



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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2024

(The figures have not been audited)

	Note	Current Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue		80,140	79,193	80,140	79,193
Cost of sales		(51,567)	(53,430)	(51,567)	(53,430)
Gross profit		28,573	25,763	28,573	25,763
Other income		647	716	647	716
Operation expenses		(80)	-	(80)	-
Administrative expenses		(12,044)	(7,679)	(12,044)	(7,679)
Selling and marketing expenses		(4,883)	(1,897)	(4,883)	(1,897)
Finance costs		(3,418)	(2,798)	(3,418)	(2,798)
Profit before tax	20	8,795	14,105	8,795	14,105
Income tax expense	23	(3,183)	(3,714)	(3,183)	(3,714)
Profit for the period		5,612	10,391	5,612	10,391
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		5,612	10,391	5,612	10,391
Profit for the period attributable to :					
Owners of the parent		5,296	10,428	5,296	10,428
Non-controlling interests		316	(37)	316	(37)
		5,612	10,391	5,612	10,391
Total comprehensive income attributable to :					
Owners of the parent		5,296	10,428	5,296	10,428
Non-controlling interests		316	(37)	316	(37)
		5,612	10,391	5,612	10,391



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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (contd.)

For the three-month period ended 31 March 2024

(The figures have not been audited)

Earnings Per Share
attributable to owners of
the parent:

Basic, for profit for the period (Sen)	27	0.97	1.91	0.97	1.91
Diluted, for profit for the period (Sen)	27	0.97	1.91	0.97	1.91

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024 and 31 December 2023

	Note	Unaudited As at 31 March 2024 RM'000	Audited As at 31 December 2023 RM'000
ASSETS			
Property, plant & equipment		123,666	116,108
Intangible asset		3,650	3,775
Investment in an associate		3,204	3,204
Investment in joint venture		300	300
Inventories		51,675	51,661
Completed investment properties		136,300	136,300
Trade and other receivables	16	773	525
Deferred tax assets		4,527	7,167
Total non-current assets		324,095	319,040
Inventories		399,417	374,896
Trade and other receivables	16	51,734	39,911
Other current assets		131,469	138,404
Cash and bank balances		81,734	76,260
Total current assets		664,354	629,471
TOTAL ASSETS		988,449	948,511
Equity attributable to owners of the parent			
Share capital		271,832	271,832
Retained earnings		212,564	207,268
		484,396	479,100
Non-controlling interests		10,075	8,779
Total Equity		494,471	487,879
LIABILITIES			
Loans and borrowings	24	102,706	95,680
Trade and other payables	17	21,252	18,292
Total non-current liabilities		123,958	113,972
Loans and borrowings	24	205,415	185,032
Trade and other payables	17	126,526	140,678
Other current liabilities		36,812	16,161
Income tax payable		1,267	4,789
Total current liabilities		370,020	346,660
Total liabilities		493,978	460,632
TOTAL EQUITY AND LIABILITIES		988,449	948,511

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024
(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 2023	271,832	180,342	9,790	461,964
Total comprehensive income	-	46,038	(691)	45,347
Contribution by non-controlling interest	-	-	720	720
Dividend on ordinary shares	-	(19,112)	-	(19,112)
Dividend paid to non-controlling interest	-	-	(1,040)	(1,040)
At 31 December 2023	<u>271,832</u> =====	<u>207,268</u> =====	<u>8,779</u> =====	<u>487,879</u> =====
At 1 January 2024	271,832	207,268	8,779	487,879
Total comprehensive income	-	5,296	316	5,612
Contribution by non-controlling interest	-	-	980	980
At 31 March 2024	<u>271,832</u> =====	<u>212,564</u> =====	<u>10,075</u> =====	<u>494,471</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 2023 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2024

(The figures have not been audited)

