301	15,474
1 to 119 days past due but not impaired	12,239	10,372
More than 120 days but not impaired	4,042	3,331
Impaired	741	767
Total trade receivables	34,323	29,944

Trade receivables are non-interest bearing and are generally on 14 to 30 day terms. Other credit terms are assessed and approved on a case-by case basis. The Group has trade receivables amounting to RM16.28 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 March 2021 RM'000	Audited 31 December 2020 RM'000
Current		
Trade and other payables	54,645	64,532
Provision for projects	44,400	48,877
Total trade and other payables	<u>99,045</u>	<u>113,409</u>
Non-Current		
Trade payables	<u>15,554</u>	<u>14,497</u>
Total trade and other payables (current and non-current)	<u>114,599</u>	<u>127,906</u>



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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 (1Q2021) Vs Corresponding Financial Quarter (1Q2020)

	Current Quarter 3 months ended 31 March		Changes	
	2021 RM'000	2020 RM'000	RM'000	%
Revenue	54,932	71,503	(16,571)	(23)
Operating profit	18,225	17,193	1,032	6
Profit before interest and tax	10,319	11,182	(863)	(8)
Profit before tax	8,206	7,716	490	6
Profit after tax	5,956	5,462	494	9
Profit for the period attributable to owners of the parent	5,576	5,413	163	3

The Group's revenue for 1Q2021 decreased by 23% to RM54.93 million from RM71.50 million in 1Q2020. 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, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO Commercial at Bintulu Town Square, sales of residential houses at The NorthBank Nova 72 and The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, 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 1Q2020 was mainly 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 service apartments at The NorthBank Avona, sales of residential houses at The NorthBank Nova 72, sales of condominiums at the Park Residence, sales of 3-storey shop offices at 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 construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project and rental income from investment properties.

Other income increased from RM0.28 million in 1Q2020 to RM0.36 million in 1Q2021. Other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses increased to RM5.64 million from RM4.58 million in 1Q2020. The increase was mainly due to increase in depreciation in 1Q2021. Other components of the administrative expenses have not varied much compared to those incurred during 1Q2020.



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19. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 31 March 2021 RM'000	Immediate Preceding Quarter 3 months ended 31 December 2020 RM'000	Changes	
			RM'000	%
Revenue	54,932	96,285	(41,353)	(43)
Operating profit	18,225	27,030	(8,805)	(33)
Profit before interest and tax	10,319	19,712	(9,393)	(48)
Profit before tax	8,206	18,196	(9,990)	(55)
Profit after tax	5,956	12,595	(6,639)	(53)
Profit for the period attributable to owners of the parent	5,576	13,311	(7,735)	(58)

The Group recorded a profit before tax of RM8.21 million compared to a profit before tax of RM18.20 million recorded in the immediate preceding quarter ended 31 December 2020.

The Group's revenue for the current financial quarter ended 31 March 2021 decreased to RM54.93 million from RM96.29 million in the immediate preceding quarter ended 31 December 2020. Apart from the recognition of revenue from sales of SOHO and SOHO Commercial at Tabuan Tranquility Phase 3, sales of residential houses at Tabuan Tranquility Phase 2 Stage 3, sales of office building at The NorthBank, construction of the new airport at Mukah in the immediate preceding quarter and sales of 3-storey shop offices and SOHO Commercial at Bintulu Town Square in current quarter, the revenue source for both financial quarters are similar, i.e. recognition from on-going development and completed projects namely, sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 and at Tabuan Tranquility Phase 3 Stage 2, sales of residential houses at The NorthBank Nova 72 and The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, quarry operation and rental income from investment properties.

Other income decreased from RM5.14 million in the immediate preceding quarter to RM0.36 million in this reporting quarter. Other income comprised of rental income earned from unsold properties, dividend income and interest income earned from short term placement with licensed banks, reversal of impairment of trade receivables, gain from disposal of property, plant and equipment, tender documents fee and administrative charges for sub-sales and re-financing.

Administrative expenses decreased from RM7.16 million in the immediate preceding quarter ended 31 December 2020 to RM5.64 million in this current financial quarter. The decrease was mainly due to decrease 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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20. Profit Before Tax

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

	3 months ended		3 months ended	
	31 March		31 March	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	125	125	125	125
Depreciation of property, plant and equipment	1,291	471	1,291	471
Dividend income	(3)	(3)	(3)	(3)
Gain from disposal of property, plant and equipment	(20)	-	(20)	-
Interest expenses	2,113	3,466	2,113	3,466
Interest income	(85)	(78)	(85)	(78)
Other income	(230)	(147)	(230)	(147)
Reversal of impairment of trade receivables	(26)	(54)	(26)	(54)

21. 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 RM208.32 million unbilled sales and outstanding order book of RM32.71 million as at 31 March 2021.

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.

We have completed and handed over the first residential project of The NorthBank in 2020 and are now ready to hand over the first shop office development to purchasers. These two projects are fully sold prior to completion. Other on-going projects at The NorthBank include Avona Residence comprising two blocks of 12-storey service apartments, Alyvia Residence with 102 units of townhouse and shop Office development. More residential development would be launched during the financial 2021.



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21. 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 demands.

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.

22. 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.

23. Income Tax Expense

	3 months ended 31 March		3 months ended 31 March	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax:				
- Malaysian income tax	1,807	1,658	1,807	1,658
Deferred tax	443	596	443	596
Total income tax expense	<u>2,250</u>	<u>2,254</u>	<u>2,250</u>	<u>2,254</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 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.

24. Loans and Borrowings

	Unaudited As at 31 March 2021 RM'000	Unaudited As at 31 March 2020 RM'000	Audited As at 31 December 2020 RM'000
	Short term borrowings		
Secured: Finance lease liabilities	2,319	2,536	2,371
Revolving credits	109,900	109,304	102,577
Collateralised borrowings	809	6,595	3,013
Term loans	29,113	14,389	25,031
	<u>142,141</u>	<u>132,824</u>	<u>132,992</u>
Long term borrowings			
Secured: Finance lease liabilities	1,244	3,563	1,801
Term loans	103,356	109,439	107,774
	<u>104,600</u>	<u>113,002</u>	<u>109,575</u>
Total loans and borrowings	<u>246,741</u>	<u>245,826</u>	<u>242,567</u>



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24. 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 31 March 2021 has increased by RM0.92 million as compared to the corresponding financial period.

25. Corporate Exercise

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

26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 21 May 2021, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

27. Changes in Material Litigation

There was no known material litigation as at 21 May 2021.

28. Earnings Per Share

(a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2021	2020	2021	2020
Profit attributable to owners of the parent (RM'000)	5,576	5,413	5,576	5,413
Weighted average number of ordinary shares in issue ('000)	496,406	496,406	496,406	496,406
Basic earnings per share (sen)	1.12	1.09	1.12	1.09

(b) Diluted

There are no dilutive potential ordinary shares. As such, the diluted earnings per share of the Group is equal to basic earnings per share.



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29. Auditors' Report on Preceding Annual Financial Statements

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

30. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 May 2021.