IBRACO BERHAD
(197101000730 (011286-P))

ANNUAL REPORT

2021

Contents

02 Corporate Information

03 Group Corporate Structure

04 Group Financial Highlights

05 Profile of Directors

09 Profile of Key Personnel

10 Chairman's Statement

12 Management Discussion and Analysis By Group Managing Director

18 Sustainability Statement

25 Corporate Governance Overview Statement

33 Additional Compliance Information

34 Statement on Risk Management and Internal Control

37 Audit Committee Report

41 Financial Statements

151 Analysis of Shareholdings

154 List of Material Properties

155 Notice of Annual General Meeting

Form of Proxy

Our **Vision**

To be the leading conglomerate in the building and construction industry

Our **Mission**

To provide quality product and services, embrace corporate sustainability, optimise shareholder's return and nurture its employee

Our **Values**

- Responsibility & Accountability
- Excellence in Service
- Customer Focus
- Respect Oneself and Fellow Colleagues

Go paperless to help our environment. Instantly access an online copy of this Annual Report through your mobile device by scanning this QR code.

Corporate Information

DIRECTORS

Mr. Ng Cheng Chuan
Chairman

YBhg. Datuk (Dr.) Philip Ting Ding Ing
Deputy Chairman

YBhg. Datuk Chew Chiaw Han
Group Managing Director

Mr. Liu Tow Hua
Executive Director

Puan Sharifah Deborah Sophia Ibrahim
Non-Independent Non-Executive Director

Mr. Guido Paul Philip Joseph Ravelli
Independent Director

Mr. Ng Kee Tiong
Independent Director

Ms. Wong Siaw Wei
Independent Director

COMPANY SECRETARIES

Yeo Puay Huang (SSM PC No.:202008000727) (LS 0000577)
May Wong Mei Ling (SSM PC No.:202008002420) (MIA 18483)

REGISTERED OFFICE

Ibraco Berhad (197101000730 (011286-P))
No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching, Sarawak, Malaysia.
Tel: 082-361111 Fax: 082-361188

AUDITORS

Messrs. Ernst & Young PLT
3rd Floor, Wisma Bukit Mata Kuching,
Jalan Tunku Abdul Rahman,
93100 Kuching, Sarawak
Tel: 082-752668 Fax: 082-421287

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad
Stock Name: IBRACO
Stock Code: 5084

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd. (197701005827 (036869-T))
Level 7 Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur
Tel: 03-2084 9000 Fax: 03-2094 9940

WEBSITE

www.ibraco.com

Group Corporate Structure

IBRACO BERHAD
(197101000730 (011286-P))

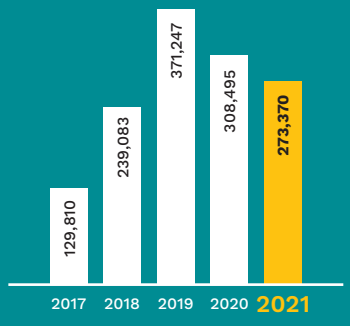
- **100%** Ibraco Quarry Sdn. Bhd. (198301005406 (99809-T))
- **100%** Syarikat Ibraco-Peremba Sdn. Bhd. (197401003324 (20491-M))
- **100%** Ibraco Spectrum Sdn. Bhd. (200301008271 (610691-M))
- **100%** Ibraco Infinity Sdn. Bhd. (200301004033 (606453-W))
- **100%** Ibraco Construction Sdn. Bhd. (200201024319 (591982-H))
  - **70%** Ibraco Construction Polybuilding Construction JV Sdn. Bhd. (201901017388 (1326716-H))
  - **70%** Dynaciate Engineering Ibraco Construction JV Sdn. Bhd. (202001008013 (1364333-M))
- **100%** Foso One Sdn. Bhd. (200301010005 (612425-M))
- **100%** NewUrban Sdn. Bhd. (201801011013 (1273029-H))
- **100%** Ibraco Ascent Sdn. Bhd. (201601000803 (1171729-H))
- **100%** Ibraco Plantation Sdn. Bhd. (201301042442 (1072264-T))
- **75%** Ibraco Pelita Sdn. Bhd. (201301004433 (1034276-W))
- **70%** Sekitar Gemilang Sdn. Bhd. (202001013693 (1370013-U))
- **70%** Ibraco HGS Sdn. Bhd. (201101036040 (964174-A))
  - **80%** Warisar Sdn. Bhd. (201201025044 (1009534-M))
- **50%** NorthBank Specialist Hospital Sdn. Bhd. (201901012601 (1321929-D))
- **49%** IBRACO HELP Education Sdn. Bhd. (201701035413 (1249584-P))
  - **84.21%** HELP IBRACO CMS Sdn. Bhd. (201801007946 (1269960-U))

Group Financial Highlights

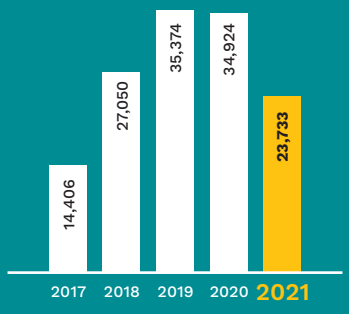
FIVE YEARS FINANCIAL SUMMARY

	2017	2018	2019	2020	2021
Revenue (RM'000)	129,810	239,083	371,247	308,495	**273,370**
Profit before taxation (RM'000)	18,493	37,937	48,587	48,537	**32,579**
EBTIDA (RM'000)	23,524	52,929	62,036	61,563	**48,305**
Net profit after taxation (RM'000)	14,406	27,050	35,374	34,924	**23,733**
Profit attributable to owners of the Company (RM'000)	14,499	26,945	34,614	34,917	**23,487**
Basic earnings per ordinary share (sen)	3	5	7	7	**5**
Gross dividend per share (sen)	2.75	1.50	1.00	2.00	**2.00**
Dividend payout ratio (%)	95	28	14	28	**46**
Net gearing ratio (%)	41	47	52	44	**38**
Shareholders' equity (RM'000)	315,104	338,326	360,556	395,501	**432,684**
Total Assets (RM'000)	608,976	721,693	795,612	784,557	**775,117**
Net assets per share (RM)	0.63	0.68	0.73	0.80	**0.79**
Return on shareholders' equity (%)	5	8	10	9	**5**
Return on total assets (%)	4	7	8	8	**6**
Total borrowings (RM'000)	180,571	246,258	265,911	242,566	**207,127**
Current assets (RM'000)	465,913	554,756	568,550	544,839	**524,783**
Current liabilities (RM'000)	226,431	250,036	279,468	249,703	**232,051**
Current ratio (times)	2.06	2.22	2.03	2.18	**2.26**
Issued and fully paid-up share capital of ('000)	496,406	496,406	496,406	496,406	**546,046**
Share price performance (RM)					
Closing	0.78	0.60	0.70	0.52	**0.59**

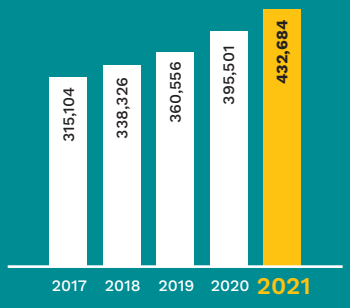
Revenue (RM'000)



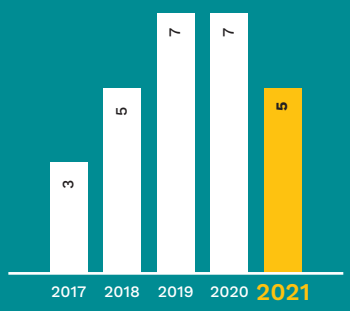
Net Profit After Tax (RM'000)



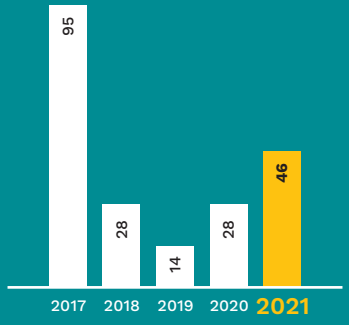
Shareholders' Equity (RM'000)



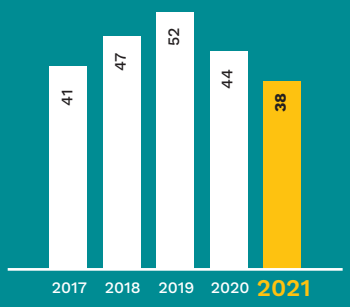
Basic Earnings Per Share (Sen)



Dividend Payout Ratio (%)



Net Gearing Ratio (%)



Profile of Directors

NG CHENG CHUAN
Chairman
Singaporean | Age 63 | Male

Mr. Ng Cheng Chuan, a Non Executive Non Independent Director, joined the Board of Ibraco Group on 21 October 2009 and was appointed as the Chairman of Ibraco Group on 27 February 2014. He ceased to be member of the Audit Committee, Nomination Committee and Remuneration Committee on 22 April 2022.

Mr. Ng is the Chairman of Crossland Marketing (2000) Pte Ltd and several other companies in Singapore, Malaysia and Thailand dealing mainly with soft commodities, farming and warehousing. Mr. Ng has more than 35 years of extensive experience in the areas of sales and purchasers of soft commodities.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.

DATUK (DR.) PHILIP TING DING ING
Deputy Chairman
Malaysian | Age 70 | Male

Datuk (Dr.) Philip Ting, a Non Executive Independent Director, joined the Board of Ibraco Group on 1 April 2001.

Datuk Ting holds a Bachelor of Business degree majoring in Accounting, as well as a Doctorate of the University (Honoris Causa) from Swinburne University of Technology, Australia. He is a member of the Malaysian Institute of Certified Public Accountants and a Chartered Accountant of the Malaysian Institute of Accountants.

A Fellow Member of the Institute of Chartered Accountants in Australia, he was in public practice for 17 years beginning with Touche Ross & Co in Australia in 1973 and ending as a Partner of Arthur Andersen & Co/ Hanafiah Raslan & Mohamad in Malaysia. From 1991 to 1994, he was Chief Executive Officer of Sarawak Securities Sdn Bhd, a major stock-broking company in Malaysia and from 1994 to 1998, he was Group Managing Director of Cahya Mata Sarawak Berhad, a diversified conglomerate in Malaysia. He was the acting Group Chief Executive Officer of Encorp Berhad from 1 October 2010 to 30 November 2010. During his working career, he spent a significant amount of time consulting and investing in Australia, the United States of America and in countries throughout Southeast Asia.

Datuk Ting is the Honorary Consul for Australia in Sarawak and the Deputy President of the Sarawak Chamber of Commerce and Industry. He is also a Board and Council Member of Swinburne University of Technology, Sarawak, Chairman of the University's finance committee and Chairman of Swinburne Innovation Sdn Bhd. Datuk Ting also sits on the Board of National Bank of Abu Dhabi Malaysia Berhad, Employees' Provident Fund and as Deputy President of Sarawak Business Federation.

Datuk Ting does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.

Profile of Directors

DATUK CHEW CHIAW HAN
Group Managing Director
Malaysian | Age 45 | Male

Datuk Chew Chiaw Han was appointed as a Non Executive Non Independent Director on 21 October 2009 and became an Executive Director on 30 October 2009. He was then appointed as the Chief Executive Officer on 30 April 2010 and later redesignated as the Group Managing Director on 10 May 2011. Datuk Chew is also the Chairman of the Risk Management Committee, member of the Remuneration Committee and Sustainability Committee.

Datuk Chew is a graduate of the University of Waikato, New Zealand with a Bachelor of Law Degree. He started his career with Lian Hua Seng Group of companies in 1999. He was then appointed as an Executive Director in 2002 and later promoted to Chief Executive Officer of the Group in 2007. Under his leadership, he has led the group to diversify into other business fields such as manufacturing, supply, construction, logistic, and food processing, both in private and government sectors.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Datuk Chew's private companies are principally involved in construction. There may be potential conflict of interest with Ibraco Construction Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad, which principally involved in construction activities.

LIU TOW HUA
Executive Director
Malaysian | Age 62 | Male

Mr. Liu Tow Hua, an Executive Director, joined the Board of Ibraco Group on 16 January 2007. He is also a member of the Risk Management Committee and Sustainability Committee.

He qualified as a Chartered Accountant with the Chartered Institute of Management Accountants (UK). He is also a member of the Malaysian Institute of Accountants.

He has extensive experience in the auditing field both in the public and private sectors. He joined Ibraco Berhad as Group Internal Auditor and became the Chief Financial Officer in May 2006. He was appointed as an Executive Director on 16 January 2007.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). He does not have any conflict of interest with the Company.

Profile of Directors

SHARIFAH DEBORAH SOPHIA IBRAHIM
Non Executive Non Independent Director
Malaysian | Age 59 | Female

Puan Sharifah Deborah Sophia Ibrahim was appointed to the Board of Ibraco Group on 5 July 1982 as an Executive Director and as a member of the Audit Committee on 21 April 2001. She ceased to be a member of the Audit Committee on 3 December 2007 and was redesignated to a Non Executive Non Independent Director on 16 April 2008. She also holds directorships in several private limited companies.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

NG KEE TIONG
Non Executive Independent Director
Malaysian | Age 54 | Male

Mr. Ng Kee Tiong, a Non Executive Independent Director, was appointed to the Board of Ibraco Group on 15 April 2010. He is also the Chairman of the Audit Committee and member of the Nomination Committee.

Mr. Ng is a Fellow Member of the Association of Chartered Certified Accountants of United Kingdom and a member of the Malaysian Institute of Accountants. Besides his accounting and finance experience, he gained many years of experience in property development and construction industry. He is currently an Executive Director of a construction company. There may be potential conflict of interest with Ibraco Cosntruction Sdn Bhd, a wholly owned subsidiary of Ibraco Berhad, which principally involved in construction activities.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Profile of Directors

GUIDO PAUL PHILIP JOSEPH RAVELLI
Non Executive Independent Director
British | Age 71 | Male

Mr. Guido Paul Philip Joseph Ravelli, a Non Executive Independent Director, joined the Board of Ibraco Group on 1 May 2002. He is the Chairman of the Remuneration Committee, Nomination Committee and Sustainability Committee, and member of Audit Committee. He is also the Senior Independent Non Executive Director to whom the public may address their concerns (if any) on the general conducts of Ibraco Group.

Born in the United Kingdom, he studied civil engineering at King's College, University of London and graduated with a Bachelor of Science (Hons) degree in Civil Engineering. He furthered his studies at Ecole Centrale des Arts et Manufacturers, Paris and was later conferred Master of Science in Engineering. He began his career with a major building contractor in Paris and later elected to pursue an international career in the field of construction. He spent 30 years with one of the largest international construction groups, and has more than 40 years of experience in the development, implementation and management of buildings, public works and Build/Operation/Transfer projects in France, Hong Kong SAR, Malaysia, Portugal and South-East Asia. In year 2000, the President of France conferred a national honour on him by making him, a Chevalier de l'Ordre National du Merite, in recognition of his contribution to the profession and to Franco-Asian business relations. Since 2003, he has also been involved in the associated gas and power sector, in various countries.

Mr. Paul Ravelli is a member of the Institute of Internal Auditors Malaysia. He is also Deputy Chairman and Independent Non Executive Director of Malton Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, in any). He does not have any conflict of interest with the Company.

WONG SIAW WEI
Non Executive Independent Director
Malaysian | Age 46 | Female

Ms. Wong Siaw Wei, a Non Executive Independent Director, was appointed to the Board of Ibraco Group on 22 April 2022. She is also a member of the Audit Committee.

Ms. Wong is a Fellow Member of the Association of Chartered Certified Accountants of United Kingdom and a member of the Malaysian Institute of Accountants. She has more than 20 years of experience in accounting, auditing, investment banking and corporate affairs, having worked for Arthur Andersen & Co., Ernst & Young, Aminvestment Bank Berhad and few other private and public listed companies.

She is currently an Executive Director of a consultancy company mainly involved in the provision of consultancy services, accountancy, management and secretarial services. Besides the consultancy company, Ms. Wong is also an Executive Director of a company mainly involved in the provision of sustainable agriculture project management & training services and trading of natural agriculture produce.

Ms. Wong is also an Independent Non Executive Director and the Chairman of Audit Committee of ABM Fujiya Berhad, a company listed on Main Market of Bursa Malaysia Securities Berhad.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any). She does not have any conflict of interest with the Company.

Profile of Key Personnel

Felix Su Kuang Yiaw, Malaysian, age 63, male, is the Project Director of Ibraco Group. He obtained Bachelor of Civil Engineering from Ryerson University, Canada. He has over thirty years of experience in the construction industry, with niche technical knowledge in upgrading and construction of airports within Sarawak. He joined the Group on 2 May 2017.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

May Wong Mei Ling, Malaysian, age 48, female, is the Assistant to Group Managing Director cum Company Secretary. She qualifies as a Chartered Accountant with the Association of Chartered Certified Accountants (ACCA). She is also a member of the Malaysian Institute of Accountants. She was the Chief Financial Officer and Company Secretary of Sarawak Consolidated Industries Berhad for 6 years before joining the Group on 1 February 2010.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Chai Ming Hsia, Malaysian, age 45, female, has more than 10 years of experience in Quantity Surveying for consultancy, developer and construction firms prior to joining Ibraco Group on 21 May 2013 as Project Special Assistant. She was later appointed as the Senior Contracts Manager in 2016. Her past projects include high end residential development, biogas plant and wastewater treatment plant. She graduated with a Bachelor's Degree in Construction Management and Economics from Australia.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Jonathan Teo Kui Theng, Malaysian, age 54, male, joined the Group as Senior M&E Manager on 1 December 2016. He has more than 10 years of experience in managing building works and M&E packages for major development projects in Sarawak, including the Sarawak International Medical Centre, as well as Sarawak Energy Berhad's headquarters building. He graduated with BSc. Engineering in Mechanical and Production from Singapore.

He does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Chung Yng Yng, Malaysian, age 47, female, has joined Ibraco Group on 2 April 2018 as Senior Architect and Planning Officer. She graduated from her Architectural Studies in U.K and she is a qualified architect in Malaysia (LAM, PAM) as well as U.K (ARB, RIBA). Her architectural experience includes mixed-use developments, residential, commercial, industrial projects and aged care centre. She has over 10 years working experience in U.K and more than 9 years in Malaysia as a senior architect.

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Ng Suk Ling, Malaysian, age 43, female, has joined Ibraco Group on 1 November 2018 as Group Internal Auditor. She qualifies as a Chartered Accountant with the Association of Chartered Certified Accountants (ACCA). She is also a member of the Malaysian Institute of Accountants. She has more than 17 years of working experience in the field of auditing, finance, tax matters and group reporting. Prior to joining Ibraco, she spent 4 years in audit with a reputable audit firm and 11 years in group reporting, finance and tax matters with a public listed company

She does not have any family relationship with any Director and/or major shareholder and has no conviction for any offences over the past 5 years (other than traffic offences, if any).

Chairman's Statement

Ng Cheng Chuan
Chairman

Dear Shareholders,
On behalf of the Board of Directors, I am pleased to present the annual report of Ibraco Berhad for the financial year ended 31 December 2021.

FINANCIAL PERFORMANCE

The Group recorded revenue of RM273.4 million for the Year, compared to RM308.5 million in the preceding year. This was partly due to lower progressive recognition of sales from the property development projects as a result of disruption of labour supply, impacted by the COVID-19 pandemic. Revenue from the construction segment was also reduced by 32% as the construction of the new Mukah Airport project has reached its tail end. Consequently, profit attributable to equity holders dropped by 32% to RM23.5 million.

Equity attributable to owners as at 31 December 2021 increased to RM432.7 million from RM395.5 million a year ago. The increase was supported by private placement exercise that was completed during the year, attributed to issuance of 49.64 million ordinary shares at an issue price of RM0.476 per share. The increase was also offset by dividend payment of RM9.9 million during the Year.

We continued to practise financial prudence in managing and operating our business. We managed to bring down our net gearing ratio to 38% as compared to 44% in prior financial year. Total loans and borrowings decreased 15% from a year ago largely due to repayments made during the year. The Group's healthy financial position reflects our commitment to grow in a sustainable and resilient manner even in time of challenging circumstances.

NEW DEVELOPMENTS

Over the past decades, we have developed a strong brand as a premier local developer, with an accoladed portfolio of integrated developments. Leveraging on our track record and execution capabilities while we exercise prudent capital management, we remain on the lookout for strategic joint development opportunities. We managed to seal a joint development deal that spanned across 30.89 hectares of mixed-used developments at Kota Samarahan, Kuching. The approved master plan is well-designed to synergize with the State's strategic development plan that gear up Kota Samarahan towards being the medical and education hub. This project shall commence in 2nd half of 2022, contributing to the Group's earnings in the next few years.

We acquired 10.23 acres of vacant industrial land in February 2022. The acquisition represents our long-term strategy to improve our source of revenue to mitigate its risk of overdependence on its property development sector. We are in the planning stage to set up our manufacturing plant of steel products which is scheduled to commence business in 2023.

SUSTAINABLE GROWTH

We continued to improve our initiatives to embed environmental, social and governance domains into our strategy and operations. Various initiatives have been

implemented across all business units, and we will regularly review our approach to ensure continuous improvement in our sustainability strategy.

More information about our sustainability strategy and commitments is available in our Sustainability Report of this Annual Report.

A NOTE OF APPRECIATION

On behalf of the Board, I wish to express my gratitude to all the leadership team and all employees for their dedication and resilience in maintaining the Group's performance whilst adapting to the constant changing environment brought upon by the new normal.

A special thanks to YBhg. Datuk Philip Ting who will be retiring after serving more than 20 years on Ibraco's Board at the end of our coming Annual General Meeting in May 2022. On behalf of the Group, we would like to extend our deepest gratitude to YBhg. Datuk Philip Ting for his strong support and contribution to the Group. We wish him all the very best in his personal endeavours.

We would also like to welcome Ms Wong Siaw Wei as new member of the Board. We believe her presence will add value to the Group.

Lastly, I would also like to thank the shareholders, associates, customers, bankers, subcontractors and suppliers for their support all these years and continued belief in us. As we continue to strive, we shall rise above this pandemic stronger and more resilient than before.

Ng Cheng Chuan
Chairman

Management Discussion and Analysis
by Group Managing Director

Datuk Chew Chiaw Han
Group Managing Director

Overview of the Group's Business and Operations

Ibraco Berhad has been in the forefront of property development for more than 45 years. The vast building experience has led the organisation to maintain and build on its good reputation for its quality works and timely delivery of its development projects. The Group has been actively running property developments in Sarawak, namely Kuching and Bintulu, as well as West Malaysia. While striving to achieve the Group's vision to be the leader in the building industry, the Group has also ventured into the education industry, quarry operation and government projects construction.

Overall, Malaysia's economic performance in 2021 showed a recovery momentum with the growth of 3.6% as compared to a decline of 5.6% in Year 2020. Although this is still below its pre-pandemic level in 2019 the economic performance for the fourth quarter 2021 has surpassed the level of fourth quarter 2019 by 0.1% despite encountering the covid-19 pandemic and natural disaster simultaneously.

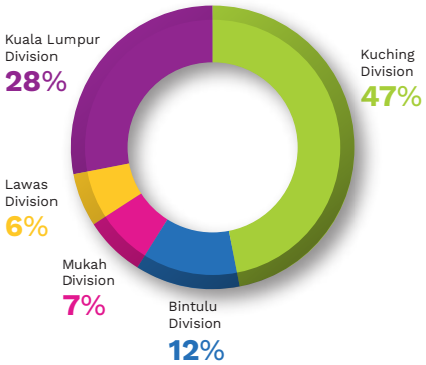
The covid-19 pandemic continues to disrupt the pace of construction and sales activities resulting in lower sales and progress billings. The Group recorded an overall decrease of 11.4% in revenue at RM273.4 million compared to RM308.5 million in the preceding year. In terms of net profit after taxation the Group also recorded a reduction of RM11.2 million or 32.1% at RM23.7 million compared to RM34.9 million in Year 2020.

FINANCIAL PERFORMANCE REVIEW

The property development segment remained to be the main contributor of the Group's revenue, with 66% of the current year's aggregated income revenue, followed by the construction segment with 23% and quarrying segment at about 8%. The Group's revenue was primarily recognised from the development of The NorthBank that comprises the commercial shop offices, Avona Residence serviced apartment, as well as the Nova 72 and Alyvia residential houses. Revenue was also derived from the sales of apartment suites and commercial lots at ContiNew, Kuala Lumpur. Sales of the Group's inventories had also contributed to the revenue, representing 13% of the total property development segment.

Another segment that contributed significantly to the Group's performance is our construction arm, which had contributed 23% of the Group's revenue performance. The revenue derived mainly from the construction of the new Airport at Mukah, Sarawak, a contractual work from Jabatan Bekalan Air Luar Bandar, Kuching, Sarawak for the Design, Construction, Completion, Testing and Commissioning of Proposed Package NR4 (Northern Region) for Sarawak Water Supply Grid Programme – Stressed Areas, the construction of the temporary facilities and the building works contract for the Sarawak Methanol Project awarded by Samsung Engineering (Malaysia) Sdn Bhd.

Revenue
by Geographical Area



The Group's administrative expenses recorded an increase of 33% from RM21.5 million in previous year to RM28.6 million in the current year. This was mainly due to the increase in staff costs and depreciation incurred for additional fixed assets during the current year.

We managed to reduce the Group's loan and borrowings by 15% from RM242.6 million in FY2020 to RM207.1 million in FY2021 as we continue to repay project financing as scheduled and via redemption from the sales proceeds. The Group's net gearing ratio remains healthy at 38% in Year 2021 as compared to 44% for Year 2020.