	3 months ended 31 March	
	2024	2023
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,795	14,105
Adjustments for:		
Amortisation of intangible asset	124	124
Depreciation of property, plant and equipment	1,940	1,264
Dividend income	(18)	(11)
Gain from disposal of property, plant and equipment	-	(2)
Interest expense	3,418	2,798
Interest income	(184)	(139)
Reversal of impairment of trade receivables	(17)	(32)
Operating profit before working capital changes	14,058	18,107
Changes in working capital:		
Deposit pledged for bank borrowings	-	(5)
Inventories	(24,535)	(3,841)
Receivables	(11,995)	9,500
Other current assets	8,521	(24,274)
Payables	(11,192)	4,456
Other current liabilities	20,651	(3,683)
Cash (used in) / generated from operations	(4,492)	260
Interest paid	(3,418)	(2,798)
Interest received	184	139
Taxes paid	(5,144)	(2,067)
Taxes refunded	-	2,413
Net cash used in operating activities	(12,870)	(2,053)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposit with maturity more than three months	(11)	(10)
Dividend received	18	11
Proceeds from disposal of property, plant and equipment	-	2
Purchase of property, plant and equipment	(8,361)	(1,962)
Net cash used in investing activities	(8,354)	(1,959)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution by non-controlling interest	980	720
Dividend on ordinary shares	-	(10,921)
Proceeds from loans and borrowings	42,650	24,023
Repayment of finance leases	(696)	(127)
Repayment of lease liabilities	(83)	(78)
Repayment of loans and borrowings	(16,164)	(9,044)
Net cash generated from financing activities	26,687	4,573



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

For the three-month period ended 31 March 2024

(The figures have not been audited)

	3 months ended 31 March	
	2024	2023
	RM'000	RM'000
Net increase in cash and cash equivalents	5,463	561
Cash and cash equivalents at beginning of financial period	67,343	51,844
Cash and cash equivalents at end of financial period	72,806	52,405

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

	As at 31 March	
	2024	2023
	RM'000	RM'000
Cash and bank balances	81,734	61,162
Less:		
Deposits with maturity more than 3 months	(8,530)	(8,359)
Deposits pledged for bank borrowings	(398)	(398)
Cash and cash equivalents	72,806	52,405

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2023. 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 2023.

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 2024, the Group adopted the applicable new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2024.

- Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101: Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 2024.

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 2024.



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6. Property, Plant and Equipment

Acquisition and Disposals

During the period ended 31 March 2024, the Group acquired property, plant and equipment with an aggregate cost of RM1,441,400 by means of finance lease (three months ended 31 March 2023: RM Nil). The cash outflow on acquisition of property, plant and equipment amounted to RM8,360,358 during the period ended 31 March 2024 (three months ended 31 March 2023: RM1,962,418).

There were no disposal of property, plant and equipment during the three months ended 31 March 2024 (three months ended 31 March 2023: RM2,300).

7. Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter ended 31 March 2024.

8. Dividend Proposed

On 25 April 2024, The Board of Directors proposed the declaration of a final single-tier dividend of 2.00 sen per ordinary share total amounting to RM10,920,924 in respect of the financial year ended 31 December 2023 that has been approved by the shareholders at the 52nd Annual General Meeting on 24 May 2024.



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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 31 March 2024 (1Q2024) and 3 months ended 31 March 2023 (1Q2023) are as follows:

	Property development activities		Property holding & management		Construction works		Quarry operation		Clubhouse operation		Ready-mixed concrete		Elimination		Per consolidated financial statements	
	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000	1Q2024 RM'000	1Q2023 RM'000
Revenue:																
External customers	42,163	59,247	1,728	2,158	28,496	10,960	4,833	6,828	498	-	2,422	-	-	-	80,140	79,193
Inter-segment	-	-	-	-	48,561	42,000	-	-	-	-	-	-	(48,561)	(42,000)	-	-
Total Revenue	42,163	59,247	1,728	2,158	77,057	52,960	4,833	6,828	498	-	2,422	-	(48,561)	(42,000)	80,140	79,193
Segment profit / (loss)	6,326	10,829	1,043	1,302	1,850	333	311	1,001	(463)	-	(32)	-	(240)	640	8,795	14,105



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9. Segmental Information (cont'd)

Segment profit is reconciled to profit before tax presented in the condensed consolidated statement of comprehensive income as follows:

	1Q2024	1Q2023
	RM'000	RM'000
Segment profit	12,213	16,903
Finance costs	(3,418)	(2,798)
	<hr/>	<hr/>
Profit before tax	8,795	14,105
	=====	=====

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 2024.

11. Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2024.

12. Changes in Contingent Liabilities and Contingent Assets

Contingent Liabilities

Unsecured:

	Unaudited	Audited
	31 March	31 December
	2024	2023
	RM'000	RM'000
Corporate guarantees to financial institutions in respect of banking facilities granted to subsidiary companies	396,315	329,315
	<hr/>	<hr/>

There were no contingent assets since the last annual statement of financial position as at 31 December 2023 till the end of the financial period.

13. Capital Commitments

	As at 31 March	
	2024	2023
	RM'000	RM'000
Approved and contracted for:		
Investment properties	-	109
Property, plant and equipment	43,498	14,234
Total	<hr/>	<hr/>
	43,498	14,343



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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	
	2024	2023
	RM'000	RM'000
Directors	634	558
Key management personnel	667	578

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	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Sharifah Deborah Sophia Ibrahim	(a)				
Sales of townhouses at The NorthBank, Alyvia Residence	*	-	-	35	69
Hiap Ghee Seng Sdn Bhd	(b)				
Rental expense on premises		37	37	-	-
Heng Say Properties (Sarawak) Sdn Bhd	(c)				
Purchase of land	*	-	-	-	6,502

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 a Director of the Company who is also a major shareholder of the Company.

(c) Heng Say Properties (Sarawak) Sdn Bhd is a company connected to a 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.



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16. Trade and Other Receivables

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
Current		
Trade receivables		
Third parties	41,544	29,753
Less: Allowance for impairment	(528)	(545)
Trade receivables, net	41,016	29,208
Other receivables		
Third parties	5,858	5,873
Deposits	4,966	4,936
	10,824	10,809
Less: Allowance for impairment – third parties	(106)	(106)
Other receivables, net	10,718	10,703
Total trade and other receivables	51,734	39,911
Non-Current		
Trade receivables		
Third parties	773	525
Total trade and other receivables (current and non-current)	52,507	40,436

Ageing analysis of trade receivables

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
Current		
Neither past due nor impaired	31,538	10,441
1 to 119 days past due but not impaired	8,146	18,368
More than 120 days but not impaired	1,332	399
Impaired	528	545
Total trade receivables	41,544	29,753
Non-current		
Neither past due nor impaired	773	525
Total trade receivables (current and non-current)	42,317	30,278

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 RM9.48 million that are past due at the reporting date but not impaired. Due to the good credit standing of trade receivables, the Group believes that generally no further allowance for impairment is necessary in respect of trade receivables that are past due.



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17. Trade and Other Payables

	Unaudited 31 March 2024 RM'000	Audited 31 December 2023 RM'000
Current		
Trade and other payables	82,401	77,576
Provision for projects	44,125	63,102
Total trade and other payables	<u>126,526</u>	<u>140,678</u>
Non-Current		
Trade payables	21,252	18,292
Total trade and other payables (current and non-current)	<u>147,778</u>	<u>158,970</u>



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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Review of Performance

18. Current Financial Quarter (1Q2024) Vs Corresponding Financial Quarter (1Q2023)

	Current Quarter 3 months ended 31 March		Changes	
	2024 RM'000	2023 RM'000	RM'000	%
Revenue	80,140	79,193	947	1
Operating profit	28,573	25,763	2,810	11
Profit before interest and tax	12,213	16,903	(4,690)	(28)
Profit before tax	8,795	14,105	(5,310)	(38)
Profit after tax	5,612	10,391	(4,779)	(46)
Profit for the period attributable to owners of the parent	5,296	10,428	(5,132)	(49)

The Group's revenue for 1Q2024 increased by 1% to RM80.14 million from RM79.19 million in 1Q2023. 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, The Corliss Residence and Horizonz Residence at Bintulu Town Square, sales of townhouses at Alyvia Residence, sales of apartment at IXORA Court, sales of 3-storey semi-detached house at Crestwood Estate, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at NorthBank Commercial Centre, sales of 3-storey shop offices at Hagen Avenue at Bintulu Town Square and The Atrium at Samarahan, 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, New Operator Residence 2 located at Bakun, construction of the Sarawak Second Trunk Road Package A1-A, quarry operation, clubhouse operation, ready-mixed concrete operation and rental income from investment properties.

