



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine-month period ended 30 September 2023

(The figures have not been audited)

	Note	Current Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue		117,850	61,796	286,453	189,579
Cost of sales		(84,073)	(43,053)	(194,028)	(132,223)
Gross profit		33,777	18,743	92,425	57,356
Other income		509	484	1,892	1,263
Administrative expenses		(10,236)	(7,325)	(27,200)	(24,361)
Selling and marketing expenses		(2,967)	(1,241)	(8,047)	(4,181)
Finance costs		(3,532)	(2,201)	(9,358)	(6,716)
Profit before tax	21	17,551	8,460	49,712	23,361
Income tax expense	24	(4,716)	(1,708)	(13,227)	(6,286)
Profit for the period		12,835	6,752	36,485	17,075
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		12,835	6,752	36,485	17,075
Profit for the period attributable to :					
Owners of the parent		12,463	6,617	36,144	16,382
Non-controlling interests		372	135	341	693
		12,835	6,752	36,485	17,075
Total comprehensive income attributable to :					
Owners of the parent		12,463	6,617	36,144	16,382
Non-controlling interests		372	135	341	693
		12,835	6,752	36,485	17,075



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the nine-month period ended 30 September 2023

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	28	2.28	1.21	6.62	3.00
Diluted, for profit for the period (Sen)	28	2.28	1.21	6.62	3.00

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.



IBRACO BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023 and 31 December 2022

		Unaudited As at 30 September 2023 RM'000	Audited As at 31 December 2022 RM'000
ASSETS			
Property, plant & equipment		93,584	72,585
Intangible asset		3,899	4,272
Investment in an associate		2,414	2,414
Investment in joint venture		300	300
Inventories		51,962	51,440
Completed investment properties		122,300	122,300
Trade and other receivables	16	2,821	1,536
Deferred tax assets		7,302	8,584
Total non-current assets		284,582	263,431
Inventories		360,009	351,577
Trade and other receivables	16	42,312	39,963
Other current assets		147,953	76,720
Cash and bank balances		80,334	60,586
Total current assets		630,608	528,846
TOTAL ASSETS		915,190	792,277
Equity attributable to owners of the parent			
Share capital		271,832	271,832
Retained earnings		205,565	180,342
		477,397	452,174
Non-controlling interests		10,851	9,790
Total Equity		488,248	461,964
LIABILITIES			
Loans and borrowings	25	84,837	78,379
Trade and other payables	17	15,932	13,287
Total non-current liabilities		100,769	91,666
Loans and borrowings	25	181,301	132,923
Trade and other payables	17	122,655	99,013
Other current liabilities		15,133	5,253
Income tax payable		7,084	1,458
Total current liabilities		326,173	238,647
Total liabilities		426,942	330,313
TOTAL EQUITY AND LIABILITIES		915,190	792,277

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2023
(The figures have not been audited)

	<i>Non-distributable</i> Share capital RM'000	Attributable to owners of the parent <i>Distributable</i> Retained earnings RM'000	Non-Controlling interests RM'000	Total equity RM'000
At 1 January 2022	271,832	160,852	9,207	441,891
Total comprehensive income	-	30,411	683	31,094
Interests in a subsidiary donated to a foundation	-	-	1,470	1,470
Contribution by non-controlling interest	-	-	30	30
Dividend on ordinary shares	-	(10,921)	-	(10,921)
Dividend paid to non-controlling interest	-	-	(1,600)	(1,600)
At 31 December 2022	<u>271,832</u> =====	<u>180,342</u> =====	<u>9,790</u> =====	<u>461,964</u> =====
At 1 January 2023	271,832	180,342	9,790	461,964
Total comprehensive income	-	36,144	341	36,485
Contribution by non-controlling interest	-	-	720	720
Dividend on ordinary shares	-	(10,921)	-	(10,921)
At 30 September 2023	<u>271,832</u> =====	<u>205,565</u> =====	<u>10,851</u> =====	<u>488,248</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 2022 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 2023

(The figures have not been audited)