CORPORATE OFFICE

In respect of return to shareholders, we managed to record an earnings per share of 5 sen for FY2021 and grow the Shareholders' funds from RM410.8 million as at 31 December 2020 to RM441.9 million as at 31 December 2021. Lastly, the Board of Directors has approved to pay out a dividend of 2 sen per share for FY2021.

OPERATIONAL PERFORMANCE REVIEW

PROPERTY DEVELOPMENT

THE NORTHBANK
DISCOVER THE ESSENCE OF BALANCE

The NorthBank, Kuching

The NorthBank, spanning across 123 acres, is our major focus for the next few years. The Northbank broke ground in 2017, offering a new kind of township, with all the space of the suburbs and all the amenities and connectivity of the city centre. This is a self-contained township within the extended city limits. The Northbank masterplan includes the full range of residential property types – high rise apartments, landed residential and townhouses ranging from affordable to luxury housing. These accommodations mix housing people of every background from first-time owners to young couples to established and extended family units. As we are building a community of such full range of the population, our full range of facilities on site will make that community self-contained. It combines retail and commercial space with residential.

Sales achieved across The NorthBank developments stood at RM71.5 million, representing 40% of the Group's property development segment revenue.

In FY2021, our first commercial shop offices – NBX Phase 1 – 23 units of commercial lots, was completed and handed over. Other ongoing projects, namely Avona Residence – a two 12-level tower of 298 units serviced apartment, and Alyvia Residence – 102 units of townhouse residences are expected to be ready for handling over in FY2022.

Despite the tough market conditions since the covid-19 pandemic, we have successfully launched Renna Residence – 13-storey of 296 units serviced apartments and Crestwood Estates – 36 units of 3-storey semi-detached residential houses during the year. With the continuous branding effort created for The NorthBank, we managed to achieve satisfactory take up rate despite strict financing guidelines continuously imposed by the banks.

COMMERCIAL SHOP OFFICES - NBX PHASE 2

During the year, we are honoured to have entered into a Memorandum of Understanding with Sarawak Metro Sdn. Bhd with the intention to collaborate and build an Automated Rapid Transit Station within The NorthBank. This mark an important collaboration for us to bring this strategic integrated township of The NorthBank to the next level.

AFFORDABLE HOUSING, Kuching

As we support the national agenda of making home ownership affordable, we continue to plan and build affordable homes within each development. During the year 2021, we rolled out Ixora Court affordable housing focusing towards Middle 40% "M40" income group. 82% of Ixora Court offer practical layout ideal for first-time homeowners at price below RM500,000.

It offers a home with full facilities, built with fluidity of movement around the courtyard, guarded with 24 hours security, and is well-curated to feature 4 different layouts spread across 2 blocks of 5-storey residential apartment with lifts, totalling 220 units, to suit individual tastes.

The spread of facilities, not common amongst affordable apartment developments, include, amongst others, a swimming pool, a wading pool, a BBQ pit, a playground, a reflexology path, a multipurpose courtyard, an outdoor fitness station, a covered car wash bay, and a clubhouse that includes a gym, games room as well as a function hall.

The launch was well received with take up rate of 65% at the stage of completion of foundation works. As Ixora Court is located close proximity to daily amenities coupled with the implementation of the new assess road that further alleviate the value of this development, we are confident of the sales of remaining units before completion of the project.

IXORA COURT

CONTINEW, Kuala Lumpur

The Group's maiden foray in West Malaysia, ContiNew, which is located in Kuala Lumpur City Centre, was officially launched in February 2017. It consists of two residential towers, sitting above a vibrant commercial space comprising 4 units of 3-storey commercial/retail shops, 30 units of retail/office spaces and 510 units of serviced apartments. This mixed development has a GDV of over RM400 million and was completed in October FY 2021. For FY2021, it has generated RM77.2 million, representing 28% of the Group's property development segment revenue.

CONTINEW
– IN WITH THE NEW –

Construction Segment

In FY2021, the Group continued to recognise its revenue from the construction of the new Airport at Mukah, Sarawak. The Project was completed in March 2021. Another ongoing government project is the Design, Construction, Completion, Testing and Commissioning of NR4 (Northen Region) for Sarawak Water Supply Grid Programme – Stressed Areas amounting RM44.9 million. This project is re-scheduled to complete in 4th quarter of Year 2022 as a result of additional work scope and due to imposition of movement control order.

During FY2021 the Group was awarded both temporary facilities and building works contracts of Sarawak Methanol Project by Samsung Engineering (Malaysia) Sdn Bhd amounting to RM77.3 million.

The above projects have generated RM62.6 million, representing 23% of the Group's total revenue for FY2021.

Quarry Segment

The Group's quarry operations are managed under its wholly owned subsidiary, Ibraco Quarry Sdn Bhd. The Group acquired the existing plant at Pulau Salak in Year 2019 and has 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.

In FY2020, we have obtained approval for the quarry licence for a new quarry reserve located at Gunung Sinmajau, Mile 14 Serian-Tebedu, Serian Division. This involves a meaningful partnership with Kebajikan Anak-Anak Yatim Sarawak Charitable Trust via our subsidiary company, Sekitar Gemilang Sdn Bhd. This new quarry site, which was scheduled to commence operation in 2nd half of 2022 is now rescheduled to commence in 2023 due to unforeseen delay in the site preparation works.

Outlook for Year 2022

Although Malaysia's Year 2022 gross domestic product (GDP) growth projected at between 5.5% to 6.5%, we are mindful of the duration of time needed to contain the Covd-19 pandemic and subsequent economic recoveries. The uncertainties in the economic recoveries, concerns over employment and tightening of end financing for buyers have impacted the spending behaviour of home buyers, which are adopting a "wait and see" approach. In addition, the consistently high construction costs resulting from the surge in primary commodities such as crude oil, steel bar, copper, and aluminium raise a concern in earning prospect of developers. These price hikes were further exacerbated by the Russia-Ukraine crisis in March 2022. Overall Building cost for 2022 is projected to increase by about 19%.

However, we are still hopeful of a better economy recovery in Sarawak in view of the Sarawak Government's five-year development master plan to transform Kuching city. Furthermore, Sarawak's infrastructure development will get a major boost with the allocation of some RM7.0 bil in the Year 2022 state budget in addition to the RM4.67bil allocation in Malaysia's budget

MUKAH AIRPORT

CRESTWOOD RESIDENCE

for development expenditure. The State 2022 budget has also highlighted various strategies and programmes to ensure that Sarawak's economy stands on strong foundation.

Against the above backdrop coupled with our efforts in the branding of The NorthBank development over the years, we are set on good path to roll out more launches in FY2022 focusing on The NorthBank. There will be new launches for commercial developments, service apartments and landed residences. Also in the development plan is the kick start of the construction of The NorthBank Specialist Hospital in FY2022 that will further enhance the value of the surrounding properties and hence, the marketability of our new launches in the pipeline. Apart from The NorthBank, we also plan to roll out a range of affordable housings in Kuching in FY2022 to cater for the current demand for affordable homes.

We have acquired the rights to develop a 30.89 hectares site in the Samarahan Division towards the end of 2021 and plan to launch residential houses as well as commercial properties in the second half of 2022.

As for Bintulu market, we are planning for the new launch of shop office and 2nd phase of our service apartment following the 100% take up rate of the phase 1 service apartment.

The Group's venture into West Malaysia will continue with the new launch of affordable service apartment at Bandar Petaling Jaya Selatan. In view of the delay in development approvals as a result of the pandemic, this project has been re-scheduled to launch at the end of 2022.

Apart from the property development segment, the Group is also actively bidding for government's construction and infrastructure projects.

RENNA Service Apartment

Sustainability Statement

The Sustainability Statement provides an overview of our commitment to our sustainability goal and reports our various endeavors to drive the aspects of sustainability in the Economic, Environment and Social ("EES") domains.

This Statement is prepared in accordance with the Bursa Malaysia's Sustainability Reporting Guide.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE

Under the stewardship of our Board of Directors ("Board"), the Sustainability Committee is put in place to oversee and ensure the Group conducts its business in a responsible manner, in relation to its impact on the environment, economy and society. The Sustainability Committee, which is chaired by our Senior Independent Director, is assisted by the Sustainability Working Committee, which comprises the Heads of Departments to discharge duties of embedding a sustainability culture in our daily business.

During the financial year ended 31 December 2021, the Sustainability Committee reviewed the management processes, initiatives and performance of the Group in the following areas:-

- Health and safety, including the security of assets and employees;
- Workplace policies, including ethnic and gender diversity;
- Sustainable development;
- Responsible and ethical business practices; and
- Contribution to a better society within the communities that the Group operates.

Our Approach to Sustainability

We have identified sustainability matters in relations to Ibraco's property development and construction activities and their impact on the environment, economy and society including stakeholders' needs and expectations. We have also incorporated material sustainability matters into our risk management framework to ensure they are addressed as part of the organisation's risks and opportunities. All material sustainability matters are handled by relevant departments, where sustainability development is linked to their departmental key performance indicators.

STAKEHOLDER ENGAGEMENT

We regularly engage with our stakeholders as our operations, products and services impact their daily lives. The table below lists our key stakeholders, their key concerns as well as our approach to these:

Stakeholder Group	Key Concerns	Type of Engagement	Our Approach
Employees	• Remuneration and benefits • Career development • Job satisfaction & retention • Training & development • Workplace health and safety • Work-life balance	• Annual performance assessment • Employee engagement survey • Town hall meeting • Awareness talk • Staff gathering • Orientation programme • Staff newsletter	• Fair and attractive remuneration package • Talent development program • Health and Safety awareness talk by Safety Officer or authorities • Emphasis on health and safety concerns during Town hall meeting or induction briefing • Publication of health and safety articles in staff newsletter periodically • Publication of work-life balance articles in staff newsletter periodically

Sustainability Statement (contd.)

STAKEHOLDER ENGAGEMENT (contd.)

Stakeholder Group	Key Concerns	Type of Engagement	Our Approach
Customers	• Pricing of the property • Customer service & experience • Safety and security of developments • Quality and workmanship	• Customer satisfaction survey • Community apps • Company's website/ social media/newsletter • Community outreach event	• Launch of affordable properties • To obtain customer feedback constantly and via customer satisfaction survey • Implement customer engagement digital platform • Stringent selection of contractor and supplier • Improved Inspection and monitoring standards
Communities	• Safety and security • Community investment • Environmental issue	• Contribution to environment and social enhancement • Communities outreach program • Donation and financial aid • Company's website/ social media/ newsletter	• To provide auxiliary police services • Corporate Social Responsibility partner engagement program • To implement student financial aid program • To improve our waste management system • Green design development • To obtain ISO140001:2015 (Environmental Management Systems) for property development sites.
Contractors	• Pricing of contracts • Payment schedule • Transparent procurement practices • Responsible material applications • Product quality • Delivery on time	• Contractor performance appraisal • Post-project review • Contract negotiation • Pre-tender assessment • Regular meetings	• Systematic review of appointment and performance assessment • Tender process

Our Material Sustainability Matters

Identifying our economic, environmental and social aspects that have material impact on our sustainable development is key to implementing our sustainability strategies and initiatives.

We have matched our materiality matters to 5 of the 17 main Sustainable Development Goals ("SDGs") by the United Nations.

SDG	Focus Area	Material Sustainability Matters	Stakeholder Group
3 GOOD HEALTH AND WELL-BEING	Prioritise the health and safety of our employee, community and customers.	• Health and Safety	• Employee • Communities • Customers
5 GENDER EQUALITY	Ensuring gender equality and empowerment.	• Talent Management	• Employee
8 DECENT WORK AND ECONOMIC GROWTH	Ensuring full and productive employment and decent work, henceforth, positive contribution to the local economy.	• Occupational Health and Safety • Talent Management • Ethics and Integrity	• Employee • Contractors
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Adopting good industry construction practices.	• Customer Satisfaction • Product Quality • Green Design	• Customers • Contractors • Communities
11 SUSTAINABLE CITIES AND COMMUNITIES	Incorporating sustainable features in our property development projects.	• Green Design	• Customers • Communities

Sustainability Statement (contd.)

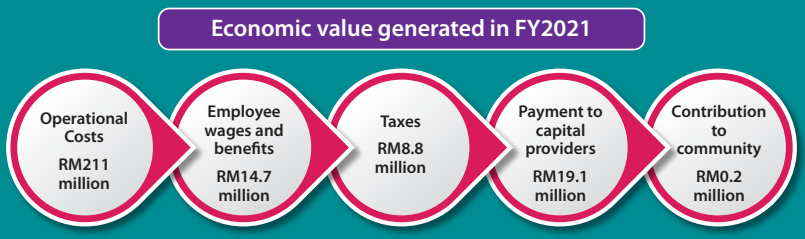
Our Material Sustainability Matters Performance

Economic

Financial

In order to sustain business stability and long-term growth, we believe in practicing highest standards of ethics and integrity while protecting the interest of our stakeholders. We persevere in providing good quality products and services to uphold our leading position. It is our leading position in the market that contributed to another year of strong financial performance amidst much post-pandemic challenges that hit the construction industry especially on the issues of labour shortage.

FY2021 has recorded RM247 million sales from the property development division and secured construction contracts amounting RM137 million. Through these projects, we play our role as contributor to the economy in the context of employment, supply chain, government taxes and contributions to the community.



We support local vendors in order to directly contribute to the growth of local economy. Our vendors are categorized into four groups:

Engagement of contractors has form large percentage of our procurement activities. Throughout the year, we have awarded a total of 7 contracts to local contractors for piling, infrastructure and building works. We have performed 100% pre-qualification reviews of the invited tenderers during the tender award process. Contractors' performance is assessed upon project completion and will be used as track records for future engagements. We have been working closely with local contractors via continuous education and guidance of our quality standard with the aim to achieve contractor's overall performance rating of at least 70% of our benchmark scale.

AVONA RESIDENCE, KUCHING

Sustainability Statement (contd.)

Affordability

As we support the national agenda of making home ownership affordable, we continue to plan and build affordable homes within each development. During the year 2021, we rolled out Ixora Court affordable housing focusing towards Middle 40% "M40" income group. 82% of Ixora Court offer practical layout ideal for first-time homeowners at price below RM500,000.

IXORA COURT, KUCHING

Customer service satisfaction

Customer feedback is always a key indicator of our product and service quality. We managed to obtain 85% (2020: 96%) response rate to our customer satisfaction survey for the properties we handed over during the year. Generally, our customers are satisfied with our customer services and product quality with average rating of 85% (2020: 89%).

Year 2021 we also conducted residents' satisfaction survey for all the properties that we managed. We are proud that residents have responded positively with average rating of above satisfactory level.

Ethics and Integrity

We have a set of Code of Conduct and Ethics policy that establishes a strong corporate culture to guide Directors and employees to commit to ethical standards and conduct at work. Besides that, we also have adopted an Anti-Bribery and Corruption Policy to ensure integrity in conducting business. A Whistle-Blower Policy has been established to provide employees and other stakeholders an avenue to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

Our Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and Whistle-Blower Policy have been communicated to employees during new hire orientation and through our internal staff newsletter. The employees are also required to sign a declaration of commitment to the Anti-Bribery and Corruption policy.

We have extended our policy on Anti-Bribery and Corruption to our consultants, contractors and vendors. Further to that, relevant clauses on the Anti-Bribery and Corruption policy have been included in the contract terms. All these policies are available in on our website at www.ibraco.com as well.

We did not receive any Whistle-Blower Reports related to incidents of misconduct or unlawful behavior within the organisation for year 2021.

Sustainability Statement (contd.)

Environment

Sustainable products

We believe in sustainable development that embedded green design and features in properties as well as other components such as health, education, commercial, lifestyle and connectivity. With that in mind, we design our townships incorporating facilities that promote healthy lifestyle whilst having local amenities in proximity to reduce carbon footprint from transportation.

- Planted 1,240 trees. To plant additional 1,050 trees in 2022
- Planted 62,780 shrubs. To plant additional 17,180 shrubs in 2022
- Completed 4.8 km jogging track and 3km cycling track

As we committed to improve our deliveries of green products, we taken steps to standardize sustainability elements to be integrated in our properties by setting Minimum Sustainability Component Checklist. Our area of emphasize cover the building material, eco-efficiency, health and safety.

Going beyond sustainability features, we have launched Crestwood Residence that crafted with multigenerational living designs to suit multiple generations living under one roof.

Sustainability Statement (contd.)

Water pollution

We continued to monitor and ensure any water discharged from our sites comply with guidelines stipulated in the Environmental Impact Assessment ("EIA") approval. Our contractors are required to strictly comply with the EIA conditions. We carry out quarterly monitoring through Environmental Monitoring Report ("EMR") in line with parameters of the National Water Quality Standards for Malaysia.

For YE2021, all our sites management has complied with EIA conditions.

Social

Workplace

Respect for Human Rights

We are committed to respect and promote human rights in accordance with all relevant regulations and legal requirements in our relationships with our employees and stakeholders. Our commitments are stipulated in the Group's Human Rights Policy which uphold the following principles:-

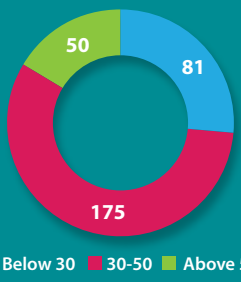
- We promote diversity and inclusive culture in the workplace. We are committed to equal opportunity and do not tolerate any form of harassment, abuse or discrimination on the basis of gender, marital status, race, nationality, ethnicity, age or any other status protected by applicable law.
- We are committed to provide and maintain a safe and healthy workplace and comply with applicable safety and health laws and regulations.
- We prohibit the hiring of children in any work.
- We do not tolerate any form of forced labour, slavery, human trafficking and sexual exploitation.
- We are committed to maintaining workplace that is free from violence, harassment, intimidation and other unsafe conditions.
- We promote open and two-way communication among all employees. We resolve complaints and grievances through an open, transparent and consultative process.

Diversity and Inclusion

We promote diversity and inclusive culture in the workplace and ensure all employees are given equal opportunity.

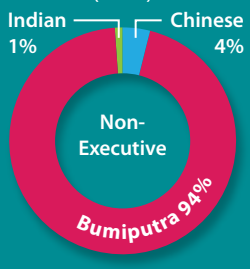
Employee Diversity (Gender)

Employee Diversity (Age)



Employee Diversity (Ethnicity)

Employee Diversity (Race)



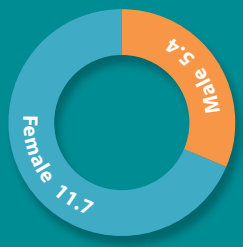
Talent Management

Ibraco recognises employees as the main driver of our business. As such, we ensure the industry best practices are followed within our fair, non-discriminative and growth-oriented human resource policies to attract and retain talent in the Group.

Our Human Resource personnel receive nominations from each Head of Department on the trainings required from their employees, and training programs are arranged accordingly for staff performance improvement.

Going forward, we are planning to increase the average training hours per employee to 15 hours.

Average Training Hour by Gender



Sustainability Statement (contd.)

Employee Engagement Programme

Festive and staff gatherings are held during the year to let employees interact with senior management and bond among colleagues.

As a mode of constant communication within the Group, especially to the junior staff, monthly internal staff newsletter is issued in the English and Bahasa Malaysia mediums as an avenue to share information or notify all of upcoming activities held within the Group, focusing on Group-wide communication and branding.

In Year 2021, our Human Resource department managed to conduct an employee survey which was responded to by 90% of our total employees. Employees' rated positively on the conducive working environment, leadership as well as the staff welfare. We shall address our employees' feedback on more staff engagement programmes and enhanced individual performance rewards in year 2022.

Occupational Safety and Health

We are pleased to report that there have been no fatalities at our construction sites in Year 2021. We continuously commit ourselves to maintain zero fatalities and no major injuries. Our construction contractors for our property development projects are required to provide details of their Occupational Safety and Health ("OSH") management plans. The safety officer of our construction arm is also required to provide high standards of OSH performance, regular safety briefings to the site workers and monthly reporting to the Management.

All our site employees are covered under the Social Security Organisation, Construction Industry Development Board and personal accident insurance.

Our Head Office's safety and health committee held its periodic meetings to serve as an avenue for the committee to highlight concerns on safety and health issues and relay awareness messages to all work offices across the organisation.

We have achieved zero Loss Time Injury in 2021.

Corporate Social Responsibilities ("CSR")

HOPE PLACE, the non-profit organisation, remains our CSR partner during the year. We provide free usage of office and storage space for their daily operation, and also pledge monthly cash sponsorship to subsidise their monthly operating expenses. Our employees contribute via donation either in cash or in goods periodically on a voluntary basis. To-date, our contributions has helped to provide food aid to 224 families.

During the year, the Group has also donated and sponsored RM156,000 to various organisations.

Conclusion

Ibraco will continuously work towards strengthening our sustainability performance related to economic, environmental and social aspects.

This Sustainability Statement was approved by the Board on 8 April 2022.

Corporate Governance Overview Statement

The Board of Directors of Ibraco is committed to conduct business operations integrate with good corporate governance practices throughout the Group. The Board believes in maintaining good corporate governance as the fundamental tools in discharging the Board's responsibility of protecting and enhancing shareholders' values consistent with acceptable levels of risks. The Board firms up a governance framework that is guided by the Malaysian Code on Corporate Governance ("MCCG"). This Statement provides a summary of Ibraco's corporate governance practices during the financial year ended 31 December 2021 with reference to the key principles which set out in MCCG. The Corporate Governance Report for the financial year ended 31 December 2021 is available on Ibraco's website at www.ibraco.com.

MCCG PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

The Board is collectively responsible for the stewardship of the Group's business and affairs, setting the Company's long-term strategic direction and safeguarding interests of the stakeholders while the Management is responsible in day to day operation of the Group's business activities in accordance with the direction of the Board.

Ibraco has established and formalized a Board Charter which clearly sets out the roles and responsibilities of the Board and serves as a reference for Board activities and those delegated to Management.

The Board also established various Board Committees to assist the Board in the running of the Group, namely:-

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Risk Management Committee
- Sustainability Committee

The functions and terms of reference of the Board Committees, as well as the authorities and duties delegated by the Board to these Board Committees, have been clearly defined in the Board Charter. The Board Charter is accessible on Ibraco's website at www.ibraco.com.

Board's role in setting strategy

The Board has assumed the following principal responsibilities in discharging its fiduciary functions:-

(i) reviewing and adopting business plan and strategic plan that integrate sustainability considerations and monitor the plans periodically;

(ii) overseeing the conduct of the Group's business operation and financial performance;

(iii) monitoring the performance of Management to ensure sound financial and operational management;

(iv) identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to manage such risks;

(v) overseeing and review the identification and management of sustainability matters;

(vi) overseeing the development and implementation of investor relations and shareholder communication policy;

(vii) ensuring succession planning are in place for the orderly succession of board and senior management; and

(viii) reviewing the adequacy and integrity of the Group's management information and internal control systems, ensuring there is a sound framework of reporting internal controls and regulatory compliance.

Corporate Governance Overview Statement (contd.)

Code of Conduct and Ethics

Ibraco has adopted a set of Code of Conduct and Ethics to establish a strong corporate culture to guide Directors and employees to commit themselves to ethical standards and conduct at work. The Code of Conduct and Ethics is subject to periodical review.

Directors are expected to observe, amongst others, the following salient points in the Code of Conduct and Ethics:-

- observed the highest standards of ethical conduct and comply with all applicable laws, rules and regulations;
- to act in the interest of Ibraco Group to the best of their ability and judgement; and
- maintain the confidentiality of non-public information about Ibraco Group or its activities or operations.

The Code of Conduct and Ethics is available on Ibraco's website at www.ibraco.com.

Whistle-blower Policy

The Group's Whistle-blower Policy has been established to encourage all employees or members of the public to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices at the earliest opportunity, and in an appropriate way.

The Whistle-blower Policy is designed to:-

(a) support the Company's values;

(b) ensure employees and member of the public can raise concerns without fear of reprisals and safeguard such person's confidentiality;

(c) protect a whistle-blower from reprisal as consequence of making a disclosure; and

(d) provide a transparent and confidential process for dealing with concerns.

The Whistle-blower Policy is available on Ibraco's website at www.ibraco.com.

Anti-Bribery and Anti-Corruption Policy

Ibraco has also established and adopted a set of Anti-Bribery and Anti-Corruption policy to commit integrity in conducting business in accordance to the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysia Anti-Corruption Commission Act 2009.

The Anti-Bribery and Anti-Corruption policy is served as Ibraco's overall position on bribery and corruption in all its forms and both Directors and employee are bound to this Policy and shall act professionally with integrity in their performance of their duties.

The Policy is subject to periodical review and is accessible on Ibraco's website at www.ibraco.com.

Roles of Chairman and Group Managing Director

The respective roles and responsibilities of the Chairman of the Board and the Group Managing Director are held by 2 different individuals, where such division is to ensure that there is clear and proper balance of power and authority.

The Chairman's main responsibility is to set tone at the top, ensure effectiveness of the Board functions, and encourages participation and deliberation by all the Board members.

The Group Managing Director has overall responsibilities over the Group's operational, organizational effectiveness and implementation of Board policies, directives, strategies and decisions. At the management level, several committees namely Risk Management Committee, Sustainability Working Committee and Tender Committee have been established to ensure good governance and practices are upheld at all times in the Group's operations and business dealings.

Corporate Governance Overview Statement (contd.)

