IBRACO BERHAD
[197101000730(011286-P)]

LEADING TOWARDS A BETTER FUTURE

Annual Report 2022

What's INSIDE

Vision

To be one of the leading conglomerate in the building and construction industry.

Mission

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

Values

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

Leading Towards A Better Future

Ibraco Berhad strengthens its business capabilities, diversifying into other sectors to help nurture a great future. We will expand our wings to fly with dedication and patience, changing any challenges into our opportunities. We will make a difference with our determination to reach greater position, serving the best to our clients and shareholders to lead towards limitless possibilities.

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

Alyvia Residence

Board of Directors

Mr. Ng Cheng Chuan
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. Crowe Malaysia PLT
2nd Floor, C378, Block C,
iCom Square,
Jalan Pending,
93450 Kuching, Sarawak
Tel: 082-266988
Fax: 082-266987

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

NorthBank Commercial Centre

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))
- **70%**
  Ibraco KPP Concrete Sdn. Bhd.
  (202201045847 (1491544-U))

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. (In Liquidation)
(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))

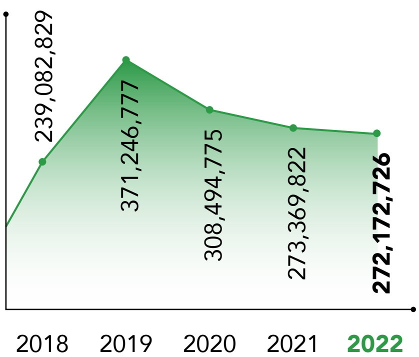
49%
Ibraco HELP Education Sdn. Bhd.
(201701035413 (1249584-P))

- **84.21%**
  HELP Ibraco CMS Sdn. Bhd.
  (201801007946 (1269960-U))

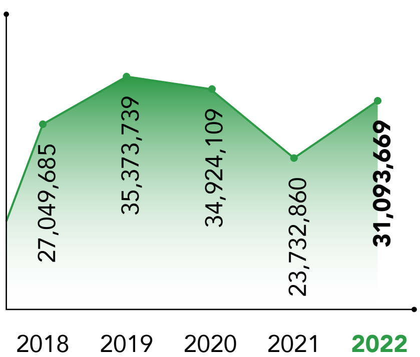
Group Financial Highlights

	2018	2019	2020	2021	2022
Revenue (RM)	239,082,829	371,246,777	308,494,775	273,369,822	**272,172,726**
Profit before taxation (RM)	37,937,335	48,587,430	48,537,384	32,579,122	**43,524,963**
EBTIDA (RM)	52,929,289	62,035,714	61,563,451	48,304,765	**58,511,393**
Net profit after taxation (RM)	27,049,685	35,373,739	34,924,109	23,732,860	**31,093,669**
Profit attributable to owners of the Company (RM)	26,944,622	34,613,897	34,917,078	23,487,168	**30,410,422**
Basic earnings per ordinary share (sen)	5	7	7	5	**6**
Gross dividend per share (sen)	1.50	1.00	2.00	2.00	**2.00**
Dividend payout ratio (%)	28	14	28	46	**35**
Debt-to-equity ratio (times)	0.84	1.01	0.76	0.60	**0.57**
Shareholders' equity (RM)	338,326,000	360,555,829	395,500,689	432,684,078	**452,173,576**
Total Assets (RM)	721,693,055	795,611,588	784,556,623	775,117,457	**792,277,163**
Net assets per share (RM)	0.68	0.73	0.80	0.79	**0.83**
Return on shareholders' equity (%)	8	10	9	5	**7**
Return on total assets (%)	7	8	8	6	**7**
Total borrowings (RM)	246,258,084	265,911,250	242,566,493	207,127,245	**211,301,753**
Current assets (RM)	554,755,813	568,550,132	544,839,104	524,782,634	**528,845,938**
Current liabilities (RM)	250,035,739	279,468,019	249,702,694	232,051,228	**238,646,333**
Current ratio (times)	2.22	2.03	2.18	2.26	**2.22**
Issued and fully paid-up share capital of	496,405,652	496,405,652	496,405,652	546,046,217	**546,046,217**
Share price performance (RM)					
Closing	0.60	0.70	0.52	0.59	**0.60**

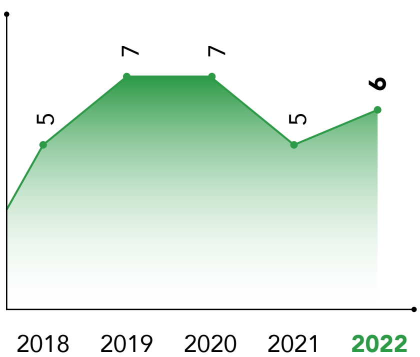
Revenue (RM)



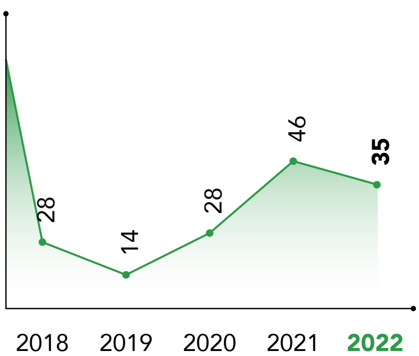
Net Profit After Taxation (RM)



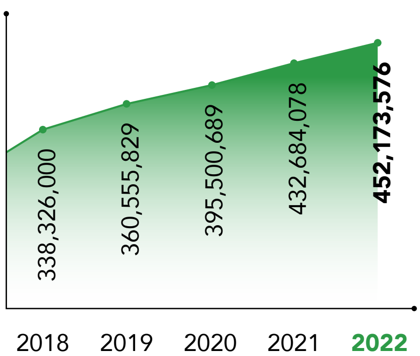
Basic Earnings Per Ordinary Share (sen)



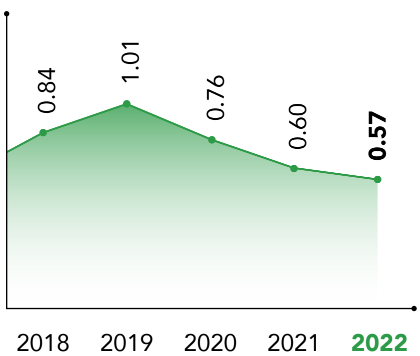
Dividen Payout Ratio (%)



Shareholders' Equity (RM)



Debt-to-Equity Ratio (times)



Ng Cheng Chuan

Chairman

Singaporean | Male | Age 64

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 Chew Chiaw Han

Malaysian | Male | Age 46

Group Managing Director

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 and member of the 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.

NorthBank Commercial Centre

Liu Tow Hua

Executive Director

Malaysian | Male | Age 63

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.

Sharifah Deborah Sophia Ibrahim

Malaysian | Female | Age 60

Non Executive
Non Independent Director

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.

NorthBank Club

Ng Kee Tiong

Non Executive Independent Director | Malaysian | Male | Age 55

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 and Remuneration 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).

Guido Paul Philip Joseph Ravelli

British | Male | Age 72 | Non Executive Independent Director

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 Sustainability Committee, Nomination and Remuneration 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 Manufactures, 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 Built/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 | Female | Age 47

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 and Nomination and Remuneration 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.

Hagen Avenue

Felix Su Kuang Yiaw

Malaysian | Male | Age 64

Felix Su Kuang Yiaw, 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 | Female | Age 49

May Wong Mei Ling, 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 | Female | Age 46

Chai Ming Hsia, 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 | Male | Age 55

Jonathan Teo Kui Theng, 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).

Denise Yong Hui Hui

Malaysian | Female | Age 42

Denise Yong Hui Hui, joined the Group as Group Internal Auditor on 19 September 2022. She is a member of CPA Australia and a member of the Malaysian Institute of Accountants. She has more than 21 years of working experience in audit, accounting, finance, risk management and group reporting. Prior to joining Ibraco, she worked in various industries ranging from audit, manufacturing, property & construction and government statutory body.

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).

Dear our valued 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 2022 ("FY2022").

FINANCIAL PERFORMANCE

Although 2022 shows the recovery of consumer, business and investor confidence in the national economy, we continued to operate in challenging environment specially on the operational constraint and supply chain disruptions. The Group recorded revenue of RM272.2 million, representing a marginal decrease of 0.4% over RM273.4 million achieved in the preceding year, mainly due to lower revenues contributed by the construction segment. However, the Group net profit improved to RM31.1 million in FY2022, a 31.0% increase from the preceding year, attributed to higher earnings achieved from property development segment as well as higher fair value gain on investment properties.

Property development segment continues to be our major revenue driver where it recorded RM195.3 million, being 72% of the Group's revenue followed by our construction segment of RM45.3 million which stood at 17% of the Group's revenue.

Property development revenue improved by 8.4% from FY2021 with 67.7% contributed from the NorthBank development projects. Our construction progress gradually restored upon reopening of the economy and that has contributed to higher progressive recognition of sales in FY2022 as compared to the preceding year.

Revenue from the construction segment was reduced by 27.6% due to lower construction activities as the new Mukah Airport project was completed in the preceding year. Overall, the Group's gross profit margin had improved by 10.7% to RM88.2 million compared with the preceding year of RM79.7 million.

Our balance sheet continues to be manageable with debt-to-equity ratio at 0.57 times as at 31 December 2022. We will continue to practice financial prudence in managing and operating our business. We also maintain our dividend policy to pay out at least 30% of profit after tax. A total of RM10.9 million dividend was paid in FY2022.

Further details of the Group's financial performance are contained in the Management Discussion and Analysis by Group Managing Director within this Annual Report.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES

During the year, the Group launched a new development project, namely The NorthBank Commercial Centre ("NBCC") which comprises of 3-storey shop and 8-storey commercial centre with estimated gross development value ("GDV") of RM226 million. The NBCC attracted a very encouraging response and this will contribute positively to the Group revenue in the coming years.

BUSINESS OUTLOOK AND OPERATIONAL STRATEGIES (Cont'd)

On the same note, we are mindful that the property market continued to be challenging as we face rising cost pressures, interest rates hike and issues of price affordability. We remain confident and continued to focus our efforts to grow the business in view of the strategic locations of our properties and the brand premium that we established. With unbilled sales of about RM170.8 million, the property development segment expected to maintain its performance in the coming financial year.

Anchoring on the 11 strategic thrusts and initiatives, the State economy is projected to register a growth of between 5% and 6% in 2023. As a local company, we are confident to ride along with the State's strong fiscal policies. The Group has been actively tendering for Government's construction and infrastructure projects to strengthen the revenue of construction segment. A strong balance sheet puts the Group in good position to participate in government's construction and infrastructure projects.

In the near term, the outlook for the construction segment is supported by its outstanding order book of RM255.0 million.

Our strategies going forward are to expand our geographical base whilst we continue to develop the remaining landbank at the NorthBank Township. As a kick start of 2023, we have launched the new commercial hub in Town Square Bintulu, namely Hagen Avenue in January 2023 which comprises of 19 units of 3-storey shops, 2 units of 4-storey shops and 8-storey commercial and office tower with a GDV of RM72 million. That will follow by the launch of Horizonz Apartment, located next to the Hagen Avenue, which consist of 163 units with a GDV of RM94 million.


Horizonz Apartment

Apart from Bintulu, Ibraco also plans to launch several other projects in 2023, sitting on 30.89 hectares of mixed-used developments at Kota Samarahan, Kuching as well as at Bandar Petaling Jaya Selatan Land. The projects will mainly comprise of high-rise properties and commercial shophouses. Details of these projects are still under wraps.

We will continue to step up our efforts to expand our income streams, while continue to keep a close tab on the property market. To further improve our source of revenue, we are set to commence operation of our manufacturing plant of steel products and also the operation of ready-mix concrete by 2nd half of 2023.

SUSTAINABLE GROWTH

In view of the importance of Environmental, Social and Governance ("ESG") considerations in our business practices, we continued to improve our initiatives by embedding ESG domains into our strategy and decision making. Various initiatives have been implemented across all business units, and we have constantly reviewed our approach to ensure continuous improvement in our sustainability strategy and creating long term value to our stakeholders.

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

A NOTE OF APPRECIATION

On behalf of the Board, I wish to express my gratitude to the management and all employees of the Group for their dedication and resilience in maintaining the Group's performance in the past year.

I would also like to take this opportunity to thank the shareholders, associates, customers, bankers, subcontractors and suppliers for their continued support to the Group. May we continue to step forward towards developing shared value creation for all the stakeholders.

Ng Cheng Chuan
Chairman

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS BY THE GROUP MANAGING DIRECTOR

Ibraco Berhad has been in the lead of property development for more than 50 years. The extensive building experience with quality works and timely delivery of its development projects, which is the motto of the organisation and a promise to its valued customers. Apart from the Group has been continuously active in property developments in both Sarawak and West Malaysia, the Group has successfully ventured into the education industry, quarry operation and government projects construction.

Overall, Malaysia's economic performance boosted to 8.7% in 2022 as compared to 3.1% in the previous year which is the highest annual growth recorded within the period of 22 years. The monthly economic performance has grown modestly in the fourth quarter with the growth of 7.0% in October, followed by 5.7% in November and accelerating further to 8.3% in December 2022. In the meantime, economic performance for the fourth quarter of 2022 has surpassed the pre-pandemic level by 7.2%. Construction sector maintained a double-digit growth of 10.1% in the fourth quarter of 2022.

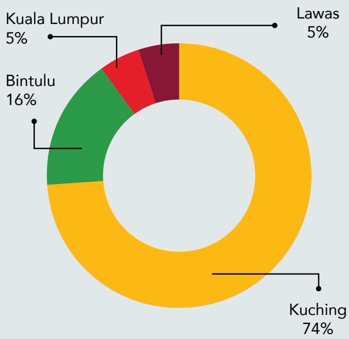
The Group recorded improved revenue performance from its property sector with an increase of 8.4% at RM195.3 million as compared to RM180.3 million in Year 2021. Whereas, the construction sector recorded a drop of 27.6% at RM45.3 million from RM62.6 million as reported in Year 2021. Overall, the Group registered a minimal decrease of 0.4% in revenue at RM272.2 million compared to RM273.4 million in the preceding year. However, in terms of net profit after taxation the Group recorded an addition of RM7.4 million or 31.0% at RM31.1 million compared to RM23.7 million in Year 2021.

FINANCIAL PERFORMANCE REVIEW

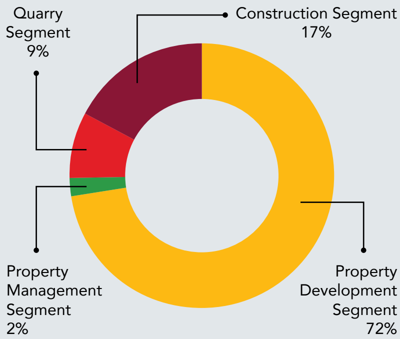
The property development segment remained to be the main contributor of the Group's revenue, with 72% of the current year's aggregated income revenue, followed by the construction segment with 17% and quarrying segment at about 9%. The Group's revenue was primarily recognised from the development of The NorthBank that comprises the commercial shop offices, Avona Residence and Renna Residence serviced apartment, Alyvia Residence as well as Crestwood Estate 3 storey gated & guarded semi-detached houses. Revenue was also derived from the sales of apartments at Ixora Court. Sales of the Group's inventories had also contributed to the revenue, representing 20% of the total property development segment.

The Group's construction arm is the second major segment that contributed 17% to the Group's performance. The revenue derived mainly from the 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



Revenue by Segment



The Group's administrative expenses recorded an increase of 23% from RM28.7 million in previous year to RM35.3 million in the current year. This was mainly due to the increase in staff costs, professional fees and charity donation, which, including the interests in a subsidiary donated to a foundation.

The Group's loan and borrowings increased slightly by 2% from RM207.1 million in FY2021 to RM211.3 million in FY2022 as a result from further financing for the expansion of business. Nevertheless, the Group's debt-to equity ratio remained healthy at 0.57 times as compared to 0.60 times.

In respect of return to shareholders, we managed to record earnings per share of 6 sen for FY2022 and grow the shareholders' funds from RM441.9 million as at 31 December 2021 to RM462.0 million as at 31 December 2022. Lastly, the Company had paid out an interim dividend of 2 sen per share for FY2022.

OPERATIONAL PERFORMANCE REVIEW

PROPERTY DEVELOPMENT

The NorthBank, Kuching

The NorthBank, spanning across 123 acres, continues to be one of our major focus for the next few years. This new township creates vibrant economy and convenience to the surrounding communities, combining the popularity of landed residences with the growing trend of high-rise developments and complemented with commercial components. The NorthBank offers purchasers with choices of various type of residences built within a walking distance to commercials and office units, a well-established educational institution. The NorthBank also provides other community facilities, upcoming with an exclusive social clubhouse, healthcare facility and the NorthBank Autonomous Rapid Transit (ART) station.

Sales achieved across The NorthBank developments stood at RM132.2 million, representing 68% of the Group's property development segment revenue.

In FY2022, the Avona Residence - serviced apartment - 298 units, was completed and handed over. Other ongoing projects, namely Alyvia Residence, Renna Residence and Crestwood Estate are expected to be ready handing over in FY2023 and FY2024 respectively.

We have launched new commercial development - NorthBank Commercial Centre with 4 blocks of 8-storey office building, 59 units of 3-storey shop office and 9 units of single storey lock up shops in 4th quarter FY2022, with positive take-up rate upon official launching.

Meanwhile, the Company has entered into a Memorandum of Understanding with Sarawak Metro Sdn. Bhd with an intention to collaboratively build an Automated Rapid Transit Station within The NorthBank, which would further enhance the value of the surrounding development.

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 FY2022, it has generated RM14.2 million, representing 7% of the Group's property development segment revenue.

Renna Residence

Continew Residence

OPERATIONAL PERFORMANCE REVIEW (Cont'd)

Construction Segment

In FY2022, the Group continued to recognise its revenue from the ongoing government project - the Design, Construction, Completion, Testing and Commissioning of NR4 (Northen Region) for Sarawak Water Supply Grid Programme – Stressed Areas. This project is re-scheduled to complete in 2nd quarter of FY2023 as a result of additional work scope and due to imposition of movement control order during the contract tenure.

The Group also recognised revenue from construction of temporary facilities and building works for Sarawak Methanol Project which was awarded in FY2021 by Samsung Engineering (Malaysia) Sdn Bhd. The temporary facilities works had been completed in FY2022 whereas the building works is scheduled to be completed in 2nd quarter of FY2023.

The above projects have generated RM45.3 million, representing 17% of the Group's total revenue for FY2022.

Quarry Segment

Ibraco Quarry Sdn Bhd, a wholly owned subsidiary by Ibraco Berhad, running the quarry operation at Pulau Salak since July 2020 has contributed 9% or RM23.1 million to the total revenue of the Group in FY2022. 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 is forecasted to complete its site preparation works and commence commissioning in FY 2023.

Horizonz Apartment

OUTLOOK FOR YEAR 2023

Malaysia's FY2023 gross domestic product (GDP) growth has been forecasted to slow to 4.0%, from 8.7% in FY2022. The strong performance in FY2022 was in part due likely to the withdrawals from the Employees Provident Fund (EPF) which contributed to higher private consumption in Malaysia than in other countries. The uncertainties in the economic recoveries, concerns over employment and tightening of end financing for buyers, and the rising of interest rates over the year have impacted the spending behaviour of home buyers. However, a declining trend in building material costs has been observed throughout the fourth quarter of 2022. The average prices for the key building materials – steel bar and cement – declined 1.6% and 0.5% month-on-month, respectively, in October 2022, marking it the fourth consecutive month of downtrend. This indicates that construction cost headwinds are manageable, and profit margins are no longer as depressed as before when prices of key building materials reached all-time highs in the first half of 2022.

Therefore, we are hopeful of a better economy recovery in Sarawak in view of the Sarawak Government's five-year development master plan to transform Kuching city announced in September 2021. Furthermore, Sarawak's infrastructure development will get a major boost with the allocation of RM5.6 billion allocation in Malaysia's budget compared to RM4.67 billion in FY2022 for development expenditure. The State 2023 budget has also highlighted various strategies and programmes to ensure that Sarawak's economy stands on strong foundation.

NorthBank Commercial Centre

OUTLOOK FOR YEAR 2023 (Cont'd)

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 FY2023 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 FY2023 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, the Group has entered into contracts for the construction works for the implementation of affordable housing project at Matang Land District, Kuching, and various development activities at Muara Tuang Land District, Kuching. These construction contracts are expected to contribute positively to the Group's financial performance.

In addition to that, the rights to develop a 76-acres site in the Samarahan Division that we acquired back in end of 2021 will be in the pipeline to launch residential houses as well as commercial properties in FY2023. The land clearing and earthwork has commenced in 2nd quarter of FY2022.

As for Bintulu market, we have launched the second phase for new shop offices and service apartment in early 2023, where, overwhelming take-up rate for service apartment was recorded.

Riding on the success of ContiNew Kuala Lumpur, the Group's venture into the West Malaysia will continue with the new launch of affordable service apartment at Bandar Petaling Jaya Selatan. The proposed launch of this project in Year 2020 was re-scheduled to Year 2023 due to delay in development approvals as a result of the movement controls imposed.