	9 months ended 30 September	
	2023	2022
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	49,712	23,361
Adjustments for:		
Amortisation of intangible asset	373	373
Depreciation of property, plant and equipment	4,375	3,877
Dividend income	(30)	(27)
Gain from disposal of property, plant and equipment	(12)	(200)
Loss on disposal of shares in a subsidiary to a charitable trust	-	1,470
Interest expenses	9,358	6,716
Interest income	(446)	(315)
Reversal of impairment of trade receivables	(79)	(67)
Operating profit before working capital changes	63,251	35,188
Changes in working capital:		
Deposit pledged for bank borrowings	(5)	-
Inventories	(8,432)	(45,084)
Land held for development	(522)	(4,264)
Receivables	(3,555)	23,184
Other current assets	(71,501)	44,170
Payables	26,287	(24,094)
Other current liabilities	9,880	5,649
Cash generated from operations	15,403	34,749
Interest paid	(9,358)	(6,716)
Interest received	446	315
Taxes paid	(9,571)	(9,079)
Taxes refunded	3,967	744
Net cash generated from operating activities	887	20,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit with maturity more than three months	(42)	(117)
Dividend received	30	27
Proceeds from disposal of property, plant and equipment	12	240
Purchase of property, plant and equipment	(20,150)	(10,906)
Subscription of shares in associate	-	(980)
Net cash used in investing activities	(20,150)	(11,736)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)

For the nine-month period ended 30 September 2023
(The figures have not been audited)

	9 months ended 30 September	
	2023	2022
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution by non-controlling interest	720	-
Dividends on ordinary shares	(10,921)	(10,921)
Dividends paid to non-controlling interest	-	(200)
Proceeds from loans and borrowings	79,985	28,196
Repayment of finance leases	(493)	(1,516)
Repayment of lease liabilities	(239)	(169)
Repayment of loans and borrowings	(30,088)	(13,578)
Net cash generated from financing activities	38,964	1,812
Net increase in cash and cash equivalents	19,701	10,089
Cash and cash equivalents at beginning of financial period	51,844	50,494
Cash and cash equivalents at end of financial period	71,545	60,583

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

	As at 30 September	
	2023	2022
	RM'000	RM'000
Cash and bank balances	80,334	69,201
Less:		
Deposits with maturity more than 3 months	(8,391)	(8,229)
Deposits pledged for bank borrowings	(398)	(389)
Cash and cash equivalents	71,545	60,583

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022. 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 2022.

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 2023, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2023.

- MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Insurance Contracts
- Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101: Disclosure of Accounting Policies
- Amendments to MFRS 108: Definition of Accounting Estimates
- Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 2023.

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 2023.



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6. Property, Plant and Equipment

Acquisition and Disposals

During the period ended 30 September 2023, the Group acquired property, plant and equipment with an aggregate cost of RM5,670,900 by means of finance lease (nine months ended 30 September 2022: RM600,000). The cash outflow on acquisition of property, plant and equipment amounted to RM20,149,738 during the nine months ended 30 September 2023 (nine months ended 30 September 2022: RM10,906,172).

There were disposal of property, plant and equipment at RM12,300 during the nine months ended 30 September 2023 (nine months ended 30 September 2022: RM240,300).

7. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 30 September 2023.

8. Dividend Payable

On 1 November 2023, the Board of Directors have approved an interim single-tier dividend of 1.50 sen per ordinary share for the financial year ending 31 December 2023. The dividend is payable on 27 November 2023 to the shareholders whose name appear in the Register of Depositors on 17 November 2023.



