



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2021

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue		82,686	84,929	177,369	212,210
Cost of sales		(62,293)	(60,122)	(123,764)	(154,014)
Gross profit		20,393	24,807	53,605	58,196
Other income		250	253	846	763
Administrative expenses		(7,026)	(5,211)	(19,087)	(14,380)
Selling and marketing expenses		(2,633)	(2,663)	(7,316)	(5,608)
Finance costs		(2,641)	(2,618)	(7,096)	(8,630)
Profit before tax	21	8,343	14,568	20,952	30,341
Income tax expense	24	(3,091)	(3,785)	(6,644)	(8,012)
Profit for the period		5,252	10,783	14,308	22,329
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,252	10,783	14,308	22,329
Profit for the period attributable to :					
Owners of the parent		5,149	10,708	13,548	21,606
Non-controlling interests		103	75	760	723
		5,252	10,783	14,308	22,329
Total comprehensive income attributable to :					
Owners of the parent		5,149	10,708	13,548	21,606
Non-controlling interests		103	75	760	723
		5,252	10,783	14,308	22,329



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the nine-month period ended 30 September 2021

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	29	1.04	2.16	2.73	4.35
Diluted, for profit for the period (Sen)	29	1.04	2.16	2.73	4.35

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 30 September 2021 and 31 December 2020

	Note	Unaudited As at 30 September 2021 RM'000	Audited As at 31 December 2020 RM'000
ASSETS			
Property, plant & equipment		61,900	60,507
Intangible asset		4,895	5,268
Investment in an associate		2,763	1,783
Investment in joint venture		300	-
Inventories		43,289	45,134
Completed investment properties		114,300	114,300
Investment property under construction		3,512	2,096
Trade and other receivables	16	290	290
Deferred tax assets		12,647	10,340
Total non-current assets		243,896	239,718
Inventories		310,898	340,640
Trade and other receivables	16	35,933	36,032
Other current assets		130,106	109,838
Cash and bank balances		41,005	58,329
Total current assets		517,942	544,839
TOTAL ASSETS		761,838	784,557
Equity attributable to owners of the parent			
Share capital		248,203	248,203
Retained earnings		150,942	147,298
		399,145	395,501
Non-controlling interests		9,721	15,281
Total Equity		408,866	410,782
LIABILITIES			
Loans and borrowings	25	94,756	109,575
Trade and other payables	17	9,975	14,497
Total non-current liabilities		104,731	124,072
Loans and borrowings	25	141,587	132,992
Trade and other payables	17	98,015	113,409
Other current liabilities		5,445	990
Income tax payable		3,194	2,312
Total current liabilities		248,241	249,703
Total liabilities		352,972	373,775
TOTAL EQUITY AND LIABILITIES		761,838	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 nine-month period ended 30 September 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	-	13,548	760	14,308
Acquisition of non-controlling interest	-	(5)	(21)	(26)
Contribution by non-controlling interest	-	29	1	30
Dividends on ordinary shares	-	(9,928)	-	(9,928)
Dividends paid to non-controlling interest	-	-	(6,300)	(6,300)
At 30 September 2021	<u>248,203</u> =====	<u>150,942</u> =====	<u>9,721</u> =====	<u>408,866</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 nine-month period ended 30 September 2021

(The figures have not been audited)

	9 months ended 30 September	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	20,952	30,341
Adjustments for:		
Amortisation of intangible asset	373	374
Depreciation of property, plant and equipment	4,507	1,569
Dividend income	(10)	(8)
Gain from disposal of property, plant and equipments	(20)	(1)
Interest expenses	7,096	8,630
Interest income	(206)	(241)
Reversal of impairment of trade receivables	(90)	(101)
Operating profit before working capital changes	32,602	40,563
Changes in working capital:		
Deposit pledged for bank borrowings	(25)	-
Inventories	29,742	23,581
Land held for developments	1,845	(39)
Receivables	189	2,815
Other current assets	(20,268)	26,698
Payables	(19,886)	(35,206)
Other current liabilities	5,275	4,340
Cash generated from operations	29,474	62,752
Interest paid	(7,096)	(8,630)
Interest received	206	241
Taxes paid	(8,701)	(9,938)
Taxes refunded	632	6,624
Net cash generated from operating activities	14,515	51,049
CASH FLOWS FROM INVESTING ACTIVITIES		
Additional investment in subsidiary	-	(300)
Deposits with maturity more than 3 months	(3,902)	(122)
Dividend received	10	8
Expenditure incurred on investment properties under construction	(1,416)	-
Proceeds from disposal of property, plant and equipment	20	15
Purchase of property, plant and equipment	(6,387)	(10,536)
Subscription of shares in associate	(1,280)	-
Net cash used in investing activities	(12,955)	(10,935)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the nine-month period ended 30 September 2021

(The figures have not been audited)