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

With the solid foundation of ongoing projects and upcoming strategies, the Group is well-positioned to deliver sustainable growth for Year 2023.

Reporting Framework

This statement is prepared in accordance with Bursa Malaysia Securities Berhad's Main Listing Requirements, with reference to the Bursa's Sustainability Reporting Guide.

REPORTING PERIOD AND SCOPE

Our 5th Sustainability Statement covers an overview of our commitment to sustainability goals and reports of our various endeavours to drive the aspects of sustainability in the Economic, Environment and Social ("EES") domains for the reporting period from 1 January 2022 to 31 December 2022. All information published herein covers our key business operations mainly the development and construction activities.

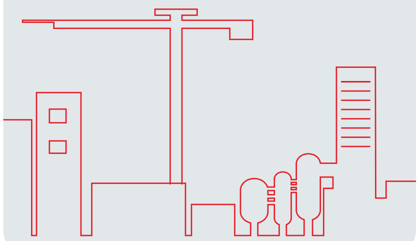
Linear Garden at HQ Building

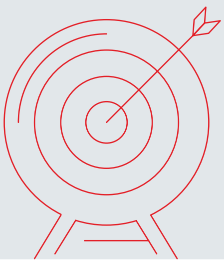
Our HQ Building landscape irrigation demand are supplied by using Rainwater Harvesting System

OUR SUSTAINABILITY FRAMEWORK

Our sustainability framework, defines and guides us towards impact-focused targets.

Ibraco's Vision →	Ibraco's Sustainability Mission →	Ibraco's Approach to Sustainability
To be one of the leading conglomerate in the building and construction industry.	To provide quality products and services, embrace corporate sustainability, optimise shareholders' return and nurture its employee.	• Identified sustainability matters and their impact on the EES including stakeholders' needs and expectations. • Incorporated sustainability matters into our risk management framework to ensure they are addressed as part of the organisation's risks and opportunities. • Sustainability matters are handled by relevant departments where sustainability development is linked to their departmental key performance indicators.





Board of Directors

- Sets policies to drive sustainability practices in the Group
- Maintain strategic oversight on Environmental, Social and Governance ("ESG")
- Right tone at the top to internalise culture of sustainability and ESG
- Recognise sustainability as board-level issue and retains ultimate responsibility over sustainability

Sustainability Committee

- Chaired by Senior Independent Director
- Oversee and ensure the Group conducts its business in a responsible manner, in relation to the environmental, economic and social aspect
- Reviews and recommends sustainability strategy, ESG targets and performance

Sustainability Working Committee

- Comprises the Head of Departments to discharge duties of embedding a sustainability culture in daily business
- Assist Sustainability Committee to ensure the alignment and implementaion of ESG plans accoss the Group

Business Units

- Sustainability focused task is embedded in business units
- Actively working on specific sustainability issues
- Flexibilitiy to set up and work on sustainability initiatives of their own

SUSTAINABILITY GOVERNANCE STRUCTURE

During the financial year ended 31 December 2022, 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 consumption and development;
- Responsible and ethic business practices; and
- Contribution to a better society within communities that the Group operates.

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 Sustainability Development Goals ("SDGs") by the United Nations.

Top 5 Material Topics and supporting SDGs:

Labour Practices and Talent Management

- Occupational safety and health
- Ensuring full and productive employment and decent work
- Diversity, ensuring gender equality and empowerment
- Training & career development
- Employee engagement & employee satisfaction
- Human Rights

Community/ Society

- Local community engagement
- Community programmes
- Ethics & Integrity business

Environmental Footprint

- Green design/ green development
- Green materials/ incorporating sustainable features in our property development projects
- Emissions & climate change
- Waste management

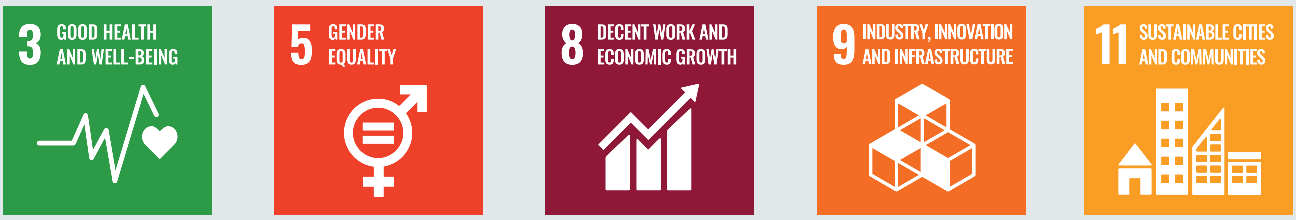
Product Responsibility

- Customer satisfaction
- Customer privacy
- Public & customer safety
- Quality management, adopting good industry construction practices
- Sustainability development

Economic Performance

- Economic and business performance
- Support local and fair procurement
- Community development

Our Global Alignment (SDGs with close links to our business)



IDENTIFYING & MANAGING RISKS AND OPPORTUNITIES

The table below summarises the Group's key risks which are mapped against our identified material sustainability matters:

Key Risks	Description	Key Mitigation Measures	Related Material Matters
Weak market sentiment	Demand for properties cool off and affect the Group's sales performance	Adjusting its mix of property launches to match the market demand	Economic performance and product responsibility
Increase in construction costs	Affect pricing strategies and Group margin	To balance our supply chain and resources to ensure long term growth; Effective tenders for award of lump sum construction contracts; Value re-engineering to bring down overall cost	Economic performance
Non-performing contractors	Product quality not met, safety & health non-compliance and project delays	Contractor performance appraisal; Close monitoring contractor performance; Adopting good industry construction practices; Robust contractors' selection and evaluation process	Economic performance, product responsibility, labour practices and decent work
Non-compliance with labour welfare practices	Negative impact on reputation and may lead to loss of investor's trust	Prioritise the health and safety of employees; Set target to achieve zero fatality and reduce recordable work-related injuries	Labour practices and talent management
Inability to retain talent	Fail to retain top talent and loss of knowledge; Global opportunity increasingly more attractive	Improve job satisfaction and develop talent capabilities; Increased employee motivation from realisation of work life balance	Labour practices and talent management
Climate change	Threats to ecosystems, human health and global economy	Increasing green spaces and incorporate energy and water efficiency features in projects; Promote environmental education; Encourage advanced tree planting to ensure new trees are introduced to environment at our developments	Environmental footprint and product responsibility

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Key Concerns	Type of Engagement	Our Approach	Material Sustainability Matters
Employees	• Fair and competitive remuneration and benefits • Career development and training opportunities • Workplace safety and health • Work-life balance • Climate action	• Town hall • Surveys • Newsletter • Trainings and workshops • Staff gathering • Orientation programme • Annual performance assessment	• Fair and an attractive remuneration package • Talent development program • Health and Safety awareness talk by safety officer or authorities • Emphasis on health and safety concern during Town hall meeting or induction briefing • publication of health and safety articles, work-life balance article in staff newsletter periodically • Health (including mental health) awareness talks by Specialist	• Labour practice and talent management
Customers	• Product quality and workmanship • Customer service & experience • Safety and security of developments • Pricing of the property • Data privacy • Delivery on time	• Customer satisfaction survey • Community apps • Company's website/social media/newsletter • Community outreach event • Loyalty programme	• 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	• Product responsibility • Economic performance
Suppliers and contractors	• Pricing of contracts • Payment schedule • Transparency in procurement practices • Responsible material applications • Product quality • Delivery on time	• Contractor performance appraisal • Post project review • Contract negotiation • Pre-tender assessment • Regular meetings • Correspondences	• Systematic review of selection, appointment and performance assessment • Tender process	• Product responsibility • Economic performance
Communities	• Safety and security • Community investment • Environmental Issues	• Donation and financial aid • Communities outreach program • Company's website/social media/newsletter • Contribution to environment and social enhancement	• 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 ISO14001: 2015 certification for property development sites	• Community/Society • Environmental footprint

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE

Economic

Financial

Financial stability and long-term profitability ensure our position as a reliable and value adding partner for our stakeholders. As a property developer, we persevere in providing good quality products and services to uphold our leading position and reputation. This is important for maintaining the trust we have built with our stakeholders.

The value we create through economic performance flows toward a wide range of stakeholders such as shareholders, employees, supply chains and others. For the year 2022, we have recorded RM182 million sales from the property development division and secured construction contracts amounting RM255 million despite the challenges faced during the year. We fulfilled our dividend policy of returning not less than 30% of net earning to shareholders annually.

Our direct economic value distributed to stakeholders in FY2022:

Value Generated

Revenue
RM272.17 million

Other Income
RM6.37 million

Value Distributed

Operational costs
RM197.80 million

Employee wages and benefits
RM18.85 million

Taxes (government)
RM12.43 million

Capital providers
RM20.25 million

Communities
RM2.18 million

We aim to support local industry by engaging with local suppliers and contractors. A wide range of socio-economic multiplier effects are created. We provide local business with opportunities, create jobs for locals and knowledge transfer as well as reduce environmental footprint. Engagement of contractors has formed a large percentage of our procurement activities. We have performed 100% pre-qualification reviews of the invited tenderers during the tender award process. The most competitive based on set criteria will be awarded the contract and exceptions are only permissible in special cases where the job requires specialists or critical works. Contractors' performances are 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.

Affordability

As we support the national agenda of making home ownership affordable, we will continue to plan and build homes that are priced within purchasing power of middle-income Malaysians.

Customer service satisfaction

Customer feedback is actively sought via the Customer Satisfaction Survey. We obtain feedback at each stage of the purchasing process spanning from the time the customer registers with us till the closure of defect rectification. We managed to obtain 94% (2021: 85%) response rate from 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 87% (2021: 85%).

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 MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

Economic (Cont'd)

Ethics and Integrity (Cont'd)

All new employees are well-informed during orientation on the contents of our Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and Whistle-Blower Policy. The employees are also required to sign a declaration of commitment to the Anti-Bribery and Corruption policy. Our staff as well as Board have received some level of anti-corruption training. This includes briefings received during the orientation phase for new Board member or employee, through internal staff newsletter as well as training session facilitated by external consultant. During the year, more than 70% of the Board, senior management and staff have received training for "Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) -Adequate Procedures" facilitated by external consultants. Besides, countering Bribery is a standing item on the Board agenda with the board receiving regular reviews on the implementation of the programme.

Our consultants, contractors and vendors are also required to adhere to our policy on Anti-Bribery and Corruption. Further to that, relevant clauses on the Anti-Bribery and Corruption policy have been included in the contract terms. We continue to strive towards getting more business associates to view anti-bribery and corruption and to embed these within their business operations. More information on our policies can be found on our website at www.ibraco.com.

Ibraco has zero proven bribery and corruption reported cases for the year 2022.

Environment

The Board and management are increasingly aware of the importance of climate change. Companies' activities are becoming ever more affected by extreme weather conditions caused by climate change. These can range from operations being interrupted to the supply chains being affected. These interruptions are costly to the companies. Therefore, managements are focusing more and more on climate change strategies and seek opportunities to reduce environmental impacts in the design and construction at both our township and other projects.

We strive to adopt industry standard practices in our daily operations through accountable processes, continuous monitoring and implementation of effective initiatives to reduce and mitigate our environmental footprint. We enhance awareness, promote environmental practices and utilise operational processes that do not adversely affect the environments in which we operate.

Energy

We are committed to proactively reducing our energy consumption through effective management and the implementation of industry standard practices. We focus on optimising electricity consumption within the Ibraco HQ building and constantly reminding all employees to switch off the office lights and other appliances when not in use. The HQ building had its total electricity consumption decreased by 20% to 698.22 MWh in comparison to 2021's consumption of 872.19 MWh. We review our energy consumption on a regular basis and identify opportunities to achieve further improvements in energy efficiency. Moving forward, we are planning to expand our electricity consumption monitoring to other Ibraco offices and project sites.

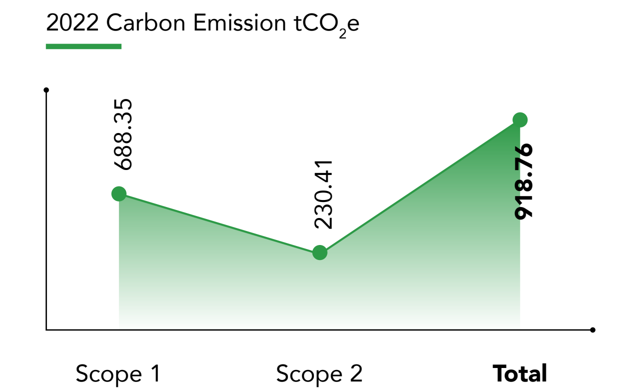
To date, over 26,991 kWh of solar energy was generated from solar photovoltaic at our corporate office.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

Environment (Cont'd)

Carbon emission

In FY2022, Ibraco has commenced reporting for the first time on Scope 1 and Scope 2 carbon emissions. Our carbon emissions generally stem from fossil fuel (Scope 1) used to power machinery on work sites and consumed by the company's vehicles. Scope 2 energy comprises mainly electricity purchased from the national grid.



We are committed to maintain optimally low levels of energy consumption to minimise our environmental impacts through:

- Adopting alternative (renewable energy, solar) in order to reduce reliance on electricity from the national grid
- Purchase of electric vehicle
- exploring environmentally friendly diesel

Scope 1 source of emissions: diesel and petrol
Scope 2 source of emissions: purchased electricity

Scope 2 emissions limited to purchased electricity for Ibraco HQ only

Emissions from carbon fuel sources have been calculated using emission factors from the GHG Conversion Factors for Company Reporting version 2.0 (2022), published by the UK Department for Environment, Food & Rural Affairs ("DEFRA").

Emissions from gride electricity have been calculated using the emission factor for Sarawak from the 2017 CDM Electricity Baseline for Malaysia by the Malaysia Green Technology Corporation.

The GHG emissions data has not been assured internally.

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 such as jogging track and cycling track whilst having local amenities in proximity to reduce carbon footprint from transportation. To date, a total of 2,290 trees and 79,960 shrubs have been planted across our township. As we progress, we will continue to emphasise on green natural environments which enables nature to thrive in our townships.

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

Water consumption and management

We continued to monitor and ensure any water discharged from our sites was in compliance with the 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 YE2022, all our sites management have complied with EIA conditions.

None of our sites are located in water-stressed areas. Our main water source of potable water is from municipal sources. We maximising efficiency in our water consumption via installing water saving features across our development, rain water harvesting for non-portable use and we measure to reduce water consumption such as reminders to staff. The total portable water withdrawal for 2022 at Ibaco HQ was 10,840 m^3.

We attempt to incorporate water saving fixtures into our developments as much as possible.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

Environment (Cont'd)

Waste management

We reduce as much as possible the total amount of waste requiring disposal. A recycling centre is established at our headquarter for the recycling of generated waste. Generated waste is segregated into paper, metals and plastics. During the year, 1,106kg of office waste was recycled. Moving forward, we aim to organise recycling program more regularly and extend it to our nearby residentials.

We constantly evaluate our practices against all applicable statutory requirements pertaining to environmental requirements throughout the full cycle of our property development and construction projects. During the year, we have conducted a training on ISO14001:2015 Environmental Management System for our construction division, Ibraco Construction Sdn Bhd ("ICSB"), we target to obtain the ISO14001 certification for our NorthBank township in 2023. Moving forward, ICSB will align its environmental management system to the ISO 14001:2015 to ensure extra care towards environmental concerns.

Social

Labour Practices and Decent Work

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:-

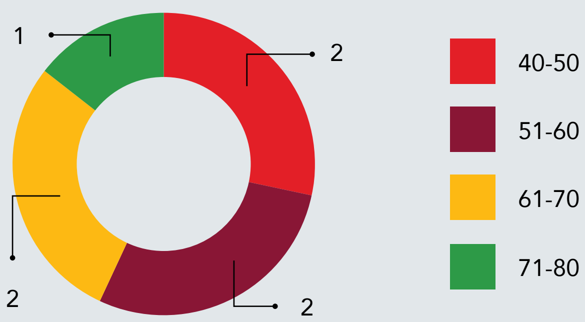
- We promote diversity and inclusive culture in the workplace. We are committed to equal opportunity and do not tolerate any form of harassment, abuse or discrimination on the basis of gender, marital status, race, nationality, ethnicity, age or any other status protected by applicable law.
- We are 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.

In 2022, we reported zero incidents of infringement of the rights of any persons nor any incidence of forced labour.

Diversity and Inclusion

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

Board Age Breakdown



Board Gender Breakdown

We target to achieve

30%

composition of sitting female directors in 2023

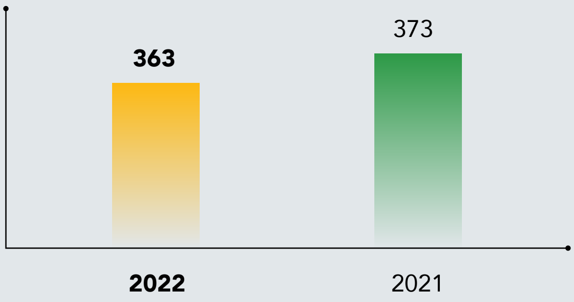
OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

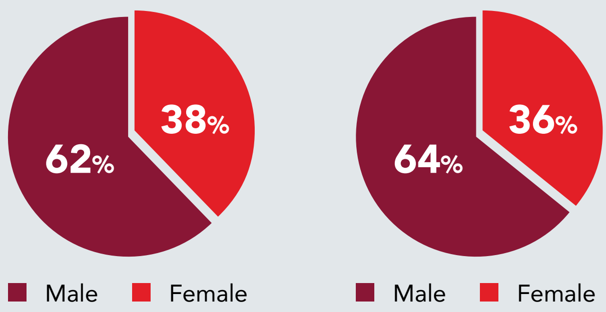
Social (Cont'd)

Labour Practices and Decent Work (Cont'd)

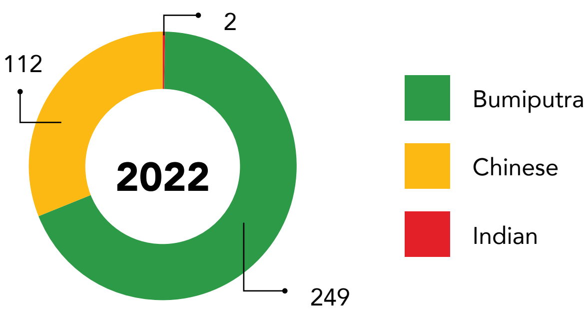
Diversity and Inclusion (Cont'd)

Total number of Employees

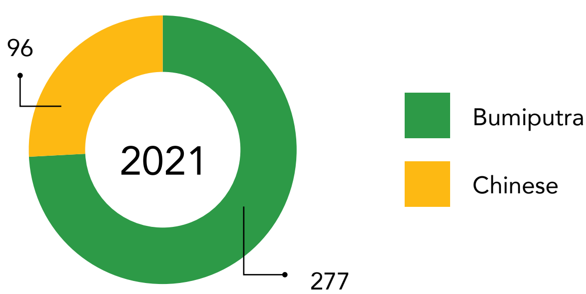




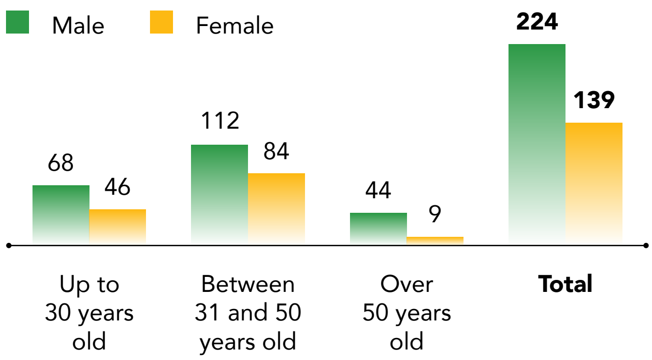
Staff Ethnicity Breakdown **2022**



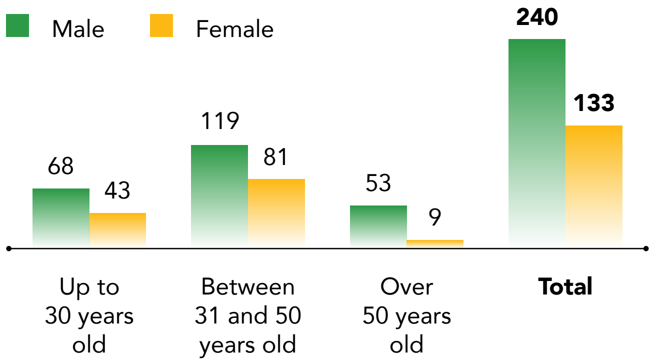
Staff Ethnicity Breakdown 2021



Staff Breakdown by Age Group **2022**



Staff Breakdown by Age Group 2021



OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

Social (Cont'd)

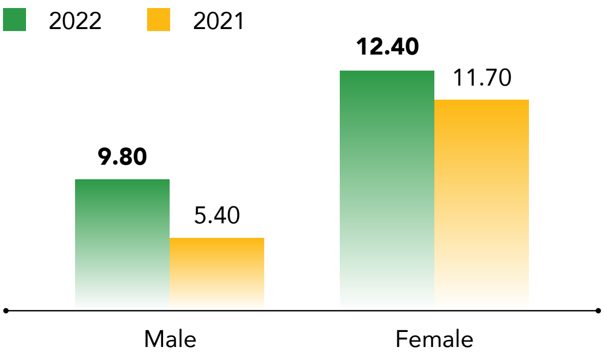
Labour Practices and Decent Work (Cont'd)

Talent Management

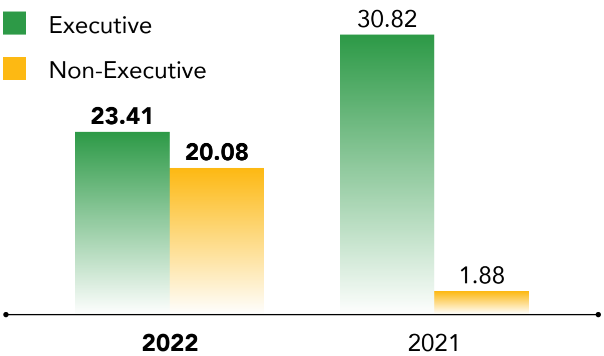
Ibraco recognises employees as the main driver of our business. As such, we take great care in managing and developing talent to ensure our employees are supported and receive a wide range of training opportunities at the workplace. Trainings are provided to address competency gaps or other skills requirements as identified during annual employee appraisals.