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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, quarry operation, clubhouse operation and ready-mixed concrete 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 2023 (3Q2023) and 3 months ended 30 September 2022 (3Q2022) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Clubhouse operation		Ready-mixed concrete		Elimination		Per consolidated financial statements	
	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000	3Q2023 RM'000	3Q2022 RM'000
Revenue:																
External customers	81,078	43,776	1,819	2,126	28,950	9,186	5,115	6,708	497	-	391	-	-	-	117,850	61,796
Inter-segment	-	-	-	-	58,932	33,128	-	-	-	-	-	-	(58,932)	(33,128)	-	-
Total Revenue	<u>81,078</u>	<u>43,776</u>	<u>1,819</u>	<u>2,126</u>	<u>87,882</u>	<u>42,314</u>	<u>5,115</u>	<u>6,708</u>	<u>497</u>	<u>-</u>	<u>391</u>	<u>-</u>	<u>(58,932)</u>	<u>(33,128)</u>	<u>117,850</u>	<u>61,796</u>
Segment profit / (loss)	<u>15,799</u>	<u>6,451</u>	<u>913</u>	<u>1,273</u>	<u>663</u>	<u>136</u>	<u>564</u>	<u>601</u>	<u>(617)</u>	<u>-</u>	<u>(261)</u>	<u>-</u>	<u>490</u>	<u>(1)</u>	<u>17,551</u>	<u>8,460</u>



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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:

	3Q2023	3Q2022
	RM'000	RM'000
Segment profit	21,083	10,661
Finance costs	(3,532)	(2,201)
	<u> </u>	<u> </u>
Profit before tax	17,551	8,460
	=====	=====

Results for 9 months ended 30 September 2023 (9M2023) and 9 months ended 30 September 2022 (9M2022) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Clubhouse operation		Ready-mixed concrete		Elimination		Per consolidated financial statements	
	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022	9M2023	9M2022
	RM'000	RM'000	RM'000	RM'000	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	214,463	131,186	5,966	6,253	45,832	36,318	18,648	15,822	1,153	-	391	-	-	-	286,453	189,579
Inter-segment	-	-	-	-	131,598	88,017	-	-	-	-	-	-	(131,598)	(88,017)	-	-
Total Revenue	<u>214,463</u>	<u>131,186</u>	<u>5,966</u>	<u>6,253</u>	<u>177,430</u>	<u>124,335</u>	<u>18,648</u>	<u>15,822</u>	<u>1,153</u>	<u>-</u>	<u>391</u>	<u>-</u>	<u>(131,598)</u>	<u>(88,017)</u>	<u>286,453</u>	<u>189,579</u>
Segment profit / (loss)	<u>43,194</u>	<u>18,976</u>	<u>3,296</u>	<u>3,759</u>	<u>(9)</u>	<u>(922)</u>	<u>2,450</u>	<u>947</u>	<u>(494)</u>	<u>-</u>	<u>(261)</u>	<u>-</u>	<u>1,536</u>	<u>601</u>	<u>49,712</u>	<u>23,361</u>



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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:

	9M2023	9M2022
	RM'000	RM'000
Segment profit	59,070	30,077
Finance costs	(9,358)	(6,716)
	<hr/>	<hr/>
Profit before tax	49,712	23,361
	=====	=====

10. Event After the Reporting Period

Ibraco Construction Sdn Bhd, a wholly-owned subsidiary of Ibraco Berhad, partnered with China Railway Engineering Corporation (M) Sdn Bhd and Nanyang Tunnel Engineering Sdn Bhd was awarded a contract for the construction and completion of infrastructure works for the Blue Line -Package 1 from Rembus to Stutong for the Kuching Urban Transportation System project. The award was accepted on 10 November 2023.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 30 September 2023.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited	Audited
	30 September	31 December
	2023	2022
	RM'000	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	272,715	250,661
	<hr/>	<hr/>

There were no contingent assets since the last annual statement of financial position as at 31 December 2022 till the end of the financial period.

13. Capital Commitments

	As at 30 September	
	2023	2022
	RM'000	RM'000
Approved and contracted for:		
Investment properties	-	142
Property, plant and equipment	43,816	21,461
Total	<hr/>	<hr/>
	43,816	21,603



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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	
	2023	2022
	RM'000	RM'000
Directors	587	551
Key management personnel	566	600

15. Related Party Transactions

The related party transactions are as follows:

	Note	Transaction value		Balance Outstanding	
		3 months ended 30 September		as at 30 September	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank, Alyvia	*	-	-	35	137
Liu Tow Hua	(b)				
Sale of townhouse at The NorthBank, Alyvia	*	-	625	16	616
Liu Sze Wei	(c)				
Sale of townhouse at The NorthBank, Alyvia	*	-	625	16	616
Hiap Ghee Seng Sdn Bhd	(d)				
Rental expense on premises		37	37	-	-
Heng Say Properties (Sarawak) Sdn Bhd	(e)				
Purchase of land	*	-	-	5,000	6,502

Notes

- * These outstanding balances are not yet due for payment in accordance with the terms and conditions of the Sale & Purchase Agreement.
- (a) Sharifah Deborah Sophia Ibrahim is a major shareholder and Director of the Company.
- (b) Liu Tow Hua is a Director of the Company.
- (c) Liu Sze Wei is a person connected to a Director of the Company.



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15. Related Party Transactions (contd.)

The related party transactions are as follows: (contd.)

- (d) Hiap Ghee Seng Sdn Bhd is a company connected to the Director of the Company who is also a major shareholder of the Company.
- (e) 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.

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

16. Trade and Other Receivables

	Unaudited 30 September 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Trade receivables		
Third parties	24,052	22,393
Less: Allowance for impairment	(561)	(640)
Trade receivables, net	23,491	21,753
Other receivables		
Third parties	13,917	14,658
Deposits	5,010	3,658
	18,927	18,316
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	18,821	18,210
Total trade and other receivables	42,312	39,963
Non-Current		
Trade receivables		
Third parties	2,821	1,536
Total trade and other receivables (current and non-current)	45,133	41,499



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16. Trade and Other Receivables (contd.)

Ageing analysis of trade receivables

	Unaudited 30 September 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Neither past due nor impaired	13,530	16,786
1 to 119 days past due but not impaired	7,878	2,929
More than 120 days but not impaired	2,083	2,038
Impaired	561	640
Total trade receivables	24,052	22,393
Non-current		
Neither past due nor impaired	2,821	1,536
Total trade receivables (current and non-current)	26,873	23,929

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 RM9.96 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 30 September 2023 RM'000	Audited 31 December 2022 RM'000
Current		
Trade and other payables	67,712	46,835
Provision for projects	54,943	52,178
Total trade and other payables	122,655	99,013
Non-Current		
Trade payables	15,932	13,287
Total trade and other payables (current and non-current)	138,587	112,300



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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 (3Q2023) Vs Corresponding Financial Quarter (3Q2022)

	Current Quarter 3 months ended 30 September		Changes	
	2023 RM'000	2022 RM'000	RM'000	%
Revenue	117,850	61,796	56,054	91
Operating profit	33,777	18,743	15,034	80
Profit before interest and tax	21,083	10,661	10,422	98
Profit before tax	17,551	8,460	9,091	107
Profit after tax	12,835	6,752	6,083	90
Profit for the period attributable to owners of the parent	12,463	6,617	5,846	88

The Group's revenue for 3Q2023 increased by 91% to RM117.85 million from RM61.80 million in 3Q2022. During this reporting quarter, the Group's revenue was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Renna Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estates, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, Sarawak Government Project, quarry operation, clubhouse operation, ready-mixed concrete operation and rental income from investment properties.

Whilst, the Group's revenue for 3Q2022 was mainly recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona Residence and Renna Residence, sales of condominiums at The Park Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Bintulu Town Square, sales of semi-detached house at the NorthBank Crestwood Estates, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income increased to RM0.51 million in 3Q2023 as compared to RM0.48 million in 3Q2022. 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 document fees and administrative charges for sub-sales and re-financing.

Administrative expenses increased from RM7.33 million to RM10.24 million in 3Q2023. The increase was mainly due increase in staff costs and depreciation of property, plant and equipment. Other components of the administrative expenses have not varied much compared to those incurred during 3Q2022.



