



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2022

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue		57,052	54,932	57,052	54,932
Cost of sales		(40,760)	(36,707)	(40,760)	(36,707)
Gross profit		16,292	18,225	16,292	18,225
Other income		433	364	433	364
Administrative expenses		(7,130)	(5,635)	(7,130)	(5,635)
Selling and marketing expenses		(1,324)	(2,635)	(1,324)	(2,635)
Finance costs		(1,999)	(2,113)	(1,999)	(2,113)
Profit before tax	20	6,272	8,206	6,272	8,206
Income tax expense	23	(1,547)	(2,250)	(1,547)	(2,250)
Profit for the period		4,725	5,956	4,725	5,956
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		4,725	5,956	4,725	5,956
Profit for the period attributable to :					
Owners of the parent		4,486	5,576	4,486	5,576
Non-controlling interests		239	380	239	380
		4,725	5,956	4,725	5,956
Total comprehensive income attributable to :					
Owners of the parent		4,486	5,576	4,486	5,576
Non-controlling interests		239	380	239	380
		4,725	5,956	4,725	5,956



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the three-month period ended 31 March 2022

(The figures have not been audited)

Earnings Per Share

**attributable to owners of
the parent:**

Basic, for profit for the period (Sen)	28	0.82	1.12	0.82	1.12
Diluted, for profit for the period (Sen)	28	0.82	1.12	0.82	1.12

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022 and 31 December 2021

	Note	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
ASSETS			
Property, plant & equipment		62,510	61,777
Intangible asset		4,646	4,770
Investment in an associate		2,321	1,831
Investment in joint venture		300	300
Inventories		45,398	44,145
Completed investment properties		118,300	118,300
Trade and other receivables	16	8,558	8,246
Deferred tax assets		10,710	10,965
Total non-current assets		252,743	250,334
Inventories		348,983	304,310
Trade and other receivables	16	60,346	52,073
Other current assets		65,899	109,405
Cash and bank balances		48,170	58,995
Total current assets		523,398	524,783
TOTAL ASSETS		776,141	775,117
Equity attributable to owners of the parent			
Share capital		271,832	271,832
Retained earnings		165,338	160,852
		437,170	432,684
Non-controlling interests		9,246	9,207
Total Equity		446,416	441,891
LIABILITIES			
Loans and borrowings	24	86,486	91,175
Trade and other payables	17	10,923	10,000
Total non-current liabilities		97,409	101,175
Loans and borrowings	24	125,916	115,952
Trade and other payables	17	93,700	108,827
Other current liabilities		12,700	6,229
Income tax payable		-	1,043
Total current liabilities		232,316	232,051
Total liabilities		329,725	333,226
TOTAL EQUITY AND LIABILITIES		776,141	775,117

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022
(The figures have not been audited)

	<i>Non-distributable Share capital RM'000</i>	<i>Attributable to owners of the parent Distributable Retained earnings RM'000</i>	<i>Non-Controlling interests RM'000</i>	<i>Total equity RM'000</i>
At 1 January 2021	248,203	147,298	15,281	410,782
Total comprehensive income	-	23,487	246	23,733
Acquisition of non-controlling interest	-	(5)	(21)	(26)
Dividend on ordinary shares	-	(9,928)	-	(9,928)
Dividend paid to non-controlling interest	-	-	(6,300)	(6,300)
Interests in a subsidiary donated to a foundation	-	-	1	1
Issuance of ordinary shares	23,629	-	-	23,629
At 31 December 2021	<u>271,832</u> =====	<u>160,852</u> =====	<u>9,207</u> =====	<u>441,891</u> =====
At 1 January 2022	271,832	160,852	9,207	441,891
Total comprehensive income	-	4,486	239	4,725
Dividend paid to non-controlling interest	-	-	(200)	(200)
At 31 March 2022	<u>271,832</u> =====	<u>165,338</u> =====	<u>9,246</u> =====	<u>446,416</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 2021 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD
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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2022

(The figures have not been audited)