Throughout the reporting year, we have conducted about 53 professional learning and programmes that include technical, soft skill, professional and safety training. Our employees received a total of 3,410 man-hours of training with an average of 11 hours per employee in 2022, which is below our target of average 15 training hours per employee. This is mainly due to postponement of scheduled training caused by Covid 19 Sub-variant outbreak. We will continually assess, plan and provide our employees with opportunities to achieve their intended learning outcomes.

Average training hour by Gender



Average training hour by category



Employee Engagement and Satisfaction

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, bi-monthly internal staff newsletters are issued in English and Bahasa Malaysia mediums as an avenue to share information or notify all upcoming activities held within the Group, focusing on Group-wide communication and branding.

Annual staff satisfaction survey is conducted by our Human Resource department and employees rated positively on the conducive working environment, leadership as well as the staff welfare. In 2022, we had given out the Best Employees Awards as part of our employee recognition programs. These awards are given out to acknowledge their efforts and promote healthy competition within the workplace.

Occupational Safety and Health

Ibraco prioritises the health and safety of its people, including workers employed by its contractors. We are pleased to report that there have been no fatalities at our construction sites in Year 2022. We continuously commit ourselves to maintain a positive track record of 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 progressively equip our employees with the necessary training and knowledge on safety and health. During the year, we have conducted various of wellness programmes which comprise of Yoga Stick Session, health talk on Cholesterol and Common Cardiovascular Disease, Mental Health at the workplace (Post Pandemic) and also a free basic health screening check-up.

We have achieved zero Loss Time Injury in 2022.

OUR MATERIAL SUSTAINABILITY MATTERS PERFORMANCE (Cont'd)

Social (Cont'd)

Corporate Social Responsibilities ("CSR")

Ibraco aims to reduce social inequalities by assisting underprivileged committees. We provide financial assistance and other forms of support directly to needy groups. Besides, we also support development of sports, infrastructure, provision of healthcare and more.

HOPE PLACE, the non-profit organisation, which aims to help and contribute towards the local community, remains as 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.

Going forward, employees' participations in a wide range of CSR activities will be recorded towards determining the actual number of hours provided by employees.

Impact at a glance for this year:

Contribution to CSR partner, **HOPE**	Laptops to Lembaga Kebajikan Anak-Anak Yatim Sarawak	Supply stones to upgrade earth road at rural area
Contribution to underpriviledged and affected by COVID 19		MRI Machine for Hospital
Contribution to Kebajikan Anak Anak Yatim Sarawak Charitable Trust	1,106 kg waste collected and recycle for charity	Sponsorship for Futsal & Football team and Mayor's Walk 2022
Reconstruct the existing wooden house for a family at neibouring site	Total Donated & Sponsored **RM2.18** million	

CSR - Blood Donation Campaign

CSR - Rebuild wooden house for a family at neighbouring site

Conclusion

In our small way, we continue to scale greater heights and to improve further our sustainability performance, improve our disclosures and reporting related to economic, environmental and social aspects.

This Sustainability Statement was approved by the Board on 24 March 2023.

The Board of Directors ("The Board") 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 2022 with reference to the key principles which set out in MCCG. The Corporate Governance Report for the financial year ended 31 December 2022 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 the delivery of sustainable value to its shareholders. The Board delegates responsibility for the day to day operation of the Group's businesses to the Management.

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 ("AC")
- Nomination and Remuneration Committee ("NRC")
- Risk Management Committee ("RMC")
- Sustainability Committee ("SC")

It should be always noted that, the Board retains collective oversight over the Board Committees. 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, monitoring and adopting business plan and strategic plan with economic, environmental and social perspective to support long term value creation;
(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, including climate related 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.

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 ("GMD") are held by 2 different individuals, where such division is to ensure that there is clear and proper balance of power and authority. As an added measure, the Chairman of the Board is also not the chairman of the AC and NRC.

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 GMD as an Executive Director, supported by the senior management, 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.

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 and other relevant information are circulated at least 5 working days in advance to ensure sufficient time is given to the Board members to read and seek any clarification that they may need from the Management or Company Secretaries before the Board meetings. Board members may also seek external advice at the Company's expense should they feel this is necessary in facilitating the execution of their duties.

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 Main Market Listing Requirements ("MMLR") of Bursa Securities para 15.02 that at least 1/3 of the Board must be Independent Directors.

Board Composition and Independence (Cont'd)

In compliance with the MMLR, the Board has on the recommendation of the NRC, approved the adoption of a Directors' Fit and Proper Policy on 30 June 2022 and the said policy is accessible on Ibraco's website at www.ibraco.com.

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 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

The Board acknowledged the amendments to the MMLR in relation to 12-year tenure limit for Independent Directors, where all long-serving Independent Directors of more than 12 years must resign or be redesignated as Non-Independent Directors, and related consequential amendments.

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

Nomination and Remuneration Committee

The Nomination Committee and Remuneration Committee were both set up on 16 April 2003 and was renamed as the Nomination and Remuneration Committee ("NRC") on 24 February 2022. The RMC comprises three (3) members who are solely Independent Non-Executive Directors. The composition of the members is set out below:-

Committee Members

Guido Paul Philip Joseph Ravelli (Chairman, Senior Independent Non-Executive Director)
Ng Kee Tiong (Independent Non-Executive Director)
Wong Siaw Wei (Independent Non-Executive Director)

Key Responsibilities of the NRC

(a) Assess and recommend appointment of new Directors and Board Committee Members for the position of Independent Non-Executive Directors, the NRC shall also evaluate the candidate's ability to discharge such responsibilities as expected from Independent Non-Executive Directors;
(b) Review of the re-election of Directors at the AGM;
(c) Review the size, structure and composition of the Board;
(d) Review annually the mix of skills, knowledge, professionalism, integrity and experience, and other qualities to enable the Board to function completely and efficiently;
(e) 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;
(f) 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;
(g) Identify and develop succession plan for those in key positions in senior management;
(h) 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;
(i) Reviewing and recommending the remuneration of all the Executive Directors of the Group; and
(j) To 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.

Nomination and Remuneration Committee (Cont'd)

Key Responsibilities of the NRC (Cont'd)

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.

Summary of Activities of the NRC 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 AGM;
- Propose the new Directors and Board Committee Members;
- Conducted its annual assessment of the Board, Board Committees and Individual Directors using a set of detailed questionnaire completed by the Directors;
- Review of Directors' fees and benefits payable to Non-Executive Directors of the Company and its subsidiaries; and
- Review of salaries, bonuses and incentives of senior management of the Group

For the financial year ended 31 December 2022, the NRC has conducted its annual assessment of the Board, Board Committees and Individual Directors using set of questionnaire. The results of the assessment were compiled by the Company Secretary and tabled to the Board for review and deliberation. 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 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.

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 NRC and the Board will evaluate the candidate giving due consideration for boardroom diversity.

In FY2022, the Board has looked to further strengthen gender diversity and has appointed women director making the percentage of women on Board at 29%. Ibraco will continue emphasis diversity, going forwards towards achieving at least 30% of its directors to comprise women.

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 60% female at Senior Management level.

Time Commitment

The Board meets at least five (5) times a year, with additional meetings convened as and when necessary for special matters. Board meetings are scheduled in advance prior to the new calendar year, to ensure sufficient time is given to the Directors to plan their schedules and enable them to attend the meetings.

During the year ended 31 December 2022, 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. Directors received information and materials required for at least five (5) business days in advance of the board meeting.

Time Commitment (Cont'd)

All the Directors have complied with the minimum 50% attendance requirement in respect of Board Meetings as stipulated in the MMLR of Bursa Malaysia. Details of Directors' attendances of Board Meetings in 2022 are as follows:-

Directors	Number of Board Meetings attended
Ng Cheng Chuan	6/6
Datuk (Dr.) Philip Ting Ding Ing*	3/3
Datuk Chew Chiaw Han	6/6
Liu Tow Hua	6/6
Sharifah Deborah Sophia Ibrahim	3/6
Guido Paul Philip Joseph Ravelli	5/6
Ng Kee Tiong	5/6
Wong Siaw Wei**	4/4

* Retired from Board effective 27 May 2022
** Appointed on 22 April 2022

At present, no directors have held more than five (5) directorships during the financial year.

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:-

- Situation You Do Not Want To Be In If You Are Contractor
- Borneo International Water and Wastewater Exhibition and Conference 2022
- Fraud Prevention and Detection
- Can You Afford Not to Know the JKR Sarawak General Conditions of Contract
- Detecting and Deterring Financial Statement Fraud
- An Overview of the Malaysian Private Entities Reporting Standard Practical Approach to Recognition and Measurement of Principles
- Taxation of Property Developers and Contractors
- Transfer Pricing Audit
- ISO 14001:2015 Interpretation Training
- Audit Oversight Board Conversation with Audit Committees
- Malaysia Anti-Corruption Commission Act 2009
- 2022 Budget Seminar
- Malaysia Tax Budget Conference 2023-Riding the Post Pandemic TIDE
- Advocacy session for Directors and Senior Management of Main Market Listed Issuers
- Compliance with Guidelines for the Reporting Framework for Beneficial Ownership of Legal Persons
- Transaction with 3rd Party and Related Party
- SDG Investment Forum ASEAN

Remuneration of Directors and Senior Management

The remuneration of the Executive Directors and Non-Executive Directors of the Group for the year ended 31 December 2022 is set out as follows:-

	From the Company				From Subsidiary Companies	
2022	**Fees**	**Other emoluments (i)**	**Benefits-in-kind**	**Company Total**	**Fees**	**Group Total**
	RM	**RM**	**RM**	**RM**	**RM**	**RM**
Executive Directors						
Datuk Chew Chiaw Han	-	1,428,000	42,395	1,470,395	18,000	1,488,395
Liu Tow Hua	-	411,840	7,750	419,590	18,000	437,590
	-	1,839,840	50,145	1,889,985	36,000	1,925,985
Non-Executive Directors						
Ng Cheng Chuan	252,700	-	-	252,700	-	252,700
Datuk (Dr.) Philip Ting Ding Ing	27,500	-	-	27,500	-	27,500
Sharifah Deborah Sophia Ibrahim	48,000	-	-	48,000	8,400	56,400
Guido Paul Philip Joseph Ravelli	84,700	-	-	84,700	-	84,700
Ng Kee Tiong	96,700	-	-	96,700	-	96,700
Wong Siaw Wei	58,100	-	-	58,100	-	58,100
	567,700	-	-	567,700	8,400	576,100
Total Director's Remuneration	**567,700**	**1,839,840**	**50,145**	**2,457,685**	**44,400**	**2,502,085**

(i) 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	2,153,875
Bonus	398,870
Benefits-in-kind	56,873
Other emoluments**	213,040
Total	**2,822,658**

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

MCCG PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee ("AC")

The AC is established by the Board and comprises three (3) members. The AC comprises solely Independent Non-Executive Directors with the Chairman of the AC is a member of the Malaysian Institute of Accountants and also a fellow member of the Association of Chartered Certified Accountants of United Kingdom. The AC Chairman 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 details of summary of work by AC for year 2022 are set out in the AC 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, anti-corruption, whistle-blowing 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 AC 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 AC 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.

Directors' Responsibility Statement

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 2022, 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.

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

Stakeholder Relationship and Communication

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 is committed to ensure that the shareholders and other stakeholders are well informed of significant developments 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. All Directors and external auditors are expected to attend all shareholders' meetings to take question raised by shareholders. 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.

This Corporate Governance Statement is issued in accordance with the Board's approval on 24 March 2023.

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 RM0.4760 per placement 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	-	(15,455)	2,545	Within 24 months	For contractors' and consultants' payment.
Working capital requirements	5,430	92	(5,522)	-	Within 12 months	For staff costs, selling and marketing expenses, statutory payment, etc.
Expenses in relation to the Private Placement	200	(92)	(108)	-	Immediate	Professional fee paid in relation to the Private Placement
Total	**23,630**	**-**	**(21,085)**	**2,545**		

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 2022 were as follows:

Purpose	Group (RM)	Company (RM)
Audit Fees	220,000	154,000
Non-Audit Fees		
- Tax advisory, computation and filing	78,752	21,507
- Review of Statement on Risk Management and Internal Control	10,600	10,600
- Review of Housing Development Accounts	14,310	12,720
Total	**323,662**	**198,827**

Related Party Transactions

The value and types of related party transactions entered into by Ibraco Group are shown on pages 123 to 125 of this Annual Report (see Note 31 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 2021 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). Due to the limitations that are inherent in any system of risk management and internal control, it is designed to manage, rather than to eliminate, the risk of failure to achieve business objectives. Therefore, it can only provide 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, in accordance with the MMLR of Bursa Securities and guided by the Guidelines.

The Management assists the Board in the implementation of the Board's policies and procedures on risks and controls 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 ("RMC") 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.

- The RMC, 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 meeting. These action plans are closely monitored to assess their effectiveness over the period during which they are subject to such risks.

- A consolidated risk profile of the Group was developed and will be updated in accordance with the risk appetite of the Group, together with a summary of key findings and proposed mitigating measures, which were discussed and finalised in the various RMC meetings.

Risk Management Framework (Cont'd)

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: (Cont'd)

- The RMC has identified, compiled and worked out the remedial measures to mitigate the risks encountered by each Department, which falls 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 RMC reports to the Audit Committee on the overall Group Risk Profile annually. Should there be any new proposals or projects, the RMC will report separately to the Audit Committee on the additional new risks (if any). The Audit Committee has the power to request the RMC to prepare and present the risk areas that they are concerned with, when necessary.

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 audit 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 control 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, outlines the 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.

Other Key Elements (Cont'd)

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: (Cont'd)

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 programs. A performance management system is in place with established Key Performance Indicators to instill a strong 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 2022, 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:

a) 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
b) 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 Board of Directors and the 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 Securities 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 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 24 March 2023.

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 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 who is a professional or qualified accountant. The Audit Committee met five 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	5/5
Guido Paul Philip Joseph Ravelli Member/Independent Non-Executive Director	5/5
Wong Siaw Wei# Member/Independent Non-Executive Director	3/3
Ng Cheng Chuan* Member/Non-Independent Non-Executive Director	2/2

Ms Wong Siaw Wei was appointed as member w.e.f. 22 April 2022
* Mr Ng Cheng Chuan resigned w.e.f. 22 April 2022

The meetings were appropriately structured through the use of agendas. Board papers were distributed to the Committee with sufficient notice to allow the Committee the opportunity to review and seek addition information (if required) from the Management and Group Internal Auditor ("GIA").

The Group Managing Director, the Chief Financial Officer ("CFO") and the Company Secretary were present in all the meetings to provide explanation and to address audit and internal control issues as well as to report on the Group's financial performance. The GIA, who is also the Secretary to the Committee, attended all the meetings to present the quarterly internal audit reports and the annual audit plan. The External Auditors were invited, when necessary to report their audit status, findings on areas of audit emphasis, key audit matters, financial reporting updates and Audit Planning Memorandum.

The minutes of all the Committee meetings were recorded and tabled for confirmation at the subsequent meetings. All minutes were presented to the Board for noting and discussion. The Chairman of the Committee reported the recommendations and remedial action (if any) to the Board for its consideration, approval and Management's implementation.

SUMMARY OF WORK DURING THE FINANCIAL YEAR

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

1. Financial Reporting

- Reviewed the quarterly interim reports and year end unaudited financial statements 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.

SUMMARY OF WORK DURING THE FINANCIAL YEAR (Cont'd)

The Committee carried out its functions and duties as set out in the terms of reference and the work undertaken during the financial year are described as below: (Cont'd)

1. **Financial Reporting (Cont'd)**

- 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 2022.
- 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 included audit findings, audit recommendations and 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 discuss problems and reservations arising from internal audits and any other matters without the presence of Management.
- Assessed the Internal Audit Function via questionnaires, which aimed to gauge the level of satisfaction with the Internal Audit's roles and services, competency and professionalism in governance, risk and controls, as well as their 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.

3. **External Audit**

- Reviewed and recommended to the Board on the shortlisted External Auditors for the statutory audit of the Group for the financial year ended 31 December 2022.
- On 25 November 2022, reviewed the External Auditors' Group Audit Planning Memorandum ("APM") for the financial year ended 31 December 2022. The APM outlined the External Auditors' engagement and reporting responsibilities, their audit approach, areas of audit emphasis, their engagement team as well as audit reporting, deliverables and audit fees.
- The Committee had a private session with the External Auditors to discuss any issues and reservations arising from their annual audit without the presence of Management on 24 March 2023. The external auditors were given the opportunity to raise any matters of concern arising from their audit work.
- 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.
- The Committee having considered the nature, scope and amount of the non-audit fee, was satisfied that there was no conflict of interest and it would not impair the independence and objective of the external auditors.

SUMMARY OF WORK DURING THE FINANCIAL YEAR (Cont'd)

The Committee carried out its functions and duties as set out in the terms of reference and the work undertaken during the financial year are described as below: (Cont'd)

3. External Audit (Cont'd)

- The Committee deliberated on the external auditors' report at its meeting on 24 March 2023 with regard to the relevant disclosures in the annual audited financial statements.

- On 24 March 2023, 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. The external auditors' performance was rated 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 November 2022, February 2023 and March 2023. Based on the evaluation conducted, the Committee is satisfied with the external auditors' performance, adequacy of resources, technical competency, audit independence and quality of services rendered.

- The external auditors had confirmed their professional independence in respect to the audit engagement.

4. Related Party Transactions

- 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 ("RRPT") mandate for the year. No shareholders' mandate for RRPT was sought as the estimated RRPT for the Group was not expected to reach/exceed the prescribed threshold under the Main Market Listing Requirements.

5. Risk Management

- Reviewed the Statement on Risk Management and Internal Control duly confirmed by the External Auditors that no exception was noted and is in accordance with Audit and Assurance Practice Guide 3 for the publication in the Annual Report 2022.

- Reviewed reports from the Risk Management Committee and the corresponding action plans to manage such risks at the Committee meeting held on 25 November 2022 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 2022 and recommended it for adoption by the Board.

TRAINING AND CONTINOUS 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 the 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. The details of training programs and seminars attended by the members of the Committee during the financial year ended 31 December 2022 are set out under "Directors' Training' on page 32.

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:

- Risk and corporate governance
- Tender management
- Quarry management
- Transfer Pricing Documentation
- Anti-Bribery Management System

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 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) resented internal audit reports, which include audit findings, audit recommendations and Management 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 by the Internal Audit Department for the year under review amounted to approximately RM196,000. 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.

Financial
STATEMENT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development and investment holding. The principal activities of the subsidiaries are set out in Note 7 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

	The Group RM	The Company RM
Profit after taxation for the financial year	31,093,669	28,498,183
Attributable to:-		
Owners of the Company	30,410,422	28,498,183
Non-controlling interests	683,247	-
	31,093,669	28,498,183

DIVIDENDS

Dividends paid or declared by the Company since 31 December 2021 are as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year ended 31 December 2021</u>	
Interim single-tier dividend of 2.00 sen per ordinary shares declared on 25 February 2022 and paid on 18 April 2022	10,920,924

On 16 February 2023, the Company declared an interim dividend of 2.00 sen per ordinary share amounting to RM10,920,924 in respect of the current financial year, paid on 13 March 2023, to shareholders whose names appeared in the record of depositors on 3 March 2023. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2023.