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19. Current 9-month financial period (9M2023) Vs corresponding 9-month financial period (9M2022)

	Cumulative Quarter 9 months ended 30 September		Changes	
	2023 RM'000	2022 RM'000	RM'000	%
Revenue	286,453	189,579	96,874	51
Operating profit	92,425	57,356	35,069	61
Profit before interest and tax	59,070	30,077	28,993	96
Profit before tax	49,712	23,361	26,351	113
Profit after tax	36,485	17,075	19,410	114
Profit for the period attributable to owners of the parent	36,144	16,382	19,762	121

The Group's profit before tax for 9M2023 increased by 113% to RM49.71 million compared to profit before tax of RM23.36 million recorded in 9M2022.

The Group's revenue for 9M2023 increased by 51% to RM286.45 million from RM189.58 million in 9M2022. 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 at ContiNew, Kuala Lumpur, The NorthBank Avona Residence, Renna Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estates, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, sales of Small Office Home Office ("SOHO") Commercial at Bintulu Town Square, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, Sarawak Government Project, quarry operation, clubhouse operation, ready-mixed concrete operation and rental income from investment properties.

Whilst, the Group's revenue for 9M2022 was mainly recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, sales of apartment suites at The NorthBank Avona Residence and Renna Residence, sales of condominiums at The Park Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2, Tabuan Tranquility Phase 3 Stage 2 and Bintulu Town Square, sales of SOHO Commercial at Tabuan Tranquility Phase 3 and Bintulu Town Square, sales of semi-detached house at the NorthBank Crestwood Estates, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of temporary facility works and building works for the Sarawak Methanol Project, quarry operation and rental income from investment properties.

Other income increased slightly from RM1.26 million to RM1.89 million in 9M2023. 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 RM27.20 million compared to RM24.36 million in 9M2022. The increase was mainly due to the increase in staff costs and depreciation of property, plant and equipment. 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 2023 RM'000	Immediate Preceding Quarter 3 months ended 30 June 2023 RM'000	Changes	
			RM'000	%
Revenue	117,850	89,410	28,440	32
Operating profit	33,777	32,885	892	3
Profit before interest and tax	21,083	21,084	(1)	0
Profit before tax	17,551	18,056	(505)	(3)
Profit after tax	12,835	13,259	(424)	(3)
Profit for the period attributable to owners of the parent	12,463	13,253	(790)	(6)

The Group recorded a profit before tax of RM17.55 million compared to a profit before tax of RM18.06 million recorded in the immediate preceding quarter ended 30 June 2023.

The Group's revenue for the current financial quarter ended 30 September 2023 increased to RM117.85 million from RM89.41 million in the immediate preceding quarter ended 30 June 2023. Apart from the recognition of revenue from sales of apartment suites at The NorthBank Avona Residence and SOHO Commercial at Bintulu Town Square in the immediate preceding quarter ended 30 June 2023 and sales of 3-storey shop offices at Bintulu Town Square, income from Sarawak Government Project and income from production of ready-mixed concrete 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, The NorthBank Renna Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of apartments at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shop offices at The NorthBank Business Exchange Phase 2 and Tabuan Tranquility Phase 3 Stage 2, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at The NorthBank Commercial Centre, construction of NR4 – Northern Regional for Sarawak Water Supply Grid Programme – Stressed Area project, Sarawak, construction of building works for the Sarawak Methanol Project, quarry operation, clubhouse operation and rental income from investment properties.

Other income decreased from RM0.67 million in the immediate preceding quarter to RM0.51 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 increased from RM9.29 in the immediate preceding quarter ended 30 June 2023 to RM10.24 million in this current financial quarter. The increase was mainly due to increase in staff costs and depreciation of property, plant and equipment 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amortisation of intangible asset	124	124	373	373
Depreciation of property, plant and equipment	1,842	1,303	4,375	3,877
Dividend income	(11)	(15)	(30)	(27)
Gain from disposal of property, plant and equipment	-	-	(12)	(200)
Loss on disposal of shares in a subsidiary to a charitable trust	-	-	-	1,470
Interest expenses	3,532	2,201	9,358	6,716
Interest income	(162)	(95)	(446)	(315)
Other income	(300)	(353)	(1,325)	(653)
Reversal of impairment of trade receivables	(36)	(21)	(79)	(68)

22. 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 uncertainties in the economic recoveries, concerns regarding employment and tightening of end financing for buyers, and the rising of interest rates over the year have impacted the spending behaviour of home buyers. However, the Group is confident to sustain the impact of these events and projected that the financial results would improve in the coming quarters. To date, the Group have RM276.86 million unbilled sales and outstanding order book of RM1.47 billion.