	9 months ended 30 September	
	2021	2020
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	(26)	-
Dividends paid on ordinary shares	(9,928)	-
Dividends paid to non-controlling interest	(6,300)	(1,180)
Proceeds from loans and borrowings	59,314	81,874
Proceeds from issuance of shares	-	30
Repayment of finance leases	(1,726)	(1,739)
Repayment of lease liabilities	(124)	(338)
Repayment of loans and borrowings	(64,021)	(101,591)
Net cash used in financing activities	(22,811)	(22,944)
Net (decrease)/increase in cash and cash equivalents	(21,251)	17,170
Cash and cash equivalents at beginning of financial period	53,771	20,852
Cash and cash equivalents at end of financial period	32,520	38,022

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

	As at 30 September	
	2021	2020
	RM'000	RM'000
Cash and bank balances	41,005	42,562
Less:		
Deposits with maturity more than 3 months	(8,096)	(4,176)
Deposits pledged for bank borrowings	(389)	(364)
Cash and cash equivalents	32,520	38,022

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

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

On 1 January 2021, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

- Amendments to MFRS 16 Leases - Covid-19-Related Rent Concessions
- Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - Interest Rate Benchmark Reform - Phase 2

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

3. Comments about Seasonal or Cyclical Factors

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

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

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 September 2021.

5. Significant Estimates and Changes in Estimates

There were no changes in estimates that have had any material effect on the quarter ended 30 September 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 nine months ended 30 September 2021 (nine months ended 30 September 2020: RM NIL). The cash outflow on acquisition of property, plant and equipment amounted to RM6,387,423 during the nine months ended 30 September 2021 (nine months ended 30 September 2020: RM10,536,376).

There were disposal of property, plant and equipment at RM20,000 during the nine months ended 30 September 2021 (nine months ended 30 September 2020: RM15,000).

7. Debt and Equity Securities

On 13 October 2021, the Company has completed Private Placement of up to 10% of the total number of issued shares in the Company, i.e. 49,640,565 new ordinary shares at RM0.4760 per placement share. Arising from this, the Company's issued and paid up share capital has increased to RM271,831,735, comprising 546,046,217 ordinary shares. Except for the abovementioned, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 September 2021.

8. Dividend Paid

There was no dividend paid during the quarter ended 30 September 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 30 September 2021 (3Q2021) and 3 months ended 30 September 2020 (3Q2020) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry		Elimination		Per consolidated financial statements	
	3Q2021 RM'000	3Q2020 RM'000	3Q2021 RM'000	3Q2020 RM'000	3Q2021 RM'000	3Q2020 RM'000	3Q2021 RM'000	3Q2020 RM'000	3Q2021 RM'000	3Q2020 RM'000	3Q2021 RM'000	3Q2020 RM'000
Revenue:												
External customers	51,035	49,537	2,107	1,413	22,801	30,930	6,743	3,049	-	-	82,686	84,929
Inter-segment	-	-	-	-	13,500	11,367	-	2,521	(13,500)	(13,888)	-	-
Total revenue	51,035	49,537	2,107	1,413	36,301	42,297	6,743	5,570	(13,500)	(13,888)	82,686	84,929
Segment profit/(loss)	10,331	9,373	1,273	318	(4,400)	3,917	425	22	714	938	8,343	14,568



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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:

	3Q2021	3Q2020
	RM'000	RM'000
Segment profit	10,984	17,186
Finance costs	(2,641)	(2,618)
	<u>8,343</u>	<u>14,568</u>
Profit before tax	===== 8,343	===== 14,568

Results for 9 months ended 30 September 2021 (9M2021) and 9 months ended 30 September 2020 (9M2020) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry		Elimination		Per consolidated financial statements	
	9M2021	9M2020	9M2021	9M2020	9M2021	9M2020	9M2021	9M2020	9M2021	9M2020	9M2021	9M2020
	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	124,199	137,529	6,321	5,064	30,445	66,447	16,404	3,170	-	-	177,369	212,210
Inter-segment	-	-	-	-	40,032	43,362	-	2,521	(40,032)	(45,883)	-	-
	<u>124,199</u>	<u>137,529</u>	<u>6,321</u>	<u>5,064</u>	<u>70,477</u>	<u>109,809</u>	<u>16,404</u>	<u>5,691</u>	<u>(40,032)</u>	<u>(45,883)</u>	<u>177,369</u>	<u>212,210</u>
Total revenue	===== 124,199	===== 137,529	===== 6,321	===== 5,064	===== 70,477	===== 109,809	===== 16,404	===== 5,691	===== (40,032)	===== (45,883)	===== 177,369	===== 212,210
Segment profit/(loss)	20,424	20,645	3,747	1,906	(5,646)	6,145	1,250	(837)	1,177	2,482	20,952	30,341
	===== 20,424	===== 20,645	===== 3,747	===== 1,906	===== (5,646)	===== 6,145	===== 1,250	===== (837)	===== 1,177	===== 2,482	===== 20,952	===== 30,341