The directors do not recommend the payment of any further dividends for the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS OF THE COMPANY

The names of directors of the Company who served during the financial year and up to the date of this report are as follows: -

Ng Cheng Chuan
Datuk Chew Chiaw Han
Sharifah Deborah Sophia Ibrahim
Ng Kee Tiong
Guido Paul Philip Joseph Ravelli
Liu Tow Hua
Wong Siaw Wei (Appointed on 22 April 2022)
Datuk (Dr.) Ting Ding Ing (Retired on 27 May 2022)

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

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
Su Kuang Yiaw (Appointed on 5 May 2022)
Ong Sheng Haur (Appointed on 16 December 2022)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
The Company				
Direct Interests				
Ng Cheng Chuan	42,077,478	-	-	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.) Ting Ding Ing	1,625,120	-	-	1,625,120
Ng Kee Tiong	1,099,120	-	-	1,099,120
Indirect Interests				
Ng Cheng Chuan	80,720,720	-	-	80,720,720
Datuk Chew Chiaw Han	130,619,438	-	-	130,619,438

DIRECTORS' INTERESTS (Cont'd)

By virtue of their shareholdings in the Company, Ng Cheng Chuan, Datuk Chew Chiaw Han and Sharifah Deborah Sophia Ibrahim are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the 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 for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 26 to the financial statements.

Neither during nor at the end of the financial year, the Group or the Company was a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

INDEMNIFICATION OF OFFICERS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors of the Company were RM10,000,000 and RM19,472 respectively.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows: -

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive directors' remuneration:				
Fees	**36,000**	36,000	**-**	-
Salaries and other emoluments	**1,839,840**	1,097,376	**1,839,840**	1,097,376
	1,875,840	1,133,376	**1,839,840**	1,097,376
Non-Executive directors' remuneration:				
Fees and other emoluments	**648,100**	652,500	**567,700**	572,100
Total director's remuneration	**2,523,940**	1,785,876	**2,407,540**	1,669,476
Estimated money value of benefits-in-kind	**50,145**	56,734	**50,145**	56,734
	2,574,085	1,842,610	**2,457,685**	1,726,210
Insurance effected to indemnify directors	**19,472**	19,472	**19,472**	19,472

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group and the Company have agreed to indemnify its auditors, Crowe Malaysia 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 Crowe Malaysia PLT during the financial year and up to the date of this report.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM220,000 and RM154,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 March 2023.

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, state that, in the opinion of the directors, the financial statements set out on pages 56 to 143 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 of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 March 2023.

Datuk Chew Chiaw Han

Liu Tow Hua

Statutory Declaration

Pursuant to Section 251(1)(B) of the Companies Act 2016

I, Liu Tow Hua, MIA membership number: 25463, being the director primarily responsible for the financial management of Ibraco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 56 to 143 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Liu Tow Hua,
at Kuching
in the State of Sarawak
on 24 March 2023

Liu Tow Hua

Before me

Phang Dah Nan (No. Q119)
Commissioner For Oaths
No.55, 1st Floor,
Jalan Chan Bee Kiew
Off Jalan Padungan
93100 Kuching, Sarawak

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 2022 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 56 to 143.

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 2022, and of their financial performance and their cash flows for the financial 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 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 Ethics Standards Board for Accountants' *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 financial 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue Recognition – Property Development and Construction Contracts Refer to Note 21 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
The Group's revenue from property development and construction contracts contributed 74% of the Group's revenue. For the financial year ended 31 December 2022, the Group's revenue and cost from property development amounted to RM154,874,908 and RM 97,312,552 respectively, and the Group's revenue and costs from construction contract amounted to RM45,312,416 and RM41,597,038 respectively. Revenue from property development 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 work completed at the reporting date. Significant management judgements and estimation are involved in the recognition of the revenue and its associated costs. Significant judgment and estimation are also required in determining the stage of completion, gross profit margin, provision for foreseeable losses and liquidated ascertained damages, if any. These estimates are subject to uncertainties that depend on the outcome of future events. We determined this to be a key audit matter due to the complexity and judgemental nature of these activities.	Our procedures included amongst others:- • Obtained an understanding of the basis of key judgements made for the revenue recognition and compare them with requirements of the accounting standards; • Test actual sales of development properties to signed sales and purchase agreements; • Evaluated the estimate made for the revenue recognition by determining that inputs applied were reasonable and supportable; • Assessed the reasonableness of the estimated revenue and property development cost and construction cost; • Tested the accuracy of the revenue recognition towards satisfaction of performance obligation; • Checked the mathematical computation of recognised revenue and corresponding costs for the projects during the financial year; • Assessed the adequacy and reasonableness of provisions for foreseeable losses as well as liquidated ascertained damages, if any;and • Performed site visits to the various property development phases and construction project sites.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Key Audit Matters (Cont'd)

Fair Value of Investment Properties Refer to Note 11 in the financial statements	
Key Audit Matter	**How our audit addressed the Key Audit Matter**
As at 31 December 2022, the Group's investment properties which are carried at fair value, amounted to RM122,300,000. The Group adopts the fair value model for its investment properties and had engaged an external valuer to determine the fair value of the investment properties at the reporting date. We focused on this area due to complexities in determining the fair value of the investment properties, which involved significant judgements in estimating the underlying assumption to be applied.	Our procedures included, amongst others:- • Obtained the full valuation/indicative valuer's report to review the methodology adopted by the independent valuer; • Assessed the independent external valuers' competency, capabilities, objectivity, independence and qualification; • Assessed the inputs underpinning the valuation of the properties by discussion with valuers, the key assumptions and critical judgement area; and • Evaluated the reasonableness of the key assumptions used in the valuation.

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 Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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 Directors' Report and, in doing so, consider whether the Directors' Report 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, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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 relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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 financial 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

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditor whose report dated 8 April 2022 expressed an unmodified opinion of the statements.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chong Thian Poh
01580/02/2025 J
Chartered Accountant

Kuching
24 March 2023

	NOTE	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	**72,585,049**	61,776,646	**57,123,064**	49,530,029
Intangible assets	6	**4,272,405**	4,770,161	**-**	-
Investment in subsidiaries	7	**-**	-	**37,477,166**	34,047,166
Investment in an associate	8	**2,414,464**	1,831,139	**6,125,000**	5,145,000
Investment in a jointly-controlled entity	9	**300,000**	300,000	**300,000**	300,000
Inventories	10	**51,439,772**	44,145,121	**50,799,014**	43,504,363
Investment properties	11	**122,300,000**	118,300,000	**122,300,000**	118,300,000
Trade and other receivables	12	**1,535,863**	8,246,474	**-**	8,071,772
Deferred tax assets	13	**8,583,672**	10,965,282	**3,456,436**	5,113,336
		263,431,225	250,334,823	**277,580,680**	264,011,666
CURRENT ASSETS					
Inventories	10	**351,577,458**	304,309,606	**316,908,339**	267,264,597
Trade and other receivables	12	**39,962,828**	52,072,839	**85,810,642**	93,616,850
Other current assets	14	**76,719,747**	109,404,599	**45,143,983**	83,458,321
Fixed deposits with licensed banks	15	**8,742,290**	8,501,255	**8,641,408**	8,501,255
Cash and bank balances	16	**51,843,615**	50,494,335	**34,790,812**	33,822,669
		528,845,938	524,782,634	**491,295,184**	486,663,692
TOTAL ASSETS		**792,277,163**	775,117,457	**768,875,864**	750,675,358

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
	NOTE	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	**271,831,735**	271,831,735	**271,831,735**	271,831,735
Retained profits		**180,341,841**	160,852,343	**156,304,348**	138,727,089
Equity attributable to owners of the Company		**452,173,576**	432,684,078	**428,136,083**	410,558,824
Non-controlling interests		**9,790,185**	9,206,938	**-**	-
TOTAL EQUITY		**461,963,761**	441,891,016	**428,136,083**	410,558,824
NON-CURRENT LIABILITIES					
Loans and borrowings	18	**78,379,575**	91,175,530	**75,428,540**	86,917,713
Trade and other payables	19	**13,287,494**	9,999,683	**11,154,411**	8,020,097
		91,667,069	101,175,213	**86,582,951**	94,937,810
CURRENT LIABILITIES					
Loans and borrowings	18	**132,922,178**	115,951,715	**83,458,333**	78,337,787
Trade and other payables	19	**99,013,007**	108,827,624	**158,758,612**	153,971,105
Other current liabilities	20	**5,253,114**	6,228,969	**10,503,593**	12,656,819
Current tax liabilities		**1,458,034**	1,042,920	**1,436,292**	213,013
		238,646,333	232,051,228	**254,156,830**	245,178,724
TOTAL LIABILITIES		**330,313,402**	333,226,441	**340,739,781**	340,116,534
TOTAL EQUITY AND LIABILITIES		**792,277,163**	775,117,457	**768,875,864**	750,675,358

The annexed notes form an integral part of these financial statements.

	NOTE	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
REVENUE	21	**272,172,726**	273,369,822	**194,375,176**	202,472,476
COST OF SALES	22	**(183,935,702)**	(193,717,108)	**(122,401,113)**	(110,878,767)
GROSS PROFIT		**88,237,024**	79,652,714	**71,974,063**	91,593,709
OTHER INCOME		**6,366,468**	2,612,044	**7,333,551**	3,836,524
		94,603,492	82,264,758	**79,307,614**	95,430,233
ADMINISTRATIVE EXPENSES		**(35,293,277)**	(28,651,978)	**(23,708,939)**	(23,626,253)
SELLING AND MARKETING EXPENSES		**(6,064,152)**	(10,909,495)	**(5,997,074)**	(10,897,995)
PROFIT FROM OPERATIONS		**53,246,063**	42,703,285	**49,601,601**	60,905,985
FINANCE COSTS	23	**(9,324,425)**	(9,192,614)	**(11,105,081)**	(11,500,532)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		**(396,675)**	(931,549)	**-**	-
PROFIT BEFORE TAXATION	24	**43,524,963**	32,579,122	**38,496,520**	49,405,453
INCOME TAX EXPENSE	27	**(12,431,294)**	(8,846,262)	**(9,998,337)**	(8,272,362)
PROFIT AFTER TAXATION EPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**31,093,669**	23,732,860	**28,498,183**	41,133,091
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**30,410,422**	23,487,168	**28,498,183**	41,133,091
Non-controlling interests		**683,247**	245,692	**-**	-
		31,093,669	23,732,860	**28,498,183**	41,133,091
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		**30,410,422**	23,487,168	**28,498,183**	41,133,091
Non-controlling interests		**683,247**	245,692	**-**	-
		31,093,669	23,732,860	**28,498,183**	41,133,091
EARNINGS PER ORDINARY SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (SEN PER SHARE)					
- Basic	28	**6**	5		
- Diluted	28	**6**	5		

The annexed notes form an integral part of these financial statements.

	NOTE	Share Capital RM	Retained Profits RM	Attributable to Owners of the Company RM	Non-Controlling Interests RM	Total Equity RM
The Group						
Balance as at 1.1.2021		248,202,826	147,297,863	395,500,689	15,281,357	410,782,046
Profit after taxation for the financial year		-	23,487,168	23,487,168	245,692	23,732,860
Acquisition of non-controlling interest		-	(4,575)	(4,575)	(21,425)	(26,000)
Dividends on ordinary shares	29	-	(9,928,113)	(9,928,113)	-	(9,928,113)
Dividends paid to non-controlling interest		-	-	-	(6,300,000)	(6,300,000)
Interests in a subsidiary donated to a foundation		-	-	-	1,314	1,314
Issuance of ordinary shares	17	23,628,909	-	23,628,909	-	23,628,909
Total contributions by and distributions to owners		23,628,909	13,554,480	37,183,389	(6,074,419)	31,108,970
Balance as at 31.12.2021/1.1.2022		**271,831,735**	**160,852,343**	**432,684,078**	**9,206,938**	**441,891,016**
Profit after taxation for the financial year		**-**	**30,410,422**	**30,410,422**	**683,247**	**31,093,669**
Acquisition of non-controlling interest		**-**	**-**	**-**	**30,000**	**30,000**
Dividends on ordinary shares	29	**-**	**(10,920,924)**	**(10,920,924)**	**-**	**(10,920,924)**
Dividends paid to non-controlling interest		**-**	**-**	**-**	**(1,600,000)**	**(1,600,000)**
Interests in a subsidiary donated to a foundation		**-**	**-**	**-**	**1,470,000**	**1,470,000**
Total contributions by and distributions to owners		**-**	**19,489,498**	**19,489,498**	**583,247**	**20,072,745**
Balance as at 31.12.2022		**271,831,735**	**180,341,841**	**452,173,576**	**9,790,185**	**461,963,761**

The annexed notes form an integral part of these financial statements.

	NOTE	Share Capital RM	Retained Profits RM	Total Equity RM
The Company				
Balance as at 1.1.2021		248,202,826	107,522,111	355,724,937
Profit after taxation / Total comprehensive income for the financial year		-	41,133,091	41,133,091
Dividends	29	-	(9,928,113)	(9,928,113)
Issuance of ordinary shares	17	23,628,909	-	23,628,909
Total contributions by and distributions to owners		23,628,909	(9,928,113)	13,700,796
Balance as at 31.12.2021/1.1.2022		**271,831,735**	**138,727,089**	**410,558,824**
Profit after taxation / Total comprehensive income for the financial year		**-**	**28,498,183**	**28,498,183**
Dividends	29	**-**	**(10,920,924)**	**(10,920,924)**
Total contributions by and distributions to owners		**-**	**(10,920,924)**	**(10,920,924)**
Balance as at 31.12.2022		**271,831,735**	**156,304,348**	**428,136,083**

The annexed notes form an integral part of these financial statements.

	NOTE	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**43,524,963**	32,579,122	**38,496,520**	49,405,453
Adjustments for:-					
Allowance for expected credit losses on trade receivables	12(a)	**66,858**	-	**-**	-
Allowance for expected credit losses on amount due from a subsidiray	12(b)	**-**	-	**-**	5,066,070
Amortisation of intangible assets		**497,756**	497,756	**-**	-
Bad debts written off	24	**345,727**	-	**345,727**	-
Depreciation of property, plant and equipment	5	**5,164,249**	6,035,273	**3,257,807**	3,289,380
Dividend income from subsidiaries	21(c)	**-**	-	**(2,800,000)**	(21,551,251)
Gain on disposal of property, plant and equipment	24	**(725,819)**	(19,999)	**(200,822)**	(19,999)
Interest income from licensed banks		**(45,917)**	(15,515)	**(39,828)**	(12,114)
Other interest income		**(520,374)**	(304,264)	**(2,803,830)**	(2,326,209)
Fair value gain on investment properties	11	**(4,000,000)**	(255,636)	**(4,000,000)**	(20,665)
Interest expense	23	**9,324,425**	9,192,614	**11,105,081**	11,500,532
Loss on disposal of shares in a subsidiray to a charitable trust	7	**1,470,000**	1,314	**1,470,000**	30,000
Reversal of allowance for expected credit losses	12(a)	**(84,613)**	(109,022)	**-**	-
Property, plant and equipment written off	24	**-**	664	**-**	-
Reversal of accruals of project costs	24	**-**	(1,246,105)	**-**	(1,246,105)
Share of results in associate		**396,675**	931,549	**-**	-
Operating profit before working capital changes		**55,413,930**	47,287,751	**44,830,655**	44,115,092

The annexed notes form an integral part of these financial statements.

	NOTE	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
BALANCE BROUGHT FORWARD		**55,413,930**	47,287,751	**44,830,655**	44,115,092
(Increase)/Decrease in inventories		**(54,562,502)**	37,318,433	**(56,938,393)**	24,292,436
Decrease/(Increase) in trade and other receivables		**18,492,650**	(23,888,364)	**15,532,252**	(24,043,868)
Decrease in other current assets		**34,869,787**	3,894,627	**38,314,338**	19,446,766
(Decrease)/Increase in trade and other payables		**(6,526,806)**	(7,832,784)	**6,451,822**	(28,160,673)
(Decrease)/Increase in contract liabilities		**(975,855)**	5,238,569	**(2,153,226)**	4,459,936
CASH FROM OPERATIONS		**46,711,204**	62,018,232	**46,037,448**	40,109,689
Interest paid		**(9,434,239)**	(9,207,935)	**(11,322,340)**	(11,639,772)
Interest received		**520,374**	304,264	**2,803,830**	2,326,209
Income tax refunded		**744,160**	631,820	**-**	428,419
Income tax paid		**(11,232,955)**	(13,724,753)	**(7,118,158)**	(8,868,694)
NET CASH FROM OPERATING ACTIVITIES		**27,308,544**	40,021,628	**30,400,780**	22,355,851
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Dividend received from subsidiaries	21(c)	**-**	-	**2,800,000**	21,551,251
Interest received from licensed banks		**45,917**	15,515	**39,828**	12,114
Expenditure incurred on investment property under construction, net of interest capitalised	11	**-**	(1,648,384)	**-**	(1,713,258)
Increase in deposits pledged for bank loans		**(3,908)**	(25,296)	**(3,908)**	(25,296)
Placement of deposits with maturity of more than 3 months		**(110,640)**	(2,303,176)	**(110,640)**	(2,303,176)
Purchase of property, plant and equipment	5(ii)	**(15,115,846)**	(7,528,840)	**(9,715,607)**	(7,487,311)
Proceeds from disposal of property, plant and equipment		**767,301**	20,281	**239,781**	20,281
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES		**(14,417,176)**	(11,469,900)	**(6,750,546)**	10,054,605

The annexed notes form an integral part of these financial statements.

		The Group		The Company	
	NOTE	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES (CONT'D)					
Subscription of shares in a subsidiary	7	**-**	-	**(3,430,000)**	-
Subscription of shares in an associate	8	**(980,000)**	(980,000)	**(980,000)**	(980,000)
Subscription of shares in joint venture	9	**-**	(299,999)	**-**	(299,999)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(15,397,176)**	(12,749,899)	**(11,160,546)**	8,774,606
CASH FLOWS FOR FINANCING ACTIVITIES					
Contribution by/(Acquisition) of non-controlling interest		**30,000**	(26,000)	**-**	(26,000)
Dividends paid on ordinary shares	29	**(10,920,924)**	(9,928,113)	**(10,920,924)**	(9,928,113)
Dividends paid to non-controlling interest		**(1,600,000)**	(6,300,000)	**-**	-
Repayment of bank loans	30(a)	**(18,073,537)**	(39,497,384)	**(16,107,408)**	(37,531,256)
Repayment of revolving credit	30(a)	**(12,300,000)**	(52,676,583)	**(12,300,000)**	(43,250,000)
Repayment of principal portion of lease liabilities	30(a)	**(255,179)**	(188,738)	**(170,642)**	(179,169)
Repayment of hire purchase payables	30(a)	**(1,643,626)**	(2,279,190)	**(82,159)**	(125,201)
Proceeds from bank loans	30(a)	**4,334,647**	15,339,732	**4,334,647**	15,339,732
Proceeds from revolving credit	30(a)	**29,993,018**	46,006,982	**17,000,000**	22,000,000
Proceeds from issuance of ordinary shares	17	**-**	23,628,909	**-**	23,628,909
Repayment of collaterised borrowings	30(a)	**-**	(3,013,435)	**-**	-
NET CASH FOR FINANCING ACTIVITIES		**(10,435,601)**	(28,933,820)	**(18,246,486)**	(30,071,098)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,475,767**	(1,662,091)	**993,748**	1,059,359
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**52,108,687**	53,770,778	**35,437,021**	34,377,662
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	30(b)	**53,584,454**	52,108,687	**36,430,769**	35,437,021

The annexed notes form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office and principal place of business are as follows:-

Registered office and principal place of business	:	No.6 The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 March 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in realty development and investment holding. The principal activities of the subsidiaries are set out in Note 7. There have been no significant changes in the nature of the principal activities of the Group and of the Company during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020 Cycle

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	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
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024

3. BASIS OF PREPARATION (Cont'd)

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):

MFRSs and/or IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made 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 other than as disclosed below:-

(a) Revenue Recognition for Property Development

The Group applies the percentage of completion method to account for all of its property development projects. This method requires reliable estimation of future outcomes that invariably must rely on estimates of stage of completion, future revenues, future costs, and collectability progress billings. Internal budgets and forecasts are use in these estimates. The actual outcome will only be known when a development project is completed and all units sold to customers, and its actual outcome may not coincide with the estimate made. The carrying amount of contract asset and contract liabilities are disclosed in Note 14 and Note 20 to the financial statements.

(b) Revenue Recognition for Construction Contracts

The Group recognises certain construction revenue by reference to the construction progress based on the physical proportion of contract work certified by professional consultants. Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation based on the contract work certified to date corroborated by the level of completion of the construction based on actual costs incurred to date over the estimated total contract costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists.

The Group recognises certain construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

The carrying amount of contract asset and contract liabilities as at the reporting date are disclosed in Note 14 and Note 20 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant, and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

(d) Fair Value of Investment Properties

Investment properties of the Group are reported at fair value which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining market rental used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting fair value. The carrying amount of investment properties as at the reporting date is disclosed in Note 11 to the financial statements.

(e) Impairment of Property, Plant and Equipment and Investment Properties

The Group determines whether an item of its property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant, and equipment and investment properties as at the reporting date are disclosed in Note 5 and Note 11 to the financial statements

(f) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(g) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amount of trade receivables and contract assets as at the reporting date are disclosed in Note 12 and Note 14 to the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(i) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that future taxable profits would be available against which the unused tax losses could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amount of deferred tax assets as at the reporting date is disclosed in Note 13 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

(b) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 BASIS OF CONSOLIDATION (Cont'd)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional and presentation currency.