Qualified and Competent Company Secretaries

The Board is regularly updated and advised by the joint Company Secretaries, who are qualified, experience and competent on statutory and regulatory requirements, on the resultant implications of any changes in regulatory requirements to the Company and Directors in relation to their duties and responsibilities. The joint Company Secretaries oversee adherence to Board policies and procedures, brief the Board on the proposed contents and timing of material announcements to be made to regulators, as well as any changes to regulatory requirements that may affect the Company and the Board. The in-house Company Secretary ensures the Board papers are circulated prior to the Board meetings to ensure sufficient time is given to the Directors to read and seek any clarification that they may need from the Management or Company Secretaries or consult independent advisers, before the Board meetings. All Directors also have access to independent professional advice where appropriate, at the Company's expenses.

Board Composition and Independence

The Board currently comprises seven (7) members, with three (3) Independent Directors and four (4) Non-Independent Directors out of which two (2) are Executive Directors. Thus, the Board fulfilled the Listing Requirements of Bursa Securities para 15.02 that at least 1/3 of the Board must be Independent Directors.

The Directors have wide range of relevant experience and expertise and have contributed significant in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. The Executive Directors in particular, are responsible for implementing the policies and decisions of the Board, overseeing the operations as well as coordinating the development and implementation of business strategies adopted whilst the Independent Directors have provided balanced and independent view and judgement to the Board.

The Board has an established annual evaluation of Independent Directors to ensure compliance with the requirements of Independent Directors set out in the Main Market Listing Requirements ("MMLR"). The Board performed an assessment on the independence and effectiveness of Independent Directors, took into account Independent Directors' skills, competences and whether the Independent Directors can continue to bring independent and objective judgement to Board deliberations. The Board is satisfied with the level of independence demonstrated by the Independent Directors.

The profile of each of the Board Members is presented in the Profile of Directors of this Annual Report.

Tenure of Independent Directors

Datuk (Dr.) Philip Ting Ding Ing has exspressed his intention not to seek re-appointment at the forthcoming Annual General Meeting. Hence, he will retire at the close of the 50th Annual General Meeting. Mr. Guido Paul Philip Joseph Ravelli and Mr. Ng Kee Tiong have served the Company in their present capacity for more than nine years. The Board acknowledged the amendments to the MMLR in relation to 12-year tenure limit for Independent Directors. Upon rigorous review to determine whether the "independence" of Mr. Guido Paul Philip Joseph Ravelli and Mr. Ng Kee Tiong have been impaired, the Board is satisfied with the skills, contribution and independent judgement that they bring to the Board.

Hence, the Board recommends and supports their re-appointment as Independent Director of the Company, which will be tabled for shareholders' approval at the forthcoming 50th Annual General Meeting, where the shareholders' approval will be sought through a "two-tier" voting process.

Meanwhile, the Board has via its Nomination Committee, assessing the composition of the Board to fulfill the 12-year tenure limit for Independent Directors within the prescribed timeframe.

Corporate Governance Overview Statement (contd.)

Nomination Committee ("NC")

The NC was set up on 16 April 2003 and comprises three (3) members who are Non-Executive Directors with majority of them being Independent Directors. The composition of the members is set out below:-

Committee Members

Guido Paul Philip Joseph Ravelli (Chairman, Senior Independent Non-Executive Director)
Ng Cheng Chuan (Non-Independent Non-Executive Director)
Ng Kee Tiong (Independent Non-Executive Director)

Key Responsibilities of the NC

(a) To assess and recommend new Directors to the Board and Boards of the Group. For the position of Independent Non-Executive Directors, the NC shall also evaluate the candidate's ability to discharge such responsibilities as expected from Independent Non-Executive Directors.
(b) To review annually the mix of skills, knowledge, professionalism, integrity and experience, and other qualities to enable the Board to function completely and efficiently.
(c) Review the size, structure and composition of the Board.
(d) Annual assessment that the number of Independent Directors on the Board is sufficient to meet the regulatory requirements, and make such recommendation to the Board, where necessary.
(e) Annual evaluation of the Board's and Board Committees' performance. Performance assessment shall be used to assess whether the directors are spending enough time to fulfil their duties.
(f) Identify and develop succession plan for those in key positions in senior management.
(g) Make recommendation to the Board concerning the succession plan for Directors, in particular the Chairman and Group Managing Director and the re-appointment of Director at the conclusion of the term of office.

Summary of Activities of the NC during the Year

- Review the required mix skills, experience and other qualities required for the Board.
- Review the size of the Board.
- Annual assessment of the performance of Directors.
- Annual assessment of the performance of the Board, the Board Committees and its members.
- Review and assess the performance and make recommendation to the Board with regard to Directors who seek re-election at the Annual General Meeting.

For the financial year ended 31 December 2021, the NC has conducted its annual assessment of the Board, Board Committees and Individual Directors using a set of detailed questionnaire completed by the Directors. The results of the assessment were compiled by the Company Secretary and tabled to the Board for review and deliberation. The Board is satisfied that the size of the Board and those of the various committees is optimum and concluded that the composition of the Board has an appropriate mix of skills and core competencies and that all the members of the Board and various committees are suitably qualified to hold their positions as Directors in view of their respective academic and professional qualifications, experiences and qualities.

The Board is satisfied with the overall performance of individual Director, effectiveness of the Board and Board committees as well as the independency of the Independent Directors.

Board Diversity

The Board recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element towards achieving sustainable business growth. When appointing a Director, the NC and the Board will evaluate the candidate giving due consideration for boardroom diversity. At the date of this report, there is one woman Director on the Board.

Apart from the Board, the Group promotes gender diversity at the management and staff level. The Group recorded 38% female workforce at Group level and 62% female at Senior Management level.

Corporate Governance Overview Statement (contd.)

Time Commitment

During the year ended 31 December 2021, the Board met on six (6) occasions where it deliberated upon and considered a variety of matters including business plans and strategy, financial performance, corporate governance, risk management, group policies and sustainability. Reports and progress from business units were presented to allow the Board to gain good understanding of the business operations.

Details of Directors' attendances of Board Meetings in 2021 are as follows:-

Directors	Numbers of Board Meetings attended
Ng Cheng Chuan	6/6
Datuk (Dr.) Philip Ting Ding Ing	6/6
Datuk Chew Chiaw Han	6/6
Liu Tow Hua	6/6
Sharifah Deborah Sophia Ibrahim	3/6
Guido Paul Philip Joseph Ravelli	6/6
Ng Kee Tiong	6/6

Directors' Training

The Directors continuously attend conferences, seminars and training programs as well as reading materials and publications to further broaden their perspective, skills, knowledge and to keep abreast with the relevant changes in law, regulations and the business environment.

During the financial year under review, the Directors, individually or collectively, attended various training programs and seminars as set out below:-

- 2022 Budget Seminar
- SC Audit Oversight Board Conversation with AC Committee
- Audit Committee Conference 2021
- Malaysia Tax Conference 2021
- MIA Conference 2021
- Conduct of Directors and Common Pitfalls
- Key Disclosure Obligations of a Listed Company
- Recent MASB Development Due to Covid 19 Pandemic
- Team Collaboration in the New Normal
- Taxation for Property Developers and Contractors
- Factory Visits

Remuneration Committee ("RC")

The RC was established on 16 April 2003 and comprises the following Board members:-

Guido Paul Philip Joseph Ravelli (Chairman, Senior Independent Non-Executive Director)
Ng Cheng Chuan (Non-Independent Non-Executive Director)
Datuk Chew Chiaw Han (Non-Independent Executive Director)

The Committee is responsible for reviewing and recommending the remuneration of all the Executive Directors of the Group. The committee ensure that the remuneration framework is set at a competitive level for similar roles within comparable markets to recruit, attract, retain and motivate high caliber individuals to pursue the long-term growth and success of the Group.

In the case of Non-Executive Directors, the determination of their remuneration is a matter for the Board as a whole and the level of remuneration reflects the experience and level of responsibilities undertaken by each Non-Executive Director.

Individual Directors do not participate in the decision regarding their individual remuneration.

Corporate Governance Overview Statement (contd.)

The remuneration of the Executive Directors and Non-Executive Directors of the Group for the year ended 31 December 2021 is set out as follows:-

	From the Company				From Subsidiary Companies	
2021	**Fees[(i)]**	**Other emoluments[(ii)]**	**Benefits-in-kind**	**Company Total**	**Fees[(i)]**	**Group Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Executive Directors						
Datuk Chew Chiaw Han	-	747,936	47,934	795,870	18,000	813,870
Liu Tow Hua	-	349,440	8,800	358,240	18,000	376,240
	-	1,097,376	56,734	1,154,110	36,000	1,190,110
Non-Executive Directors						
Ng Cheng Chuan	296,700	-	-	296,700	-	296,700
Datuk (Dr.) Philip Ting Ding Ing	71,500	-	-	71,500	-	71,500
Sharifah Deborah Sophia Ibrahim	52,000	-	-	52,000	8,400	60,400
Guido Paul Philip Joseph Ravelli	89,050	-	-	89,050	-	89,050
Ng Kee Tiong	100,350	-	-	100,350	-	100,350
	609,600	-	-	609,600	8,400	618,000
Total Directors' Remuneration	**609,600**	**1,097,376**	**56,734**	**1,763,710**	**44,400**	**1,808,110**

(i) Included in fees are Director's fees and meeting allowances.
(ii) Included in other emoluments are salaries, bonus and defined contribution plan.

The remuneration packages of the Senior Management Personnel are determined by taking into considerations on individual responsibilities, skills, expertise, experiences and contributions to the Group's performance. It is essential to offer competitive and sufficient remuneration packages to ensure executive talents' retention. The Board is of the view that it would not be beneficial to the Company to disclose the Key Senior Management Personnel's remunerations on named basis, which might raise negative impact to maintain a stable working environment for long-term strategic goals.

The details of the aggregate remuneration of the Key Senior Management Personnel during the year under review are set out as below:-

	From the Company RM
Salaries	2,038,580
Bonus	194,885
Benefits-in-kind	68,221
Other emoluments**	188,603
Total	**2,490,289**

*** Included in other emoluments are defined contribution plan and social security costs.*

Corporate Governance Overview Statement (contd.)

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The Audit Committee is established by the Board and comprises three (3) members, whom two (2) of the members are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Chairman of the AC is appointed by the Board and is not the Chairman of the Board.

The AC assists and supports the Board primarily in the area of financial reporting in liaison with the external auditors and the Group's system of risk management and internal control in liaison with the internal auditors. The functions of the AC are clearly defined in the Terms of Reference, which is accessible on Ibraco's website at www.ibraco.com.

Collectively, the AC members have a wide range of necessary skills, knowledge and experiences to discharge their duties, ranges from accounting and construction. The Chairman of the AC is a member of the Malaysian Institute of Accounts and also a fellow member of the Association of Chartered Accountants of United Kingdom.

The details of summary of work by AC for year 2021 are set out in the Audit Committee Report of this Annual Report.

Internal Audit Function

Ibraco has established an in-house Internal Audit Department ("IAD"), which provides the Board with adequate assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance processes. The IAD is guided by the Internal Audit Charter as well as the Professional Practices Framework in assessing the reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

The IAD is led by Group Internal Auditor ("GIA"), assisted by an Internal Audit Executive, and reports directly to AC. The AC is responsible to oversee the performance and the effectiveness of the internal audit function. As guided by the Internal Audit Charter, independence of the IAD is essential for the effectiveness of their function. In this regard, the internal audit has no direct authority or responsibility for the activities it audited and has no responsibility for developing or implementing procedures or system and does not prepare records or engage in original line processing functions or activities.

Further details of the internal audit function that is oversighted by the AC are set out in the Audit Committee Report of this Annual Report.

Relationship with External Auditors

The AC has an appropriate and transparent relationship with the external auditors. The role of the AC in relation to the external auditors and the assessment of external auditors by the AC are set out in the Audit Committee Report of this Annual Report.

Risk Management and Internal Control Framework

The Board acknowledges it assumes overall responsibility for maintaining a system of internal controls that provides reasonable assurance of effective and efficient operations, and compliance with applicable laws and regulations, as well as with internal procedures and guidelines. The Board recognises that it is also responsible for reviewing their effectiveness. A sound system of internal control is designed to manage the Group's risks within an acceptable risk profile, rather than eliminate the risk of failure to achieve the policies and business objectives of the Group, and can only provide reasonable and not absolute assurance against any risk of material errors, frauds or losses occurring.

The overview on the state of internal control is set out in the "Statement of Risk Management and Internal Control" of this Annual Report.

Corporate Governance Overview Statement (contd.)

MCCG PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Relationships with Stakeholders

Ibraco recognises the importance of maintaining transparency and accountability to its stakeholders. This is done through optimised levels of disclosure and communications with its stakeholders through readily accessible channels. It is also a practice to provide clear, comprehensive and timely information to all stakeholders, particularly shareholders and investors, to facilitate informed investment decision-making. All communication with media or public and disclosures made are in accordance with the Group Communication Policy. The Board acknowledges the need for shareholders to be informed on all material business matters of the Group. Announcements to inform shareholders are made on significant developments and matters within the Group. The Board may seek external advice to ensure that announcements do not omit any material information. Financial results are released on a quarterly basis to provide shareholders with an overview of the Group's performance. The Annual Report is also a key channel of communication with shareholders and investors.

Annual General Meeting

The Annual General Meeting has been a main forum for dialogue with shareholders and investors. Opportunities will be given to shareholders and investors to raise questions and to seek clarifications on the business and performance of the Group.

Ibraco has adopted the practice where notice of Annual General Meeting to be given to the shareholders at least 28 days prior to the meeting.

Electronic Communications

Ibraco's corporate website at www.ibraco.com is the one of the key platforms to ensure the stakeholders can access communications and documents once they are published. A dedicated investor relation section is available on the website, where information released by the Company to Bursa Malaysia Securities Berhad is made available immediately after the announcement, and all newsletters issued by the Company are made available on the website.

STATEMENT OF DIRECTORS' RESPONSBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of Ibraco and of the Group as at the end of the financial year and of the results and cash flows of Ibraco and of the Group for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2021, the Group has used appropriate accounting policies on a consistent basis supported by reasonable and prudent judgments and estimates and all applicable approved accounting standards have been complied.

The Directors have ensured that the accounting records to be kept by Ibraco and the Group have been properly kept.

This statement is issued in accordance with the Board's approval on 25 February 2022.

Additional Compliance Information

Utilisation of Proceeds from Corporate Proposal

On 13 October 2021, the Company has completed private placement of up to 10% of the total number of issued shares in the Company, amounted to 49,640,565 new ordinary shares at RM0.476 per share. The gross proceeds from the private placement 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	-	(3,566)	14,434	Within 24 months	For contractors' and consultants' payment.
Working capital requirements *2	5,430	92	(5,522)	-	Within 12 months	For staff costs, selling and marketing expenses, statutory payment, etc.
Estimated expenses in relation to the Proposed Private Placement *3	200	(92)	(108)	-	Immediate	Professional fee paid in relation to the private placement.
Total	**23,630**	**-**	**(9,196)**	**14,434**		

Audit and Non-audit Fees

The amount of audit and non-audit fees paid or payable to the External Auditor and a company affiliated to the External Auditors' firm for the year ended 31 December 2021 were as follows:

Purpose	Group (RM)	Company (RM)
Audit Fees	212,500	135,000
Non-Audit Fees		
- Tax advisory, computation and filing	74,649	20,416
- Review of Statement on Risk Management and Internal Control	10,600	10,600
- Review of Housing Development Accounts	33,390	30,210
Total	**331,139**	**196,226**

Related Party Transactions

The value and types of related party transactions entered into by Ibraco Group are shown on pages 131 to 135 of this Annual Report (see Note 27 to the financial statements).

Material Contracts

There were no material contracts entered into by Ibraco Group involving Directors and major shareholders, either still running at the end of the financial year or entered into since the end of the previous financial year other than those disclosed in the financial statements.

Statement on Risk Management and Internal Control

Background

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") of listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets.

This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), Principal B of the Malaysian Code of Corporate Governance and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

Responsibility of the Board

The Board acknowledges its overall responsibility and the importance of having a sound risk management framework and internal control system, and for reviewing the adequacy and effectiveness thereof. Such system covers not only financial controls but also operational, compliance with applicable laws, regulations and other guidelines (professional, statutory or otherwise).

It should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

The Group has an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating the risk management and internal control system when there are changes to the business environment or regulatory guidelines. The process is regularly reviewed by the Board to promote long-term success of the Group, accords with the MMLR of Bursa Securities and guided by the Guidelines issued by the Taskforce of Internal Control.

The Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks to an acceptable level.

The Board has received reasonable assurance from the Group Managing Director and the Chief Financial Officer that the Group's risk management framework and internal control system is operating adequately and effectively, in all material aspects, based on the risk management framework and internal control system of the Group.

The disclosures in this statement do not include risk management and internal control practices of the Group's material associate. The Group's interests in associate are safeguarded through representation on the Board of the associate company.

The Board is of the view that the risk management and internal control system are generally in place for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

Risk Management Framework

The Risk Management Committee was established to assist the Board to oversee the overall management of principal areas of risk of the Group.

In order to properly manage risks, the Group has adopted an appropriate risk assessment and evaluation framework as an on-going process as well as appropriate control systems to manage and control these risks. The following provide an overview of the Group's risk management process:

- The Board has approved a Risk Management Policies and Procedures Manual, which outlines the risk management framework for the Group and offers practical guidance to all employees on risk management matters.

- A Risk Management Committee, headed by the Group Managing Director, continuously carries out its responsibility to identify and communicate to the Board the critical risks (present and potential) which the Group faces, their changes, and what the management action plans are, to manage the risks.

- All Heads of Departments have identified risks (present and potential) faced at departmental levels and suggested action plans to mitigate these risks for deliberation during the Risk Management Committee meeting. These action plans are closely monitored to assess their effectiveness over the period during which they are subject to such risks.

Statement on Risk Management and Internal Control (contd.)

- A consolidated risk profile of the Group was developed and will be updated in accordance with the risk appetite of the Group. This together with a summary of key findings and proposed mitigating measures was discussed and finalised in the various Risk Management Committee meetings.

- The Risk Management Committee has identified, compiled and worked out the remedial measures to mitigate the risks encountered by each Department, which fall under the categories of Project Planning, Contract, Property Development, Property Management, Marketing and Sales, Conveyance and Credit, Customer Service, Leasing, Corporate and Secretarial, Quarry, Procurement, Account and Finance, Human Resources and Administration.

- The Risk Management Committee is to report to the Audit Committee on the overall Group Risk Profile annually. Should there be any new proposals or projects, the Risk Management Committee will report separately to the Audit Committee on the additional new risks (if any). As and when, the Audit Committee also has the power to request the Risk Management Committee to prepare and present the risk areas that they are concerned with.

Internal Audit Function

The Group has established an Internal Audit Department, who reports independently to the Audit Committee, to provide the Board with adequate assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance systems.

The annual internal audit plan is approved by the Audit Committee and the scope of internal audit work covers the audits of key business processes in the Group. The internal auditors also monitor the implementation of their audit recommendations in order to obtain assurance that all major risks and controls measures identified have been duly addressed by the Management in the most effective and timely manner.

The internal auditors adopt a risk-based approach towards the planning and conduct of internal audits, which are consistent with the Group's established framework of designing, implementing and monitoring its internal control system.

For control issues that may be raised by the external auditors, the internal auditors will follow up to ensure that significant issues are duly acted upon by the Management in the most timely and appropriate manner.

Other Key Elements

Other key elements of the Group's risk management and internal control system, which may also fall under the ambit of risk management practices or internal control procedures, are described below:

Committees at the Various Levels

Various Committees have been established to assist the Board in the discharge of their fiduciary duties. They are the Audit Committee, the Risk Management Committee, the Nomination Committee, the Remuneration Committee, the Sustainability Committee and the Emergency Management Committee. Each Committee has its clearly defined terms of reference, authority and responsibility.

Policies and Procedures

- The Group has established a system of governance and compliance through code of conduct, whistle blower policy, anti-bribery and corruption policy, board diversity policy, dividend policy and the board charter.

- Operational Procedures for all business processes are also in place to ensure effectiveness, transparency and continuity.

- The procedures amongst other things outlined reporting and authority structures. Pre-defined limits are also established at appropriate levels to deliberate and approve expenditures.

- For the Group's construction arm, it has ISO 9001: 2015 Quality Management System certification, with standards, policies and procedures in place to continuously improve and maintain product quality and customer satisfaction.

Statement on Risk Management and Internal Control (contd.)

Planning, Performance Monitoring and Reporting

- Established budgeting process requiring all business segments within the Group to prepare the annual budget, taking into consideration the strategic plans, capital and operating expenditures for the upcoming financial year for discussion and approval by the Board.
- The Audit Committee reviews the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof.
- Management meetings are held to identify, discuss and resolve operational, financial and key management issues. Information covering all key financial and operational indicators are also provided to senior management for monitoring of performance against budget. Key variances are followed up by the management and management action is taken, where necessary.
- The professionalism and competency of staff are enhanced through training program. A performance management system is in place with established Key Performance Indicators to instill a stronger performance culture.

Review of the Statement by External Auditors

As required by Para 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 December 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

Conclusion

The Board is not aware of any significant control failures or weaknesses identified during the financial year under review that would result in material losses and require disclosure in the Annual Report of the Group.

The Board and Management will continue to monitor all major risks affecting the Group and take necessary measures to mitigate them and continue to enhance the adequacy and integrity of the risk management framework and internal control system of the Group.

This statement is issued in accordance with the Board's approval on 25 February 2022.

Audit Committee Report

The Audit Committee ("the Committee") takes on the role of assisting the Board of Directors ("the Board") in the discharge of its fiduciary duties, the responsibility of overseeing the financial reporting, governance, internal control and risk management process of Ibraco Group.

TERMS OF REFERENCE

The Audit Committee is guided by its Terms of Reference in performing its duties and discharging its responsibilities. The terms of reference of the Committee is available on the Company's corporate website at www.ibraco.com.

MEMBERSHIP AND ATTENDANCE

The Committee comprises a majority of Independent Non-Executive Directors with at least one member shall be a professional or qualified accountant. The Audit Committee met six times during the year and the attendance record of each member is as tabulated below:

Composition of Committee	Total Number of Meetings Attended
Ng Kee Tiong Chairman/Independent Non-Executive Director	6/6
Guido Paul Philip Joseph Ravelli Member/Independent Non-Executive Director	6/6
Ng Cheng Chuan Member/Non-Independent Non-Executive Director	6/6

The meetings were appropriately structured through the use of agendas. Meeting papers are distributed to the Committee with sufficient notice before meetings to enable the Committee to peruse and have the opportunity to seek additional information from the Management and Group Internal Auditor ("GIA") on the matters to be deliberated.

The GIA is the Secretary of the Committee. Representatives from the External Auditors were invited to attend meetings where necessary. The Group Managing Director, the Chief Financial Officer ("CFO") and the Company Secretary were also presented at the meetings by invitation to facilitate direct communications as well as to provide clarification on audit issues and the Group's operations.

Minutes of all the Committee meetings were circulated to the Board. The Chairman of the Committee reports and made recommendation for approval on key issues deliberated at each meeting to the Board.

TRAINING AND CONTINUOS ENGAGEMENT

During the year, the Chairman of the Committee engaged with the Management and GIA by way of telephone conversations and attending ad-hoc meeting in order to be kept informed of matters affecting the Group. Through such engagement, relevant issues were bought to attention of the Committee in a timely manner.

Members of the Committee have attended relevant training seminars and programmes to enhance their competency in fulfilling their functions and duties more effectively.

Audit Committee Report (contd.)

SUMMARY OF WORK DURING THE FINANCIAL YEAR

The Committee carried out its duties as set out in the terms of reference and the work undertaken by the Committee during the financial year are described as below:

1. Financial Reporting

- Reviewed the quarterly and year-to-date unaudited financial results of the Group before recommending them for approval by the Board.

- Reviewed the annual audited financial statements prior to submission to the Board for approval.

  The review was to ensure the financial reporting and disclosures are in compliance with the provisions of the Companies Act 2016, applicable Malaysian Financial Reporting Standards ("MFRS"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("LR") and other relevant legal and regulatory requirements.

- Deliberated significant accounting issues and reasonableness of accounting standards application highlighted by the external auditors or management to derive the Group's financial statements.

- The CFO had on each quarterly Committee meeting, presented and given assurance to the Committee that:
  - Appropriate accounting policies had been adopted and applied consistently;
  - The going concern basis applied in the Annual Financial Statements and quarterly unaudited financial statements were appropriate;
  - Prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs;
  - Adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs and LRs; and
  - The annual financial statements and quarterly unaudited financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for 2021.

- Reviewed the financial performance of the Group and the quarterly results against financial estimates approved by the Board.

2. Internal Audit

- Reviewed the annual internal audit plan to ensure adequacy of scope and coverage on the activities of the Group, taking into consideration the assessment of key risk areas and recommended changes where necessary.

- Reviewed the internal audit reports, which include audit findings, audit recommendations made and the Management's responses to assess whether or not appropriate actions have been taken with respect to the audit recommendations.

- At each Committee meeting, the Committee had an executive session with the GIA to discussed problems and reservations arising from internal audits and any matters without the presence of Management.

- The Committee had assessed the Internal Audit Function via questionnaires, which aimed to gauge the level of satisfaction with the Internal Audit roles and services, competency and professionalism in governance, risk and controls, as well as the independence and objectivity. The results indicated the Internal Audit Function was satisfactory.

- Reviewed and approved annual training budget to equip the internal audit team with an appropriate level of skills and knowledge to carry out the function effectively.

Audit Committee Report (contd.)