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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:

	9M2021	9M2020
	RM'000	RM'000
Segment profit	28,048	38,971
Finance costs	(7,096)	(8,630)
	<hr/>	<hr/>
Profit before tax	20,952	30,341
	=====	=====

10. Event After the Reporting Period

On 2 November 2021, the Company accepted the Letter of Award from Lestari Asiabina Sdn Bhd as a turnkey contractor for the construction of various development components on Lot 6036 Block 26 Muara Tuang Land District, Kuching.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2021.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited	Audited
	30 September	31 December
	2021	2020
	RM'000	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	156,918	123,918
	<hr/>	<hr/>

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 30 September	2020
	2021	2020
	RM'000	RM'000
Approved and contracted for:		
Investment properties	1,666	17,847
Property, plant and equipment	13,242	2,022
Total	<hr/>	<hr/>
	14,908	19,869



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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 30 September	
	2021	2020
	RM'000	RM'000
Directors	423	380
Key management personnel	569	491

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance	
		3 months ended		Outstanding	
		30 September		as at 30	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank Alyvia	*	-	-	137	754
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Lian Hua Seng Sdn Bhd	(b)				
Purchase of goods		3	-	-	-
Ho Bee Contractor & Engineering Sdn Bhd	(c)				
Quarry operation		1,459	936	467	711

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) 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 30 September 2021	Audited 31 December 2020
Trade receivables		
Third parties	27,798	26,931
Bills receivables	535	3,013
	28,333	29,944
Less: Allowance for impairment	(677)	(767)
Trade receivables, net	27,656	29,177
Other receivables		
Third parties	4,875	3,346
Deposits	3,508	3,615
	8,383	6,961
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	8,277	6,855
Total trade and other receivables	35,933	36,032
Non-Current		
Other receivables		
Deposits	290	290
Total trade and other receivables (current and non-current)	36,223	36,322

Ageing analysis of trade receivables

	Unaudited 30 September 2021 RM'000	Audited 31 December 2020 RM'000
Neither past due nor impaired	15,471	15,474
1 to 119 days past due but not impaired	10,657	10,372
More than 120 days but not impaired	1,528	3,331
Impaired	677	767
Total trade receivables	28,333	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 RM12.19 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 30 September 2021 RM'000	Audited 31 December 2020 RM'000
Current		
Trade and other payables	58,964	64,532
Provision for projects	39,051	48,877
Total trade and other payables	98,015	113,409
Non-Current		
Trade payables	9,975	14,497
Total trade and other payables (current and non-current)	107,990	127,906



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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 (3Q2021) Vs Corresponding Financial Quarter (3Q2020)

	Current Quarter 3 months ended 30 September		Changes	
	2021 RM'000	2020 RM'000	RM'000	%
Revenue	82,686	84,929	(2,243)	(3)
Operating profit	20,393	24,807	(4,414)	(18)
Profit before interest and tax	10,984	17,186	(6,202)	(36)
Profit before tax	8,343	14,568	(6,225)	(43)
Profit after tax	5,252	10,783	(5,531)	(51)
Profit for the period attributable to owners of the parent	5,149	10,708	(5,559)	(52)

The Group's revenue for 3Q2021 decreased by 3% to RM82.69 million from RM84.93 million in 3Q2020. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur and at The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 1 & 2, sales of Small Office Home Office ("SOHO") commercial at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia, sales of condominiums at the Park Residence, sales of apartments at Stutong Heights, sales of vacant lots at Tabuan Tranquility Phase 5, 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 3Q2020 was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur and 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 at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of 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 remained at RM0.25 million in 3Q2021 as compared to 3Q2020. 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 RM7.03 million from RM5.21 million in 3Q2020. The increase was mainly due to increase in depreciation of property, plant and equipment and staff costs during the current financial quarter. Other components of the administrative expenses have not varied much compared to those incurred during 3Q2020.



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19. Current 9-month financial period (9M2021) Vs corresponding 9-month financial period (9M2020)

	Cumulative Quarter 9 months ended 30 September		Changes	
	2021 RM'000	2020 RM'000	RM'000	%
Revenue	177,369	212,210	(34,841)	(16)
Operating profit	53,605	58,196	(4,591)	(8)
Profit before interest and tax	28,048	38,971	(10,923)	(28)
Profit before tax	20,952	30,341	(9,389)	(31)
Profit after tax	14,308	22,329	(8,021)	(36)
Profit for the period attributable to owners of the parent	13,548	21,606	(8,058)	(37)

The Group's profit before tax for 9M2021 decreased by 31% to RM20.95 million compared to a profit before tax of RM30.34 million recorded in 9M2020.