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(i) Amortised Cost (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.4 FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial Liabilities (Cont'd)

(ii) Other Financial Liabilities (Cont'd)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Redeemable Non-Cumulative Preference Shares

Redeemable Non-Cumulative Preference Shares (RNCPS) are classified as equity if they are non-redeemable, or are redeemable but only at the Company's option, and any dividends are discretionary.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) 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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Group and of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 INVESTMENT IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2022. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

4.7 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Depreciation on property, plant and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	50 years
Furniture, fittings and equipment	5% - 20%
Motor vehicles	20%
Office renovation	20%
Plant and equipment	10% - 20%

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

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

4.8 INVESTMENT PROPERTIES

Investment properties are properties which are owned or right-of-use asset held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The right-of-use asset held under a lease contract that meets the definition of investment property is measured initially similarly as other right-of-use assets.

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. Gain 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 they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment properties, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment properties only when there is a change in use. For a transfer from investment property to owner-occupied property or inventories, the fair value at the date of change becomes the cost for subsequent accounting purposes. If the owner-occupied property becomes an investment properties, such property shall be accounted for in accordance with the accounting policy for properties, property, plant and equipment up to the date of change in use.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.8 INVESTMENT PROPERTIES (Cont'd)

Where the fair value of investment properties 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.

4.9 INTANGIBLE ASSETS - LICENSE

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of an asset. An intangible asset shall be measured initially at cost.

Intangible assets with finite lives are amortised over their useful economics lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The principal amortisation rates used for this purpose are:-

License	12 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4.10 LEASES

(a) As a lessee

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets that do not meet the definition of investment properties are presented in the statement of financial position within property, plant and equipment, and the associated lease liabilities are presented within loans and borrowings.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 LEASES (Cont'd)

(a) As a lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

(b) 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 recignised as revenue in the period in which they are earned.

4.11 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost and net realizable value are determined as below:-

(a) Land Held for Property Development

Land held for property development represents right-of-use asset (leasehold land) on which no significant development work has been undertaken or which development activities are not expected to be completed within the normal operating cycle is classified as non-current asset.

The cost comprises cost associated to the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, other relevant levies and an appropriate proportion of common infrastructure costs.

Net realizable value represents the estimated selling price of intended properties that to be developed less the estimated costs of completion and the estimated costs necessary in selling the properties. If future development layout plan is not available, the replacement cost of the properties held for future development will be the best available measure of the net realizable value.

Land held for property development is transferred to property development costs category when development activities have commenced and are expected to be completed within the normal operating cycle.

(b) Property Development Cost

The cost comprises cost associated with the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, aggregate cost of development, materials and suppliers, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realizable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.11 INVENTORIES (Cont'd)

(c) Completed Properties Held for Sale

The cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. The cost of completed properties held for sales comprises cost associated with the purchase of land, payment for the right-of-use asset (leasehold land), conversion fees, aggregate cost of development, materials and suppliers, wages and other direct expenses, an appropriate proportion of common infrastructure costs and borrowing costs capitalised.

Net realizable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary in selling the property.

4.12 CONTRACT COST ASSETS

(a) Incremental Costs of Obtaining Contracts

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

(b) Costs to Fulfil A Contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

4.13 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.14 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.15 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets, as well as on financial guarantee contracts.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.15 IMPAIRMENT (Cont'd)

(a) Impairment of Financial Assets (Cont'd)

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows 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 it is not possible to estimate the recoverable amount of an individual asset, the Group determines the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.16 PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.17 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.18 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

4.19 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.20 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

4.21 BORROWING COSTS

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.22 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime 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.
- 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.23 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont'd)

(a) Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an assets with an alternative's use to the Group and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

A receivable is recognised when the development activities are carried out as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. When the services rendered exceeded, the services rendered, a contract liability is recognised.

(b) Sale of Completed Properties

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

(c) Construction Services

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) Sales of Goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(f) Rental income

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.24 REVENUE FROM OTHER SOURCES AND OTHER INCOME

(a) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(b) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

4.25 CONTINGENT ASSETS

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When its inflow of economic benefit is virtually certain, then the related asset is recognised in the statement of financial position.

4.26 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group and the Company has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group and the Company has assessed the nature of its joint arrangements and determined them to joint venture.

(a) Joint Ventures

A joint venture is a joint arrangement whereby the Group and the Company have rights only to the net assets of the arrangement.

Investments in joint ventures are stated at cost in the statement of financial position of the Group and of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December 2022. The Group's and the Company's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group and of the Company, from the date that joint control commences up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's and the Company's investment in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's and the Company's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's and the Company's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group and the Company have an obligation. The interest in the joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the Group's and the Company's net investment in the joint venture.

Unrealised gains on transactions between the Group and the Company and the joint venture are eliminated to the extent of the Group's and the Company's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.26 JOINT ARRANGEMENTS (Cont'd)

(a) Joint Ventures (Cont'd)

The Group and the Company discontinue the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group and the Company retain an interest in the former joint venture and the retained interest is a financial asset, the Group and the Company measure the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group and the Company also reclassify their shares of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group and the Company will continue to use the equity method when an investment in a joint venture becomes an investment in an associate. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

5. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2022 RM	Additions RM	Disposals RM	Modification of lease RM	Re-classification RM	Depreciation Charges: Recognised in profit or loss (Note 24) RM	Depreciation Charges: Capitalised in construction costs (Note 14 (c)) RM	At 31.12.2022 RM
The Group								
Carrying Amount								
Buildings and renovation	33,416,826	357,182	(638)	2,803	-	(2,224,463)	-	31,551,710
Motor vehicles, office equipment furniture and fittings	3,673,111	814,850	(40,841)	-	42,993	(679,119)	(222,552)	3,588,442
Plant and equipment	17,765,891	2,124,154	(3)	-	(42,993)	(2,260,667)	(1,074,417)	16,511,965
Capital work-in-progress	6,920,818	14,012,114	-	-	-	-	-	20,932,932
	61,776,646	17,308,300	(41,482)	2,803	-	(5,164,249)	(1,296,969)	72,585,049

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2021 RM	Additions RM	Disposals RM	Written off RM	Depreciation Charges: Recognised in profit or loss (Note 24) RM	Depreciation Charges: Capitalised in construction costs (Note 14 (c)) RM	At 31.12.2021 RM
The Group							
Carrying Amount							
Buildings and renovation	34,762,008	788,229	-	-	(2,133,411)	-	33,416,826
Motor vehicles, office equipment, furniture and fittings	4,477,292	313,822	(282)	(664)	(778,178)	(338,879)	3,673,111
Plant and equipment	21,267,988	375,339	-	-	(3,123,684)	(753,752)	17,765,891
Capital work-in-progress	-	6,920,818	-	-	-	-	6,920,818
	60,507,288	8,398,208	(282)	(664)	(6,035,273)	(1,092,631)	61,776,646

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
31.12.2022			
Buildings and renovation	**38,290,281**	**(6,738,571)**	**31,551,710**
Motor vehicles, office equipment, furniture and fittings	**12,866,080**	**(9,277,638)**	**3,588,442**
Plant and equipment	**31,424,760**	**(14,912,795)**	**16,511,965**
Capital work-in-progress	**20,932,932**	**-**	**20,932,932**
	103,514,053	**(30,929,004)**	**72,585,049**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
31.12.2021			
Buildings and renovation	37,943,137	(4,526,311)	33,416,826
Motor vehicles, office equipment, furniture and fittings	13,052,320	(9,379,209)	3,673,111
Plant and equipment	30,834,632	(13,068,741)	17,765,891
Capital work-in-progress	6,920,818	-	6,920,818
	88,750,907	(26,974,261)	61,776,646

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At 1.1.2022 RM	Additions RM	Disposals RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2022 RM
The Company						
Carrying Amount						
Buildings and renovation	**33,122,847**	**357,182**	**-**	**1,553**	**(2,136,315)**	**31,345,267**
Motor vehicles, office equipment, furniture and fittings	**2,520,886**	**752,383**	**(38,959)**	**-**	**(363,958)**	**2,870,352**
Plant and equipment	**6,768,169**	**5,100**	**-**	**-**	**(757,534)**	**6,015,735**
Capital work-in-progress	**7,118,127**	**9,773,583**	**-**	**-**	**-**	**16,891,710**
	49,530,029	**10,888,248**	**(38,959)**	**1,553**	**(3,257,807)**	**57,123,064**

	At 1.1.2021 RM	Additions RM	Disposals RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2021 RM
The Company						
Carrying Amount						
Buildings and renovation	34,810,495	461,011	-	-	(2,148,659)	33,122,847
Motor vehicles, office equipment, furniture and fittings	2,805,598	112,439	(282)	-	(396,869)	2,520,886
Plant and equipment	7,187,733	324,288	-	-	(743,852)	6,768,169
Capital work-in-progress	-	7,118,127	-	-	-	7,118,127
	44,803,826	8,015,865	(282)	-	(3,289,380)	49,530,029

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
31.12.2022			
Buildings and renovation	**37,062,798**	**(5,717,531)**	**31,345,267**
Motor vehicles, office equipment, furniture and fittings	**7,159,263**	**(4,288,911)**	**2,870,352**
Plant and equipment	**7,578,736**	**(1,563,001)**	**6,015,735**
Capital work-in-progress	**16,891,710**	**-**	**16,891,710**
	68,692,507	**(11,569,443)**	**57,123,064**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Company			
31.12.2021			
Buildings and renovation	36,704,063	(3,581,216)	33,122,847
Motor vehicles, office equipment, furniture and fittings	7,640,806	(5,119,920)	2,520,886
Plant and equipment	7,573,636	(805,467)	6,768,169
Capital work-in-progress	7,118,127	-	7,118,127
	59,036,632	(9,506,603)	49,530,029

(i) Current year depreciation charges are recognised as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Recognised in profit or loss (Note 24)	**5,164,249**	6,035,273	**3,257,807**	3,289,380
Capitalised in construction costs (Note 14 (c))	**1,296,969**	1,092,631	**-**	-
	6,461,218	7,127,904	**3,257,807**	3,289,380

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(ii) Acquisition of property, plant and equipment during the financial year were by the following mean:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash	**15,115,846**	7,528,840	**9,715,607**	7,487,311
Hire purchase arrangement	**1,761,000**	122,000	**600,000**	-
Lease arrangement (Note 18(b))	**358,185**	747,368	**356,935**	461,011
Interest capitalised (Note 23)	**76,072**	-	**217,259**	67,543
	17,311,103	8,398,208	**10,889,801**	8,015,865

(iii) 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 5(i) above.

(iv) The corporate office building of the Group and the Company amounting to RM24.9 million (2021 – RM25.5 million) is pledged as security for the related borrowings as set in Note 18.

(v) Right-of-use assets

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

	At 1.1.2022 RM	Additions RM	Disposals RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2022 RM
The Group						
Carrying Amount						
Buildings and renovation	**657,320**	**355,382**	**-**	**2,803**	**(274,087)**	**741,418**
Motor vehicle	**888,433**	**707,901**	**-**	**-**	**(549,578)**	**1,046,756**
Plant and equipment	**1,042,019**	**1,296,705**	**(3)**	**-**	**(1,085,223)**	**1,253,498**
	2,587,772	**2,359,988**	**(3)**	**2,803**	**(1,908,888)**	**3,041,672**

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(v) Right-of-use assets (Cont'd)

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

	At 1.1.2021 RM	Additions RM	Disposals RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2021 RM
The Group						
Carrying Amount						
Buildings and renovation	102,000	747,369	-	-	(192,049)	657,320
Motor vehicle	1,508,552	136,000	-	-	(756,119)	888,433
Plant and equipment	2,690,869	-	-	-	(1,648,850)	1,042,019
	4,301,421	883,369	-	-	(2,597,018)	2,587,772

	At 1.1.2022 RM	Additions RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2022 RM
The Company					
Carrying Amount					
Buidlings and renovation	**399,168**	**355,382**	**1,553**	**(181,914)**	**574,189**
Motor vehicles	**65,962**	**707,901**	**-**	**(124,951)**	**648,912**
	465,130	**1,063,283**	**1,553**	**(306,865)**	**1,223,101**

	At 1.1.2021 RM	Additions RM	Modification of lease RM	Depreciation Charges RM	At 31.12.2021 RM
The Company					
Carrying Amount					
Buidlings and renovation	121,417	461,011	-	(183,260)	399,168
Motor vehicles	215,085	-	-	(149,123)	65,962
	336,502	461,011	-	(332,383)	465,130

5. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(v) Right-of-use assets (Cont'd)

The Group and the Company have lease contracts for buildings and renovation, motor vehicles and plant and equipment used in their operations. Their lease terms are as below:-

	2022	2021
	Number of years	
The Group		
Buildings and renovation	**3 - 5**	1 - 3
Motor vehicle	**5**	5
Plant and equipment	**5**	5

	2022	2021
	Number of years	
The Company		
Buildings and renovation	**3 - 5**	1 - 3
Motor vehicle	**5**	5

Details of the terms and conditions of the lease arrangements are disclosed in Note 18.

Lease motor vehicles and plant and equipment are pledged as security for the related lease liabilities as set in Note 18.

6. INTANGIBLE ASSETS

	At 1.1.2022 RM	Amortisation Charges RM	At 31.12.2022 RM
The Group			
Carrying Amount			
Quarry	**4,770,161**	**(497,756)**	**4,272,405**

	At 1.1.2021 RM	Amortisation Charges RM	At 31.12.2021 RM
The Group			
Carrying Amount			
Quarry	5,267,917	(497,756)	4,770,161

6. INTANGIBLE ASSETS (Cont'd)

	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
The Group			
31.12.2022			
Quarry	**5,765,673**	**(1,493,268)**	**4,272,405**

	At Cost RM	Accumulated Impairment RM	Carrying Amount RM
The Group			
31.12.2021			
Quarry	5,765,673	(995,512)	4,770,161

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

7. INVESTMENT IN SUBSIDIARIES

	The Company	
	2022 RM	2021 RM
Unquoted shares, at cost:		
- in Malaysia	**38,279,944**	34,849,944
Less: Accumulated impairment losses	**(802,778)**	(802,778)
	37,477,166	34,047,166

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	Principal Activities
Subsidiaries of the Company				
Foso One Sdn. Bhd.	Malaysia	**100**	100	Construction
Ibraco Quarry Sdn. Bhd.	Malaysia	**100**	100	Housing and Property Development, Quarry Operations

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2022 %	2021 %	Principal Activities
Subsidiaries of the Company				
Ibraco Construction Sdn. Bhd.	Malaysia	**100**	100	Construction
Ibraco HGS Sdn. Bhd.	Malaysia	**70**	70	Property Development and Construction
Ibraco Pelita Sdn. Bhd.	Malaysia	**75**	75	Property Development and Construction
Ibraco Plantation Sdn. Bhd.	Malaysia	**100**	100	Plantation and Investment Holdings
Ibraco Spectrum Sdn. Bhd.	Malaysia	**100**	100	Landscaping and Trading of Building Materials and Related Products
Ibraco Infinity Sdn. Bhd.	Malaysia	**100**	100	Property Management Services
Syarikat Ibraco-Peremba Sdn. Bhd.	Malaysia	**100**	100	Land and Property Development
Ibraco Ascent Sdn. Bhd.	Malaysia	**100**	100	Manufacturing of Pipes and Construction Material
NewUrban Sdn. Bhd.	Malaysia	**100**	100	Property Development and Construction
Sekitar Gemilang Sdn. Bhd.	Malaysia	**70**	70	Quarry Operation
Subsidiary of Ibraco HGS Sdn. Bhd.				
Warisar Sdn. Bhd.	Malaysia	**80**	80	Property Development and Construction
Subsidiaries of Ibraco Construction Sdn. Bhd.				
Ibraco Construction Polybuilding Construction JV Sdn. Bhd.	Malaysia	**70**	70	Construction
Dynaciate Engineering Ibraco Construction JV Sdn. Bhd.	Malaysia	**70**	70	Construction
Ibraco KPP Concrete Sdn. Bhd.	Malaysia	**70**	-	Operate and Sales of Ready-Mix Concrete

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(a) Acquisition of additional interest

On 30 May 2022, the Company subscribed for additional 4,900,000 ordinary shares in Sekitar Gemilang Sdn. Bhd. at an issue price of RM1 each for a total cash consideration of RM4,900,000. There is no change in the Company's effective ownership as results of the additional shares purchased.

On 3 June 2022, the Company donated 1,470,000 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 license 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 RM1,470,000.

(b) Incorporation of new subsidiary

On 16 December 2022, Ibraco Construction Sdn. Bhd., a subsidiary of the Company, incorporated a new subsidiary, Ibraco KPP Concrete Sdn Bhd ("IKPPSB") of which it subscribed 70% equity interest for RM70,000, settled in cash.

(c) The non-controlling interest at the end of the reporting period comprise the followings:-

	Effective Equity Interest		The Group	
	2022 %	2021 %	2022 RM	2021 RM
Ibraco HGS Sdn. Bhd.	**70**	70	**687,460**	345,910

(d) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Ibraco HGS Sdn. Bhd. and its subsidiary	
	2022 RM	2021 RM
At 31 December		
Non-current assets	**2,006,967**	2,409,767
Current assets	**66,680,859**	69,792,691
Non-current liabilities	**(1,503,200)**	(1,813,900)
Current liabilities	**(43,543,572)**	(43,924,575)
Net assets	**23,641,054**	26,463,983
Financial Year Ended 31 December		
Revenue	**11,298,104**	6,778,416
Profit for the financial year	**1,577,071**	851,777
Total comprehensive income	**1,577,071**	851,777
Total comprehensive income attributable to non-controlling interests	**9,185,478**	10,098,019
Dividends paid to non-controlling interests	**(1,600,000)**	-

7. INVESTMENT IN SUBSIDIARIES (Cont'd)

(d) The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows (Cont'd):-

	Ibraco HGS Sdn. Bhd. and its subsidiary 2022 RM	2021 RM
Net cash flows from operating activities	**4,690,504**	21,159,195
Net cash flows for investing activities	**4,157**	2,940
Net cash flows for financing activities	**(4,400,000)**	(21,000,000)

8. INVESTMENT IN AN ASSOCIATE

	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Unquoted shares, at cost:				
- Ordinary shares	**490,000**	490,000	**490,000**	490,000
- Redeemable non-cumulative preference shares	**5,635,000**	4,655,000	**5,635,000**	4,655,000
	6,125,000	5,145,000	**6,125,000**	5,145,000
Share of post-acquisition deficit	**(3,710,536)**	(3,313,861)	**-**	-
	2,414,464	1,831,139	**6,125,000**	5,145,000

The details of the associate are as follows:-

Name of Associate	Principal Place of Business	Percentage of Ownership 2022 %	Percentage of Ownership 2021 %	Principal Activities
Ibraco HELP Education Sdn. Bhd.	Malaysia	**49**	49	Education services

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 RM980,000, settled in cash.

In the previous financial year, the Company subscribed for 980,000 new redeemable preference shares at RM1 each in Ibraco HELP Education Sdn. Bhd. amounting RM980,000, settled in cash.

8. INVESTMENT IN AN ASSOCIATE (Cont'd)

The summarised financial information (after any fair value adjustment at acquisition date) for the associate is as follows:-

	Ibraco HELP Education Sdn. Bhd. (Economic entity) 2022 RM	2021 RM
At 31 December		
Current assets	**4,867,050**	3,746,120
Current liabilities	**(15,074)**	(9,100)
Net assets	**4,851,976**	3,737,020
Financial Year Ended 31 December		
Revenue	**-**	-
Loss for the financial year	**(885,044)**	(1,901,119)
Total comprehensive loss	**(885,044)**	(1,901,119)
Reconcilation of Net Assets to Carrying Amount		
Group's share of net assets	**2,414,464**	1,831,139

9. INVESTMENT IN A JOINTLY-CONTROLLED ENTITY

	The Group/Company 2022 RM	2021 RM
Unquoted shares, at cost	**300,000**	300,000

The details of the jointly–controlled entity is as follows:-

Name of Jointly-Controlled Entity	Principal Place of Business	Percentage of Ownership 2022 %	2021 %	Principal Activities
NorthBank Specialist Hospital Sdn. Bhd.	Malaysia	**50**	50	Intended for health care services

In the previous financial 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.

10. INVENTORIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
At cost:-				
Land held for property development	**51,439,772**	44,145,121	**50,799,014**	43,504,363
Current				
At cost:-				
Property development costs	**265,144,090**	193,223,889	**237,059,626**	168,759,669
Completed properties held for sale	**86,433,368**	111,085,717	**79,848,713**	98,504,928
	351,577,458	304,309,606	**316,908,339**	267,264,597
Total inventories	**403,017,230**	348,454,727	**367,707,353**	310,768,960

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.