Whilst, the Group's revenue for 1Q2023 was primarily recognised from the sales of apartment suites at ContiNew, Kuala Lumpur, The NorthBank Avona Residence and Renna Residence, sales of townhouses at The NorthBank Alyvia Residence, sales of apartment 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, sales of 3-storey shop office and single storey lock-up shop at 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, quarry operation and rental income from investment properties.

Other income decreased to RM0.65 million in 1Q2024 as compared to RM0.72 million in 1Q2023. 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 RM12.04 million from RM7.68 million in 1Q2023. The increase was mainly due to the increase in staff cost, professional fee, depreciation of property, plant and equipment in 1Q2024. Other components of the administrative expenses have not varied much compared to those incurred during 1Q2023.



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19. Comparison with Immediate Preceding Quarter's Results

	Current Quarter 3 months ended 31 March 2024 RM'000	Immediate Preceding Quarter 3 months ended 31 December 2023 RM'000	Changes	
			RM'000	%
Revenue	80,140	105,418	(25,278)	(24)
Operating profit	28,573	30,413	(1,840)	(6)
Profit before interest and tax	12,213	16,599	(4,386)	(26)
Profit before tax	8,795	13,014	(4,219)	(32)
Profit after tax	5,612	8,862	(3,250)	(37)
Profit for the period attributable to owners of the parent	5,296	9,894	(4,598)	(46)

The Group recorded a profit before tax of RM8.80 million compared to a profit before tax of RM13.01 million recorded in the immediate preceding quarter ended 31 December 2023.

The Group's revenue for the current financial quarter ended 31 March 2024 decreased to RM80.14 million from RM105.42 million in the immediate preceding quarter ended 31 December 2023. Apart from the recognition of revenue from sales of 3-storey shop offices at Tabuan Tranquility Phase 3 Stage 2 in the immediate preceding quarter and recognition of revenue from sales of apartment suite at The Corliss Residence, sales of 3-storey shop offices at The Atrium at Samarahan and revenue from construction of the Sarawak Second Trunk Road Package A1-A in the 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, Horizonz Residence at Bintulu Town Square, sales of townhouses at The NorthBank Alyvia Residence, sales of 3-storey semi-detached house at the NorthBank Crestwood Estates, sales of apartments at IXORA Court, sales of 3-storey shops, single storey lock-up shops and 8-storey commercial block at NorthBank Commercial Centre, sales of 3-storey shop offices at Hagen Avenue 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, New Operator Residence 2 located at Bakun, quarry operation, clubhouse operation, ready-mixed concrete operation and rental income from investment properties.

Other income decreased from RM6.66 million in the immediate preceding quarter to RM0.65 million in this reporting quarter. The higher other income in the preceding quarter was mainly due to the fair value gain on investment properties. Other component of 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 which are similar to that in the immediate preceding quarter.

Administrative expenses decreased from RM16.85 million in the immediate preceding quarter ended 31 December 2023 to RM12.04 million in this current financial quarter. The decrease was mainly due to decrease in staff costs (i.e bonus and contribution to approved provident funds) and impairment losses on receivables. 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 31 March		3 months ended 31 March	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of intangible asset	124	124	124	124
Depreciation of property, plant and equipment	1,940	1,264	1,940	1,264
Dividend income	(18)	(11)	(18)	(11)
Gain from disposal of property, plant and equipment	-	(2)	-	(2)
Interest expenses	3,418	2,798	3,418	2,798
Interest income	(184)	(139)	(184)	(139)
Other income	(428)	(532)	(428)	(532)
Reversal of impairment of trade receivables	(17)	(32)	(17)	(32)

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 optimistic of the recovery of Malaysia's economy in 2024 and is confident to remain in a resilient position despite the challenging local property market conditions amid the rising cost of living and an elevated interest rate environment. To date, the Group has RM208.60 million unbilled sales and outstanding order book of RM1.13 billion as at 31 March 2024.