	3 months ended 31 March 2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,272	8,206
Adjustments for:		
Amortisation of intangible asset	124	125
Depreciation of property, plant and equipment	1,297	1,291
Dividend income	(3)	(3)
Gain from disposal of property, plant and equipment	(200)	(20)
Interest expenses	1,999	2,113
Interest income	(61)	(85)
Reversal of impairment of trade receivables	(21)	(26)
Operating profit before working capital changes	9,407	11,601
Changes in working capital:		
Deposit pledged for bank borrowings	-	(25)
Inventories	(45,926)	17,087
Receivables	(8,564)	(4,673)
Other current assets	44,368	(8,951)
Payables	(14,209)	(13,277)
Other current liabilities	6,959	2,508
Cash (used in)/generated from operations	(7,965)	4,270
Interest paid	(1,999)	(2,113)
Interest received	61	85
Taxes paid	(3,202)	(2,575)
Taxes refunded	5	-
Net cash used in operating activities	(13,100)	(333)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit with maturity more than three months	(5)	(3,815)
Dividend received	3	3
Expenditure incurred on investment properties under construction	-	(406)
Proceeds from disposal of property, plant and equipment	200	20
Purchase of property, plant and equipment	(2,518)	(4,478)
Subscription of shares in associates	(490)	-
Net cash used in investing activities	(2,810)	(8,676)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the three-month period ended 31 March 2022

(The figures have not been audited)

	3 months ended 31 March	
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of non-controlling interest	-	(26)
Dividends paid to non-controlling interest	(200)	(1,500)
Proceeds from loans and borrowings	10,430	34,419
Repayment of finance leases	(561)	(577)
Repayment of lease liability	(60)	(32)
Repayment of loans and borrowings	(4,529)	(29,636)
Net cash generated from financing activities	5,080	2,648
Net decrease in cash and cash equivalents	(10,830)	(6,361)
Cash and cash equivalents at beginning of financial period	50,494	53,771
Cash and cash equivalents at end of financial period	39,664	47,410

	As at 31 March	
	2022	2021
	RM'000	RM'000
Cash and bank balances	48,170	55,808
Less:		
Deposits pledged for bank borrowings	(8,506)	(8,398)
Cash and cash equivalents	39,664	47,410

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2021. 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 2021.

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 2022, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

- Amendment to MFRS 3: Reference to the Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018 – 2020 Cycle

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 31 March 2022.

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 2022.



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

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 2022 (three months ended 31 March 2021: RM Nil). The cash outflow on acquisition of property, plant and equipment amounted to RM2,518,245 during the three months ended 31 March 2022 (three months ended 31 March 2021: RM4,478,184).

There were disposal of property, plant and equipment at RM200,000 during the three months ended 31 March 2022 (three months ended 31 March 2021: RM20,000).

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 2022.

8. Dividend Paid

On 25 February 2022, 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 2021. The dividend was paid on 18 April 2022 to shareholder whose name appear in the Register of Depositors on 6 April 2022.



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(Incorporated in Malaysia)

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 2022 (1Q2022) and 3 months ended 31 March 2021 (1Q2021) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Elimination		Per consolidated financial statements	
	1Q2022 RM'000	1Q2021 RM'000	1Q2022 RM'000	1Q2021 RM'000	1Q2022 RM'000	1Q2021 RM'000	1Q2022 RM'000	1Q2021 RM'000	1Q2022 RM'000	1Q2021 RM'000	1Q2022 RM'000	1Q2021 RM'000
Revenue:												
External customers	36,449	43,935	1,998	2,107	15,668	4,755	2,937	4,135	-	-	57,052	54,932
Inter-segment	-	-	-	-	21,276	14,009	-	-	(21,276)	(14,009)	-	-
Total revenue	36,449	43,935	1,998	2,107	36,944	18,764	2,937	4,135	(21,276)	(14,009)	57,052	54,932
Segment profit/(loss)	5,334	6,824	1,228	1,311	(122)	(288)	(118)	219	(50)	140	6,272	8,206



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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:

	1Q2022 RM'000	1Q2021 RM'000
Segment profit	8,271	10,319
Finance costs	(1,999)	(2,113)
	<hr/>	<hr/>
Profit before tax	6,272	8,206
	=====	=====

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 2022.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2022.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	155,918	156,918
	<hr/>	<hr/>

There were no contingent assets since the last annual statement of financial position as at 31 December 2021 till the end of the financial period.