3. The External Audit Function

- Reviewed with the External Auditors their audit plan, audit approach and reporting requirements which were presented by External Auditors prior to commencement of audit. A brief was given on the areas of audit focus which were discussed at the meeting. The Committee also considered the audit scope and materiality threshold.
- Reviewed the results of the annual audit and their audit report and evaluate their findings and recommendations.
- The Committee also reviewed the external auditors' proposed fees for the statutory audit, together with the review of the Statement of Internal Control and Risk Management. In considering the nature and scope of non-audit fees, the Committee was satisfied that it was not likely to neither create any conflict of interest nor impair the independence and objectivity of the external auditors.
- The Committee deliberated on the external auditors' report at its meeting on 8 April 2021 with regard to the relevant disclosures in the annual audited financial statements.
- On 8 April 2021, the Committee undertook an annual assessment of the suitability, effectiveness and independence of the external auditors, taking into consideration the Management's feedback on external auditors' performance. Assessment questionnaires were used as a tool to obtain input from the personnel who had substantial contact with the external auditors throughout the year. External auditors' performance was rated using a five-point scale on their ability to provide advice, suggestions or clarifications relating to the presentation of financial statements, ability to provide realistic analysis of issues using technical knowledge and independent judgement, and maintain active engagement, through both verbal and written communication during the audit process, including their responsiveness to issues. The Committee also took into account the observations of the audit engagement partner and engagement team's performance during the meetings held between the Committee and the external auditors in February, April and November 2021 respectively. Based on the evaluation conducted, the Committee is satisfied with the external auditors' performance, technical competency and audit independence.
- The external auditors provided written assurance to the Committee regarding their independence to the Group.
- The Committee was informed that there was no major concern from the external auditors and have received full cooperation from the management during the course of audit.

4. Related Party Transactions

- The Committee reviewed all related party transactions of the Group as reported by the Management and incorporated them in relevant quarterly announcements and related party transactions announcements made during the financial year.
- Reviewed the estimated recurrent related party transaction mandate for the year and recommended to the Board to seek renewal of Shareholder's Mandate at the forthcoming Annual General Meeting.

5. Risk Management

- Reviewed the Statement on Risk Management and Internal Control duly confirmed by the External Auditors that no exception was noted and it is in accordance with Audit and Assurance Practice Guide 3 for the publication in the Annual Report 2021.
- Reviewed reports from the Risk Management Committee and the corresponding action plans to manage such risks at the Committee meeting held on 26 November 2021 to ensure that mitigating measures were appropriate and adequate to help reduce the risk identified to an acceptable and tolerable level in accordance to the risk appetite of the Group.

6. Others

- Reviewed Audit Committee Report for inclusion in the Annual Report 2021 and recommended it adoption by the Board.

Audit Committee Report (contd.)

INTERNAL AUDIT FUNCTION

The Group has established an Internal Audit Department, which reports directly to the Committee, to assist the Committee in discharging its duties and responsibilities. The Department undertakes regular, independent and systematic reviews of the internal control systems so as to provide reasonable assurance that such systems will continue to operate effectively, efficiently and economically in accordance with the Group's overall objectives and goals. The Department also verifies data and information given to external agencies such as Bursa Malaysia Securities Berhad.

The Internal Audit Department carries out its functions in accordance with the annual audit plan approved by the Committee each year covering the scope of the audit work and resources needed to perform such work. The Internal Audit Department reports directly to the Committee on major findings and any significant control issues and concerns. The Committee regularly evaluates and monitors the performance of the internal audit function to assess its effectiveness in discharging its duties and responsibilities.

A risk-based approach is adopted for all audits conducted by the Internal Audit Department, among the scope of coverage were:
- Sales and marketing management;
- Procurement management;
- Project management (4); and
- Property management

These audits will help to ensure that control measures put in place are appropriate, effectively applied and are adequate to cover the exposure to risks, consistent with the Group's policies.

The Internal Audit department is guided by the Internal Audit Charter as well as the Professional Practices Framework in assessing and reporting on the adequacy and effectiveness of the internal control, governance and risk management processes.

The relevant audit reports were presented to the Committee every quarter for deliberation and forwarded to the Management for the necessary corrective actions to be taken.

The summary of internal audit work performed during the financial year is as below:

a. prepared annual audit plan for deliberation and approval by the Committee;
b. performed operational audits on business units and projects of the Group to ascertain the adequacy and integrity of their system of internal controls, governance and risk management;
c. presented internal audit's reports, which include audit findings, audit recommendations and Management's responses;
d. performed statutory compliance audits including related party transactions;
e. discussed with Management in identifying significant concerns and risk areas perceived by Management for inclusion in the internal audit plan; and
f. reviewed the extent of the Group's compliance with provisions of the Malaysian Code of Corporate Governance.

The total costs incurred in relation to the Internal Audit Department for year 2021 amounted to approximately RM229,000. The internal audit function was carried out solely by the Internal Audit Department and there were no areas of the internal audit function which were outsourced.

Directors' Report and Audited Financial Statements

42 Directors' Report

47 Statement by Directors and Statutory Declaration

48 Independent Auditors' Report

54 Statements of Profit or Loss and Other Comprehensive Income

55 Statements of Financial Position

57 Statements of Changes in Equity

59 Statements of Cash Flows

62 Notes to the Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal activities

The Company is engaged in realty development and investment holding. The principal activities of the subsidiaries are set out in Note 14 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

Results

	Group RM	Company RM
Profit net of tax	23,732,860	41,133,091
Profit attributable to:		
Owners of the Company	23,487,168	41,133,091
Non-controlling interests	245,692	-
	23,732,860	41,133,091

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM248,202,826 to RM271,831,735 through a private placement of 49,640,565 new ordinary shares ("Placement Shares") at an issue price of RM0.476 per share pursuant to the general mandate from shareholders under Section 76, Companies Act 2016 for the purpose of financing existing property development projects and for working capital.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Directors' Report (contd.)

Dividends

The amounts of dividends paid by the Company since 31 December 2021 were as follows:

	RM
In respect of the financial year ended 31 December 2020:	
Interim single-tier dividend of 2.00 sen on 496,405,652 ordinary shares, declared on 25 February 2021 and paid on 15 April 2021	9,928,113

An interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2021, amounting to a dividend payable of RM10,920,924 has been declared on 25 February 2022 and will be payable on 18 April 2022. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

The directors do not recommend the payment of any final dividend for the financial year ended 31 December 2021.

Directors of the Company

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Ng Cheng Chuan
Datuk Chew Chiaw Han
Sharifah Deborah Sophia Ibrahim
Datuk (Dr.) Ting Ding Ing
Ng Kee Tiong
Guido Paul Philip Joseph Ravelli
Liu Tow Hua

Directors of the Company's subsidiaries

The directors of the subsidiaries of the Company since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Datuk Barry Tan Chong Liang
May Wong Mei Ling
Monaliza Binti Zaidel
Law Ka Tong
Ting Sie King
Davidran A/L Somasundiram Praksan
Muhammad Yakup Bin Kari
Abdul Rahim Bin Abdullah
Ng Kim Thiea
Mohamad Azrai Bin Karim (Appointed 23 March 2021)

Directors' Report (contd.)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 27 to the financial statements.

Included in the analysis below is remuneration for directors of the Company and its subsidiaries in accordance with the requirements of Companies Act 2016:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Executive directors' remuneration:				
Fees	36,000	34,650	-	-
Salaries and other emoluments	1,097,376	1,062,105	1,097,376	1,062,105
	1,133,376	1,096,755	1,097,376	1,062,105
Non-executive directors' remuneration:				
Fees and other emoluments	652,500	674,700	572,100	608,550
Total directors' remuneration	1,785,876	1,771,455	1,669,476	1,670,655
Estimated money value of benefits-in-kind	56,734	53,522	56,734	53,522
Total directors' remuneration including benefits-in-kind	1,842,610	1,824,977	1,726,210	1,724,177
Insurance effected to indemnify directors *	19,472	19,472	19,472	19,472
Total directors' remuneration	1,862,082	1,844,449	1,745,682	1,743,649

* The Company maintains a liability insurance for the directors of the Group. The total amount of sum insured for directors of the Group for the financial year amounted to RM10,000,000 and the premium paid during the year amounted to RM19,472.

Directors' Report (contd.)

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of ordinary shares		
	At 1.1.2021	Transferred	At 31.12.2021
Direct Interest			
Ng Cheng Chuan	87,077,478	(45,000,000)	42,077,478
Datuk Chew Chiaw Han	15,875,440	-	15,875,440
Sharifah Deborah Sophia Ibrahim	99,366,120	-	99,366,120
Datuk (Dr.) Philip Ting Ding Ing	1,625,120	-	1,625,120
Ng Kee Tiong	1,099,120	-	1,099,120

	Number of ordinary shares		
	At 1.1.2021	Transferred	At 31.12.2021
Indirect Interest			
Ng Cheng Chuan	35,720,720	45,000,000	80,720,720
Datuk Chew Chiaw Han	130,619,438	-	130,619,438

By virtue of their substantial interests in the Company, Ng Cheng Chuan, Datuk Chew Chiaw Han and Sharifah Deborah Sophia Ibrahim are also deemed interested in the shares of the subsidiaries to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

Directors' Report (contd.)

Other statutory information (contd.)

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant event

Details of a significant event are disclosed in Note 37 to the financial statements.

Subsequent event

Details of a subsequent event are disclosed in Note 38 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 December 2021.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 April 2022.

Datuk Chew Chiaw Han **Liu Tow Hua**

Statement by Directors
pursuant to Section 251(2) of the Companies Act 2016

We, **Datuk Chew Chiaw Han** and **Liu Tow Hua**, being two of the directors of **Ibraco Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 54 to 150 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 8 April 2022.

Datuk Chew Chiaw Han **Liu Tow Hua**

Statutory Declaration
pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Liu Tow Hua**, being the director primarily responsible for the financial management of **Ibraco Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 54 to 150 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed **Liu Tow Hua**
at Kuching in the State of Sarawak
on 8 April 2022

Liu Tow Hua
(MIA 25463)

Before me,
Evelyn Lau Sie Jiong (No. Q 137)
Commissioner For Oaths
No. 10, Lot 663, Ground Floor
Lorong 2, Jalan Ong Tiang Swee
93200 Kuching, Sarawak.

Independent Auditors' Report

to the Members of Ibraco Berhad (Incorporated In Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Ibraco Berhad**, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 150.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Independent Auditors' Report
to the Members of Ibraco Berhad (Incorporated in Malaysia) (contd.)

Report on the audit of the financial statements (contd.)

Key audit matters (contd.)

1. Revenue and cost recognition on the sales of properties under construction and on construction contracts

The Group's revenue and profits are mainly derived from property development contracts and construction contracts which span more than one accounting period. For the year ended 31 December 2021, the Group's revenue and cost of sales of properties under construction amounted to RM151,090,465 and RM91,600,857 respectively, and the Group's revenue and costs from construction contracts amounted to RM62,585,512 and RM63,784,681 respectively.

Revenue on the sales of properties under construction is recognised on the percentage of completion basis which in turn is determined based on the proportion of contract costs incurred to-date and the total budgeted costs for the respective development projects. For construction contracts, the stage of completion and the revenue to be recognised are calculated based on estimates made of the work completed at balance sheet date.

Adjustments may be made to the budget estimates throughout the life of the contracts/development and may materially affect results. The process to measure the amount of revenue, including the determination of the appropriate timing of revenue recognition, involves significant judgements and estimates in determining the total estimated costs of the projects and the remaining costs to complete. In making these judgements and estimates, management considers past experience and knowledge from similar projects and relies on the work of experts.

We identified revenue and cost recognition on the sales of properties under construction and on construction contracts as areas requiring audit focus due to the significance of the balances and the significant judgements and estimates made by management.

Our audit procedures to address these areas of audit focus include the following:

(i) Obtained an understanding of the process and internal controls over the accuracy and timing of revenue recognised in the financial statements, including the controls maintained by management in estimating the total budgeted costs on each project/contract;

(ii) Reviewed the sales and purchase agreements on a sampling basis, which is determined based on the types of properties and all construction contracts and obtained an understanding of the salient terms and conditions;

(iii) Evaluated the key assumptions applied in estimating the property development costs and construction costs by examining documentary evidence such as letters of award issued to contractors to support the budgeted costs;

(iv) Assessed the reliability of the reports provided by external experts (quantity surveyors etc.) on the status of the physical progress and the competency of the external experts;

(v) Evaluated the determination of the progress towards complete satisfaction of the Group's performance obligations by examining supporting evidence such as contractors' progress claims and suppliers' invoices to support the costs Incurred to-date; and

(vi) Performed site visits to the various property development phases and construction project sites and reviewed project minutes of discussions between key project team members and key representatives from customers/appointed sub-contractors to understand the status of the ongoing projects.

Independent Auditors' Report
to the Members of Ibraco Berhad (Incorporated in Malaysia) (contd.)

Report on the audit of the financial statements (contd.)

Key audit matters (contd.)

1. Revenue and cost recognition on the sales of properties under construction and on construction contracts (contd.)

The Group's disclosures on revenue recognition are included in the summary of significant accounting policies in Note 2.19 to the financial statements, as well as the significant accounting judgements and estimates in Note 3.2 (i) and (ii) to the financial statements.

2. Valuation of completed investment properties

As at 31 December 2021, the carrying amount of completed investment properties amounted to RM118,300,000 representing approximately 47% and 15% of the Group's and 44% and 16% of the Company's total non-current assets and total assets, respectively.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. When estimating the fair value of an investment property, the objective is to estimate the price that would be received from the sale of the property in an orderly transaction between market participants at the reporting date under current market conditions. The Group and the Company have appointed independent professional valuers to perform the valuation on the investment properties.

In determining the fair value, the key assumptions involved in the valuation models include the estimated net rental income, rental yield and other adjustment factors including market knowledge of the current market conditions, which are highly judgmental. Accordingly, we consider this to be an area of audit focus.

Our procedures to address this area of focus include, amongst others, the following:

(i) Assessed the competency, objectivity, independence, and qualifications of the independent valuers;

(ii) Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;

(iii) Discussed the key assumptions and critical judgmental areas with the professional valuers and understood the approaches taken by them in determining the valuation of each investment property; and

(iv) Evaluated the reasonableness of the key assumptions such as net rental income, rental yield and other adjustment factors by benchmarking the assumptions against specific property data, taking into consideration comparability and market factors.

The Group's accounting policies and disclosures on investment properties are included in the summary of significant accounting policies in Note 2.9 to the financial statements, as well as the significant accounting judgements and estimates in Note 3.2 (iii) to the financial statements.

Independent Auditors' Report
to the Members of Ibraco Berhad (Incorporated in Malaysia) (contd.)

Report on the audit of the financial statements (contd.)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement there in, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report
to the Members of Ibraco Berhad (Incorporated in Malaysia) (contd.)

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationsahips and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditors' Report
to the Members of Ibraco Berhad (Incorporated in Malaysia) (contd.)

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

WAN DANEENA LIZA BT WAN ABDUL RAHMAN
No. 02978/03/2024 J
Chartered Accountant

Kuching, Malaysia
Date: 8 April 2022

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM (Restated)
Revenue	4	273,369,822	308,494,775	202,472,476	198,502,035
Cost of sales	5	(193,717,108)	(223,269,080)	(110,878,767)	(129,392,405)
Gross profit		79,652,714	85,225,695	91,593,709	69,109,630
Other item of income					
Other income		2,612,044	5,904,655	3,836,524	7,661,868
Other items of expense					
Administrative expenses		(28,651,978)	(21,537,774)	(23,626,253)	(15,170,262)
Selling and marketing expenses		(10,909,495)	(8,527,380)	(10,897,995)	(8,516,229)
Operating profit		42,703,285	61,065,196	60,905,985	53,085,007
Finance costs	6	(9,192,614)	(10,145,500)	(11,500,532)	(13,009,952)
Share of results in associate		(931,549)	(2,382,312)	-	-
Profit before tax	7	32,579,122	48,537,384	49,405,453	40,075,055
Income tax expense	10	(8,846,262)	(13,613,275)	(8,272,362)	(9,800,681)
Profit net of tax, representing total comprehensive income for the year		23,732,860	34,924,109	41,133,091	30,274,374
Total comprehensive income attributable to:					
Owners of the Company		23,487,168	34,917,078	41,133,091	30,274,374
Non-controlling interests		245,692	7,031	-	-
		23,732,860	34,924,109	41,133,091	30,274,374
Earnings per share attributable to owners of the Company (sen)					
- Basic	11	5	7		
- Diluted	11	5	7		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position
As at 31 December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	61,776,646	60,507,288	49,530,029	44,803,826
Intangible asset	13	4,770,161	5,267,917	-	-
Investments in subsidiaries	14	-	-	34,047,166	34,051,166
Investment in an associate	15	1,831,139	1,782,688	5,145,000	4,165,000
Investment in joint venture	16	300,000	1	300,000	1
Inventories	17	44,145,121	45,133,467	43,504,363	42,643,363
Completed investment properties	18.1	118,300,000	114,300,000	118,300,000	114,300,000
Investment property under construction	18.2	-	2,095,980	-	2,194,380
Trade and other receivables	19	8,246,474	289,862	8,071,772	4,878,286
Deferred tax assets	24	10,965,282	10,340,316	5,113,336	6,672,736
		250,334,823	239,717,519	264,011,666	253,708,758
Current assets					
Inventories	17	304,309,606	340,639,693	267,264,597	292,418,033
Trade and other receivables	19	52,072,839	36,032,065	93,616,850	77,832,538
Other current assets	20	109,404,599	109,838,137	83,458,321	102,905,087
Cash and bank balances	21	58,995,590	58,329,209	42,323,924	38,936,093
		524,782,634	544,839,104	486,663,692	512,091,751
TOTAL ASSETS		775,117,457	784,556,623	750,675,358	765,800,509

Statements of Financial Position
As at 31 December 2021 (contd.)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	22	271,831,735	248,202,826	271,831,735	248,202,826
Retained earnings		160,852,343	147,297,863	138,727,089	107,522,111
		432,684,078	395,500,689	410,558,824	355,724,937
Non-controlling interests		9,206,938	15,281,357	-	-
TOTAL EQUITY		441,891,016	410,782,046	410,558,824	355,724,937
Non-current liabilities					
Loans and borrowings	23	91,175,530	109,574,811	86,917,713	102,086,069
Trade and other payables	25	9,999,683	14,497,072	8,020,097	9,415,953
		101,175,213	124,071,883	94,937,810	111,502,022
Current liabilities					
Loans and borrowings	23	115,951,715	132,991,682	78,337,787	106,454,314
Trade and other payables	25	108,827,624	113,409,124	153,971,105	181,982,027
Other current liabilities	26	6,228,969	990,400	12,656,819	8,196,883
Income tax payable		1,042,920	2,311,488	213,013	1,940,326
		232,051,228	249,702,694	245,178,724	298,573,550
TOTAL LIABILITIES		333,226,441	373,774,577	340,116,534	410,075,572
TOTAL EQUITY AND LIABILITIES		775,117,457	784,556,623	750,675,358	765,800,509

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity
For the financial year ended 31 December 2021

	Note	Equity, total	Equity attributable to owners of the Company, total	Share capital (Note 22)	Retained earnings	Non-controlling interests
			Attributable to owners of the Company			
		RM	RM	RM	RM	RM
Group						
At 1 January 2021		410,782,046	395,500,689	248,202,826	147,297,863	15,281,357
Profit net of tax, representing total comprehensive income		23,732,860	23,487,168	-	23,487,168	245,692
Transactions with owners:						
Dividends on ordinary shares	36	(9,928,113)	(9,928,113)	-	(9,928,113)	-
Dividends paid to non-controlling interest		(6,300,000)	-	-	-	(6,300,000)
Acquisition of non-controlling interests	14(a)(i)	(26,000)	(4,575)	-	(4,575)	(21,425)
Interests in a subsidiary donated to a foundation	14(d)	1,314	-	-	-	1,314
Issuance of ordinary shares		23,628,909	23,628,909	23,628,909	-	-
At 31 December 2021		441,891,016	432,684,078	271,831,735	160,852,343	9,206,938

	Note	Equity, total	Equity attributable to owners of the Company, total	Share capital (Note 22)	Retained earnings	Non-controlling interests
			Attributable to owners of the Company			
		RM	RM	RM	RM	RM
Group						
At 1 January 2020		377,307,937	360,555,829	248,202,826	112,353,003	16,752,108
Profit net of tax, representing total comprehensive income		34,924,109	34,917,078	-	34,917,078	7,031
Transactions with owners:						
Dividends paid to non-controlling interest		(1,180,000)	-	-	-	(1,180,000)
Acquisition of non-controlling interests	14(a)(ii)	(300,000)	27,782	-	27,782	(327,782)
Contribution by non-controlling interests	14(b)	30,000	-	-	-	30,000
At 31 December 2020		410,782,046	395,500,689	248,202,826	147,297,863	15,281,357

Statements of Changes in Equity
For the financial year ended 31 December 2021 (contd.)

	Note	Equity, total	Share capital (Note 22)	Retained earnings
		RM	RM	RM
Company				
At 1 January 2021		355,724,937	248,202,826	107,522,111
Profit net of tax, representing total comprehensive income		41,133,091	-	41,133,091
Transactions with owners:				
Dividends on ordinary shares	36	(9,928,113)	-	(9,928,113)
Issuance of ordinary shares	22	23,628,909	23,628,909	-
At 31 December 2021		410,558,824	271,831,735	138,727,089
At 1 January 2020		325,450,563	248,202,826	77,247,737
Profit net of tax, representing total comprehensive income		30,274,374	-	30,274,374
At 31 December 2020		355,724,937	248,202,826	107,522,111

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows
For the financial year ended 31 December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Operating activities					
Profit before tax		32,579,122	48,537,384	49,405,453	40,075,055
Adjustments for:					
Allowance for expected credit losses	7	-	-	5,066,070	-
Amortisation of intangible asset	7	497,756	497,756	-	-
Depreciation of property, plant and equipment	7	6,035,273	2,382,811	3,289,380	1,112,880
Dividend income from subsidiaries	7	-	-	(21,551,251)	(1,820,000)
(Gain)/loss on disposal of property, plant and equipment	7	(19,999)	(1,051)	(19,999)	1,948
Interest income from licensed banks	7	(15,515)	(10,744)	(12,114)	(5,735)
Other interest income	7	(304,264)	(340,809)	(2,326,209)	(2,473,352)
Fair value gain on investment properties	7	(255,636)	(3,500,000)	(20,665)	(3,500,000)
Interest expense	6	9,192,614	10,145,500	11,500,532	13,009,952
Inventories written off	7	-	29,293	-	-
Loss on disposal of shares in a subsidiary to a charitable trust	14(d)	1,314	-	30,000	-
Reversal of allowance for expected credit losses	7	(109,022)	(119,919)	-	-
Property, plant and equipment written off	7	664	67,027	-	67,027
Reversal of accruals of project costs	7	(1,246,105)	-	(1,246,105)	-
Share of results in associate		931,549	2,382,312	-	-
Total adjustments		14,708,629	11,532,176	(5,290,361)	6,392,720
Operating profit before working capital changes		47,287,751	60,069,560	44,115,092	46,467,775
Changes in working capital:					
Inventories		37,318,433	22,734,890	24,292,436	22,715,312
Receivables		(23,888,364)	26,011,207	(24,043,868)	3,668,187
Other current assets		3,879,306	1,263,480	19,446,766	(9,276,438)
Payables		(7,832,784)	(14,315,488)	(28,160,673)	4,476,340
Other current liabilities		5,238,569	(9,180,317)	4,459,936	(9,412,368)
Cash generated from operations		62,002,911	86,583,332	40,109,689	58,638,808

Statements of Cash Flows
For the financial year ended 31 December 2021 (contd.)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Operating activities (contd.)					
Interest paid		(9,192,614)	(10,989,824)	(11,639,772)	(14,059,195)
Interest received		304,264	340,809	2,326,209	2,473,352
Tax paid		(13,724,753)	(13,116,043)	(8,868,694)	(7,469,325)
Tax refunded		631,820	10,770,126	428,419	-
Net cash generated from operating activities		40,021,628	73,588,400	22,355,851	39,583,640
Investing activities					
Dividend received from subsidiaries		-	-	21,551,251	1,820,000
Interest received from licensed banks		15,515	10,744	12,114	5,735
Expenditure incurred on investment property under construction, net of interest capitalised	18.2	(1,648,384)	(2,095,980)	(1,713,258)	(2,194,380)
Increase in deposits pledged for bank loans		(25,296)	-	(25,296)	-
Net cash inflow on incorporation of subsidiaries	14(b)	-	30,000	-	-
Placement of deposits with maturity of more than three months		(2,303,176)	(140,487)	(2,303,176)	(140,487)
Purchase of property, plant and equipment, net of interest capitalised	12(i)	(7,528,840)	(12,930,499)	(7,487,311)	(11,104,058)
Proceeds from disposal of property, plant and equipment		20,281	15,995	20,281	12,995
Subscription of shares in a subsidiary		-	-	-	(649,900)
Subscription of shares in an associate	15	(980,000)	(735,000)	(980,000)	(735,000)
Subscription of shares in joint venture	16	(299,999)	-	(299,999)	-
Net cash (used in)/generated from investing activities		(12,749,899)	(15,845,227)	8,774,606	(12,985,095)

Statements of Cash Flows
For the financial year ended 31 December 2021 (contd.)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Financing activities					
Acquisition of non-controlling interest	14(a)	(26,000)	(300,000)	(26,000)	-
Dividends paid on ordinary shares	36	(9,928,113)	-	(9,928,113)	-
Dividends paid to non-controlling interest		(6,300,000)	(1,180,000)	-	-
Repayment of bank loans		(39,497,384)	(32,423,969)	(37,531,256)	(31,471,257)
Repayment of revolving credit		(52,676,583)	(31,009,416)	(43,250,000)	(13,000,000)
Repayment of principal portion of lease liabilities	23(a)	(2,467,928)	(2,677,546)	(304,370)	(623,877)
Proceeds from bank loans		15,339,732	33,562,710	15,339,732	33,562,710
Proceeds from revolving credit		46,006,982	20,415,572	22,000,000	7,979,572
Proceeds from issuance of ordinary shares		23,628,909	-	23,628,909	-
Repayment of collaterised borrowings		(3,013,435)	(11,212,108)	-	-
Net cash used in financing activities		(28,933,820)	(24,824,757)	(30,071,098)	(3,552,852)
Net (decrease)/increase in cash and cash equivalents		(1,662,091)	32,918,416	1,059,359	23,045,693
Cash and cash equivalents at 1 January		53,770,778	20,852,362	34,377,662	11,331,969
Cash and cash equivalents at 31 December	21	52,108,687	53,770,778	35,437,021	34,377,662

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2021

1. Corporate information

The Company is a public limited liability company incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak.