The Group's revenue for 9M2021 decreased to RM177.37 million from RM212.21 million in 9M2020. 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 & 2, 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, sales of vacant lots at Tabuan Tranquility Phase 5, 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 9M2020 was mainly recognised from the sales of apartment suites at ContiNew, Kuala Lumpur and 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.

Other income increased from RM0.76 million to RM0.85 million in 9M2021. 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 RM19.09 million compared to RM14.38 million in 9M2020. The increase was mainly due to increase in depreciation of property, plant and equipment and staff costs incurred during the reporting period. Other components of the administrative expenses have not varied much compared to those incurred during the corresponding period.



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20. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 30 September 2021 RM'000	Immediate Preceding Quarter 3 months ended 30 June 2021 RM'000	Changes	
			RM'000	%
Revenue	82,686	39,751	42,935	108
Operating profit	20,393	14,987	5,406	36
Profit before interest and tax	10,984	6,745	4,239	63
Profit before tax	8,343	4,403	3,940	89
Profit after tax	5,252	3,100	2,152	69
Profit for the period attributable to owners of the parent	5,149	2,823	2,326	82

The Group recorded a profit before tax of RM8.34 million compared to a profit before tax of RM4.40 million recorded in the immediate preceding quarter ended 30 June 2021.

The Group's revenue for the current financial quarter ended 30 September 2021 increased to RM82.69 million from RM39.75 million in the immediate preceding quarter ended 30 June 2021. Apart from the recognition of revenue from sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2 and at Bintulu Town Square, sales of residential houses at The NorthBank Nova 72 in the immediate preceding quarter and sales of condominiums at the Park Residence, sales of vacant lots at Tabuan Tranquility Phase 5, construction of the new Airport at Mukah 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 & 2, sales of SOHO commercial at Bintulu Town Square, sales of residential houses at The NorthBank Alyvia, 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 increased slightly from RM0.23 million in the immediate preceding quarter to RM0.25 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 RM6.43 million in the immediate preceding quarter ended 30 June 2021 to RM7.03 million in this current financial quarter. The increase was mainly due to increase in depreciation of property, plant and equipment and 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		9 months ended	
	30 September		30 September	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	124	125	373	374
Depreciation of property, plant and equipment	1,705	640	4,507	1,569
Dividend income	(3)	(2)	(10)	(8)
Gain from disposal of property, plant and equipment	-	(1)	(20)	(1)
Interest expenses	2,641	2,618	7,096	8,630
Interest income	(60)	(65)	(206)	(241)
Other income	(146)	(152)	(520)	(412)
Reversal of impairment of trade receivables	(41)	(33)	(90)	(101)

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, with the introduction of National Recovery Plan and the additional stimulus package, the Group is confident to sustain these events and projected that the financial results would be satisfactory in the coming quarters as the Group have RM252.02 million unbilled sales and outstanding order book of RM325.16 million as at 30 September 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 also handed over the first shop office development to purchasers in the first quarter 2021. 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, Renna Residence offering 296 units of service apartment and shop office development. More residential development would be launched during the financial 2021.

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 quarter of 2021, taking into consideration the revision of statutory requirements and the market demands.



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22. Group's Prospects (contd.)

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

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 30 September		9 months ended 30 September	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax:				
- Malaysian income tax	5,750	3,245	8,993	7,005
- Overprovision in respect of previous years	(42)	-	(42)	-
	5,708	3,245	8,951	7,005
Deferred tax	(2,617)	540	(2,307)	1,007
Total income tax expense	3,091	3,785	6,644	8,012

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.



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25. Loans and Borrowings

	Unaudited As at 30 September 2021 RM'000	Unaudited As at 30 September 2020 RM'000	Audited As at 31 December 2020 RM'000
Short term borrowings			
Secured: Finance lease liabilities	2,154	2,423	2,371
Revolving credits	119,942	109,876	102,577
Collaterised borrowings	535	1,716	3,013
Term loans	18,956	22,429	25,031
	141,587	136,444	132,992
Long term borrowings			
Secured: Finance lease liabilities	501	2,350	1,801
Term loans	94,255	105,324	107,774
	94,756	107,674	109,575
Total loans and borrowings	236,343	244,118	242,567

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

The Group did not issue any debt securities.

The Group total loans and borrowings for the current financial period as at 30 September 2021 has decreased by RM7.78 million as compared to the corresponding financial period. 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 19 November 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 19 November 2021.



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29. Earnings Per Share

(a) Basic

	3 months ended 30 September		9 months ended 30 September	
	2021	2020	2021	2020
Profit attributable to owners of the parent (RM'000)	5,149	10,708	13,548	21,606
Weighted average number of ordinary shares in issue ('000)	496,406	496,406	496,406	496,406
Basic earnings per share (sen)	1.04	2.16	2.73	4.35

(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 2020 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 26 November 2021.