Land held for property development

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At cost:				
At 1 January	**44,145,121**	45,133,467	**43,504,363**	42,643,363
Additions	**7,294,651**	861,000	**7,294,651**	861,000
Disposal	**-**	(1,849,346)	**-**	-
At 31 December	**51,439,772**	44,145,121	**50,799,014**	43,504,363
Represented by:-				
Right-of-use assets - Leasehold land	**12,709,905**	12,709,905	**11,293,119**	11,293,119
Freehold land	**16,351,051**	16,351,051	**15,874,651**	15,874,651
Property development cost	**22,378,816**	15,084,165	**23,631,244**	16,336,593
	51,439,772	44,145,121	**50,799,014**	43,504,363

The Group and the Company have freehold and leasehold land with aggregate carrying values of RM27,056,062 (2021 – RM27,056,062) and RM21,408,670 (2021- RM21,408,670) respectively, which are pledged as security for loans and borrowings as disclosed in Note 18.

Property development costs

Freehold and leasehold land of the Group and the Company classified under property development costs with aggregate carrying values of RM36,172,246 (2021 – RM98,302,246) and RM36,172,246 (2021 – RM98,302,246) are pledged as security for loans and borrowings as disclosed in Note 18.

11. INVESTMENT PROPERTIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Carrying amount				
At 1 January	**118,300,000**	114,300,000	**118,300,000**	114,300,000
Transfer from investment property under construction	**-**	3,744,364	**-**	3,979,335
Fair value gain (Note 24)	**4,000,000**	255,636	**4,000,000**	20,665
At 31 December	**122,300,000**	118,300,000	**122,300,000**	118,300,000
Fair value of investment properties	**122,300,000**	118,300,000	**122,300,000**	118,300,000

(a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods ranging from 1 to 13 (2021 – 1 to 14) years and an option that is exercisable by the customers to extend their leases. Certain leases are with lease payments indexed to the customer price index.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group/Company	
	2022 RM	2021 RM
Not later than 1 year	**7,821,672**	7,575,444
Later than 1 year but not later than 5 years	**30,652,751**	29,239,176
Later than 5 years	**36,588,218**	43,379,050
	75,062,641	80,193,670

(b) The investment property with carrying amount of RM118,500,000 (2021: RM114,700,000) is pledged as security for loans and borrowings as disclosed in Note 18.

(c) The fair value of the investment properties have been determined based on valuations performed by independent professional valuers at the end of the reporting 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. There has been no change to the valuation technique during the financial year.

The investment properties are classified as Level 3 in the fair value hierarchy (Note 34).

There were no transfers between level 1 and level 2 during the financial year.

The fair value measurements of the investment properties are based on the highest and best use which does not differ from their actual use.

(d) The income received and related maintenance costs from the above completed investments properties are disclosed in Note 21 and Note 22, respectively.

11. INVESTMENT PROPERTIES (Cont'd)

(e) The level 3 fair value of the building has been determined using a discounted cash flow approach performed by independent professional valuers based on the following significant unobservable inputs:-

Significant unobservable inputs		Relationship of Unobservable Inputs to Fair Value
(a) Future rental cash inflows with monthly rental ranging from RM15,225 to RM407,000 (2021 – RM20,964 to RM407,000)	Based on the location, type and quality of the property and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar property.	The higher the rental income, the higher the fair value. If expected cash flows were 5% (2021 - 5%) higher or lower, the fair value would increase/ decrease by RM6.2 million (2021 – RM2.4 million).
(b) Discount rate of 5% to 6.75% (2021 - 5% to 6%)	Reflects current market assessments of the uncertainty in the amount and timing of cash flows.	The higher the discount rate, the lower the fair value. A change in the discount rate by 2.5% (2021 – 2.5%) would increase/decrease the fair value by RM3.7 million (2021 – RM4.1 million).

(f) Investment property under construction

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	-	2,095,980	-	2,194,380
Additions	-	1,648,384	-	1,784,955
Transfer to completed investment properties	-	(3,744,364)	-	(3,979,335)
At 31 December	-	-	-	-

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.

(g) 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%. The borrowing costs capitalised as cost of investment property under construction for the Company was RM71,697 in 2021.

12. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Trade receivables				
Third parties	**22,392,998**	37,484,039	**14,964,840**	31,396,574
Less: Allowance for expected credit losses - third parties	**(640,158)**	(657,913)	**-**	-
Trade receivables, net	**21,752,840**	36,826,126	**14,964,840**	31,396,574
Other receivables				
Third parties (Note (c)(iii))	**14,657,919**	11,734,437	**10,634,653**	10,131,792
Deposits	**3,658,140**	3,618,347	**2,655,600**	2,617,951
Amount due from subsidiaries	**-**	-	**57,555,549**	49,470,533
	18,316,059	15,352,784	**70,845,802**	62,220,276
Less: Allowance for expected credit losses - third parties	**(106,071)**	(106,071)	**-**	-
Other receivables, net	**18,209,988**	15,246,713	**70,845,802**	62,220,276
Total trade and other receivables (current)	**39,962,828**	52,072,839	**85,810,642**	93,616,850
Non-current				
Trade receivables				
Third parties	**1,535,863**	-	**-**	-
Other receivables				
Third parties (Note (c)(iii))	**-**	8,246,474	**-**	8,071,772
Amount due from a subsidiary	**-**	-	**5,066,070**	5,066,070
	-	8,246,474	**5,066,070**	13,137,842
Less: Allowance for expected credit losses - amount due from a subsidiary	**-**	-	**(5,066,070)**	(5,066,070)
Total trade and other receivables (non-current)	**1,535,863**	8,246,474	**-**	8,071,772
Total trade and other receivables (current and non-current)	**41,498,691**	60,319,313	**85,810,642**	101,688,622

12. TRADE AND OTHER RECEIVABLES (Cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 30 days (2021 - 14 to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group are retention sums totaling RM2,767,614 (2021 - RM869,738).

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.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	The Group	
	2022 RM	2021 RM
Movement in expected credit losses account		
At 1 January	**657,913**	766,935
Allowance for expected credit losses on trade receivables (Note 24)	**66,858**	-
Reversal of allowance for expected credit losses (Note 24)	**(84,613)**	(109,022)
At 31 December	**640,158**	657,913

(b) Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, bore interest at 4.28% (2021 - 3.85%) per annum and are repayable on demand.

Non-current amount due from a subsidiary is unsecured and bore interest at 4.28% (2021 - 3.85%) per annum and repayable on demand.

Set out below is the movement in the allowance for expected credit losses of a non-current amount due from a subsidiary:

	The Company	
	2022 RM	2021 RM
Movement in expected credit losses account		
At 1 January	**5,066,070**	-
Allowance for expected credit losses on amount due from a subsidiary (Note 24)	**-**	5,066,070
At 31 December	**5,066,070**	5,066,070

12. TRADE AND OTHER RECEIVABLES (Cont'd)

(c) Other receivables

(i) Other receivables are non-interest bearing and are generally on 30 days (2021 - 30 days) terms.

(ii) At the reporting date, the Group has provided an allowance for expected credit loss of RM106,071 (2021 - RM106,071) for the amount due from third parties with nominal amount of RM106,071 (2021 - 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 RM 9,024,318 (2021 – RM8,071,772) and Nil (2021 – RM8,071,772) respectively. These amounts, totalling RM9,024,318 (2021 – RM16,143,554), 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 have been released by the solicitor during the financial year and the final 50% will be released by the solicitor in the year 2023.

13. DEFERRED TAXATION

	At 1.1.2022 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2022 RM
The Group			
2022			
Deferred Tax Liabilities			
Investment properties	**616,862**	**960,000**	**1,576,862**
Property, plant and equipment	**3,052,214**	**(33,499)**	**3,018,715**
Rent receivable	**1,050,030**	**563,257**	**1,613,287**
	4,719,106	**1,489,758**	**6,208,864**
Deferred Tax Assets			
Property development cost	**(6,512,843)**	**774,114**	**(5,738,729)**
Provisions for expenses	**(8,021,645)**	**52,448**	**(7,969,197)**
Staff leave balance	**(102,854)**	**(20,114)**	**(122,968)**
Unabsorbed capital allowances	**(538,509)**	**86,468**	**(452,041)**
Unused tax losses	**(508,537)**	**(1,064)**	**(509,601)**
	(15,684,388)	**891,852**	**(14,792,536)**
	(10,965,282)	**2,381,610**	**(8,583,672)**

13. DEFERRED TAXATION (Cont'd)

	At 1.1.2021 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2021 RM
The Group			
2021			
Deferred Tax Liabilities			
Contract costs	749,927	(749,927)	-
Investment properties	813,891	(197,029)	616,862
Property, plant and equipment	983,967	2,068,247	3,052,214
Rent receivable	552,020	498,010	1,050,030
	3,099,805	1,619,301	4,719,106
Deferred Tax Assets			
Property development cost	(5,604,365)	(908,478)	(6,512,843)
Provisions for expenses	(6,436,187)	(1,585,458)	(8,021,645)
Staff leave balance	(68,175)	(34,679)	(102,854)
Unabsorbed capital allowances	(827,519)	289,010	(538,509)
Unused tax losses	(503,875)	(4,662)	(508,537)
	(13,440,121)	(2,244,267)	(15,684,388)
	(10,340,316)	(624,966)	(10,965,282)

	At 1.1.2022 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2022 RM
The Company			
2022			
Deferred Tax Liabilities			
Investment properties	**804,191**	**960,000**	**1,764,191**
Property, plant and equipment	**2,306,231**	**(193,972)**	**2,112,259**
Rent receivable	**1,050,030**	**563,257**	**1,613,287**
	4,160,452	**1,329,285**	**5,489,737**
Deferred Tax Assets			
Property development cost	**(3,644,049)**	**690,905**	**(2,953,144)**
Provisions for expenses	**(5,528,856)**	**(343,738)**	**(5,872,594)**
Staff leave balance	**(100,883)**	**(19,552)**	**(120,435)**
	(9,273,788)	**327,615**	**(8,946,173)**
	(5,113,336)	**1,656,900**	**(3,456,436)**

13. DEFERRED TAXATION (Cont'd)

	At 1.1.2021 RM	Recognised in Profit or Loss (Note 27) RM	At 31.12.2021 RM
The Company			
2021			
Deferred Tax Liabilities			
Investment properties	773,891	30,300	804,191
Property, plant and equipment	496,702	1,809,529	2,306,231
Rent receivable	522,020	528,010	1,050,030
	1,792,613	2,367,839	4,160,452
Deferred Tax Assets			
Property development cost	(2,960,259)	(683,790)	(3,644,049)
Provisions for expenses	(5,436,915)	(91,941)	(5,528,856)
Staff leave balance	(68,175)	(32,708)	(100,883)
	(8,465,349)	(808,439)	(9,273,788)
	(6,672,736)	1,559,400	(5,113,336)

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realization are as follows:-

	The Group	
	2022 RM	2021 RM
Unused tax losses:		
--> expires year of assessment 2028	**755,646**	755,646
--> expires year of assessment 2029	**60,696**	60,696
--> expires year of assessment 2030	**42,920**	42,920
--> expires year of assessment 2031	**144,539**	145,817
--> expires year of assessment 2032	**546,127**	-
Unabsorbed capital allowances	**1,934,278**	2,365,909
	3,484,206	3,370,988

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

14. OTHER CURRENT ASSETS

	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
Prepayments (a)	**3,748,586**	41,869,124	**1,332,519**	41,476,070
Tax recoverable	**3,207,361**	2,353,137	**-**	-
Contract assets - property under construction (b)	**37,778,330**	36,003,059	**33,967,906**	34,423,560
Contract assets - construction contracts (c)	**22,141,912**	21,620,588	**-**	-
Rent receivable	**6,722,026**	4,375,123	**6,722,026**	4,375,123
Cost to obtain a contract (d)	**3,121,532**	3,183,568	**3,121,532**	3,183,568
	76,719,747	109,404,599	**45,143,983**	83,458,321

(a) Prepayment

Included in the Group's and the Company's prepayment is an amount of Nil (2021 - RM41,000,000) paid in respect of a development agreement entered into by the Group and Company during the previous financial year.

(b) Contract assets - property under construction

	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
At 1 January	**36,003,059**	98,774,563	**34,423,560**	96,715,074
Revenue recognised during the year	**152,942,403**	119,375,630	**141,510,505**	119,375,630
Progress billings during the year	**(151,167,132)**	(182,147,134)	**(141,966,159)**	(181,667,144)
At 31 December	**37,778,330**	36,003,059	**33,967,906**	34,423,560

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.

(c) Contract assets – construction contracts

	The Group 2022 RM	The Group 2021 RM	The Company 2022 RM	The Company 2021 RM
At 1 January	**21,620,588**	293,194,840	**-**	-
Revenue recognised during the year	**45,312,416**	37,679,838	**-**	-
Progress billings during the year	**(44,791,092)**	(309,254,090)	**-**	-
At 31 December	**22,141,912**	21,620,588	**-**	-

14. OTHER CURRENT ASSETS (Cont'd)

(c) Contract assets – construction contracts (Cont'd)

Contract assets – construction contracts 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:

	The Group	
	2022 RM	2021 RM
Depreciation of property, plant and equipment	**1,296,969**	1,092,631
Hire purchase interest	**33,742**	15,321
Employee benefit expense	**1,150,644**	1,286,435

(d) Cost to obtain a contract

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**3,183,568**	3,573,205	**3,183,568**	3,573,205
Additions	**3,396,725**	6,932,786	**3,396,725**	6,932,786
Amortisation	**(3,458,761)**	(7,322,423)	**(3,458,761)**	(7,322,423)
At 31 December	**3,121,532**	3,183,568	**3,121,532**	3,183,568

Cost to obtain a contract primarily comprises of incremental commission fees paid to intermediaries in order to obtain contracts.

15. FIXED DEPOSITS WITH LICENSED BANKS

(a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 1.32% to 2.55% (2021 – 1.45% to 2.49%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2021 – 1 to 12) months.

(b) Included in the fixed deposits with licensed banks of the Group and the Company at the end of the reporting period was a total amount of RM392,901 (2021 – RM388,993) which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Note 18.

16. CASH AND BANK BALANCES

(a) Included in cash at banks of the Group and the Company are amounts of RM20,570,247 (2021 - RM13,743,607) and RM 20,186,086 (2021 - RM13,372,455) respectively held pursuant to Section 12 of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.

(b) Included in cash at banks of the Group and the Company are amounts of RM611,453 (2021 - RM598,011) held pursuant to Section 7A of the Housing Development (Control and Licensing) Ordinance, 2013 and are restricted from use in other operations.

17. SHARE CAPITAL

	The Group/The Company			
	2022	2021	2022	2021
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	**546,046,217**	496,405,652	**271,831,735**	248,202,826
Issuance of ordinary shares	**-**	49,640,565	**-**	23,628,909
At 31 December	**546,046,217**	546,046,217	**271,831,735**	271,831,735

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) In the previous 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 shares pursuant to the general mandate from shareholders under Section 76, Companies Act 2016 for purposes of financing existing property development projects and for working capital.

18. LOANS AND BORROWINGS

		The Group		The Company	
	Maturity	2022 RM	2021 RM	2022 RM	2021 RM
Short-term borrowings:-					
Secured:					
Hire purchase payables	2023	**493,950**	1,591,831	**111,187**	46,272
Lease liabilities	2023	**321,563**	257,212	**206,609**	161,953
Revolving credits	2023	**113,600,000**	95,906,982	**66,600,000**	61,900,000
Bank loans:					
- RM loan at CFR(1) +2.00%	2023	**2,952,250**	3,012,552	**2,952,250**	3,012,552
- RM loan at CFR +1.10%	2023	**2,339,216**	2,502,107	**2,339,216**	2,502,107
- RM loan at COF(2) +1.75%	2023	**3,437,500**	3,750,000	**3,437,500**	3,750,000
- RM loan at COF +2.00%	2023	**2,220,000**	2,040,000	**2,220,000**	2,040,000
- RM loan at ECOF(3) +1.85%	2023	**4,924,903**	4,924,903	**4,924,903**	4,924,903
- RM loan at ECOF(3) +1.85%	2023	**666,668**	-	**666,668**	-
- RM loan at BFR (4) -1.00%	2023	**1,966,128**	1,966,128	**-**	-
Total loans and borrowings (current)		**132,922,178**	115,951,715	**83,458,333**	78,337,787

(1) Effective Cost of Funds
(2) Cost of Funding Rate
(3) Cost of Funds
(4) Base Financing Rate

18. LOANS AND BORROWINGS (Cont'd)

		The Group		The Company	
	Maturity	2022 RM	2021 RM	2022 RM	2021 RM
Long-term borrowings:-					
Secured:					
Hire purchase payables	2024-2027	**1,542,284**	327,029	**452,926**	-
Lease liabilities	2024-2026	**435,866**	397,211	**376,425**	234,788
Bank loans:					
- RM loan at CFR(1) +2.00%	2024-2027	**13,575,770**	16,474,618	**13,575,770**	16,474,618
- RM loan at CFR +1.10%	2024-2029	**17,276,469**	19,546,933	**17,276,469**	19,546,933
- RM loan at COF(2) +1.75%	-	**-**	3,437,500	**-**	3,437,500
- RM loan at COF +2.00%	2024-2029	**15,044,051**	17,264,051	**15,044,051**	17,264,051
- RM loan at ECOF(3) +1.85%	2024-2029	**25,034,920**	29,959,823	**25,034,920**	29,959,823
- RM loan at ECOF(3) +1.85%	2024-2028	**3,667,979**	-	**3,667,979**	-
- RM loan at BFR (4) -1.00%	2024	**1,802,236**	3,768,365	**-**	-
Total loans and borrowings (non-current)		**78,379,575**	91,175,530	**75,428,540**	86,917,713
Total loans and borrowings (current and non-current)		**211,301,753**	207,127,245	**158,886,873**	165,255,500

(a) Hire purchase payables

The movement of hire purchase payables during the financial year is as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Minimum hire purchase payments				
- not later than 1 year	**603,601**	1,647,797	**133,440**	47,414
- later than 1 year and not later than 5 years	**1,716,060**	345,227	**489,280**	-
	2,319,661	1,993,024	**622,720**	47,414
Less: Future finance charges	**(283,427)**	(74,164)	**(58,607)**	(1,142)
Present value of hire purchase payables	**2,036,234**	1,918,860	**564,113**	46,272
Analysed by:-				
Current liabilities	**493,950**	1,591,831	**111,187**	46,272
Non-current liabilities	**1,542,284**	327,029	**452,926**	-
	2,036,234	1,918,860	**564,113**	46,272

18. LOANS AND BORROWINGS (Cont'd)

(a) Hire purchase payables (Cont'd)

(a) The hire purchase payables of the Group and of the Company are secured by the motor vehicle and plant and equipment under hire purchase as disclosed in Note 5(v) to the financial statements.

(b) The hire purchase payables of the Group and of the Company at the end of the reporting period bore interest rate of 2.10% to 3.68% and 2.24% (2021 - 2.10% to 3.68% and 2.18%) per annum. The interest rates are fixed at the inception of the hire purchase arrangements.

(b) Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 January	**654,423**	95,793	**396,741**	114,899
Addition (Note 5(ii))	**355,382**	747,368	**355,382**	461,011
Modification of lease	**2,803**	-	**1,553**	-
Interest expense recognised in profit or loss (Note 23)	**38,662**	16,104	**23,198**	16,672
Repayment of principal	**(255,179)**	(188,738)	**(170,642)**	(179,169)
Repayment of interest expense	**(38,662)**	(16,104)	**(23,198)**	(16,672)
At 31 December	**757,429**	654,423	**583,034**	396,741

The expenses relating to payments not included in the measurement of the hire purchase payables and lease liabilities are as follows:

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation of right-of-use assets	**1,908,888**	2,597,018	**306,865**	332,383
Interest expense recognised in profit or loss (Note 23)	**74,891**	175,248	**32,937**	22,073
Expenses relating to leases of low value assets (Note 24)	**-**	5,400	**4,000**	-
Expenses relating to short term leases (Note 24)	**9,600**	276,504	**-**	155,254

(c) Other borrowings

(i) Revolving credits

- RM98.7 million (2021 - RM85.9 million) is secured by a charge over the few parcels of land held for property development (Note 10), fixed deposits with licensed banks (Note 15), corporate office building (Note 5) and two of the investment properties (Note 11); and
- RM10.0 million (2021 - RM10.0 million) of the revolving credit is secured over a deed of assignment in respect of one of the Group's project contract proceeds.

18. LOANS AND BORROWINGS (Cont'd)

(c) Other borrowings (Cont'd)

(i) Revolving credits (Cont'd)

- During the year, interest was charged at rates ranging from 1% to 2% (2021 - 1% to 2%) per annum above the bankers' cost of funds.