The NorthBank, spanning across 123 acres, continues to be our key focus for the next few years. This new township creates a vibrant economy and convenience to the surrounding communities, which offer purchasers with a variety of choices in the type of residences built within walking distance to commercials and office units, and also other community facilities, such as an exclusive social clubhouse and healthcare facility. With the existing well-established educational institution and an exclusive private social clubhouse, The NorthBank Autonomous Rapid Transit (ART) station and upcoming reputable private healthcare centre will further enhance the living experience and its surrounding value. Furthermore, the Group has acquired the rights to develop a 76-acre site in the Samarahan Division at the end of 2021, which will be our next highly integrated self-sustaining township development – Arden City. This upcoming township consists of a mixture development of commercial, offices, residential, healthcare and leisure.

Apart from The NorthBank and Arden City, 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.

Riding on the success of ContiNew Kuala Lumpur, the Group has launched the affordable service apartment at Bandar Petaling Jaya Selatan in March 2024 – Residensi NewUrban, sitting on 6.1 acres offering 922 units with build-ups ranging from 553 sq ft to 1,000 sq ft. The Group holds optimistic expectations for this strategically located development due to its excellent accessibility and surrounding conveniences.



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21. Group's Prospects (cont'd)

The Group monitors the market demand for our products and adopts a prudent approach with respect to any new launches. With the solid experience in developing township that creates the marketability, together with 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 actively tendering for the Government's construction and infrastructure projects to strengthen the Group's source of income amidst the current property market sentiment. 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 New Operator Residence 2 located at Bakun awarded by Bakun Hydro Power Generation Sdn Bhd and the Earthworks package for Rembus Hydrogen Plant at Kota Samarahan Division by ICE Wood Sdn Bhd. These construction contracts are expected to contribute positively to the Group's financial performance.

Apart from its main activities of realty development and construction, the Group operates a quarry plant at Pulau Salak that produces aggregates of granites with 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 which is expected to commence operation in the second half of 2024. In addition, the Group via its subsidiary company namely Ibraco KPP Concrete Sdn Bhd has commenced the ready-mixed concrete operation with an annual capacity of 12,000 MT, mainly to cater for the construction need of our development projects.

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax:				
- Malaysian income tax	543	3,118	543	3,118
Deferred tax	2,640	596	2,640	596
Total income tax expense	<u>3,183</u>	<u>3,714</u>	<u>3,183</u>	<u>3,714</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 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.



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24. Loans and Borrowings

	Unaudited As at 31 March 2024 RM'000	Audited As at 31 December 2023 RM'000
Short term borrowings		
Secured: Finance lease liabilities	3,237	2,983
Revolving credits	178,446	159,900
Term loans	23,732	22,149
	205,415	185,032
Long term borrowings		
Secured: Finance lease liabilities	10,962	10,293
Term loans	91,744	85,387
	102,706	95,680
Total loans and borrowings	308,121	280,712

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 2024 has increased by RM27.41 million as compared to the amount reported in the Audited Financial Statement as at 31 December 2023.

25. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 17 May 2024, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

26. Changes in Material Litigation

There was no known material litigation as at 17 May 2024.

27. Earnings Per Share

(a) Basic

	3 months ended 31 March		3 months ended 31 March	
	2024	2023	2024	2023
Profit attributable to owners of the parent (RM'000)	5,296	10,428	5,296	10,428
Weighted average number of ordinary shares in issue ('000)	546,046	546,046	546,046	546,046
Basic earnings per share (sen)	0.97	1.91	0.97	1.91



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27. Earnings Per Share (cont'd)

(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.

28. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 December 2023 was not qualified.

29. 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 May 2024.