The Company is engaged in realty development and investment holding. The principal activities of the subsidiaries are set out in Note 14. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with resolution of the directors on 8 April 2022.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

2.2 Changes in accounting policies

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

On 1 January 2021, the Group and the Company adopted the applicable new amended MFRSs and Annual Improvements (collectively known as "pronouncements"), which are mandatory for annual financial periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: COVID-19 - Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021

The adoption of these pronouncements did not have any material impact on the financial performance or position of the Group and of the Company.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.3 Pronouncements issued but not yet effective

The Standards and Interpretations (collectively referred to as "pronouncements") that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these pronouncements, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: COVID-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendment to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets And Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact on the financial statements of the Group and of the Company from the adoption of the above pronouncements in the period of initial application.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within the equity in the consolidated statement of financial position, separately from equity attributable to the owners of the Company.

Changes in the Company owner's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interest in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributable to the owners of the Company.

2.7 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.7 Investments in associates and joint ventures (contd.)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in the associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of profit of an associate and a joint venture" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.8 Property, plant and equipment (contd.)

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets, as follows:

Buildings	50 years
Renovation	5 years
Motor vehicles, office equipment, furniture and fittings	5 to 20 years
Plant and equipment	5 to 10 years

Work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Investment properties and investment property under construction

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfer is made to or from investment properties only when there is a change in use. For a transfer from investment properties to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment properties, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

Where the fair value of investment property under construction ("IPUC") is not readily determinable, the IPUC is measured at cost until either its fair value can be reliably determinable or construction is complete, whichever is earlier.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2.11 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(i) Financial assets (contd.)

Initial recognition and measurement (contd.)

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual costs held while financial asset classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Categories and subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL.

Financial assets at amortised cost (debt instruments)

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(i) Financial assets (contd.)

Financial assets at amortised cost (debt instruments) (contd.)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

Financial assets at FVTOCI (debt instruments)

The Group and the Company measure debt instruments at FVTOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably their equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* ("MFRS 132") and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(i) Financial assets (contd.)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at FVTOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(i) Financial assets (contd.)

Derecognition (contd.)

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on a lifetime ECLs at each reporting date. The Group and the Company have performed their assessment based on their historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment specific to property development, the Group and the Company also take into consideration that they would maintain legal title to the properties sold until full settlement is made for the purchase consideration.

For debt instruments at FVTOCI, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, or at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of those measured subsequently at amortised cost, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Categories and subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at FVTPL.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Financial instruments (contd.)

(ii) Financial liabilities (contd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term deposit with maturity of three months or less. These also include bank overdrafts that form an integral part of the Group's cash management.

2.13 Inventories

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is measured at the lower of cost and net realisable value.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventories and are measured at the lower of cost and net realisable value.

Costs include:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.13 Inventories (contd.)

The costs of inventories recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the properties sold and an allocation of any non-specific costs based on the relative size of the properties sold.

Inventories for consumables are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The costs of raw materials comprises costs of purchase.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Intangible assets

An intangible asset is a non-monetary asset without physical substance capable of being separated (sold, transferred, rented or licensed) with a related contract, asset or liability, or when it arises from contractual or other rights, regardless of whether those rights are transferable.

Rights to operate a quarry is stated at cost less accumulated depreciation and impairment. It is amortised over its estimated life of twelve years using the straight-line method.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.17 Employee benefits

(i) Defined contribution plans

The Group participates in the national pension scheme as defined by the laws of the country in which it has operations. The Group makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(ii) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2.18 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings and renovation	1 to 3 years
Motor vehicles	5 years
Plant and equipment	5 years

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.18 Leases (contd.)

As a lessee (contd.)

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to their short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group or the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.19 Revenue from contracts with customers

The Group and the Company are in the business of construction and property development. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that they are the principal in their revenue arrangements because they typically control the goods or services before transferring them to customer.

(a) Sale of properties under construction

The Group and the Company recognise revenue from property under construction over time, using an input method to measure progress towards complete satisfaction of the service. Control of the asset is transferred over time if the Group's and the Company's performance do not create an asset with an alternative use to the Group and the Company and the Group and the Company have an enforceable right to payment for performance completed to date by the Group and the Company.

(b) Sale of completed properties

Sale of completed properties are recognised at a point in time.

(c) Construction contracts

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group and the Company will collect the consideration to which they will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time when the customer simultaneously received and consumes the benefits provided or at a point in time.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones.

Revenue is recognised progressively based on the percentage of completion and the revenue are calculated based on estimates made of work performed.

(d) Property management fees

Property management fees are recognised when services are rendered.

(e) Sale of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control over the asset.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.19 Revenue from contracts with customers (contd.)

(e) Sale of goods (contd.)

The Group transfers control of a good at a point in time unless one of the following over time criteria is met:

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to-date.

(f) Contract balances

(i) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and the Company perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(ii) Trade receivables

A receivable represents the Group's and the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(iii) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group and the Company have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group and the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group and the Company perform under the contract.

(g) Contract cost

(i) Costs to obtain a contract

The Group and the Company recognise incremental costs of obtaining contracts when the Group and the Company expect to recover these costs.

(ii) Costs to fulfil a contract

The Group and the Company recognise a contract cost that relates directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group and the Company, will be used in satisfying performance obligations in the future, and it is expected to be recovered.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.19 Revenue from contracts with customers (contd.)

(g) Contract cost (contd.)

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with pattern of revenue recognition to which the assets relate. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.20 Taxes

(a) Current tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in profit and loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is also recognised in OCI or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group and the Company operate and includes all taxes based upon the taxable profits.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.20 Taxes (contd.)

(b) Deferred tax (contd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group and the Company offset deferred tax assets and deferred tax liabilities if and only if they have a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets expected to be settled or recovered.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.20 Taxes (contd.)

(c) Sales and Services Tax ("SST")

Revenues, expenses and assets are recognised net of the amount of SST except:

- Where the SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of SST included.

2.21 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34.

2.22 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

2.24 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.24 Fair value measurements (contd.)

The principal or the most advantageous market must be accessible to by the Group and the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees issued are initially measured at fair value, net of transaction costs. Subsequently, they are measured at the higher of the amount of the loss allowance; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with MFRS 15.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

2. Basis of preparation and summary of significant accounting policies (contd.)

2.26 Current versus non-current classification

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and inventory properties

The Group and the Company determine whether properties are classified as investment properties or inventory properties based on the following principles:

- Investment properties comprise land and buildings (school and retail properties) which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Inventory properties comprise properties that are held for sale in the ordinary course of business.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

3. Significant accounting judgements, estimates and assumptions (contd.)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group and the Company based their estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group and of the Company. Such changes are reflected in the assumptions when they occur.

(i) Recognition of sale of properties under construction recognised over time

For the sale properties under construction where the Group and the Company satisfy their performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's and the Company's performance in transferring control of the development properties to the customers, as it reflects the Group's and the Company's efforts incurred to date relative to the total inputs expected to be incurred for the development properties. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the development properties.

Estimates are involved in determining the total estimated development costs. These estimates are based on contracted amounts and, in respect of amounts not contracted for, management relies on experience and knowledge of the project quantity surveyors to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of the amounts incurred on its other similar development properties, analysed by different property types for the past years.

The carrying amounts of assets and liabilities of the Group and the Company arising from property development activities are disclosed in Notes 17, 20 and 26.

(ii) Recognition of revenue from construction contracts recognised over time

Construction contract revenue is recognised progressively based on the percentage of completion and revenue is calculated based on estimates made of the work completed at balance sheet date.

The estimation of the performance completed to date and appraisal of results achieved are undertaken by professional consultants appointed by the customers.

The carrying amounts of assets and liabilities of the Group's construction activities are disclosed in Notes 20 and 26.

(iii) Valuation of completed investment properties

The Group and the Company carry their completed investment properties at fair value, with changes in fair value being recognised in profit or loss. The fair value of the investment properties is determined by independent professional valuers assessed on a number of estimates and assumption. The methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Note 18.1.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

3. Significant accounting judgements, estimates and assumptions (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

4. Revenue

Set out below is the disaggregation of the Group's and the Company's revenue from contracts with customers.

(a) Disaggregation of Group's revenue from contracts with customers

	Property development activities	Property holding and management	Construction works	Quarry operations	Total
	RM	RM	RM	RM	RM
2021					
Group					
Type of goods and services					
Sales of properties under construction	151,090,465	-	-	-	151,090,465
Sales of completed properties and land	29,184,807	-	-	-	29,184,807
Construction revenue	-	-	62,585,512	-	62,585,512
Property management service	-	692,122	-	-	692,122
Quarry operations	-	-	-	22,306,556	22,306,556
Total revenue from contracts with customers	180,275,272	692,122	62,585,512	22,306,556	265,859,462
Rental income from investment properties	-	7,510,360	-	-	7,510,360
	180,275,272	8,202,482	62,585,512	22,306,556	273,369,822

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

4. Revenue (contd.)

(a) Disaggregation of Group's revenue from contracts with customers (contd.)

	Property development activities	Property holding and management	Construction works	Quarry operations	Total
	RM	RM	RM	RM	RM
2021 (contd.)					
Group (contd.)					
Timing of revenue recognition					
Revenue recognised over time	151,090,465	692,122	62,585,512	-	214,368,099
Revenue recognised at a point of time	29,184,807	-	-	22,306,556	51,491,363
Total revenue from contracts with customers	180,275,272	692,122	62,585,512	22,306,556	265,859,462

	Property development activities	Property holding and management	Construction works	Quarry operations	Total
	RM	RM	RM	RM	RM
2020					
Group					
Type of goods and services					
Sales of properties under construction	173,530,045	-	-	-	173,530,045
Sales of completed properties and land	28,786,752	-	-	-	28,786,752
Construction revenue	-	-	91,653,438	-	91,653,438
Property management service	-	619,075	-	-	619,075
Quarry operations	-	-	-	7,350,592	7,350,592
Total revenue from contracts with customers	202,316,797	619,075	91,653,438	7,350,592	301,939,902
Rental income from investment properties	-	6,554,873	-	-	6,554,873
	202,316,797	7,173,948	91,653,438	7,350,592	308,494,775

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

4. Revenue (contd.)

(a) Disaggregation of Group's revenue from contracts with customers (contd.)

	Property development activities	Property holding and management	Construction works	Quarry operations	Total
	RM	RM	RM	RM	RM
2020 (contd.)					
Group (contd.)					
Timing of revenue recognition					
Revenue recognised over time	173,530,045	619,075	91,653,438	-	265,802,558
Revenue recognised at a point of time	28,786,752	-	-	7,350,592	36,137,344
Total revenue from contracts with customers	202,316,797	619,075	91,653,438	7,350,592	301,939,902

(b) Transaction prices allocated to the remaining performance obligation

	Property development activities	Construction works	Total
	RM	RM	RM
Group			
2021			
Sale of properties under construction			
- within one year	120,955,951	-	120,955,951
- over one year	45,733,725	-	45,733,725
	166,689,676	-	166,689,676
Construction revenue			
- within one year	-	60,650,708	60,650,708
- over one year	-	7,113,782	7,113,782
	-	67,764,490	67,764,490

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

4. Revenue (contd.)

(b) Transaction prices allocated to the remaining performance obligation (contd.)

	Property development activities	Construction works	Total
	RM	RM	RM
2020			
Sale of properties under construction			
- within one year	118,663,573	-	118,663,573
- over one year	9,973,687	-	9,973,687
	128,637,260	-	128,637,260
Construction revenue			
- within one year	-	52,592,396	52,592,396
	-	52,592,396	52,592,396

(c) Disaggregation of Company's revenue from contracts with customers

	Company	
	2021	2020
	RM	RM (Restated)
Type of goods and services		
Sales of properties under construction	151,090,465	173,530,045
Sales of completed properties and land	22,320,400	16,597,117
Total revenue from contracts with customers	173,410,865	190,127,162
Rental income from investment properties	7,510,360	6,554,873
Dividend income from subsidiaries	21,551,251	1,820,000
Total revenue	202,472,476	198,502,035
Timing of revenue recognition		
Revenue recognised over time	151,090,465	173,530,045
Revenue recognised at a point of time	22,320,400	16,597,117
	173,410,865	190,127,162

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

4. Revenue (contd.)

(d) Transaction prices allocated to the remaining performance obligations

	Company	
	2021	**2020**
	RM	RM
Sale of properties under construction		
- within one year	120,955,951	118,663,573
- over one year	45,733,725	9,973,687
	166,689,676	128,637,260

5. Cost of sales

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Property development costs	91,600,857	113,351,738	93,363,910	116,589,041
Costs of completed properties sold and land	19,821,449	20,384,634	17,229,598	12,580,323
Construction costs	63,784,681	83,402,771	-	-
Investment properties maintenance costs	285,259	223,041	285,259	223,041
Property management costs	3,692	1,982	-	-
Quarry operation costs	18,221,170	5,904,914	-	-
	193,717,108	223,269,080	110,878,767	129,392,405

6. Finance costs

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Interest expense on:				
- Bank loans and bank overdrafts	9,017,366	10,639,194	7,715,289	9,049,429
- Amount due to subsidiaries	-	-	3,902,410	4,960,270
- Lease liabilities (Note 23(a))	175,248	350,630	22,073	49,496
	9,192,614	10,989,824	11,639,772	14,059,195
Less: Interest expense capitalised in:				
- Property, plant and equipment (Note 12(i))	-	(844,324)	(67,543)	(1,049,243)
- Investment properties under construction (Note 18.2)	-	-	(71,697)	-
	9,192,614	10,145,500	11,500,532	13,009,952

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

7. Profit before tax

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

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audit				
- current year	212,500	136,500	135,000	76,000
- under provision in previous year	1,500	-	-	-
- other services	10,000	80,000	10,000	80,000
Amortisation of intangible asset (Note 13)	497,756	497,756	-	-
Depreciation of property, plant and equipment (Note 12)	6,035,273	2,382,811	3,289,380	1,112,880
Dividend income from subsidiaries	-	-	(21,551,251)	(1,820,000)
Interest income				
- licensed banks	(15,515)	(10,744)	(12,114)	(5,735)
- others	(304,264)	(340,809)	(2,326,209)	(2,473,352)
Employee benefits expense (Note 8)	14,740,860	12,071,641	10,108,684	9,068,796
Expenses relating to short term leases (Note 23(a))	276,504	323,651	155,254	119,751
Expenses relating to low value assets (Note 23(a))	5,400	6,900	-	-
Fair value gain on investment properties (Note 18.1)	(255,636)	(3,500,000)	(20,665)	(3,500,000)
(Gain)/loss on disposal of property, plant and equipment	(19,999)	(1,051)	(19,999)	1,948
Inventories written off	-	29,293	-	-
Loss on disposal of shares in a subsidiary donated to a charitable trust (Note 14(d))	1,314	-	30,000	-
Non-executive directors' remuneration	652,500	674,700	572,100	608,550
Allowances for expected credit losses (Note 19(c))	-	-	5,066,070	-
Property, plant and equipment written off	664	67,027	-	67,027
Rental income	(516,683)	(414,777)	(66,000)	(28,167)
Reversal of accruals of project costs	(1,246,105)	-	(1,246,105)	-
Reversal of allowance for expected credit losses (Note 19(a))	(109,022)	(119,919)	-	-
	=======	======	=======	=======

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

8. Employee benefits expense

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Wages and salaries	14,140,903	13,876,441	8,916,004	7,971,218
Contribution to defined contribution plan	1,713,872	1,728,920	1,092,708	1,007,685
Other benefits	172,520	177,745	99,972	89,893
	16,027,295	15,783,106	10,108,684	9,068,796
Less: Employee benefits capitalised in construction costs (Note 20(c))	(1,286,435)	(3,711,465)	-	-
	14,740,860	12,071,641	10,108,684	9,068,796

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,133,376 (2020: RM1,096,755) and RM1,097,376 (2020: RM1,062,105) respectively, as further disclosed in Note 9.

9. Directors' remuneration

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Directors of the Company				
Executive directors' remuneration (Note 8):				
Fees	36,000	34,650	-	-
Salaries and other emoluments	1,097,376	1,062,105	1,097,376	1,062,105
	1,133,376	1,096,755	1,097,376	1,062,105

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

9. Directors' remuneration (contd.)

The details of remuneration receivable by directors of the Group and of the Company during the year are as follows: (contd.)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-executive directors' remuneration:				
Fees and other emoluments	572,100	608,550	572,100	608,550
Total directors' remuneration	1,705,476	1,705,305	1,669,476	1,670,655
Estimated money value of benefits -in-kind	56,734	53,522	56,734	53,522
Total Company directors' remuneration including benefits-in-kind	1,762,210	1,758,827	1,726,210	1,724,177
Other directors				
Non-executive directors remuneration:				
Fees and other emoluments	80,400	66,150	-	-
Total Group directors' remuneration (Note 27(c))	1,842,610	1,824,977	1,726,210	1,724,177

10. Income tax expense

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Statement of profit or loss and other comprehensive income:				
Current income tax:				
- Malaysian income tax	11,451,900	13,532,600	7,842,600	8,601,900
- (Over)/under provision in respect of previous years	(1,980,672)	90,348	(1,129,638)	(91,420)
	9,471,228	13,622,948	6,712,962	8,510,480

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

10. Income tax expense (contd.)

The major components of income tax expense for the years ended 31 December 2021 and 2020 are (contd.):

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Deferred tax (Note 24):				
- Origination and reversal of temporary differences	(2,508,176)	(342,145)	505,400	1,111,000
- Under provision in respect of previous years	1,883,210	332,472	1,054,000	179,201
	(624,966)	(9,673)	1,559,400	1,290,201
Income tax expense recognised in profit or loss	8,846,262	13,613,275	8,272,362	9,800,681

The reconciliations between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Accounting profit before tax	32,579,122	48,537,384	49,405,453	40,075,055
Tax at Malaysian statutory rate of 24% (2020: 24%)	7,818,989	11,648,972	11,857,309	9,618,013
Adjustments:				
Income not subject to tax	(303,408)	(28,781)	(5,475,686)	(436,800)
Deferred tax assets not recognised on unused tax losses and unabsorbed capital allowances	25,195	48,480	-	-
Share of results in associate	223,572	571,755	-	-
Utilisation of previously unrecognised unabsorbed capital allowances and unutilised business losses	(47,039)	-	-	-

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

10. Income tax expense (contd.)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Expenses not deductible for tax purposes	1,226,415	950,029	1,966,377	531,687
(Over)/under provision of income tax in respect of previous years	(1,980,672)	90,348	(1,129,638)	(91,420)
Under provision of deferred tax in respect of previous years	1,883,210	332,472	1,054,000	179,201
Income tax expense recognised in profit or loss	8,846,262	13,613,275	8,272,362	9,800,681

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

11. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following table reflects the profit and share data used in the computation of basic earnings per share for the years ended 31 December 2021 and 2020:

	Group	
	2021	2020
Profit attributable to owners of the Company (RM)	23,487,168	34,917,078
Weighted average number of ordinary shares in issue	507,285,776	496,405,652
Basic earnings per share (sen)	5.0	7.0

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

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment

	Buildings and renovation RM	Motor vehicles, office equipment, furniture and fittings RM	Plant and equipment RM	Work-in-progress RM	Total RM
Group					
Cost					
At 1 January 2021	37,529,013	12,919,749	30,459,293	-	80,908,055
Additions	788,229	313,822	375,339	6,920,818	8,398,208
Disposal	-	(180,080)	-	-	(180,080)
Write-off	-	(1,171)	-	-	(1,171)
Derecognition of right-of-use asset	(374,105)	-	-	-	(374,105)
At 31 December 2021	37,943,137	13,052,320	30,834,632	6,920,818	88,750,907
Accumulated depreciation					
At 1 January 2021	2,767,005	8,442,457	9,191,305	-	20,400,767
Depreciation charge for the year:	2,133,411	1,117,057	3,877,436	-	7,127,904
Recognised in profit or loss (Note 7)	2,133,411	778,178	3,123,684	-	6,035,273
Capitalised in construction costs (Note 20(c))	-	338,879	753,752	-	1,092,631
Disposal	-	(179,798)	-	-	(179,798)
Write-off	-	(507)	-	-	(507)
Derecognition of right-of-use asset	(374,105)	-	-	-	(374,105)
At 31 December 2021	4,526,311	9,379,209	13,068,741	-	26,974,261
Net carrying amount	33,416,826	3,673,111	17,765,891	6,920,818	61,776,646

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

	Buildings and renovation	Motor vehicles, office equipment, furniture and fittings	Plant and equipment	Work-in-progress	Total
	RM	RM	RM	RM	RM
Group (contd.)					
Cost					
At 1 January 2020	7,132,903	11,189,780	21,230,143	29,095,122	68,647,948
Additions	12,130	1,127,730	2,146,664	10,488,299	13,774,823
Disposal	-	(91,981)	-	-	(91,981)
Write-off	(286,450)	(530,929)	(158,609)	-	(975,988)
Derecognition of right-of-use asset	(446,747)	-	-	-	(446,747)
Reclassification	31,117,177	1,225,149	7,241,095	(39,583,421)	-
At 31 December 2020	37,529,013	12,919,749	30,459,293	-	80,908,055
Accumulated depreciation					
At 1 January 2020	2,785,861	7,879,460	6,632,656	-	17,297,977
Depreciation charge for the year:	714,333	1,104,030	2,717,172	-	4,535,535
Recognised in profit or loss (Note 7)	714,333	667,556	1,000,922	-	2,382,811
Capitalised in construction costs (Note 20(c))	-	436,474	1,716,250	-	2,152,724
Disposal	-	(77,037)	-	-	(77,037)
Write-off	(286,442)	(463,996)	(158,523)	-	(908,961)
Derecognition of right-of-use asset	(446,747)	-	-	-	(446,747)
At 31 December 2020	2,767,005	8,442,457	9,191,305	-	20,400,767
Net carrying amount	34,762,008	4,477,292	21,267,988	-	60,507,288

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

	Buildings and renovation	Motor vehicles, office equipment, furniture and fittings	Plant and equipment	Work-in-progress	Total
	RM	RM	RM	RM	RM
Company					
Cost					
At 1 January 2021	36,617,157	7,708,447	7,249,348	-	51,574,952
Additions	461,011	112,439	324,288	7,118,127	8,015,865
Disposal	-	(180,080)	-	-	(180,080)
Derecognition of right-of-use asset	(374,105)	-	-	-	(374,105)
At 31 December 2021	36,704,063	7,640,806	7,573,636	7,118,127	59,036,632
Accumulated depreciation					
At 1 January 2021	1,806,662	4,902,849	61,615	-	6,771,126
Depreciation charge for the year:					
Recognised in profit or loss (Note 7)	2,148,659	396,869	743,852	-	3,289,380
Disposal	-	(179,798)	-	-	(179,798)
Derecognition of right-of-use asset	(374,105)	-	-	-	(374,105)
At 31 December 2021	3,581,216	5,119,920	805,467	-	9,506,603
Net carrying amount	33,122,847	2,520,886	6,768,169	7,118,127	49,530,029

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

	Buildings and renovation	Motor vehicles, office equipment, furniture and fittings	Plant and equipment	Work-in-progress	Total
	RM	RM	RM	RM	RM
Company (contd.)					
Cost					
At 1 January 2020	4,496,877	5,975,531	162,397	30,241,231	40,876,036
Additions	46,600	1,116,946	1,374	11,034,981	12,199,901
Disposal	-	(78,250)	-	-	(78,250)
Write-off	(286,450)	(530,929)	(158,609)	-	(975,988)
Reclassification	32,806,877	1,225,149	7,244,186	(41,276,212)	-
Derecognition of right-of-use asset	(446,747)	-	-	-	(446,747)
At 31 December 2020	36,617,157	7,708,447	7,249,348	-	51,574,952
Accumulated depreciation					
At 1 January 2020	1,873,993	5,044,015	159,253	-	7,077,261
Depreciation charge for the year:					
Recognised in profit or loss (Note 7)	665,859	386,137	60,884	-	1,112,880
Disposal	-	(63,307)	-	-	(63,307)
Write-off	(286,443)	(463,996)	(158,522)	-	(908,961)
Derecognition of right-of-use asset	(446,747)	-	-	-	(446,747)
At 31 December 2020	1,806,662	4,902,849	61,615	-	6,771,126
Net carrying amount	34,810,495	2,805,598	7,187,733	-	44,803,826

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

(i) Acquisitions of property, plant and equipment during the financial year were by the following means:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash	7,528,840	12,930,499	7,487,311	11,104,058
Lease arrangement (Note 23(a))	869,368	-	461,011	46,600
Interest capitalised (Note 6)	-	844,324	67,543	1,049,243
	8,398,208	13,774,823	8,015,865	12,199,901

(ii) Capitalisation of borrowing costs

In the previous financial year, the Group's and the Company's work-in-progress include borrowing costs arising from specific bank loans procured and other general borrowings used for financing the construction of the Company's corporate office. The capitalisation rate used for the Group's and the Company's general borrowings was at 4.13%. The borrowing costs capitalised as cost of work-in-progress of the Group and the Company in the previous financial year are as shown in Note 12(i) above.