(ii) Bank loans

- RM3.77 million (2021 - RM5.73 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 RM 91.1 million (2021: RM102.9 million) are secured by charges over the few parcels of land held for property development (Note 10), corporate office building (Note 5) and investment property (Note 11).
- Corporate guarantees were provided by the Company to banks on the subsidiaries' loans and borrowings amounting to RM250.6 million (2021 - RM156.9 million)

19. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Trade payables				
Third parties	**24,164,095**	38,783,969	**8,864,466**	12,179,902
Accruals	**52,177,684**	48,177,177	**46,267,291**	36,583,983
Amount due to subsidiaries	**-**	-	**82,534,440**	84,933,554
Retention sum on contracts payable within 1 year	**10,580,721**	12,793,364	**8,010,789**	7,117,394
	86,922,500	99,754,510	**145,676,986**	140,814,833
Other payables				
Sundry payables	**4,395,296**	1,490,655	**842,599**	866,138
Accruals	**7,566,820**	7,493,358	**6,080,540**	6,417,070
Deposits	**128,391**	89,101	**-**	-
Amount due to subsidiaries	**-**	-	**6,158,487**	5,873,064
	12,090,507	9,073,114	**13,081,626**	13,156,272
Total trade and other payables (current)	**99,013,007**	108,827,624	**158,758,612**	153,971,105

19. TRADE AND OTHER PAYABLES (Cont'd)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Trade payables				
Retention sum on contracts payable more than 1 year	**13,287,494**	9,999,683	**11,154,411**	8,020,097
Total trade and other payables (current and non-current)	**112,300,501**	118,827,307	**169,913,023**	161,991,202

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 days to 60 days (2021 - 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 (2021 - 30 days).

(c) Amounts due to subsidiaries

Amounts due to subsidiaries under other payables are unsecured, bore interest at 4.28% (2021 - 3.85%) per annum and are repayable on demand.

20. OTHER CURRENT LIABILITIES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Contract liabilities	**5,253,114**	6,228,969	**10,503,593**	12,656,819
The movement of contract liabilities are as follows:-				
At 1 January	**6,228,969**	990,400	**6,226,874**	923,675
Revenue recognised during the year	**(42,388,090)**	(60,899,642)	**(42,388,090)**	(54,035,235)
Progress billings during the year	**41,412,235**	66,138,211	**41,393,947**	59,338,434
	5,253,114	6,228,969	**5,232,731**	6,226,874
Amount due to a subsidiary	**-**	-	**5,270,862**	6,429,945
	5,253,114	6,228,969	**10,503,593**	12,656,819

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 (2021 – one to six months).

The Company's contract liabilities due to 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.

21. 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 RM	Property holding and management RM	Construction works RM	Quarry Operation RM	Total RM
The Group					
2022					
Type of goods and services					
Sales of properties under construction	**154,874,908**	**-**	**-**	**-**	**154,874,908**
Sales of completed properties and land	**40,455,584**	**-**	**-**	**-**	**40,455,584**
Construction revenue	**-**	**-**	**45,312,416**	**-**	**45,312,416**
Property management services	**-**	**714,708**	**-**	**-**	**714,708**
Quarry operations	**-**	**-**	**-**	**23,138,528**	**23,138,528**
Total revenue from contracts with customers	**195,330,492**	**714,708**	**45,312,416**	**23,138,528**	**264,496,144**
Rental income from investment properties	**-**	**7,676,582**	**-**	**-**	**7,676,582**
	195,330,492	**8,391,290**	**45,312,416**	**23,138,528**	**272,172,726**
Timing of revenue recognition					
Revenue recognised over time	**154,874,908**	**714,708**	**45,312,416**	**-**	**200,902,032**
Revenue recognised at a point in time	**40,455,584**	**-**	**-**	**23,138,528**	**63,594,112**
Total revenue from contracts with customers	**195,330,492**	**714,708**	**45,312,416**	**23,138,528**	**264,496,144**

21. REVENUE (Cont'd)

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

	Property development activities RM	Property holding and management RM	Construction works RM	Quarry Operation RM	Total RM
The Group					
2021					
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 services	-	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
Timing of revenue recognition					
Revenue recognised over time	151,090,465	692,122	62,585,512	-	214,368,099
Revenue recognised at a point in 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

21. REVENUE (Cont'd)

(b) Transaction prices allocated to the remaining performance obligation

	Property development activities RM	Construction works RM	Total RM
The Group			
2022			
Sale of properties under construction			
- within one year	**116,096,592**	**-**	**116,096,592**
- over one year	**22,153,572**	**-**	**22,153,572**
	138,250,164	**-**	**138,250,164**
Construction revenue			
- within one year	**-**	**22,821,879**	**22,821,879**
- over one year	**-**	**6,462,521**	**6,462,521**
	-	**29,284,400**	**29,284,400**
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

21. REVENUE (Cont'd)

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

	The Company	
	2022 RM	2021 RM
Type of goods and services		
Sales of properties under construction	**154,874,908**	151,090,465
Sales of completed properties and land	**29,023,686**	22,320,400
Total revenue from contracts with customers	**183,898,594**	173,410,865
Rental income from investment properties	**7,676,582**	7,510,360
Dividend income from subsidiaries	**2,800,000**	21,551,251
Total revenue	**194,375,176**	202,472,476
Timing of revenue recognition		
Revenue recognised over time	**154,874,908**	151,090,465
Revenue recognised at a point in time	**29,023,686**	22,320,400
	183,898,594	173,410,865

(d) Transaction prices allocated to the remaining performance obligation

	The Company	
	2022 RM	2021 RM
Sale of properties under construction		
- within one year	**116,096,592**	120,955,951
- over one year	**22,153,572**	45,733,725
	138,250,164	166,689,676

22. COST OF SALES

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Property development costs	**97,312,552**	91,600,857	**101,933,163**	93,363,910
Costs of completed properties sold and land	**26,289,602**	19,821,449	**20,206,746**	17,229,598
Construction costs	**41,597,038**	63,784,681	**-**	-
Investment properties maintenance costs	**261,204**	285,259	**261,204**	285,259
Property management costs	**6,328**	3,692	**-**	-
Quarry operation costs	**18,468,978**	18,221,170	**-**	-
	183,935,702	193,717,108	**122,401,113**	110,878,767

23. FINANCE COSTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on:-				
- Bank loans and bank overdraft	**9,325,606**	9,017,366	**7,340,056**	7,715,289
- Amount due to subsidiaries	**-**	-	**3,949,347**	3,902,410
- Hire purchase interest (Note 18(a))	**69,971**	174,465	**9,739**	5,401
- Lease liabilities interest (Note 18(b))	**38,662**	16,104	**23,198**	16,672
	9,434,239	9,207,935	**11,322,340**	11,639,772
Less: Interest expense capitalised in:				
- Property, plant and equipment (Note 5 (ii))	**(76,072)**	-	**(217,259)**	(67,543)
- Investment properties under construction	**-**	-	**-**	(71,697)
- Construction contracts	**(33,742)**	(15,321)	**-**	-
	9,324,425	9,192,614	**11,105,081**	11,500,532

24. PROFIT BEFORE TAXATION

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):-				
Allowances for expected credit losses on trade receivables (Note 12(a))	**66,858**	-	**-**	-
Allowances for expected credit losses on amount due from a subsidiary (Note 12(b))	**-**	-	**-**	5,066,070
Auditors' remuneration:				
- statutory audit				
- current financial year	**220,000**	212,500	**154,000**	135,000
- (over)/underprovision in the previous financial year	**(3,000)**	1,500	**(1,500)**	-
- other services	**10,000**	10,000	**10,000**	10,000
Amortisation of intangible assets (Note 6)	**497,756**	497,756	**-**	-
Bad debts written off	**345,727**	-	**345,727**	-
Depreciation of property, plant and equipment (Note 5)	**5,164,249**	6,035,273	**3,257,807**	3,289,380
Employee benefits expenses (Note 25)	**18,850,371**	14,740,860	**12,445,702**	10,108,684
Expenses relating to short term leases (Note 18(b))	**9,600**	276,504	**-**	155,254

24. PROFIT BEFORE TAXATION (Cont'd)

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):- (Cont'd)				
Expenses relating to low value assets (Note18(b))	**-**	5,400	**4,000**	-
Loss on disposal of shares in subsidiary donated to a charitable trust (Note 7(a))	**1,470,000**	1,314	**1,470,000**	30,000
Non-executive directors' remuneration	**648,100**	652,500	**567,700**	572,100
Property, plant and equipment written off	**-**	664	**-**	-
Dividend income from subsidiaries	**-**	-	**(2,800,000)**	(21,551,252)
Gain on disposal of property, plant and equipment	**(725,819)**	(19,999)	**(200,822)**	(19,999)
Fair value gain on investment properties (Note 11)	**(4,000,000)**	(255,636)	**(4,000,000)**	(20,665)
Interest income:				
- licensed banks	**(45,917)**	(15,515)	**(39,828)**	(12,114)
- others	**(520,374)**	(304,264)	**(2,803,830)**	(2,326,209)
Rental income	**(438,895)**	(516,683)	**-**	(66,000)
Reversal of accruals of project costs	**-**	(1,246,105)	**-**	(1,246,105)
Reversal of allowance for expected credit losses (Note 12(a))	**(84,613)**	(109,022)	**-**	-

25. EMPLOYEE BENEFITS EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages and salaries	**17,766,851**	14,140,903	**11,033,775**	8,916,004
Contribution to defined contribution plan	**2,035,696**	1,713,872	**1,301,685**	1,092,708
Social security contributions	**198,468**	172,520	**110,242**	99,972
	20,001,015	16,027,295	**12,445,702**	10,108,684
Less: Employee benefits capitalised in constuction costs (Note 14(c))	**(1,150,644)**	(1,286,435)	**-**	-
	18,850,371	14,740,860	**12,445,702**	10,108,684

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM1,839,840 (2021 – RM1,097,376) as furthered disclosed in Note 26.

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive directors:-				
Fees	**36,000**	36,000	**-**	-
Salaries and other emoluments	**1,839,840**	1,097,376	**1,839,840**	1,097,376
	1,875,840	1,133,376	**1,839,840**	1,097,376
Non-executive directors:-				
Fees and other emoluments	**567,700**	572,100	**567,700**	572,100
Total director's remuneration	**2,443,540**	1,705,476	**2,407,540**	1,669,476
Estimated money value of benefits-in-kind	**50,145**	56,734	**50,145**	56,734
Total Company directors' remuneration including benefits-in kind	**2,493,685**	1,762,210	**2,457,685**	1,726,210
Other Directors				
Non-executive directors:-				
Fees and other emoluments	**80,400**	80,400	**-**	-
Total Group directors'remuneration	**2,574,085**	1,842,610	**2,457,685**	1,726,210
Other Key Management Personnel				
Short-term employee benefits	**2,552,745**	2,233,465	**2,552,745**	2,233,465
Defined contribution benefits	**207,823**	183,867	**207,823**	183,867
Other short-term benefits	**5,217**	4,736	**5,217**	4,736
Benefits-in-kind	**56,873**	68,221	**56,873**	68,221
	2,822,658	2,490,289	**2,822,658**	2,490,289

27. INCOME TAX EXPENSE

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Income tax:				
- Current year provision	**10,515,100**	11,451,900	**8,754,700**	7,842,600
- Overprovision in the previous financial year	**(465,416)**	(1,980,672)	**(413,263)**	(1,129,638)
	10,049,684	9,471,228	**8,341,437**	6,712,962
Deferred taxation:				
- Origination and reversal of temporary differences	**2,474,698**	(2,508,176)	**1,635,700**	505,400
- (Over)/underprovision in the previous financial year	**(93,088)**	1,883,210	**21,200**	1,054,000
	2,381,610	(624,966)	**1,656,900**	1,559,400
	12,431,294	8,846,262	**9,998,337**	8,272,362

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation	**43,524,963**	32,579,122	**38,496,520**	49,405,453
Tax at the statutory tax rate of 24% (2021 - 24%)	**10,445,991**	7,818,989	**9,239,165**	11,857,309
Tax effects of:-				
Non-taxable income	**(65,086)**	(303,408)	**(672,000)**	(5,475,686)
Non-deductible expenses	**2,328,968**	1,226,415	**1,823,235**	1,966,377
Deferred tax assets not recognised during the financial year	**184,723**	25,195	**-**	-
Share of results in associate	**95,202**	223,572	**-**	-
Utilisation of deferred tax assets previously not recognised	**-**	(47,039)	**-**	-
(Over)/underprovision in the previous financial year:				
- income tax	**(465,416)**	(1,980,672)	**(413,263)**	(1,129,638)
- deferred tax	**(93,088)**	1,883,210	**21,200**	1,054,000
Income tax expense for the financial year	**12,431,294**	8,846,262	**9,998,337**	8,272,362

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

28. EARNINGS PER SHARE

Basic earning per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2022	2021
Profit attributable to owners of the Company (RM)	**30,410,422**	23,487,168
Weighted average number of ordinary shares at 31 December	**546,046,217**	507,285,776
Basic profit per ordinary share (Sen)	**6.00**	5.00

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

29. DIVIDENDS

	The Company	
	2022 RM	2021 RM
Interim single dividend of 2.00 (2021 - 2.00) sen per ordinary shares in respect of the financial year ended 31.12.2021/31.12.2020	**10,920,924**	9,928,113

30. CASH FLOW INFORMATION

(a) The reconciliations of liabilities arising from financing activities are as follows:-

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Group					
2022					
At 1 January	**1,918,860**	**95,906,982**	**654,423**	**108,646,980**	**207,127,245**
Changes in Financing Cash Flows					
Proceeds from drawndown	**-**	**29,993,018**	**-**	**4,334,647**	**34,327,665**
Repayment of borrowing principal	**(1,643,626)**	**(12,300,000)**	**(255,179)**	**(18,073,537)**	**(32,272,342)**
Repayment of borrowing interest (Note 23)	**(69,971)**	**(4,877,744)**	**(38,662)**	**(4,447,862)**	**(9,434,239)**
	(1,713,597)	**12,815,274**	**(293,841)**	**(18,186,752)**	**(7,378,916)**

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Group					
2022					
Other Changes					
Acquisition of new leases (Note 5(ii))	**1,761,000**	**-**	**355,382**	**-**	**2,116,382**
Modification of leases (Note 5(ii))	**-**	**-**	**2,803**	**-**	**2,803**
Interest expense recognised in profit or loss (Note 23)	**36,229**	**4,877,744**	**38,662**	**4,371,790**	**9,324,425**
Borrowing cost capitalised	**33,742**	**-**	**-**	**76,072**	**109,814**
	1,830,971	**4,877,744**	**396,847**	**4,447,862**	**11,553,424**
At 31 December	**2,036,234**	**113,600,000**	**757,429**	**94,908,090**	**211,301,753**

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Collatarised borrowings RM	Total RM
The Group						
2021						
At 1 January	4,076,050	102,576,583	95,793	132,804,632	3,013,435	242,566,493
Changes in Financing Cash Flows						
Proceeds from drawndown	-	46,006,982	-	15,339,732	-	61,346,714
Repayment of borrowing principal	(2,279,190)	(52,676,583)	(188,738)	(39,497,384)	(3,013,435)	(97,655,330)
Repayment of borrowing interest (Note 23)	(174,465)	(4,094,370)	(16,104)	(4,922,996)	-	(9,207,935)
	(2,453,655)	(10,763,971)	(204,842)	(29,080,648)	(3,013,435)	(45,516,551)
Other Changes						
Acquisition of new leases (Note 5(ii))	122,000	-	747,368	-	-	869,368
Interest expense recognised in profit or loss (Note 23)	159,144	4,094,370	16,104	4,922,996	-	9,192,614
Borrowing cost capitalised	15,321	-	-	-	-	15,321
	296,465	4,094,370	763,472	4,922,996	-	10,077,303
At 31 December	1,918,860	95,906,982	654,423	108,646,980	-	207,127,245

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Company					
2022					
At 1 January	**46,272**	**61,900,000**	**396,741**	**102,912,487**	**165,255,500**
Changes in Financing Cash Flows					
Proceeds from drawndown	**-**	**17,000,000**	**-**	**4,334,647**	**21,334,647**
Repayment of borrowing principal	**(82,159)**	**(12,300,000)**	**(170,642)**	**(16,107,408)**	**(28,660,209)**
Repayment of borrowing interest (Note 23)	**(9,739)**	**(3,114,301)**	**(23,198)**	**(4,225,755)**	**(7,372,993)**
	(91,898)	**1,585,699**	**(193,840)**	**(15,998,516)**	**(14,698,555)**
Other Changes					
Acquisition of new leases (Note 5(ii))	**600,000**	**-**	**355,382**	**-**	**955,382**
Modification of leases (Note 5(ii))	**-**	**-**	**1,553**	**-**	**1,553**
Interest expense recognised in profit or loss (Note 23)	**9,739**	**3,114,301**	**23,198**	**4,149,683**	**7,296,921**
Borrowing cost capitalised	**-**	**-**	**-**	**76,072**	**76,072**
	609,739	**3,114,301**	**380,133**	**4,225,755**	**8,329,928**
At 31 December	**564,113**	**66,600,000**	**583,034**	**91,139,726**	**158,886,873**

30. CASH FLOW INFORMATION (Cont'd)

(a) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Hire Purchase Payables RM	Revolving Credits RM	Lease Liabilities RM	Bank Loans RM	Total RM
The Company					
2021					
At 1 January	171,473	83,150,000	114,899	125,104,011	208,540,383
Changes in Financing Cash Flows					
Proceeds from drawndown	-	22,000,000	-	15,339,732	37,339,732
Repayment of borrowing principal	(125,201)	(43,250,000)	(179,169)	(37,531,256)	(81,085,626)
Repayment of borrowing interest (Note 23)	(5,401)	(3,085,519)	(16,672)	(4,629,770)	(7,737,362)
	(130,602)	(24,335,519)	(195,841)	(26,821,294)	(51,483,256)
Other Changes					
Acquisition of new leases (Note 5(ii))	-	-	461,011	-	461,011
Interest expense recognised in profit or loss (Note 23)	5,401	3,085,519	16,672	4,629,770	7,737,362
	5,401	3,085,519	477,683	4,629,770	8,198,373
At 31 December	46,272	61,900,000	396,741	102,912,487	165,255,500

(b) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed deposits with licensed banks	**8,742,290**	8,501,255	**8,641,408**	8,501,255
Cash and bank balances	**51,843,615**	50,494,335	**34,790,812**	33,822,669
	60,585,905	58,995,590	**43,432,220**	42,323,924
Less: Fixed deposits pledged to licensed banks	**(6,608,550)**	(6,497,910)	**(6,608,550)**	(6,497,910)
Cash at bank pledged for borrowings	**(392,901)**	(388,993)	**(392,901)**	(388,993)
Cash and cash equivalents	**53,584,454**	52,108,687	**36,430,769**	35,437,021

31. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, companies connected to directors of the Group, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the 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:

		The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
(i)	Progress billings issued to Liu Tow Hua for townhouse at NorthBank Alyvia	**478,125**	-	**478,125**	-
(ii)	Progress billings issued to Liu Sze Wei [1] for townhouse at NorthBank Alyvia	**509,375**	-	**509,375**	-
(iii)	Purchase of vacant land: Heng Say Properties (Sarawak) Sdn. Bhd. [2]	**7,224,000**	-	**-**	-
(iv)	Rental expense of office building: Hiap Ghee Seng Sdn. Bhd. [3]	**147,840**	147,840	**147,840**	147,840
(v)	Progress billings issued to Sharifah Deborah Sophia Ibrahim for:-				
	- apartment suite at ContiNew, Kuala Lumpur	**-**	240,757	**-**	240,757
	- townhouse at NorthBank Alyvia	**-**	616,500	**-**	616,500
(vi)	Progress billings issued to Ng Kee Tiong for apartment suite at ContiNew, Kuala Lumpur	**-**	478,050	**-**	478,050
(vii)	Progress billings issued to Ng Cheng Chuan for apartment suite at ContiNew, Kuala Lumpur	**-**	326,037	**-**	326,037
(viii)	Progress billings issued to Liu Sze Leh [4] for apartment suite at ContiNew, Kuala Lumpur	**-**	195,156	**-**	195,156

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (Cont'd)

(a) Transactions with directors and/or companies in which certain directors and their close family members have substantial financial interest: (Cont'd)

		The Group		The Company	
		2022 RM	2021 RM	2022 RM	2021 RM
(ix)	Progress billings issued to Global Makna Sdn. Bhd.[5] for apartment suite at ContiNew, Kuala Lumpur	-	809,247	-	809,247
(x)	Quarry contractor fees paid and payable to Ho Bee Contractor & Engineering Sdn. Bhd.[6]	-	4,916,488	-	-

(1) Liu Sze Wei ("LSW")

LSW is a person connected to Liu Tow Hua ("LTH"), a director of the Company.

(2) Heng Say Properties (Sarawak) Sdn. Bhd. ("HSPSB")

HSPSB is a company connected to Ng Cheng Chuan, who is also a director and major shareholder of HSPSB.

(3) 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.

(4) Liu Sze Leh ("LSL")

LSL is a person connected to Liu Tow Hua ("LTH"), a director of the Company.

(5) Global Makna Sdn. Bhd. ("GMSB")

GMSB is a company connected to Datuk Chew, who is also a director and major shareholder of GMSB.

(6) 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.

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.