13. Capital Commitments

	As at 31 March	
	2022 RM'000	2021 RM'000
Approved and contracted for:		
Investment properties	153	2,283
Property, plant and equipment	19,036	14,575
Total	<hr/>	<hr/>
	19,189	16,858



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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	
	2022	2021
	RM'000	RM'000
Directors	553	614
Key management personnel	596	567

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	
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank, Alyvia	*	-	-	137	480
Heng Say Properties (Sarawak) Sdn Bhd	(b)				
Purchase of land	*	7,224	-	6,502	-
Hiap Ghee Seng Sdn Bhd	(c)				
Rental expense on premises		37	37	-	-
Ho Bee Contractor & Engineering Sdn Bhd	(d)				
Quarry operation		45	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) Heng Say Properties (Sarawak) Sdn Bhd is a company connected to the Director of the Company who is also a major shareholder of the Company.
- (c) Hiap Ghee Seng Sdn Bhd is a company connected to the Director of the Company who is also a major shareholder of the Company.
- (d) 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 2022	Audited 31 December 2021
Current		
Trade receivables		
Third parties	43,077	37,484
Bills receivables	-	-
	43,077	37,484
Less: Allowance for impairment	(637)	(658)
Trade receivables, net	42,440	36,826
Other receivables		
Third parties	14,400	11,735
Deposits	3,612	3,618
	18,012	15,353
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	17,906	15,247
Total trade and other receivables	60,346	52,073
Non-Current		
Trade receivables		
Third parties	423	175
Other receivables		
Third parties	8,135	8,071
Total trade and other receivables	8,558	8,246
Total trade and other receivables (current and non-current)	68,904	60,319

Ageing analysis of trade receivables

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Current		
Neither past due nor impaired	8,972	5,066
1 to 119 days past due but not impaired	9,704	31,041
More than 120 days but not impaired	23,764	719
Impaired	637	658
Total trade receivables	43,077	37,484
Non-current		
Neither past due nor impaired	423	175
Total trade receivables (current and non-current)	43,500	37,659



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16. Trade and Other Receivables (contd.)

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 RM33.47 million (2021: RM31.76 million) that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.

17. Trade and Other Payables

	Unaudited 31 March 2022 RM'000	Audited 31 December 2021 RM'000
Current		
Trade and other payables	45,015	60,650
Provision for projects	48,685	48,177
Total trade and other payables	93,700	108,827
Non-Current		
Trade payables	10,923	10,000
Total trade and other payables (current and non-current)	104,623	118,827



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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 (1Q2022) Vs Corresponding Financial Quarter (1Q2021)

	Current Quarter 3 months ended 31 March		Changes	
	2022 RM'000	2021 RM'000	RM'000	%
Revenue	57,052	54,932	2,120	4
Operating profit	16,292	18,225	(1,933)	(11)
Profit before interest and tax	8,271	10,319	(2,048)	(20)
Profit before tax	6,272	8,206	(1,934)	(24)
Profit after tax	4,725	5,956	(1,231)	(21)
Profit for the period attributable to owners of the parent	4,486	5,576	(1,090)	(20)

The Group's revenue for 1Q2022 increased slightly by 4% to RM57.05 million from RM54.93 million in 1Q2021. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona and Renna Residence, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Bintulu Town Square, sales of SOHO Commercial at Tabuan Tranquility Phase 3, 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, construction of temporary facility and building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Whilst, the Group's revenue for 1Q2021 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.

Other income increased from RM0.36 million in 1Q2021 in to RM0.43 million in 1Q2022. 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 RM7.13million from RM5.64 million in 1Q2021. The increase was mainly due to increase in staff costs in 1Q2022. Other components of the administrative expenses have not varied much compared to those incurred during 1Q2021.



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19. Comparison with Immediate Preceding Quarter's Results

	Current Quarter	Immediate	Changes	
	3 months ended	Preceding Quarter	RM'000	%
	31 March	31 December		
	2022	2021		
	RM'000	RM'000	RM'000	
Revenue	57,052	96,001	(38,949)	(41)
Operating profit	16,292	26,048	(9,756)	(37)
Profit before interest and tax	8,271	13,724	(5,453)	(40)
Profit before tax	6,272	11,627	(5,355)	(46)
Profit after tax	4,725	9,425	(4,700)	(50)
Profit for the period attributable to owners of the parent	4,486	9,939	(5,453)	(55)

The Group recorded a profit before tax of RM6.27 million compared to a profit before tax of RM11.63 million recorded in the immediate preceding quarter ended 31 December 2021.