With our continual efforts in the branding of The NorthBank development over the years, we are set to roll out more launches focusing on The NorthBank. There will be new launches for commercial developments, service apartments and landed residences and the construction of The NorthBank Specialist Hospital. Apart from The NorthBank, 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.

The Group monitors the market demand for our products and adopts a prudent approach with respect to any new launches. The NorthBank, spanning across 123 acres, continues to be our major focus for the next few years. This new township creates vibrant economy and convenience to the surrounding communities, 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 and office units. The NorthBank also provides other community facilities, such as an exclusive social clubhouse and an upcoming healthcare facility.



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22. Group's Prospects (contd.)

We have successfully launched another commercial development comprising 3-storey shops, single storey lock-up shops and 8-storey commercial blocks at The NorthBank that known as NorthBank Commercial Centre, and also Corliss Residence comprising 330 units of service apartment which attracted a very encouraging response. Other on-going projects at The NorthBank include Renna Residence offering 296 units of service apartment, 36 units of semi-detached house at Crestwood Estates and shop office development. With the continuous branding effort created for The NorthBank and the normalisation of the economy's vibrant and social activities, we are confident to achieve satisfactory take up rate of these developments and future launches.

On the construction sector, the Group has been awarded the contract for construction of part of the second trunk road in the Samarahan Division and the infrastructure works from Rembus to Stutong for Kuching Urban Transportation System. Other ongoing contracts include the building works for the Sarawak Methanol Project awarded by Samsung Engineering (Malaysia) Sdn Bhd and the New Operator Residence 2 located at Bakun awarded 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. The quarry operation would be further expanded with the granting of a new quarry license for quarry reserve located at Gunung Sinmajau. In addition, the Group via its subsidiary company namely Ibraco KPP Concrete Sdn Bhd has commence the ready-mixed concrete operation during the reporting quarter. This is mainly to cater for the construction need of our development projects.

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		9 months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	4,325	1,462	11,978	4,871
- Underprovision in respect of previous year	(34)	(53)	(33)	(53)
	<u>4,291</u>	<u>1,409</u>	<u>11,945</u>	<u>4,818</u>
Deferred tax	425	299	1,282	1,468
Total income tax expense	<u><u>4,716</u></u>	<u><u>1,708</u></u>	<u><u>13,227</u></u>	<u><u>6,286</u></u>



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24. Income Tax Expense (contd.)

Income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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 that are not tax deductible.

25. Loans and Borrowings

	Unaudited As at 30 September 2023 RM'000	Unaudited As at 30 September 2022 RM'000	Audited As at 31 December 2022 RM'000
Short term borrowings			
Secured: Finance lease liabilities	1,942	656	816
Revolving credits	156,859	121,337	113,600
Term loans	22,500	18,227	18,507
	<u>181,301</u>	<u>140,220</u>	<u>132,923</u>
Long term borrowings			
Secured: Finance lease liabilities	5,790	1,182	1,978
Term loans	79,047	79,609	76,401
	<u>84,837</u>	<u>80,791</u>	<u>78,379</u>
Total loans and borrowings	<u>266,138</u>	<u>221,011</u>	<u>211,302</u>

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 2023 has increased by RM54.84 million as compared to the amount reported in the Audit Financial Statement as at 31 December 2022.

26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 17 November 2023, 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 17 November 2023.



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28. Earnings Per Share

(a) Basic

	3 months ended 30 September		9 months ended 30 September	
	2023	2022	2023	2022
Profit attributable to owners of the parent (RM'000)	12,463	6,617	36,144	16,382
Weighted average number of ordinary shares in issue ('000)	546,046	546,046	546,046	546,046
Basic earnings per share (sen)	2.28	1.21	6.62	3.00

(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 2022 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 24 November 2023.