31. RELATED PARTY DISCLOSURES (Cont'd)

(b) Significant Related Party Transactions and Balances (Cont'd)

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year: - (Cont'd)

(b) Transactions with subsidiaries

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

	The Company	
	2022 RM	2021 RM
Interest charged by subsidiaries:		
Foso One Sdn. Bhd.	**202,607**	173,393
Ibraco Construction Sdn. Bhd.	**3,187,469**	2,953,188
Ibraco HGS Sdn. Bhd.	**150,998**	399,604
Ibraco Plantation Sdn. Bhd.	**49,402**	43,587
Syarikat Ibraco-Peremba Sdn. Bhd	**358,872**	332,639
Interest charged to subsidiaries:		
Ibraco Ascent Sdn. Bhd.	**(141,467)**	-
Ibraco Construction Sdn. Bhd.	**(99,600)**	-
Ibraco Infinity Sdn. Bhd.	**(19,761)**	(18,482)
Ibraco Pelita Sdn. Bhd.	**-**	(187,814)
Ibraco Quarry Sdn. Bhd.	**(144,578)**	(132,184)
Ibraco Spectrum Sdn. Bhd.	**-**	(16,881)
NewUrban Sdn. Bhd.	**(310,738)**	(241,953)
Sekitar Gemilang Sdn. Bhd.	**-**	(5,743)
Warisar Sdn. Bhd.	**(1,661,458)**	(1,451,410)
Marketing fees charged to a subsidiary:		
Warisar Sdn. Bhd.	**(154,151)**	(82,250)
Subcontractor billings from subsidiaries:		
Ibraco Construction Sdn. Bhd.	**113,739,074**	58,849,256
Ibraco HGS Sdn. Bhd.	**1,026,589**	692,640

32. OPERATING SEGMENT

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 4 main reportable 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 and education 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.

32. OPERATING SEGMENT (Cont'd)

	Property development activities		Property holding and management		Quarry operations		Construction works		Elimination		Note	Per consolidated financial statements	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM		2022 RM	2021 RM
Revenue:													
External customer	**195,330,492**	180,275,272	**714,708**	692,122	**23,138,528**	22,306,556	**45,312,416**	62,585,512	**-**	-		**264,496,144**	265,859,462
Inter-segment	**-**	-	**-**	-	**-**	-	**126,818,965**	61,892,014	**(126,818,965)**	(61,892,014)	A	**-**	-
Revenue from contracts with customers	**195,330,492**	180,275,272	**714,708**	692,122	**23,138,528**	22,306,556	**172,131,381**	124,477,526	**(126,818,965)**	(61,892,014)		**264,496,144**	265,859,462
Rental income	**-**	-	**7,676,582**	7,510,360	**-**	-	**-**	-	**-**	-		**7,676,582**	7,510,360
Total	**195,330,492**	180,275,272	**8,391,290**	8,202,482	**23,138,528**	22,306,556	**172,131,381**	124,477,526	**(126,818,965)**	(61,892,014)		**272,172,726**	273,369,822
Results:													
Interest income	**1,740,229**	1,403,807	**-**	5,760	**4,421**	11,324	**3,667,963**	3,391,593	**(4,846,322)**	(4,492,705)	B	**566,291**	319,779
Fair value gain on investment properties	**-**	-	**4,000,000**	255,636	**-**	-	**-**	-	**-**	-		**4,000,000**	255,636
Amortisation of intangible assets	**-**	-	**-**	-	**497,756**	497,756	**-**	-	**-**	-		**497,756**	497,756
Depreciation of property, plant and equipment	**3,245,655**	3,162,092	**9,819**	12,065	**1,170,486**	1,132,230	**738,289**	1,728,886	**-**	-		**5,164,249**	6,035,273
Other non-cash items	**(285,435)**	(129,021)	**-**	664	**-**	-	**(524,997)**	-	**-**	-	C	**(810,432)**	(128,357)
Segment profit/(loss)	**35,293,014**	27,373,725	**4,721,031**	4,930,347	**1,756,115**	1,272,527	**124,901**	(2,760,686)	**1,629,902**	1,763,209		**43,524,963**	32,579,122
Assets:													
Additions to non-current assets	**16,900,029**	9,629,072	**938**	1,785,205	**823,984**	51,051	**1,353,451**	241,993	**(787,299)**	(380,730)	D	**18,291,103**	11,326,591
Segment assets	**573,280,268**	557,425,455	**122,645,033**	118,663,498	**17,008,935**	18,456,034	**159,564,393**	146,100,820	**(80,221,466)**	(65,528,350)	E	**792,277,163**	775,117,457
Liabilities:													
Segment liabilities	**264,098,765**	263,838,595	**30,886,833**	30,581,856	**14,781,660**	16,719,069	**112,122,232**	101,039,186	**(91,576,088)**	(79,052,265)	F	**30,313,402**	333,126,441

32. OPERATING SEGMENT (Cont'd)

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.

	2022 RM	2021 RM
Gain on disposal of property, plant and equipment	**(725,819)**	(19,999)
Reversal of loss allowance for trade receivables	**(84,613)**	(109,022)
Property, plant and equipment written off	**-**	664
	(810,432)	(128,357)

D. Additions to non-current assets consists of:

	2022 RM	2021 RM
Investment in associate	**980,000**	980,000
Investment in joint venture	**-**	299,999
Property, plant and equipement	**17,311,103**	8,398,208
Investment property under construction	**-**	1,648,384
	18,291,103	11,326,591

E. The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2022 RM	2021 RM
Deferred tax assets	**(8,583,672)**	(10,965,282)
Inter-segment assets	**(71,637,794)**	(51,563,068)
	(80,221,466)	(62,528,350)

F. The following items are deducted from segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2022 RM	2021 RM
Inter-segment liabilities	**(91,576,088)**	(79,052,265)

The Group operates predominantly in one business segment in Malaysia. Accordingly, the information by business and geographical segments is not presented.

33. CAPITAL COMMITMENT

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Authorised And Contracted For				
Investment properties	**108,675**	153,368	**108,675**	111,643
Property, plant and equipment	**16,974,154**	13,928,361	**4,706,674**	12,422,041
	17,082,829	14,081,729	**4,815,349**	12,533,684

34. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Effects on Profit After Taxation				
Increase of 25 basis points	**(180,325)**	(206,429)	**(173,165)**	(195,534)
Decrease of 25 basis points	**180,325**	206,429	**173,165**	195,534

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit Risk Concentration Profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 120 days past due.

Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customer, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over a period of 12 months (2021 – 12 months) from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts using linear regressive analysis. The Group has identified the Gross Domestic Product (GDP), inflation rate as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Property Development

Purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk.

Construction Contract

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

<u>*Trade Receivables and Contract Assets (Cont'd)*</u>

Allowance for Impairment Losses

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Group			
2022			
Non-current (not past due)	**1,535,863**	**-**	**1,535,863**
Current (not past due)	**16,785,700**	**-**	**16,785,700**
1 to 119 days past due	**2,928,812**	**-**	**2,928,812**
121 to 150 days past due	**2,038,328**	**-**	**2,038,328**
Credit impaired	**640,158**	**(640,158)**	**-**
Trade receivables (current)	**22,392,998**	**(640,158)**	**21,752,840**
Total trade receivables	**23,928,861**	**(640,158)**	**23,288,703**
Contract assets	**59,920,242**	**-**	**59,920,242**
	83,849,103	**(640,158)**	**83,208,945**
2021			
Current (not past due)	5,066,467	-	5,066,467
1 to 119 days past due	31,040,986	-	31,040,986
121 to 150 days past due	718,673	-	718,673
Credit impaired	657,913	(657,913)	-
Trade receivables	37,484,039	(657,913)	36,826,126
Contract assets	57,623,647	-	57,623,647
	95,107,686	(657,913)	94,449,773

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

	Gross Amount RM	Individual Impairment RM	Carrying Amount RM
The Company			
2022			
Current (not past due)	**10,175,211**	**-**	**10,175,211**
1 to 119 days past due	**2,762,281**	**-**	**2,762,281**
121 to 150 days past due	**2,027,348**	**-**	**2,027,348**
Trade receivables	**14,964,840**	**-**	**14,964,840**
Contract assets	**33,967,906**	**-**	**33,967,906**
	48,932,746	**-**	**48,932,746**
2021			
Current (not past due)	55,335	-	55,335
1 to 119 days past due	30,633,546	-	30,633,546
121 to 150 days past due	707,693	-	707,693
Trade receivables	31,396,574	-	31,396,574
Contract assets	34,423,560	-	34,423,560
	65,820,134	-	65,820,134

The movements in the loss allowances in respect of trade receivables are disclosed in Note 12.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by related parties.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 90 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 270 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP), inflation rate, as the key macroeconomic factors of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
The Group			
2022			
Low credit risk	**14,551,848**	**-**	**14,551,848**
Credit impaired	**106,071**	**(106,071)**	**-**
	14,657,919	**(106,071)**	**14,551,848**
2021			
Low credit risk	19,874,840	-	19,874,840
Credit impaired	106,071	(106,071)	-
	19,980,911	(106,071)	19,874,840

	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
The Company			
2022			
Low credit risk	**10,634,653**	**-**	**10,634,653**
2021			
Low credit risk	18,203,564	-	18,203,564

The movements in the loss allowances is disclosed in Note 12 to the financial statements.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Due From Subsidiaries

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount RM	Lifetime loss Allowance RM	Carrying Amount RM
The Company			
2022			
Low credit risk	**57,555,549**	**-**	**57,555,549**
Credit impaired	**5,066,070**	**(5,066,070)**	**-**
	62,621,619	**(5,066,070)**	**57,555,549**
2021			
Low credit risk	49,470,533	-	49,470,533
Credit impaired	5,066,070	(5,066,070)	-
	54,536,603	(5,066,070)	49,470,533

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2022						
Non-derivative Financial Liabilities						
Loans and borrowings	**2.24 - 6.40**	**211,301,753**	**226,488,601**	**137,969,264**	**71,933,937**	**16,585,400**
Trade and other payables	**4.28**	**112,300,501**	**112,300,501**	**99,013,007**	**13,287,494**	**-**
		323,602,254	**338,789,102**	**236,982,271**	**85,221,431**	**16,585,400**

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Group						
2021						
Non-derivative Financial Liabilities						
Loans and borrowings	2.10 - 6.00	207,127,245	222,090,519	120,327,626	71,597,170	30,165,723
Trade and other payables	3.28	118,827,307	118,827,307	108,827,624	9,999,683	-
		325,954,552	340,917,826	229,155,250	81,596,853	30,165,723

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2022						
Non-derivative Financial Liabilities						
Loans and borrowings	**2.24 - 6.40**	**158,886,873**	**173,421,926**	**88,039,708**	**68,796,818**	**16,585,400**
Trade and other payables	**4.28**	**169,913,023**	**174,347,516**	**149,551,404**	**24,796,112**	**-**
		328,799,896	**347,769,442**	**237,591,112**	**93,592,930**	**16,585,400**

34. FINANCIAL INSTRUMENTS (Cont'd)

34.1 FINANCIAL RISK MANAGEMENT POLICIES (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):- (Cont'd)

	Contractual Coupon/ Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
The Company						
2021						
Non-derivative Financial Liabilities						
Loans and borrowings	2.18 - 6.00	165,255,500	179,646,822	82,343,528	67,137,571	30,165,723
Trade and other payables	3.28	161,991,202	165,908,142	157,740,146	8,167,996	-
		327,246,702	345,554,964	240,083,674	75,305,567	30,165,723

The contractual undiscounted cash flows represent the outstanding credit facilities of the subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the financial statements since their fair value on initial recognition were not material.

34.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

34. FINANCIAL INSTRUMENTS (Cont'd)

34.2 CAPITAL RISK MANAGEMENT (Cont'd)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loans and borrowings	**211,301,753**	207,127,245	**158,886,873**	165,255,500
Trade and other payables	**112,300,501**	118,827,307	**169,913,023**	161,991,202
	323,602,254	325,954,552	**328,799,896**	327,246,702
Less: Fixed deposits with licensed banks	**(8,742,290)**	(8,501,255)	**(8,641,408)**	(8,501,255)
Less: Cash and bank balances	**(51,843,615)**	(50,494,335)	**(34,790,812)**	(33,822,669)
Net debt	**263,016,349**	266,958,962	**285,367,676**	284,922,778
Total equity	**461,963,761**	441,891,016	**428,136,083**	410,558,824
Debt-to-equity ratio	**0.57**	0.60	**0.67**	0.69

There was no change in the Group's approach to capital management during the financial year.

34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial Assets				
Amortised Cost				
Trade and other receivables (Note 12)	**37,840,551**	56,700,966	**83,155,042**	99,070,671
Other current assets (Note 14)	**6,722,026**	4,375,123	**6,722,026**	4,375,123
Fixed deposits with licensed banks (Note 15)	**8,742,290**	8,501,255	**8,641,408**	8,501,255
Cash and bank balances (Note 16)	**51,843,615**	50,494,335	**34,790,812**	33,822,669
	105,148,482	120,071,679	**133,309,288**	145,769,718
Financial Liabilities				
Amortised Cost				
Loans and borrowings (Note 18)	**211,301,753**	207,127,245	**158,886,873**	165,255,500
Trade and other payables (Note 19)	**112,172,110**	118,738,206	**169,913,023**	161,991,202
	323,473,863	325,865,451	**328,799,896**	327,246,702

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Group								
2022								
Financial Asset								
Investment properties	**-**	**-**	**122,300,000**	**-**	**-**	**-**	**122,300,000**	**122,300,000**
Financial Liability								
Loans and borrowings	**-**	**-**	**-**	**-**	**226,488,601**	**-**	**226,488,601**	**211,301,753**
2021								
Financial Asset								
Investment properties	-	-	118,300,000	-	-	-	118,300,000	118,300,000
Financial Liability								
Loans and borrowings	-	-	-	-	222,090,519	-	222,090,519	207,127,245

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 FAIR VALUE INFORMATION (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:- (Cont'd)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value				
	Level 1 RM	Level 2 RM	Level 3 RM	Level 1 RM	Level 2 RM	Level 3 RM	Total Fair Value RM	Carrying Amount RM
The Company								
2022								
Financial Asset								
Investment properties	**-**	**-**	**122,300,000**	**-**	**-**	**-**	**122,300,000**	**122,300,000**
Financial Liability								
Loans and borrowings	**-**	**-**	**-**	**-**	**173,421,926**	**-**	**173,421,926**	**158,886,873**
2021								
Financial Asset								
Investment properties	-	-	118,300,000	-	-	-	118,300,000	118,300,000
Financial Liability								
Loans and borrowings	-	-	-	-	179,646,822	-	179,646,822	165,255,500

34. FINANCIAL INSTRUMENTS (Cont'd)

34.4 FAIR VALUE INFORMATION (Cont'd)

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

35. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

On 31 January 2023, Ibraco Plantation Sdn. Bhd., a subsidiary of the Company, is under members' voluntary winding up pursuant to Section 439(1)(b) of the Companies Act 2016.

36. COMPARATIVE FIGURE

The comparative figures have been audited by a firm of Chartered Accountants other than Crowe Malaysia PLT.

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	34	3.64	1,179	0.00
100 to 1,000	408	43.73	127,326	0.02
1,001 to 10,000	242	25.94	1,191,785	0.22
10,001 to 100,000	169	18.11	6,586,926	1.21
100,001 and 27,302,309(*)	75	8.04	179,244,405	32.82
27,302,310 and above (**)	5	0.54	358,894,596	65.73
Total	**933**	**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	77,798,198 @	14.24

* *Deemed interested by virtue of his spouse's and son's 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 and son's shareholding in the Company.*
@ *Deemed interested by virtue of his parent's shareholding in the Company.*

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

TOP THIRTY SHAREHOLDERS (Cont'd)
(Without aggregating the securities from different securities accounts belonging to the same person) (Cont'd)

No.	Shareholder Name	No. of Shareholdings	% of Shareholding
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.	LCDA Holdings Sdn. Bhd.	12,211,080	2.24
10.	UOBM Nominees (Tempatan) Sdn. Bhd. United Overseas Bank Nominees (Pte.) Ltd. for Chew Chiaw Han	8,546,720	1.57
11.	Sinar Rezeki Bersatu Sdn. Bhd.	8,500,000	1.56
12.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Microsite Enterprise Sdn. Bhd.	7,698,820	1.41
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.	Kamunting Premix Plant Sdn. Bhd.	4,850,000	0.89
17.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chew Chiaw Han	4,480,000	0.82
18.	Tan Hock Liong	3,685,000	0.67
19.	Orienter Intertrade Co. Sdn. Bhd.	3,000,000	0.55
20.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Thian Cheong Meng	2,855,700	0.52
21.	Khor Kowi Kim	2,855,500	0.52
22.	Chew Chiaw Han	2,848,720	0.52
23.	Phang Chung Tchet	2,340,240	0.43
24.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Sheng Haur	1,865,280	0.34
25.	Public Invest Nominees (Asing) Sdn. Bhd. Exempt An for Philip Securities Pte Ltd (Clients)	1,865,172	0.34
26.	Maybank Nominees (Tempatan) Sdn. Bhd. Pleged Securities Account for Tan Low Shurn	1,727,000	0.32
27.	Ong Li Xin	1,600,000	0.29
28.	Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte Ltd for Ng Chee Meng	1,543,920	0.28
29.	Ong Sheng Yen	1,329,020	0.24
30.	Ting Ding Ing	1,315,920	0.24

DIRECTORS' DIRECT AND INDIRECT INTEREST IN THE COMPANY

	No. of shares held			
Name of Directors	**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	-	-
Sharifah Deborah Sophia Ibrahim	99,366,120	18.20	-	-

* *Deemed interested by virtue of his spouse's and son's 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 31 March 2023

No.	Location	Term of Lease/Date of Expiry of Lease	Description & Existing Land Use	Land Area Hectare	Land Area Acre	Age of Buildings Year	At Cost/Net Book Value RM	Date of Acquisition	Date of Revaluation
1	Lot 3830, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Educational Institution	2.436	6.020	3.2	57,200,000	14.11.2011	Dec 2022
2	Lot 16766, Block 11, Muara Tebas LD, Kuching	Freehold/ Perpetuity	Single Storey Commercial Mall	2.621	6.477	12.0	56,000,000	29.12.2010	Dec 2022
3	Lot 3741, Block 12, Muara Tebas LD, Kuching	60 years/ 17.11.2071	Corporate Offices	0.834	2.061	2.5	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	04.08.2003	-

*Ibraco Berhad as the beneficial owner

NOTICE IS HEREBY GIVEN that the Fifty-First Annual General Meeting ("**AGM**") of Ibraco Berhad will be held at NorthBank Club, The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 26 May 2023 at 11.00 a.m.** to transact the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. *(Please refer Explanatory Note 1)*

2. Mr. Ng Kee Tiong 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 51st 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. Mr. Ng Cheng Chuan — Resolution No. 1
   ii. Mr. Guido Paul Philip Joseph Ravelli — Resolution No. 2
   iii. Ms. Wong Siaw Wei — Resolution No. 3

4. To approve the payment of Directors' fees of up to RM1,000,000 and benefits payable to the Directors up to an aggregate amount of RM100,000 from this AGM until the next AGM of the Company. — Resolution No. 4

5. To re-appoint Messrs. Crowe Malaysia PLT as the Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. *(Please refer Explanatory Note 3)* Resolution No. 5

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions:-

6. <u>Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016 ("the Act") and waiver of pre-emptive rights</u> *(Please refer Explanatory Note 4)* Resolution No. 6

   "THAT, subject always to the Act, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to the Act, to issue and allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes and to such person or persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10 percent (10%) of the total number of issued shares of the Company for the time being, AND THAT pursuant to Section 85 of the Act to be read together with Clause 51 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, 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 Bursa Malaysia Securities Berhad, AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. 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 2023

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 19 May 2023 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 51st AGM or at any adjournment thereof.

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.

Mr. Ng Kee Tiong 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 51st AGM of the Company.

The profiles of Mr. Ng Cheng Chuan, Mr. Guido Paul Philip Joseph Ravelli and Ms. Wong Siaw Wei are set out in the Profile of Directors appearing on pages 5 to 8 of the Annual Report 2022. Their shareholdings in the Company are set out in the Analysis of Shareholdings on page 144 of the Annual Report 2022.

Explanatory Note 3

The Audit Committee ("AC") has assessed the suitability, effectiveness and independence of Messrs. Crowe Malaysia PLT ("Crowe") via the annual External Auditors Evaluation. The AC and the Board were satisfied with the performance of Crowe and hence, the Board recommends the re-appointment of Crowe as external auditors of the Company for the financial year ending 31 December 2023.

Explanatory Note 4

The proposed Resolution No. 6, 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 and waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act. 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.

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

Proxy Form

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

______________________________ 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 Fifty-First Annual General Meeting of the Company to be held at NorthBank Club, The NorthBank, Off Kuching-Samarahan Expressway, 93350 Kuching, Sarawak on **Friday, 26 May 2023 at 11.00 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Re-election of Mr. Ng Cheng Chuan as Director		
2.	Re-election of Mr. Guido Paul Philip Joseph Ravelli as Director		
3.	Re-election of Ms. Wong Siaw Wei as Director		
4.	Approval for the payment of Directors' Fees		
5.	Re-appointment of Messrs. Crowe Malaysia PLT as Auditors		
6.	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

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STAMP

Company's Registered Office

IBRACO Berhad

(197101000730(011286-P))

No.6 The NorthBank,
Off Kuching-Samarahan Expressway,
93350 Kuching,
Sarawak

Fold Here

www.ibraco.com

IBRACO BERHAD
[197101000730(011286-P)]

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93350 Kuching, Sarawak, Malaysia.

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