(iii) Right-of-use assets

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

Group	Buildings and renovation	Motor vehicles	Plant and equipment	Total
	RM	RM	RM	RM
At 1 January 2021	102,000	1,508,552	2,690,869	4,301,421
Addition	747,369	136,000	-	883,369
Depreciation charge for the year (Note 23(a))	(192,049)	(756,119)	(1,648,850)	(2,597,018)
At 31 December 2021	657,320	888,433	1,042,019	2,587,772
At 1 January 2020	482,559	2,344,366	4,339,713	7,166,638
Depreciation charge for the year (Note 23(a))	(380,559)	(835,814)	(1,648,844)	(2,865,217)
At 31 December 2020	102,000	1,508,552	2,690,869	4,301,421

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

(iii) Right-of-use assets (contd.)

Included in the net carrying amount of property, plant and equipment are right-of-use assets as follows: (contd.)

Company	Buildings and renovation RM	Motor vehicles RM	Total RM
At 1 January 2021	121,417	215,085	336,502
Additions	461,011	-	461,011
Depreciation charge for the year (Note 23(a))	(183,260)	(149,123)	(332,383)
At 31 December 2021	399,168	65,962	465,130
At 1 January 2020	501,976	450,700	952,676
Additions	46,600	-	46,600
Depreciation charge for the year (Note 23(a))	(427,159)	(235,615)	(662,774)
At 31 December 2020	121,417	215,085	336,502

The Group and the Company have lease contracts for buildings and renovation, motor vehicles and plant and equipment used in their operations.

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use assets recognised on the statements of financial position:

Group	Buildings and renovation	Plant and equipment	Motor vehicles
As at 31 December 2021			
No. of right-of-use assets leased	2	15	28
No. of leases with extension option	-	-	-
No. of leases with variable lease payments	-	-	-
No. of leases with termination option	-	-	-
As at 31 December 2020			
No. of right-of-use assets leased	2	15	28
No. of leases with extension option	-	-	-
No. of leases with variable lease payments	-	-	-
No. of leases with termination option	-	-	-

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

12. Property, plant and equipment (contd.)

(iii) Right-of-use assets (contd.)

	Buildings and renovation	Motor vehicles
Company		
As at 31 December 2021		
No. of right-of-use assets leased	2	3
No. of leases with extension option	-	-
No. of leases with variable lease payments	-	-
No. of leases with termination option	-	-
As at 31 December 2020		
No. of right-of-use assets leased	3	4
No. of leases with extension option	-	-
No. of leases with variable lease payments	-	
No. of leases with termination option	-	-

Details of the terms and conditions of the lease arrangements are disclosed in Note 23.

Leased motor vehicles are pledged as security for the related lease liabilities as set in Note 23.

(iv) The corporate office building of the Group and of the Company amounting to RM25.5 million (2020: RM25.5 million) is pledged as security for the related borrowings as set in Note 23.

13. Intangible asset

	Group	
	2021	**2020**
	RM	RM
Cost		
At 1 January/31 December	5,765,673	5,765,673
Amortisation		
At 1 January	497,756	-
Amortisation charge for the year (Note 7)	497,756	497,756
At 31 December	995,512	497,756
Net carrying amount	4,770,161	5,267,917

The above intangible asset represents the rights to operate the quarry arising from the Extraction Agreement dated 3 July 2019 entered into with a third party, which commenced operations in 2020.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries

	Company	
	2021	**2020**
	RM	RM
Unquoted shares, at cost	34,849,944	34,853,944
Less: Accumulated impairment losses	(802,778)	(802,778)
	34,047,166	34,051,166

Details of the subsidiaries, all of which are incorporated and domiciled in Malaysia, and their principal activities are as set out below:

		Proportion of ownership interest	
Name of subsidiaries	**Principal activities**	**2021**	**2020**
Foso One Sdn. Bhd.	Construction	100%	100%
Ibraco Quarry Sdn. Bhd.	Housing and property development, quarry operations	100%	100%
Ibraco Construction Sdn. Bhd.	Construction	100%	100%
Ibraco HGS Sdn. Bhd.	Property development and construction	70%	70%
Ibraco Pelita Sdn. Bhd.	Property development and construction	75%	75%
Ibraco Plantation Sdn. Bhd.	Plantation and investment holdings	100%	100%
Ibraco Spectrum Sdn. Bhd.	Landscaping and trading of building materials and related products	100%	100%
Ibraco Infinity Sdn. Bhd.	Property management service	100%	100%
Syarikat Ibraco-Peremba Sdn. Bhd.	Land and property development	100%	100%
Ibraco Ascent Sdn. Bhd.	Property investment and development	100%	74%
NewUrban Sdn. Bhd.	Property development and construction	100%	100%
Sekitar Gemilang Sdn. Bhd.	Quarry operation	70%	100%

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries (contd.)

Details of the subsidiaries, all of which are incorporated and domiciled in Malaysia, and their principal activities are as set out below: (contd.)

Name of subsidiaries	Principal activities	Proportion of ownership interest 2021	2020
Subsidiary of Ibraco HGS Sdn. Bhd.			
Warisar Sdn. Bhd.	Property development and construction	80%	80%
Subsidiary of Ibraco Construction Sdn. Bhd.			
Ibraco Construction Polybuilding Construction JV Sdn. Bhd.	Construction	70%	70%
Dynaciate Engineering Ibraco Construction JV Sdn. Bhd.	Construction	70%	70%

All subsidiaries are audited by Ernst & Young PLT Malaysia.

(a) Acquisition of additional interest

(i) Acquisition of additional interest in Ibraco Ascent Sdn. Bhd. during the current financial year

On 4 January 2021, the Company acquired the remaining 26,000 ordinary shares, representing 26% equity interest in Ibraco Ascent Sdn. Bhd. ("IASB"), for a total cash consideration of RM26,000. Following the acquisition, IASB became a wholly-owned subsidiary of the Company.

The following is a schedule of additional interest acquired in IASB:

	2021 RM
Cash consideration paid to non-controlling interests	26,000
Carrying value of the non-controlling interests	(21,425)
Differences recognised in retained earnings	4,575

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries (contd.)

(a) Acquisition of additional interest (contd.)

(ii) Acquisition of ordinary shares in Ibraco Plantation Sdn. Bhd. in the previous financial year

On 28 August 2020, the company acquired the remaining 300,000 ordinary shares, representing 30% equity interest in Ibraco Plantation Sdn. Bhd. ("IPSB"), for a total cash consideration of RM300,000. Following the acquisition, IPSB became a wholly-owned subsidiary of the Company.

The following is a schedule of additional interest acquired in IPSB:

	2020 RM
Cash consideration paid to non-controlling interests	300,000
Carrying value of the non-controlling interests	(327,782)
Differences recognised in retained earnings	(27,782)

(b) Incorporation of new subsidiaries in the previous financial year

In the previous financial year, on 5 March 2020, Ibraco Construction Sdn. Bhd., a subsidiary of the Company, incorporated a new subsidiary, Dynaciate Engineering Ibraco Construction JV Sdn. Bhd. ("DEIC") of which it subscribed 70% equity interest for RM70,000, settled in cash.

The Company, on 9 June 2020, incorporated a new subsidiary, Sekitar Gemilang Sdn. Bhd. ("SGSB") of which it subscribed 100% equity interest for RM100,000, settled in cash.

The Group incorporated DEIC and SGSB to expand its construction and quarry operations activities, respectively.

The fair values of the identifiable assets of DEIC and SGSB as at the date of incorporation were:

	Fair value RM	**Carrying amount** RM
Cash and cash equivalents		
DEIC	100,000	100,000
SGSB	100,000	100,000

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries (contd.)

(b) Incorporation of new subsidiaries in the previous financial year (contd.)

The total cost of the business combination was as follows:

Total cost of business combination

	DEIC RM	SGSB RM	Total RM
Cash paid	70,000	100,000	170,000
The effect of the incorporation on cash flows are as follows:			
Total cost of the business combination	70,000	100,000	170,000
Less: Net cash and cash equivalents of subsidiaries incorporated	(100,000)	(100,000)	(200,000)
Net cash outflow on incorporation	(30,000)	-	(30,000)
Goodwill			
Fair value of net identifiable assets	100,000	100,000	200,000
Less: Non-controlling interests	(30,000)	-	(30,000)
Group's interest in fair value of net identifiable assets	70,000	100,000	170,000
Goodwill	-	-	-
Cost of business combination	70,000	100,000	170,000

(c) Material non-controlling interests

The Group's subsidiary that has material non-controlling interests are set out below.

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2021 RM	2020 RM
Accumulated balances of material non-controlling interest	10,098,019	16,052,109
Profit allocated to material non-controlling interest	345,910	108,915

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries (contd.)

(c) Material non-controlling interests (contd.)

The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised consolidated statement of financial position

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2021	**2020**
	RM	RM
Non-current assets	2,409,767	2,484,867
Current assets	69,792,691	94,059,113
Total assets	72,202,458	96,543,980
Non-current liabilities	1,813,900	2,013,100
Current liabilities	43,924,575	47,918,673
Total liabilities	45,738,475	49,931,773
Net assets	26,463,983	46,612,207
Equity attributable to owners of the Company	16,365,964	30,560,098
Non-controlling interests	10,098,019	16,052,109
	26,463,983	46,612,207

(ii) Summarised consolidated statement of profit or loss and other comprehensive income

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2021	**2020**
	RM	RM
Revenue	6,778,416	12,120,769
Profit for the year	851,777	427,075
Profit attributable to:		
Owners of Ibraco HGS Sdn. Bhd.	505,867	318,160
Non-controlling interests	345,910	108,915
	851,777	427,075

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

14. Investments in subsidiaries (contd.)

(c) Material non-controlling interests (contd.)

(iii) Summarised consolidated statement of cash flows

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2021	**2020**
	RM	RM
Net cash generated from operating activities	21,159,195	461,653
Net cash generated from investing activities	2,940	14,489
Net cash used in financing activities	(21,000,000)	(3,000,000)
Net increase/(decrease) in cash and cash equivalents	162,135	(2,523,858)
Cash and cash equivalents at the beginning of the year	1,187,037	3,710,895
Cash and cash equivalents at the end of the year	1,349,172	1,187,037

(d) Disposal of interest

On 23 March 2021, the Company donated 30,000 ordinary shares, representing 30% equity interest in Sekitar Gemilang Sdn. Bhd. ("SGSB") to a charitable trust in fulfilment of a condition for the granting of a licence to operate a quarry to SGSB.

Following the disposal, SGSB became 70% owned subsidiary of the Company. The Group and the Company reported a loss on disposal of RM1,314 and RM30,000 respectively.

15. Investment in an associate

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Unquoted shares, at cost				
- Ordinary shares	490,000	490,000	490,000	490,000
- Redeemable non-cumulative preference shares	4,655,000	3,675,000	4,655,000	3,675,000
	5,145,000	4,165,000	5,145,000	4,165,000
Share of post-acquisition deficit	(3,313,861)	(2,382,312)	-	-
	1,831,139	1,782,688	5,145,000	4,165,000

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

15. Investment in an associate (contd.)

Name of associate	Principal activities	Proportion of ownership interest 2021	2020
IBRACO HELP Education Sdn. Bhd.	Education services	49%	49%

During the current financial year, the Company subscribed for 980,000 new redeemable preference shares at RM1 each in IBRACO HELP Education Sdn. Bhd. amounting to RM980,000, settled in cash.

In the previous financial year, the Company subscribed for 735,000 new redeemable preference shares a RM1 each in IBRACO HELP Education Sdn. Bhd. amounting to RM735,000 settled in cash.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information represents the amounts extracted from the financial statements of the associate prepared using the MFRS framework and is not the Group's share of those amounts. Reconciliation with the carrying amount of the investment in the consolidated financial statements is set out in Note 15(c) below.

The following table summarises the financial information in respect of the Group's associate:

	IBRACO HELP Education Sdn. Bhd. (Economic entity) 2021 RM	2020 RM
(a) Summarised statement of financial position		
Assets and liabilities		
Current assets	3,746,120	3,692,543
Total assets	3,746,120	3,692,543
Current liabilities	9,100	54,404
Total liabilities	9,100	54,404
Net assets	3,737,020	3,638,139

(b) Summarised statement of profit or loss and other comprehensive income

	IBRACO HELP Education Sdn. Bhd. (Economic entity) 2021 RM	2020 RM
Revenue	-	-
Loss before tax	(1,867,282)	(4,779,937)
Income tax expense	(33,837)	(37,070)
Total comprehensive loss	(1,901,119)	(4,817,007)

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

15. Investment in an associate (contd.)

(c) Reconciliation of net assets to carrying amount of investment

	IBRACO HELP Education Sdn. Bhd. Group	
	2021	**2020**
	RM	RM
As at 31 December		
Net assets	3,737,020	3,638,139
Effective interest in associate	49%	49%
Group's share of net assets	1,831,139	1,782,688

16. Investment in joint venture

	Group and Company	
	2021	**2020**
	RM	RM
Unquoted shares, at cost	300,000	1

		Proportion of ownership interest	
Name of joint venture	**Principal activities**	**2021**	**2020**
NorthBank Specialist Hospital Sdn. Bhd.	Intended for health care services	50%	50%

During the year, the Company subscribed for additional 299,999 ordinary shares at RM1 each in NorthBank Specialist Hospital Sdn. Bhd. ("NBSH"). NBSH has remained dormant since incorporation. Hence, there was no share of results being accounted for.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

17. Inventories

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At cost				
Non-current				
Land held for property development	44,145,121	45,133,467	43,504,363	42,643,363
Current				
Property development costs	193,223,889	272,525,717	168,759,669	239,578,652
Completed properties held for sale	111,085,717	68,113,976	98,504,928	52,839,381
	304,309,606	340,639,693	267,264,597	292,418,033
	348,454,727	385,773,160	310,768,960	335,061,396

Certain land held for property development of the Group and the Company have been amalgamated, sub-divided and are pending issuance of land titles by the relevant government authority.

Right-of-use assets

Included in the net carrying amount of land held for property developments are right-of-use assets as follows:

	Group	Company
	RM	RM
Leasehold land		
At 1 January 2021	8,660,516	6,170,412
Transfer to property development costs	(1,849,346)	-
31 December 2021	6,811,170	6,170,412
At 1 January 2020 and 31 December 2020	8,660,516	6,170,412

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

17. Inventories (contd.)

Land held for property development

The Group and the Company have freehold and leasehold land with aggregate carrying values of RM23,272,262 (2020: RM25,121,608) and RM21,490,871 (2020: RM21,490,871) respectively, which are pledged as security for loans and borrowings as disclosed in Note 23.

Property development costs

Freehold and leasehold land of the Group and the Company classified under property development costs with aggregate carrying value of RM101,242,713 (2020: RM112,860,779) and RM101,242,713 (2020: RM112,860,779) are pledged as security for loans and borrowings as disclosed in Note 23.

18.1 Completed investment properties

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
As at 1 January	114,300,000	110,800,000	114,300,000	110,800,000
Transfer from investment property under construction (Note 18.2)	3,744,364	-	3,979,335	-
Fair value gain (Note 7)	255,636	3,500,000	20,665	3,500,000
As at 31 December	118,300,000	114,300,000	118,300,000	114,300,000
Fair value of completed investment properties	118,300,000	114,300,000	118,300,000	114,300,000

The investment property with carrying amount of RM114,700,000 (2020: RM114,300,000) is pledged as security for loans and borrowings as disclosed in Note 23.

The investment properties are classified as Level 3 in the fair value hierarchy (Note 30).

The income received and related maintenance costs from the above completed investments properties are disclosed in Note 4 and Note 5, respectively.

Valuation of completed investment properties

Investment properties are stated at fair value, which is determined based on the valuations performed by accredited independent valuers with relevant experience in the location and category of the properties being valued. The valuations are based on the investment method that makes reference to net rental income which is capitalised at the appropriate market rates of return and other adjustment factors.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

18.1 Completed investment properties (contd.)

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

Categories	Valuation technique	Significant unobservable inputs	Range	Quantity sensitivity analysis
Buildings	Investment method	• Estimated rental value per month	• RM20,964 to RM407,000	• 5% (2020:5%) (decrease)/ increase in the rental per month in the reversion term would result in a (decrease)/increase in fair value by RM2.4 million (2020:RM2.6 million)
		• Discount rate	• 5% to 6%	• 0.25 basis points (2020: 0.25 basis points) increase in the discount rate would decrease in fair value by RM4.1 million (2020: RM4.0 million)

Group and Company as lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of 1 to 14 years (2020: 1 to 15 years). All leases include a clause to enable upward revision of the rental charge once in every three years based on pre-agreed rate.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group and Company	
	2021	2020
	RM	RM
Not later than 1 year	7,575,444	7,734,474
Later than 1 year but not later than 5 years	29,239,176	30,044,346
Later than 5 years	43,379,050	51,914,803
	80,193,670	89,693,623

18.2 Investment property under construction

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
As at 1 January	2,095,980	-	2,194,380	-
Additions	1,648,384	2,095,980	1,784,955	2,194,380
Transfer to completed investment property (Note 18.1)	(3,744,364)	-	(3,979,335)	-
As at 31 December	-	2,095,980	-	2,194,380

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

18.2 Investment property under construction (contd.)

In the previous financial year, the investment property under construction was carried at cost because its fair value could not be reliably measured at the reporting date.

Capitalisation of borrowing costs

The Group's and the Company's investment property under constructions includes borrowing costs arising from specific bank loans procured and other general borrowings for financing the construction of the Company's investment property. The capitalisation rate used for the general borrowings in 2021 was 3.85% (2020: Nil). During the current financial year, borrowing costs capitalised as cost of investment property under construction for the Company was RM71,697 (2020: Nil).

19. Trade and other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Current				
Trade receivables				
Third parties	37,484,039	26,930,830	31,396,574	23,544,587
Bills receivables	-	3,013,435	-	-
	37,484,039	29,944,265	31,396,574	23,544,587
Less: Allowance for expected credit losses - third parties	(657,913)	(766,935)	-	-
Trade receivables, net	36,826,126	29,177,330	31,396,574	23,544,587
Other receivables				
Third parties	11,734,437	3,345,585	10,131,792	1,888,095
Deposits	3,618,347	3,615,221	2,617,951	2,929,286
Amounts due from subsidiaries	-	-	49,470,533	49,470,570
	15,352,784	6,960,806	62,220,276	54,287,951
Less: Allowance for expected credit losses - third parties	(106,071)	(106,071)	-	-
Other receivables, net	15,246,713	6,854,735	62,220,276	54,287,951
Total trade and other receivables (current)	52,072,839	36,032,065	93,616,850	77,832,538

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

19. Trade and other receivables (contd.)

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Non-current				
Other receivables				
Third party (Note (d)(ii))	8,246,474	-	8,071,772	-
Amounts due from a subsidiary	-	-	5,066,070	4,878,286
Deposits	-	289,862	-	-
	8,246,474	289,862	13,137,842	4,878,286
Less: Allowance for expected credit losses - amount due from a subsidiary	-	-	(5,066,070)	-
Other receivables (non-current)	8,246,474	289,862	8,071,772	4,878,286
Total trade and other receivables (current and non-current)	60,319,313	36,321,927	101,688,622	82,710,824

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 30 days (31 December 2020: 14 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Neither past due nor impaired	5,066,467	15,473,605	55,335	9,858,881
1 to 119 days past due but not impaired	31,040,986	10,372,552	30,633,546	10,366,352
More than 120 days but not impaired	718,673	3,331,173	707,693	3,319,354
	31,759,659	13,703,725	31,341,239	13,685,706
Impaired	657,913	766,935	-	-
	37,484,039	29,944,265	31,396,574	23,544,587

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

19. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are neither past due nor impaired

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM31,759,659 (2020: RM13,703,725) and RM31,341,239 (2020: RM13,685,706), respectively that are past due at the reporting date but not impaired. These receivables are mainly progress billings which will be settled by the purchasers or the purchasers' end-financiers. The directors are of the view that these amounts should be realised in full without material losses as the legal title to the properties sold will only be transferred to the purchasers upon full settlement of the purchase consideration.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	Group	
	2021	**2020**
	RM	RM
Movement in expected credit losses account		
At 1 January	766,935	886,854
Reversal of allowance for expected credit losses (Note 7)	(109,022)	(119,919)
At 31 December	657,913	766,935

Trade receivables that were determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Bills receivables

In the previous financial year, the Group sold with recourse trade receivables to a bank for cash proceeds. These trade receivables had not been derecognised from the consolidated statement of financial position because the Group retained substantially all the risks and rewards, primarily credit risk. The amount received on transfer had been recognised as a secured bank loan. The arrangement with the bank is such that the customers remit cash directly to the Group and the Group transfers the collected amounts to the bank. The receivables are considered to be held within the hold-to-collect business model consistent with the Group's continuing recognition of the receivables.

Transfer of trade receivables

The following information shows the carrying amount of trade receivables at the reporting date that have not been derecognised and the associated liabilities.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

19. Trade and other receivables (contd.)

(b) Bills receivables (contd.)

Transfer of trade receivables (contd.)

	Group	
	2021	**2020**
	RM	RM
Carrying amount of trade receivables transferred to a bank	-	3,013,435
Carrying amount of associated liabilities (Note 23)	-	3,013,435

(c) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, earn interest at the rate of 3.85% (2020: 4.50%) per annum and are repayable on demand.

Non-current amount due from a subsidiary is unsecured and earns interest at the rate of 3.85% (2020: 4.50%) per annum.

Set out below is the movement in the allowance for expected credit losses of a non-current amount due from a subsidiary:

	Company	
	2021	**2020**
	RM	RM
Movement in expected credit losses account		
At 1 January	-	-
Allowance for expected credit losses (Note 7)	5,066,070	-
At 31 December	5,066,070	-

(d) Other receivables

(i) Other receivables are non-interest bearing and are generally on 30 days (2020: 30 days) terms.

(ii) At the reporting date, the Group has provided an allowance for expected credit loss of RM106,071 (2020: RM106,071) for the amount due from third parties with nominal amount of RM106,071 (2020: RM106,071).

(iii) Included in the Group's and the Company's current other receivables and non-current other receivables are amounts receivable from a solicitor of RM8,071,772 and RM8,071,772 respectively. These amounts, totalling RM16,143,544, are monies withheld by the solicitor as stakeholder for payments received from property buyers of a property development project in West Malaysia, where 50% of these receivables shall be released by the solicitor at the expiry of the eight month and the other 50% at the expiry of the twenty-four month upon delivery of vacant possession.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

20. Other current assets

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Prepayments (a)	41,869,124	896,262	41,476,070	441,724
Tax recoverable	2,353,137	-	-	-
Contract assets – property under construction (b)	36,003,059	98,774,563	34,423,560	96,715,074
Contract assets – construction contract (c)	21,620,588	4,419,023	-	-
Rent receivable	4,375,123	2,175,084	4,375,123	2,175,084
Costs to obtain a contract (d)	3,183,568	3,573,205	3,183,568	3,573,205
	109,404,599	109,838,137	83,458,321	102,905,087

(a) Prepayment

Included in the Group's and the Company's prepayment is an amount of RM41,000,000 paid in respect of a development agreement entered into by the Group and Company during the current financial year.

(b) Contract assets – property under construction

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	98,774,563	95,521,276	96,715,074	87,470,076
Revenue recognised during the year	119,375,630	189,856,450	119,375,630	180,960,284
Progress billings during the year	(182,147,134)	(186,603,163)	(181,667,144)	(171,715,286)
At 31 December	36,003,059	98,774,563	34,423,560	96,715,074

Contract assets relate to sale of properties under construction that are initially recognised for revenue earned from construction as receipt of consideration from customers is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

The Group and the Company only deals with creditworthy customers. Historically, the Group and the Company have not encountered any material default by these customers. Consequently, no allowance for expected credit loss was recorded for contract assets as at reporting date.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

20. Other current assets (contd.)

(c) Contract assets – construction contract

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Construction cost incurred to date	293,194,840	221,978,283	-	-
Recognised profits	37,679,838	38,879,007	-	-
Progress billings to date	(309,254,090)	(256,438,267)	-	-
At 31 December	21,620,588	4,419,023	-	-

Contract assets – construction contract relate to sale of construction contracts that are initially recognised for revenue earned from construction as receipt of consideration from customers is conditional on certain successful percentage of construction. Upon achievement of these percentages, the amounts recognised as contract assets will be reclassified to trade receivables.

Included in the construction contract costs incurred during the year are:

	Group	
	2021	2020
	RM	RM
Depreciation of property, plant and equipment (Note 12)	1,092,631	2,152,724
Employee benefits expense (Note 8)	1,286,435	3,711,465

(d) Costs to obtain a contract

Costs to obtain a contract primarily comprises of incremental commission fees paid to intermediaries in order to obtain contracts.

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
At 1 January	3,573,205	5,545,989	3,573,205	5,545,989
Additions	6,932,786	4,867,265	6,932,786	4,867,265
Amortisation	(7,322,423)	(6,840,049)	(7,322,423)	(6,840,049)
At 31 December	3,183,568	3,573,205	3,183,568	3,573,205

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

21. Cash and bank balances

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash on hand and at banks	50,494,335	53,770,778	33,822,669	34,377,662
Deposits with licensed banks	8,501,255	4,558,431	8,501,255	4,558,431
Cash and bank balances	58,995,590	58,329,209	42,323,924	38,936,093

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one month to twelve months (2020: one month to twelve months) depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2021 for the Group and the Company was 1.55% (2020: 2.09%).