The Group's revenue for the current financial quarter ended 31 March 2022 decreased to RM57.05 million from RM96.00 million in the immediate preceding quarter ended 31 December 2021. Apart from the recognition of revenue from sales of commercial lots at ContiNew, Kuala Lumpur, sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2, sales of condominiums at the Park Residence, sales of detached lots at Tabuan Tranquility Phase 2 in the immediate preceding quarter and sales of apartment suite at Renna Residence, sales of SOHO Commercial at Tabuan Tranquility Phase 3, sales of 3-storey shop offices 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 at ContiNew, Kuala Lumpur and The NorthBank Avona, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, 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, construction of temporary facility and building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income decreased from RM1.77 million in the immediate preceding quarter to RM0.43 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 RM9.57 million in the immediate preceding quarter ended 31 December 2021 to RM7.13 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	124	125	124	125
Depreciation of property, plant and equipment	1,297	1,291	1,297	1,291
Dividend income	(3)	(3)	(3)	(3)
Gain from disposal of property, plant and equipment	(200)	(20)	(200)	(20)
Interest expenses	1,999	2,113	1,999	2,113
Interest income	(61)	(85)	(61)	(85)
Other income	(148)	(230)	(148)	(230)
Reversal of impairment of trade receivables	(21)	(26)	(21)	(26)

21. Group's Prospects

The principal activity of the Group is realty development and construction. 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. The COVID-19 pandemic together with the strict standard operating procedures continues to disrupt the pace of construction and sales activities. 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 RM173.51 million unbilled sales and outstanding order book of RM291.71 million as at 31 March 2022.

The Group plans to launch projects mainly comprising residential and commercial properties in 2022 and future years. The Group monitors the market demand for our products and adopts a prudent approach with respect to any new projects. The NorthBank would be our main focus for the next few years. 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.

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, 36 units of semi-detached houses at Crestwood Estates and shop office development. More residential developments would be launched during the financial 2022. With the continuous branding effort created for the Northbank and the normalization of the economy vibrant and social activities, we are confident to achieve satisfactory take up rate of these launches and future launches.



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

21. Group's Prospects (contd.)

Added to that, riding on the success of ContiNew Kuala Lumpur, the Group continues 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 2022, taking into consideration the revision of statutory requirements and the market demands.

On the construction sector, the Group has 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 at Muara Tuang Land District, Kuching. These construction contracts are expected to contribute positively to the Group's financial performance.

The Group has 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.

Apart from its main activities of realty development and construction, the Group operates a quarry at Pulau Salak which commenced production in July 2020 after the completion of its upgrading works. The plant, producing aggregates of granites, has an annual capacity of 600,000 MT.

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current income tax:				
- Malaysian income tax	1,291	1,807	1,291	1,807
Deferred tax	256	443	256	443
Total income tax expense	1,547	2,250	1,547	2,250

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 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.



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

24. Loans and Borrowings

	Unaudited As at 31 March 2022 RM'000	Unaudited As at 31 March 2021 RM'000	Audited As at 31 December 2021 RM'000
Short term borrowings			
Secured: Finance lease liabilities	1,335	2,319	1,849
Revolving credits	106,337	109,900	95,907
Collateralised borrowings	-	809	-
Term loans	18,244	29,113	18,196
	125,916	142,141	115,952
Long term borrowings			
Secured: Finance lease liabilities	612	1,244	724
Term loans	85,874	103,356	90,451
	86,486	104,600	91,175
Total loans and borrowings	212,402	246,741	207,127

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 2022 has decreased by RM34.34 million as compared to the corresponding financial period.

25. Corporate Exercise

Status of corporate exercise

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.

Status of utilisation of proceeds

The gross proceeds from the issuance of 49,640,565 ordinary shares at RM0.4760 per share of approximately RM23.63 million have been/shall be utilised in the following manner:

Purpose of utilisation	Proceeds RM'000	Deviation RM'000	Utilisation RM'000	Balance RM'000	Expected time frame for utilisation upon receipt	Explanation of utilisation
To finance development of Renna Residence	18,000	-	(7,599)	10,401	Within 24 months	For contractors' and consultants' payment.
Working capital requirements	5,430	92	(5,522)	-	Within 12 months	For staff costs, selling and marketing expenses, statutory payment, etc.
Expenses in relation to the Private Placement	200	(92)	(108)	-	Immediate	Professional fee paid in relation to the Private Placement
	23,630	-	(13,229)	10,401		



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

26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 20 May 2022, 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 20 May 2022.

28. Earnings Per Share

(a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2022	2021	2022	2021
Profit attributable to owners of the parent (RM'000)	4,486	5,576	4,486	5,576
Weighted average number of ordinary shares in issue ('000)	546,047	496,406	546,047	496,406
Basic earnings per share (sen)	0.82	1.12	0.82	1.12

(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.

29. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2021 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 27 May 2022.