Included in cash at banks of the Group and the Company are amounts of RM13,743,607 (2020: RM11,214,580) and RM13,372,455 (2020: RM10,845,350) held pursuant to Section 12 of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.

Included in cash at banks of the Group and the Company are amounts of RM598,011 (2020: RM9,711,175) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are restricted from use in other operations.

Deposits with licensed banks of the Group and the Company with aggregate carrying value of RM388,993 (2020: RM363,697) are pledged as security for loans and borrowings as disclosed in Note 23.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cash and bank balances	58,995,590	58,329,209	42,323,924	38,936,093
Less:				
Deposits with maturity more than three months	(6,497,910)	(4,194,734)	(6,497,910)	(4,194,734)
Deposits pledged for bank borrowings	(388,993)	(363,697)	(388,993)	(363,697)
Cash and cash equivalents	52,108,687	53,770,778	35,437,021	34,377,662

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

22. Share capital

	Group and Company	
	Number of ordinary shares	Share capital RM
Issued and fully paid		
At 1 January 2021	496,405,652	248,202,826
Issuance of ordinary shares	49,640,565	23,628,909
At 31 December 2021	546,046,217	271,831,735
At 1 January 2020 and 31 December 2020	496,405,652	248,202,826

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM248,202,826 to RM271,831,735 through a private placement of 49,640,565 new ordinary shares ("Placement Shares") at an issue price of RM0.476 per share pursuant to the general mandate from shareholders under Section 76, Companies Act 2016 for the purpose of financing existing property development projects and for working capital.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

23. Loans and borrowings

		Group		Company	
	Maturity	2021 RM	2020 RM	2021 RM	2020 RM
Current					
Secured:					
Revolving credits	2022	95,906,982	102,576,583	61,900,000	83,150,000
Collaterised borrowings (Note 19(b))		-	3,013,435	-	-
Lease liabilities	2022	1,849,043	2,371,322	208,225	240,100
Bank loans:					
- RM loan at ECOF [1] + 2.50%		-	8,739,725	-	8,739,725
- RM loan at CFR [2] + 2.00%	2022	3,012,552	3,035,702	3,012,552	3,035,702
- RM loan at CFR + 1.10%	2022	2,502,107	618,783	2,502,107	618,783
- RM loan at COF [3] + 1.75%	2022	3,750,000	3,750,000	3,750,000	3,750,000
- RM loan at COF + 2.00%	2022	2,040,000	1,920,000	2,040,000	1,920,000
- RM loan at BFR [4] – 1.00%	2022	1,966,128	1,966,128	-	-
- RM loan at ECOF + 1.85%	2022	4,924,903	5,000,004	4,924,903	5,000,004
Total loans and borrowings (current)		115,951,715	132,991,682	78,337,787	106,454,314

[1] Effective Cost of Funds
[2] Cost Funding Rate
[3] Cost of Funds
[4] Base Financing Rate

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

23. Loans and borrowings (contd.)

	Maturity	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Non-current					
Secured:					
Lease liabilities	2023 - 2026	724,240	1,800,521	234,788	46,272
Bank loans:					
- RM loan at CFR + 2.00%	2023 - 2027	16,474,618	19,353,150	16,474,618	19,353,150
- RM loan at CFR + 1.10%	2023 - 2029	19,546,933	21,430,256	19,546,933	21,430,256
- RM loan at COF + 1.75%	2023	3,437,500	7,187,500	3,437,500	7,187,500
- RM loan at COF + 2.00%	2023 - 2029	17,264,051	19,669,674	17,264,051	19,669,674
- RM loan at ECOF + 1.85%	2023 - 2029	29,959,823	34,399,217	29,959,823	34,399,217
- RM loan at BFR - 1.00%	2023 - 2024	3,768,365	5,734,493	-	-
Total loans and borrowings (non-current)		91,175,530	109,574,811	86,917,713	102,086,069
Total loans and borrowings (current and non-current)		207,127,245	242,566,493	165,255,500	208,540,383

(a) Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
At 1 January	4,171,843	6,849,389	286,372	863,649
Additions (Note 12(i))	869,368	-	461,011	46,600
Interest charged (Note 6)	175,248	350,630	22,073	49,496
Payment of:				
Principal	(2,467,928)	(2,677,546)	(304,370)	(623,877)
Interest	(175,248)	(350,630)	(22,073)	(49,496)
At 31 December	2,573,283	4,171,843	443,013	286,372

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

23. Loans and borrowings (contd.)

(a) Lease liabilities (contd.)

The expenses relating to payments not included in the measurement of the lease liabilities are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Depreciation of right-of-use assets (Note 12(iii))	2,597,018	2,865,217	332,383	662,774
Interest expense on lease liabilities (Note 6)	175,248	350,630	22,073	49,496
Expenses relating to leases of low value assets (Note 7)	5,400	6,900	-	-
Expenses relating to short term leases (Note 7)	276,504	323,651	155,254	119,751

The Group and the Company had total cash outflows for leases amounting to RM2,925,080 (2020: RM3,358,727) and RM481,697 (2020: RM793,124), respectively in 2021.

These obligations are secured by a charge over the right-of-use assets (Note 12). The average discount rates implicit in the lease for the Group and the Company are 5.86% and 4.91% (2020: 5.98% and 4.69%) per annum, respectively.

(b) Other borrowings

(i) Revolving credits

- RM85.9 million (2020: RM83.2 million) is secured by a charge over the few parcels of land held for property development (Note 17), deposits with licensed banks (Note 21), corporate office building (Note 12) and two of the investment properties (Note 18.1); and

- RM10.0 million (2020: RM19.4 million) of the revolving credit is secured over a deed of assignment in respect of one of the Group's project contract proceeds.

During the year, interest was charged at rates ranging from 1% to 2% (2020: 1% to 2%) per annum above the bankers' cost of funds.

(ii) Bank loans

- RM5.73 million (2020: RM7.70 million) of the Group's bank loans is secured over deed of assignment in respect of the rights and benefits of the Extraction Agreement between a third party. and the Ibraco Spectrum Sdn. Bhd., a subsidiary of the Company.

- The other bank loans of the Group and the Company amounting to RM102.9 million (2020: RM125.1 million) are secured by charges over the few parcels of land held for property development (Note 17), corporate office building (Note 12) and investment property (Note 18.1).

- Corporate guarantees were provided by the Company to banks on the subsidiaries' loans and borrowings amounting to RM156.9 million (2020: RM123.9 million).

(iii) Collaterised borrowings

- In the previous financial year, interest was charged at 3.08% per annum.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

24. Deferred tax

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
As at 1 January	(10,340,316)	(10,330,643)	(6,672,736)	(7,962,937)
Recognised in profit or loss (Note 10)	(624,966)	(9,673)	1,559,400	1,290,201
At 31 December	(10,965,282)	(10,340,316)	(5,113,336)	(6,672,736)

Presenting after appropriate offsetting as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
Deferred tax assets	(10,965,282)	(10,340,316)	(5,113,336)	(6,672,736)
Deferred tax liabilities	-	-	-	-
	(10,965,282)	(10,340,316)	(5,113,336)	(6,672,736)

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

Deferred tax liabilities	4,718,020	3,099,805	4,160,452	1,792,613
Deferred tax assets	(15,683,302)	(13,440,121)	(9,273,788)	(8,465,349)
	(10,965,282)	(10,340,316)	(5,113,336)	(6,672,736)

The components and movements of deferred tax liability and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Investment properties	**Contract costs**	**Property, plant and equipment**	**Rent receivable**	**Total**
	RM	RM	RM	RM	RM
At 1 January 2021	813,891	749,927	983,967	552,020	3,099,805
Recognised in profit or loss	(197,029)	(749,927)	2,067,161	498,010	1,618,215
At 31 December 2021	616,862	-	3,051,128	1,050,030	4,718,020
At 1 January 2020	-	2,042,839	(144,902)	-	1,897,937
Recognised in profit or loss	813,891	(1,292,912)	1,128,869	552,020	1,201,868
At 31 December 2020	813,891	749,927	983,967	552,020	3,099,805

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

24. Deferred tax (contd.)

Deferred tax assets of the Group:

	Investment properties	Unabsorbed capital allowances	Staff leave balance	Unused tax losses	Provisions for expenses	Property development cost	Total
	RM	RM	RM	RM	RM	RM	RM
At 1 January 2021	-	(827,519)	(68,175)	(503,875)	(6,436,187)	(5,604,365)	(13,440,121)
Recognised in profit or loss	-	289,010	(33,592)	(4,662)	(2,256,585)	(237,352)	(2,243,181)
At 31 December 2021	-	(538,509)	(101,767)	(508,537)	(8,692,772)	(5,841,717)	(15,683,302)
At 1 January 2020	(66,109)	-	(79,007)	-	(6,206,698)	(5,876,766)	(12,228,580)
Recognised in profit or loss	66,109	(827,519)	10,832	(503,875)	(229,489)	272,401	(1,211,541)
At 31 December 2020	-	(827,519)	(68,175)	(503,875)	(6,436,187)	(5,604,365)	(13,440,121)

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

24. Deferred tax (contd.)

Deferred tax assets of the Company:

	Investment properties RM	Property development cost RM	Staff leave balance RM	Provisions for expenses RM	Total RM
At 1 January 2021	-	(2,960,259)	(68,175)	(5,436,915)	(8,465,349)
Recognised in profit or loss	-	(683,790)	(32,708)	(91,941)	(808,439)
At 31 December 2021	-	(3,644,049)	(100,883)	(5,528,856)	(9,273,788)
At 1 January 2020	(66,109)	(3,399,819)	(79,007)	(4,499,789)	(8,044,724)
Recognised in profit or loss	66,109	439,560	10,832	(937,126)	(420,625)
At 31 December 2020	-	(2,960,259)	(68,175)	(5,436,915)	(8,465,349)

Deferred tax liabilities of the Company:

	Investment properties RM	Property, plant and equipment RM	Rent receivable RM	Total RM
At 1 January 2021	773,891	496,702	522,020	1,792,613
Recognised in profit or loss	30,300	1,809,529	528,010	2,367,839
At 31 December 2021	804,191	2,306,231	1,050,030	4,160,452
At 1 January 2020	-	81,787	-	81,787
Recognised in profit or loss	773,891	414,915	522,020	1,710,826
At 31 December 2020	773,891	496,702	522,020	1,792,613

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

24. Deferred tax (contd.)

Deferred tax liabilities of the Company: (contd.)

Pursuant to Section 44(5F) of the Act 1967, these unutilised business losses can be carried forward until the following years of assessment:

	Group	
	2021	**2020**
	RM	RM
Year of assessment 2025	-	842,578
Year of assessment 2026	-	56,303
Year of assessment 2027	-	42,920
Year of assessment 2028	706,660	-
Year of assessment 2029	56,304	-
Year of assessment 2030	42,920	-
Year of assessment 2031	146,785	-
	952,669	941,801

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021	**2020**
	RM	RM
Unused business losses	952,669	941,801
Unabsorbed capital allowances	74,715	67,579
Others	657,913	766,935
	1,685,297	1,776,315

Deferred tax assets have not been recognised as it is not probable that future taxable profits will be available against which the unused business losses and unabsorbed capital allowances can be utilised. The above benefits of the Group are available for offsetting against future taxable profits of the respective companies in Malaysia and are subject to no substantial changes in shareholdings under the Income Tax Act, 1967 ("the Act") and guidelines issued by the tax authority.

In prior years, unutilised business losses from the year of assessment ("YA") 2019 shall be allowed to be carried forward for a maximum period of seven (7) consecutive years of assessment. Any amount which is not utilised at the end of the period of 7 years of assessment shall be disregarded. However, based on the Finance Act 2021 which was gazetted on 31 December 2021, the period to carry forward the unutilised business losses has been extended to ten years of assessment effective from YA2019.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

25. Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current				
Trade payables				
Third parties	38,783,969	36,719,599	12,179,902	12,892,254
Accruals	48,177,177	49,196,026	36,583,983	35,026,844
Amounts due to subsidiaries	-	-	84,933,554	110,673,245
Retention sum on contracts payable within 1 year	12,793,364	18,017,455	7,117,394	10,442,832
	99,754,510	103,933,080	140,814,833	169,035,175
Other payables				
Sundry payables	1,490,655	2,447,696	866,138	1,516,929
Accruals	7,493,358	6,944,847	6,417,070	5,806,627
Deposits	89,101	83,501	-	-
Amounts due to subsidiaries	-	-	5,873,064	5,623,296
	9,073,114	9,476,044	13,156,272	12,946,852
Total trade and other payables (current)	108,827,624	113,409,124	153,971,105	181,982,027
Non-current				
Trade payables				
Retention sum on contracts payable after 1 year	9,999,683	14,497,072	8,020,097	9,415,953
Total trade and other payables (current and non-current)	118,827,307	127,906,196	161,991,202	191,397,980

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 days to 60 days (2020: 30 days to 60 days) terms.

(b) Sundry payables

These amounts are non-interest bearing. Sundry payables are normally settled on an average term of 30 days (2020: 30 days).

(c) Amounts due to subsidiaries

Amounts due to subsidiaries under other payables are unsecured, bear interest at 3.85% (2020:4.50%) per annum and are repayable on demand.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

26. Other current liabilities

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Contract liabilities	6,228,969	990,400	12,656,819	8,196,883
Contract liabilities				
At 1 January	990,400	6,779,230	923,675	6,774,282
Revenue recognised during the year	(60,899,642)	(12,460,347)	(54,035,235)	(9,166,878)
Progress billings during the year	66,138,211	6,671,517	59,338,434	3,316,271
At 31 December	6,228,969	990,400	6,226,874	923,675
Amount due to a subsidiary	-	-	6,429,945	7,273,208
	6,228,969	990,400	12,656,819	8,196,883

Set out below is the amount of revenue recognised from:

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Amounts included in contract liabilities at the beginning of the year	990,400	6,779,230	923,675	6,774,282

The Group's and the Company's contract liabilities due to third parties relate to advance consideration received from customers for construction contracts which revenue is recognised over time during the construction work. The contract liabilities are expected to be recognised as revenue over a period of one to six months (2020: one to six months).

The Company's contract liabilities due to a subsidiary relates to an unbilled portion of the land acquired through a joint venture agreement with a subsidiary, Ibraco HGS Sdn. Bhd., to develop a housing project.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

27. Related party disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest:

	Group		Company	
	2021 RM	**2020** RM	**2021** RM	**2020** RM
(i) Rental expense of office building: Hiap Ghee Seng Sdn. Bhd. [(1)]	147,840	137,905	147,840	137,905
(ii) Rental expense of office building: Sharifah Deborah Sophia Ibrahim	-	170,000	-	170,000
(iii) Progress billings issued to Hiap Ghee Seng Sdn. Bhd. [(1)] - 8 storey strata-titled corporate office at NorthBank	-	637,500	-	637,500
(iv) Progress billings issued to Datuk Chew Chiaw Han - SOHO unit at Tabuan Tranquility Phase 3	-	8,400	-	8,400
(v) Progress billings issued to Sharifah Deborah Sophia Ibrahim				
- SOHO units at Tabuan Tranquility Phase 3	-	31,570	-	31,570
- Apartment suite at ContiNew, Kuala Lumpur	240,757	120,378	240,757	120,378
- Townhouse at NorthBank Alyvia	616,500	616,500	616,500	616,500
(vi) Progress billings issued to Ng Kee Tiong for apartment suite at ContiNew, Kuala Lumpur	478,050	79,675	478,050	79,675

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

27. Related party disclosures (contd.)

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest: (contd.)

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	RM	RM	RM
(vii) Progress billings issued to Ng Cheng Chuan for apartment suite at ContiNew, Kuala Lumpur	326,037	54,340	326,037	54,340
(viii) Progress billings issued to Liu Sze Leh [(2)] for apartment suite at ContiNew, Kuala Lumpur	195,156	32,526	195,156	32,526
(ix) Progress billings issued to Liu Sze Wei [(3)] for SOHO unit at Tabuan Tranquility Phase 3	-	10,825	-	10,825
(x) Progress billings issued to Global Makna Sdn. Bhd.. [(4)] for apartment suite at ContiNew, Kuala Lumpur	809,247	134,875	809,247	134,875
(xi) Progress billings issued to Liu Tow Hua for SOHO unit at Tabuan Tranquility Phase 3	-	10,825	-	10,825
(xii) Quarry contractor fees paid and payable to Ho Bee Contractor & Engineering Sdn. Bhd. [(5)]	4,916,488	1,772,439	-	-
(xiii) General office expenses charged by Lian Hua Seng Sdn. Bhd. [(6)]	15,911	-	15,911	-

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

27. Related party disclosures (contd.)

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest: (contd.)

(1) **Hiap Ghee Seng Sdn. Bhd. ("HGS")**

HGS is a major shareholder of the Company. Datuk Chew Chiaw Han ("Datuk Chew"), a director of the Company, is also a director and major shareholder of HGS.

(2) **Liu Sze Leh ("LSL")**

LSL is a person connected to Liu Tow Hua ("LTH"), a director of the Company.

(3) **Liu Sze Wei ("LSW")**

LSW is a person connected to LTH, a director of the Company.

(4) **Global Makna Sdn. Bhd. ("GMSB")**

GMSB is a company connected to Datuk Chew, who is also a director and major shareholder of GMSB.

(5) **Ho Bee Contractor & Engineering Sdn. Bhd. ("HBCESB")**

HBCESB is a company connected to Ng Cheng Chuan, who is also a director and major shareholder of HBCESB.

(6) **Lian Hua Seng Sdn. Bhd. ("LHSSB")**

LHSSB is a company connected to Datuk Chew, who is also a director and major shareholder of LHSSB.

The rental paid to a company controlled by certain directors is under terms which are determined by reference to the prevailing market rates for comparable buildings.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

27. Related party disclosures (contd.)

(b) Transactions with subsidiaries:

	Company	
	2021	**2020**
	RM	RM
Interest charged by subsidiaries:		
Ibraco Construction Sdn. Bhd.	2,953,188	3,613,180
Ibraco HGS Sdn. Bhd.	399,604	847,028
Foso One Sdn. Bhd.	173,393	190,817
Ibraco Plantation Sdn. Bhd.	43,587	49,251
Syarikat Ibraco-Peremba Sdn. Bhd.	332,639	259,994
Interest charged to subsidiaries:		
Ibraco Pelita Sdn. Bhd.	187,814	210,067
Warisar Sdn. Bhd.	1,451,410	1,739,604
Ibraco Infinity Sdn. Bhd.	18,482	19,587
Ibraco Spectrum Sdn. Bhd.	16,881	14,569
NewUrban Sdn. Bhd.	241,953	95,296
Ibraco Quarry Sdn. Bhd.	132,184	107,205
Sekitar Gemilang Sdn. Bhd.	5,743	946
Marketing fee charged to a subsidiary:		
Warisar Sdn. Bhd.	82,250	205,080
Landscaping services from a subsidiary:		
Ibraco Spectrum Sdn. Bhd.	-	1,050
Sub contractors billings from a subsidiary:		
Ibraco Construction Sdn. Bhd.	59,102,142	72,667,781

Purchases and other related party transactions were entered into by the Group and the Company under mutually agreed terms.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

27. Related party disclosures (contd.)

(c) Compensation of key management personnel:

The remuneration of directors and other members of key management during the year were as follows:

	Group		Company	
	2021 RM	**2020** RM	**2021** RM	**2020** RM
Total directors' remuneration including benefits-in-kind (Note 9)	1,842,610	1,824,977	1,726,210	1,724,177
Other members of key management				
Short term employee benefits	2,233,465	2,203,509	2,233,465	2,203,509
Defined contribution plan	183,867	179,953	183,867	179,953
Other short-term benefits	4,736	4,736	4,736	4,736
Benefits-in-kind	68,221	111,459	68,221	111,459
	2,490,289	2,499,657	2,490,289	2,499,657

28. Commitments

Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2021 RM	**2020** RM	**2021** RM	**2020** RM
Approved and contracted for:				
Investment properties under construction	-	2,819,050	-	2,885,595
Investment properties	153,368	-	111,643	-
Property, plant and equipment	13,928,361	1,597,496	12,422,041	1,419,138
	14,081,729	4,416,546	12,533,684	4,304,733

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

29. Fair value of financial instruments

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	19
Cash and bank balances	21
Trade and other payables	25

(i) Cash and bank balances, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature. On the long-term other receivables balance, the discounting impact is immaterial.

(ii) Trade receivables and trade payables

The carrying amounts of trade receivables and trade payables approximate their fair values because they are subject to normal trade credit terms and they are short term in nature.

(iii) Financial guarantees

Fair value is determined based on the probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default; and
- The estimated loss exposure if the party guaranteed were to default.

(iv) Loans and borrowings

The fair value of non-current borrowings approximate the carrying amount because these are borrowings at variable rates.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

30. Fair value measurement

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.:

Level 1 - Quoted prices (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's and the Company's assets and liabilities:

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

30. Fair value measurement (contd.)

Fair value hierarchy (contd.)

Quantitative disclosures fair value measurement hierarchy as at 31 December 2021 and 31 December 2020 were as follows:

	Note	Date of valuation	Level 1	Level 2	Level 3	Total	Carrying amount
			RM	RM	RM	RM	RM
Group							
Assets for which fair values are disclosed							
Completed investment properties	18.1	31 December 2021	-	-	118,300,000	118,300,000	118,300,000
		31 December 2020	-	-	114,300,000	114,300,000	114,300,000
Company							
Assets for which fair values are disclosed							
Completed investment properties	18.1	31 December 2021	-	-	118,300,000	118,300,000	118,300,000
		31 December 2020	-	-	114,300,000	114,300,000	114,300,000

There have been no transfers between Levels 1, 2 and 3 during the financial year.

31. Changes in liabilities arising from financing activities

	1 January 2020	Others*	Cash flows	31 December 2020	Others*	New leases	Cash flows	31 December 2021
	RM	RM	RM	RM	RM	RM	RM	RM
Group								
Current interest-bearing loans and borrowings								
- Revolving credits	113,170,427	-	(10,593,844)	102,576,583	-	-	(6,669,601)	95,906,982
- Collaterised borrowings	14,225,543	-	(11,212,108)	3,013,435	-	-	(3,013,435)	-
- Bank loans	19,125,180	38,329,131	(32,423,969)	25,030,342	32,662,732	-	(39,497,384)	18,195,690
Current obligations under lease arrangements	2,677,546	2,371,322	(2,677,546)	2,371,322	1,569,279	376,370	(2,467,928)	1,849,043
Non-current interest-bearing loans and borrowings								
- Bank loans	112,540,711	(38,329,131)	33,562,710	107,774,290	(32,662,732)	-	15,339,732	90,451,290
Non-current obligations under lease arrangement	4,171,843	(2,371,322)	-	1,800,521	(1,569,279)	492,998	-	724,240
Total liabilities from financing activities	265,911,250	-	(23,344,757)	242,566,493	-	869,368	(36,308,616)	207,127,245

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

31. Changes in liabilities arising from financing activities (contd.)

	1 January 2020	Others*	New leases	Cash flows	31 December 2020	Others*	New leases	Cash flows	31 December 2021
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company									
Current interest-bearing loans and borrowings									
- Revolving credits	88,170,428	-	-	(5,020,428)	83,150,000	-	-	(21,250,000)	61,900,000
- Bank loans	17,365,176	37,170,295	-	(31,471,257)	23,064,214	30,696,604	-	(37,531,256)	16,229,562
Current obligations under lease arrangement	596,383	220,994	46,600	(623,877)	240,100	46,272	226,223	(304,370)	208,225
Non-current interest-bearing loans and borrowings									
- Bank loans	105,647,382	(37,170,295)	-	33,562,710	102,039,797	(30,696,604)	-	15,339,732	86,682,925
Non-current obligations under lease arrangements	267,266	(220,994)	-	-	46,272	(46,272)	234,788	-	234,788
Total liabilities from financing activities	212,046,635	-	46,600	(3,552,852)	208,540,383	-	461,011	(43,745,894)	165,255,500

* The "others" column includes the effect of reclassification of non-current portion of interest-bearing loans to current due to passage of time. The Group and the Company classify interest paid as cash flows from operating activities.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

32. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and real estate risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from its trading activities (trade and other receivables). For other financial assets (comprising cash and bank balances), the Group and the Company minimise credit risk by dealing with good credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

(i) the carrying amount of each class of financial assets recognised in the statements of financial position; and

(ii) a nominal amount of RM156,917,800 (2020: RM123,917,800) relating to corporate guarantees provided by the Company to banks and financial institutions for the subsidiaries' loans and borrowings.

Credit risk concentration profile

The Group mitigates concentration of credit risk by monitoring its trade receivables on an ongoing basis and the Group's exposure to bad debts is not significant. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 19. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

32. Financial risk management objectives and policies (contd.)

(a) Credit risk (contd.)

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 19.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturity of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company maintain sufficient liquid financial assets and stand-by credit facilities with nine different banks. At the reporting date, 56% (2020: 55%) and 47% (2020: 51%) of the Group's and the Company's loans and borrowings (Note 23), respectively, will mature in less than one year based on the carrying amount reflected in the financial statements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2021				
Group				
Financial liabilities				
Trade and other payables	108,827,624	9,999,683	-	118,827,307
Loans and borrowings	120,327,626	71,597,170	30,165,723	222,090,519
Total undiscounted financial liabilities	229,155,250	81,596,853	30,165,723	340,917,826
Company				
Financial liabilities				
Trade and other payables	157,740,146	8,167,996	-	165,908,142
Loans and borrowings	82,343,528	67,137,571	30,165,723	179,646,822
Total undiscounted financial liabilities	240,083,674	75,305,567	30,165,723	345,554,964

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

32. Financial risk management objectives and policies (contd.)

(b) Liquidity risk (contd.)

Analysis of financial instruments by remaining contractual maturities (contd.)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
At 31 December 2020				
Group				
Financial liabilities				
Trade and other payables	113,409,124	14,497,072	-	127,906,196
Loans and borrowings	138,386,319	81,369,071	44,649,856	264,405,246
Total undiscounted financial liabilities	251,795,443	95,866,143	44,649,856	392,311,442
Company				
Financial liabilities				
Trade and other payables	187,489,909	9,644,601	-	197,134,510
Loans and borrowings	111,282,938	73,440,127	44,649,856	229,372,921
Total undiscounted financial liabilities	298,772,847	83,084,728	44,649,856	426,507,431

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings where interests are charged at floating rates and contractually re-priced to market interest rates.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

32. Financial risk management objectives and policies (contd.)

(c) Interest rate risk (contd.)

The Group's policy is to manage interest cost using a mix of long and short term facilities from more than one bank. To manage this mix in a cost-efficient manner, project development costs are normally financed by short term facilities while constructions of investment properties are normally financed by long term facilities.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points higher/lower, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM206,429 (2020: RM252,329) and RM195,534 (2020: RM239,047) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Real estate risk

The Group and the Company have identified the following risks associated with the real estate portfolio:

- The cost of the development schemes may increase if there are delays in the planning process. The Group and the Company use advisers who are experts in the specific planning requirements in the scheme's location in order to reduce the risks that may arise in the planning process.

- Major tenants may become insolvent causing a significant loss of rental income and a reduction in the value of the investment properties. To reduce this risk, the Group and the Company review the financial status of prospective tenants and decide on the appropriate level of security required via rental deposits or guarantees.

- The exposure of the fair values of the portfolio to market and occupier fundamentals.

33. Financial assets and financial liabilities

(a) Financial assets

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current and non-current debt instruments at amortised cost				
Trade and other receivables (Note 19)	60,319,313	36,321,927	101,688,622	82,710,824
Other current assets	4,375,123	2,175,084	4,375,123	2,175,084
Cash and bank balances (Note 21)	58,995,590	58,329,209	42,323,924	38,936,093
Total current and non-current debt instruments at amortised cost	123,690,026	96,826,220	148,387,669	123,822,001

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

33. Financial assets and financial liabilities

(b) Financial liabilities

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Current and non-current financial liabilities at amortised cost				
Trade and other payables (Note 25)	118,827,307	127,906,196	161,991,202	191,397,980
Loans and borrowings (Note 23)	207,127,245	242,566,493	165,255,500	208,540,383
Total current and non-current financial liabilities at amortised cost	325,954,552	370,472,689	327,246,702	399,938,363

34. Segment information

The management prepared the Group's segmental information using management approach, which requires presentation of the segments on the basis of internal reports of components of the entity. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- Property development - development and sale of residential and commercial properties;
- Property holding and management - provision of property management services and lease of retail andeducation facilities;
- Quarry operations - quarry operations and sale of stone products; and
- Construction works - construction of residential and commercial properties and infrastructure works.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Details on geographical segments are not applicable as the Group operates predominantly in Malaysia.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

34. Segment information (contd.)

	Property development activities		Property holding and management		Quarry operations		Construction works		Elimination			Per consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	Note	2021	2020
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM		RM	RM
Revenue:													
External customers	180,275,272	202,316,797	692,122	619,075	22,306,556	7,350,592	62,585,512	91,653,438	-	-		265,859,462	301,939,902
Inter-segment	-	-	-	-	-	3,722,079	61,892,014	64,154,584	(61,892,014)	(67,876,663)	A	-	-
Revenue from contracts with customers	180,275,272	202,316,797	692,122	619,075	22,306,556	11,072,671	124,477,526	155,808,022	(61,892,014)	(67,876,663)		265,859,462	301,939,902
Rental income	-	-	7,510,360	6,554,873	-	-	-	-	-	-		7,510,360	6,554,873
Total	180,275,272	202,316,797	8,202,482	7,173,948	22,306,556	11,072,671	124,477,526	155,808,022	(61,892,014)	(67,876,663)		273,369,822	308,494,775
Results:													
Interest income	1,403,807	1,794,820	5,760	3,676	11,324	22,461	3,391,593	4,443,075	(4,492,705)	(5,912,479)	B	319,779	351,553
Fair value gain on investment properties	-	-	255,636	3,500,000	-	-	-	-	-	-		255,636	3,500,000
Amortisation of intangible asset	-	-	-	-	497,756	497,756	-	-	-	-		497,756	497,756
Depreciation of property, plant and equipment	3,162,092	1,066,280	12,065	17,962	1,132,230	641,625	1,728,886	656,944	-	-		6,035,273	2,382,811
Other non-cash items	(129,021)	(50,944)	664	29,293	-	-	-	(2,999)	-	-	C	(128,357)	(24,650)
Segment profit/(loss)	27,373,725	30,322,092	4,930,347	6,331,832	1,272,527	(928,474)	(2,760,686)	9,823,119	1,763,209	2,988,815		32,579,122	48,537,384
Assets:													
Additions to non-current assets	9,629,072	9,688,303	1,785,205	5,699,960	51,051	2,162,373	241,993	250	(380,730)	(945,083)	D	11,326,591	16,605,803
Segment assets	557,425,455	555,238,316	118,663,498	117,064,843	18,456,034	20,255,328	146,100,820	146,464,576	(65,528,350)	(54,466,440)	E	775,117,457	784,556,623
Segment liabilities	263,938,595	303,186,180	30,581,856	40,129,349	16,719,069	19,209,925	101,039,186	98,790,113	(79,052,265)	(87,540,990)	F	333,226,441	373,774,577

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

34. Segment information (contd.)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A. Inter-segment revenues are eliminated on consolidation.

B. Inter-segment interest income is eliminated on consolidation.

C. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements.

	2021 RM	2020 RM
Gain on disposal of property, plant and equipment	(19,999)	(1,051)
Inventories written off	-	29,293
Reversal of loss allowance for trade receivables	(109,022)	(119,919)
Property, plant and equipment written off	664	67,027
	(128,357)	(24,650)

D. Additions to non-current assets consist of:

	2021 RM	2020 RM
Investment in associate	980,000	735,000
Investment in joint venture	299,999	-
Property, plant and equipment	8,398,208	13,774,823
Investment property under construction	1,648,384	2,095,980
	11,326,591	16,605,803

E. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2021 RM	2020 RM
Deferred tax assets	(10,965,282)	10,340,316
Inter-segment assets	(51,563,068)	(64,806,756)
	(62,528,350)	(54,466,440)

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

34. Segment information (contd.)

F. The following item is deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2021 RM	2020 RM
Inter-segment liabilities	(79,052,265)	(87,540,990)

35. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that they maintain strong credit rating and healthy capital ratios in order to support their business and maximise shareholder's value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company include within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital comprises equity attributable to the owners of the Company.

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
Loans and borrowings	23	207,127,245	242,566,493	165,255,500	208,540,383
Trade and other payables	25	118,827,307	127,906,196	161,991,202	191,397,980
Less: Cash and bank balances	21	(58,995,590)	(58,329,209)	(42,323,924)	(38,936,093)
Net debt		266,958,962	312,143,480	284,922,778	361,002,270
Equity attributable to the owners of the Company		432,684,078	395,500,689	410,558,824	355,724,937
Capital and net debt		699,643,040	707,644,169	695,481,602	716,727,207
Gearing ratio		38%	44%	41%	50%

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

36. Dividends

	Group and Company	
	2021	2020
	RM	RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Interim single-tier dividend for 2020: 2.00 sen per share declared on 25 February 2021 and paid on 15 April 2021.	9,928,113	-

An interim single-tier dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2021, amounting to a dividend payable of RM10,920,924 has been declared on 25 February 2022 and will be payable on 18 April 2022. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

The directors do not recommend the payment of any final dividend for the financial year ended 31 December 2021.

37. Significant event

The novel coronavirus ("COVID-19") pandemic since 2020 has affected many businesses and the Malaysian economy as a whole. The threats posed by the COVID-19 outbreak continue to spiral and many businesses have been crippled by the loss in earnings and disruption in the supply chains.

Given the evolving nature of the conditions, the Group and the Company were faced with rising costs of doing business and slowdown of economy resulting from this COVID-19 pandemic and the enforcement of various movement control orders by the Malaysian Government during the current financial year.

Nevertheless, the Group and the Company have not been adversely affected as at the date of this report. No adjustments are required to the financial position and operating results for the current financial year. The Group and the Company will continue to monitor the development of these events and provide further updates on the financial impact and mitigating actions relating to the COVID-19 pandemic in its forthcoming financial reports and will recognise the financial impact, if any, in the financial statements for the financial year ending 31 December 2022 accordingly.

38. Subsequent events

(i) On 28 January 2022, the Company entered into a Memorandum of Understanding with Sarawak Metro Sdn. Bhd. with an intention to collaborate to build an Automated Rapid Transit Station within the Company's strategic integrated township at the NorthBank Kuching with a view to increase the economic and social benefits of the Kuching Urban Transportation Station System project.

(ii) On 16 February 2022, a wholly owned subsidiary of the Company, Ibraco Ascent Sdn. Bhd., entered into an agreement with Heng Say Properties (Sarawak) Sdn. Bhd. ("HSPSB") for the acquisition of approximately 10.32 acres of vacant land described as Plot 1 of Lot 1208 Block 8 Muara Tebas Land District for a purchase consideration of RM7,224,000 to be fully satisfied in cash. HSPSB is a company in which Mr. Ng Cheng Chuan is a major shareholder, who is also the Chairman and major shareholder of the Company.

Notes to the Financial Statements
For the financial year ended 31 December 2021 (contd.)

39. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

	As previously reported	Reclassification	As reclassed
	RM	RM	RM
2020			
Statement of Profit or Loss and Other Comprehensive Income			
Company			
Revenue	196,682,035	1,820,000	198,502,035
Other income	9,481,868	(1,820,000)	7,661,868

The above reclassifications do not have any impact on account balances as at 1 January 2020.

Analysis of Shareholdings
As at 6 April 2022

Issued and Paid-up Share Capital	:	RM271,831,735 comprising 546,046,217 ordinary shares
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary shares

Distribution of Shareholdings
(without aggregating securities from different securities accounts belonging to the same person)

	Shareholders		Shareholdings	
Size of shareholding	**No.**	**%**	**No.**	**%**
Less than 100	30	3.19	1,084	0.00
100 to 1,000	407	43.30	127,461	0.02
1,001 to 10,000	243	25.85	1,184,445	0.22
10,001 to 100,000	182	19.36	6,947,246	1.27
100,001 and 27,302,309 (*)	73	7.77	178,891,385	32.76
27,302,310 and above (**)	5	0.53	358,894,596	65.73
Total	**940**	**100.00**	**546,046,217**	**100.00**

* - Less than 5% of issued holdings
** - 5% and above of issued holdings

Substantial Shareholders

	No. of shares held			
Name	**Direct**	**%**	**Indirect**	**%**
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-
Ng Cheng Chuan	42,077,478	7.70	80,720,720 *	14.78
Hiap Ghee Seng Sdn. Bhd.	130,619,438	23.91	-	-
Datuk Chew Chiaw Han	15,875,440	2.91	130,619,438 **	23.91
Chia Kwai Lin	35,720,720	6.54	87,077,478 ***	15.94
Ng Sheng Nian	45,000,000	8.24	77,789,198 @	14.24

* *Deemed interested by virtue of his spouse's (Chai Kwai Lin) and son's (Ng Sheng Nian) shareholding in the Company.*
** *Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.*
*** *Deemed interested by virtue of her spouse's (Ng Cheng Chuan) and son's (Ng Sheng Nian) shareholding in the Company.*
@ *Deemed interested by virtue of his parent's (Ng Cheng Chuan & Chia Kwai Lin) shareholding in the Company.*

Analysis of Shareholdings
As at 6 April 2021 (contd.)

Top Thirty Shareholders
(Without aggregating the securities from different securities accounts belonging to the same person)

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account – AmBank (M) Berhad for Hiap Ghee Seng Sdn. Bhd.	102,016,078	18.68
2.	Sharifah Deborah Sophia Ibrahim	99,366,120	18.20
3.	Kenanga Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (Client Account)	64,955,998	11.90
4.	RHB Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (A/C Clients)	47,556,400	8.71
5.	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An for DBS Bank Ltd.	45,000,000	8.24
6.	Ibrahim Bin Baki	24,140,565	4.42
7.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hiap Ghee Seng Sdn. Bhd.	22,134,898	4.05
8.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kenyalang Capital Sdn. Bhd.	17,000,000	3.11
9.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Microsite Enterprise Sdn. Bhd.	12,548,820	2.30
10.	LCDA Holdings Sdn. Bhd.	12,211,080	2.24
11.	UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte.) Ltd. for Chew Chiaw Han	8,546,720	1.57
12.	Sinar Rezeki Bersatu Sdn. Bhd.	8,500,000	1.56
13.	Lee Keck Liang	7,192,708	1.32
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hiap Ghee Seng Sdn. Bhd.	6,468,462	1.18
15.	Ong Hong Lian	6,000,000	1.10
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Chiaw Han	4,480,000	0.82
17.	Tan Hock Liong	3,618,000	0.66

Analysis of Shareholdings
As at 6 April 2021 (contd.)

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
18.	Orienter Intertrade Co. Sdn. Bhd.	3,000,000	0.55
19.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thian Cheong Meng	2,855,700	0.52
20.	Khor Kowi Kim	2,855,500	0.52
21.	Chew Chiaw Han	2,848,720	0.52
22.	Phang Chung Tchet	2,340,240	0.43
23.	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Phillip Securities Pte. Ltd. (Clients)	1,865,172	0.34
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Sheng Haur	1,785,280	0.33
25.	Ting Ding Ing	1,625,120	0.30
26.	Ong Li Xin	1,600,000	0.29
27.	Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Low Shurn	1,549,900	0.28
28.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for Ng Chee Meng	1,543,920	0.28
29.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Hemang Yu Abit	1,299,500	0.24
30.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Ong Kah Huat	1,135,600	0.21

Directors' Direct and Indirect Interest in the Company

Name of Directors	No. of shares held			
	Direct	%	Indirect	%
Ng Cheng Chuan	42,077,478	7.70	80,720,720 *	14.78
Datuk Chew Chiaw Han	15,875,440	2.91	130,619,438 **	23.91
Ng Kee Tiong	1,099,120	0.20	-	-
Datuk (Dr.) Ting Ding Ing	1,625,120	0.30	-	-
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-

* *Deemed interested by virtue of his spouse's (Chia Kwai Lin) and son's (Ng Sheng Nian) shareholding in the Company.*
** *Deemed interested by virtue of his substantial shareholding in Hiap Ghee Seng Sdn. Bhd.*

List of Material Properties

Held by the Group as at 6 April 2022

No.	Location	Term of Lease/ Date of Expiry of Lease	Description & Existing Land Use	Land Area		Age of buildings	At Cost/ Net Book Value	Date of Acquisition	Date of Revaluation
				Hectare	Acre	Year	RM		
1	Lot 3830, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Educational Institution	2.436	6.020	2.2	57,000,000	14.11.2011	Dec 2021
2	Lot 16766, Block 11, Muara Tebas LD, Kuching	Freehold/ Perpetuity	Single Storey Commercial Mall	2.621	6.477	11.0	52,100,000	29.12.2010	Dec 2021
3	Lot 3741, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Corporate Offices	0.834	2.061	1.5	41,276,212	14.11.2011	-
4	Lot 3146, Block 12, Muara Tebas LD, Sg Laru, Kuching	60 years/ 17.11.2071	Mix Development	46.230	114.189	-	38,111,529	14.11.2011	-
5	H.S.(D)120172, No. PT12, Bandar Petaling Jaya Selatan, Daerah Petaling, Negeri Selangor	99 years/ 06.10.2097	Vacant Commercial Land	0.815	2.014	-	16,486,680	11.09.2017	-
6	H.S.(D)120171, No. PT11, Bandar Petaling Jaya Selatan, Daerah Petaling, Negeri Selangor	99 years/ 06.10.2097	Vacant Commercial Land	0.622	1.537	-	12,441,777	11.09.2017	-
7	Lot 3530, Muara Tebas LD, Sg. Nida, Kuching*	Freehold/ Perpetuity	Residential Development	2.011	4.970	-	8,128,949	29.12.2010	-
8	H.S.(D)120169, No. PT9, Bandar Petaling Jaya Selatan, Daerah Petaling, Negeri Selangor	99 years/ 06.10.2097	Vacant Commercial Land	0.351	0.866	-	8,071,952	11.09.2017	-
9	Lot 4271, Muara Tebas LD, Ulu Sg. Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.840	14.431	-	5,993,038	30.07.2003	-
10	Lot 4587, Muara Tebas LD, Sg. Ni-Ada, Kuching	Freehold/ Perpetuity	Residential Development	5.419	13.391	-	5,561,005	4.08.2003	-

* Ibraco Berhad as the beneficial owner.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fiftieth Annual General Meeting ("**AGM**") of Ibraco Berhad will be held at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 27 May 2022** at **11.30 a.m.** to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. *(Please refer Explanatory Note 1)*

2. YBhg. Datuk (Dr.) Philip Ting Ding Ing who retires pursuant to Article 93 of the Company's Constitution, has expressed his intention not to seek re-appointment. Hence, he will retire at the close of the 50th AGM of the Company. *(Please refer Explanatory Note 2)*

3. To re-elect the following Directors who are retiring by rotation in accordance with Article 93 of the Company's Constitution:- *(Please refer Explanatory Note 2)*

   i. YBhg. Datuk Chew Chiaw Han — Resolution No. 1
   ii. Puan Sharifah Deborah Sophia Ibrahim — Resolution No. 2
   iii. Mr. Liu Tow Hua — Resolution No. 3
   iv. Ms. Wong Siaw Wei — Resolution No. 4

4. To approve the payment of Directors' fees of up to RM800,000 and benefits payable to the Directors up to an aggregate amount of RM85,000 from this AGM until the next AGM of the Company. Resolution No. 5

5. To appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company in place of the retiring auditors, Messrs. Ernst & Young PLT, and to hold office until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. *(Please refer Explanatory Note 3)* Resolution No. 6

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions:-

6. <u>Proposed Retention of Independent Directors</u> *(Please refer Explanatory Note 4)*
   "THAT approval be and is hereby given to the following Directors who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine years to continue to act as Independent Non-Executive Directors of the Company :-

   a) Mr. Guido Paul Philip Joseph Ravelli — Resolution No. 7
   b) Mr. Ng Kee Tiong — Resolution No. 8

7. <u>Authority to Allot and Issue Shares Pursuant to Sections 75 & 76 of the Companies Act 2016</u> *(Please refer Explanatory Note 5)* Resolution No. 9
   "THAT subject always to the Companies Act 2016 ("**ACT**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of any relevant authorities, where such approval is required, the Directors be and are hereby authorized and empowered pursuant to Sections 75 & 76 of the Act to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) percent of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next AGM of the Company."

Notice of Annual General Meeting (contd.)

8. To transact any other business of which due notice shall have been given.

By order of the Board,

Yeo Puay Huang [SSM PC No. 202008000727 (LS0000577)]
May Wong Mei Ling [SSM PC No. 202008002420 (MIA 18483)]
Company Secretaries
27 April 2022

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 20 May 2022 be regarded as members and entitled to attend, speak and vote at the meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorized officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
4. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 50th AGM or at any adjournment thereof.
6. The Company will continue to monitor the Covid-19 pandemic situation closely and may adopt further procedures and measures at short notice as public health situation changes. Members can check further update on the Company's website at www.ibraco.com.

Explanatory Note 1

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

Explanatory Note 2

Article 93 of the Company's Constitution provides that an election of Directors shall take place each year at the AGM of the Company where one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire and be eligible for re-election provided that each Director must retire from office at least once in every three (3) years.

YBhg. Datuk (Dr.) Philip Ting Ding Ing who retires pursuant to Article 93 of the Company's Constitution, has expressed his intention not to seek re-appointment. Hence, he will retire at the close of the 50th AGM of the Company.

The profiles of YBhg. Datuk Chew Chiaw Han, Puan Sharifah Deborah Sophia Ibrahim and Mr. Liu Tow Hua are set out in the Profile of Directors appearing on pages 5 to 8 of the Annual Report 2021. Their shareholdings in the Company are set out in the Analysis of Shareholdings on page 151 of the Annual Report 2021.

Article 93 of the Company's Constitution also provides that a newly appointed Director shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that AGM.

The profile of newly appointed Director, Ms. Wong Siaw Wei is set out in the Profile of Directors appearing on pages 5 to 8 of the Annual Report 2021.

Notice of Annual General Meeting (contd.)

Explanatory Note 3

The nomination of Messrs. Crowe Malaysia PLT as new Auditors of the Company was based on a rigorous internal evaluation process and recommendation of the Audit Committee and the Board.

The existing auditors, Messrs. Ernst & Young PLT have indicated their intention to retire and they are not seeking re-appointment as auditors of the Company at the forthcoming AGM. Messrs. Ernst & Young PLT have been the auditors of the Company since 2001.

Explanatory Note 4

The Nomination Committee and the Board have assessed the independence of Mr. Guido Paul Philip Joseph Ravelli and Mr. Ng Kee Tiong, who have served for a cumulative term of more than nine years and the Board has recommended that the approval of the shareholders be sought to retain Mr. Guido Paul Philip Joseph Ravelli and Mr. Ng Kee Tiong as Independent Non-Executive Directors of the Company. The shareholders' approval will be sought through a "two-tier" voting process for retention of Mr. Guido Paul Philip Joseph Ravelli and Mr. Ng Kee Tiong. The full details of the justification and recommendations for the retention are set out in the Statement of Corporate Governance in the Annual Report 2021.

Explanatory Note 5

The proposed Resolution No. 9, if passed, will empower the Directors to issue shares up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interests of the Company. This authority unless revoked or varied at a general meeting will expire at the next AGM.

The general authority sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares for purposes of funding investment(s), working capital and/or acquisitions.

On 10 September 2021, the Company announced a private placement of new ordinary shares in Ibraco Berhad pursuant to authority under sections 75 and 76 of the Companies Act 2016 granted to the Directors at the last AGM held on 27 August 2021 and which will lapse at the conclusion of the 50th AGM ("Proposed Private Placement"). This Proposed Private Placement was completed on 13 October 2021 following the issuance of 49,640,565 ordinary shares at an issue price of RM 0.476 per ordinary share.

The utilisation of gross proceeds from the private placement are set out on page 33 in the Annual Report 2021.

This page has been intentionally left blank

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

Form of Proxy

No. of Shares Held :

I/We ..... NRIC No./ Company No. .....
(Full Name in Capital Letters)

of .....
(Full Address)

being a member/members of IBRACO BERHAD hereby appoint .....
(Full Name in Capital Letters)

..... NRIC No. .....
(Full Name in Capital Letters)

of .....
(Full Address)

and/or failing him/her, ... NRIC No. .....
(Full Name in Capital Letters)

of .....
(Full Address)

or failing him/her, the Chairman of the meeting as *my/our proxy/proxies to vote for *me/us on my/our behalf, at the Fiftieth Annual General Meeting of the Company to be held at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 27 May 2022 at 11.30 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Re-election of YBhg. Datuk Chew Chiaw Han as Director.		
2.	Re-election of Puan Sharifah Deborah Sophia Ibrahim as Director.		
3.	Re-election of Mr. Liu Tow Hua as Director.		
4.	Re-election of Ms. Wong Siaw Wei as Director.		
5.	Approval for the payment of Directors' Fees.		
6.	Appointment of Messrs. Crowe Malaysia PLT as Auditors.		
7.	Retention of Mr. Guido Paul Philip Joseph Ravelli as Independent Director.		
8.	Retention of Mr. Ng Kee Tiong as Independent Director.		
9.	Authorise Directors to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act, 2016.		

(Please indicate with an "X" in the spaces above how you wish your votes to be cast on the resolution specified in the Notice of Meeting. If no specific direction as to the voting is indicated, the proxy/proxies will vote or abstain from voting as he/she/they think(s) fit.)

Dated this

.....
Signature of Shareholder(s)/Common Seal

NOTES:

1. *Only depositors whose names appear in the Record of Depositors as at 20 May 2022 be regarded as members and entitled to attend, speak and vote at the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may be but need not be a member of the Company.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation under its common seal or under the hand of its duly authorized officer. An instrument appointing a proxy to vote at the meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.*
4. *Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *The instrument appointing a proxy must be deposited at the Company's Registered Office at No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak not less than 48 hours before the time for holding the 50th Annual General Meeting or at any adjournment thereof.*
6. *The Company will continue to monitor the Covid-19 pandemic situation closely and may adopt further procedures and measures at short notice as public health situation changes. Members can check further update on the Company's website at www.ibraco.com.*

1st fold here

AFFIX
STAMP
HERE

To: The Company Secretaries

IBRACO BERHAD
(197101000730 (011286-P))

No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching, Sarawak, Malaysia.

2nd fold here

IBRACO BERHAD
(197101000730 (011286-P))

For more information, please contact:

No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching, Sarawak, Malaysia.
T: 082 361 111 • F: 082 361 188

www.ibraco.com