

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017**

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**A Explanatory Notes to the Unaudited Interim Financial Report for the fourth quarter and the year ended 31 December 2017**

**A1 Basis of Preparation**

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 of the Listing Requirements.

This is the fourth interim financial report on the Company’s consolidated results for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report for the financial years ended 31 December 2014, 2015 and 2016 as disclosed in the Prospectus.

**A2 Significant Accounting Policies**

The significant accounting policies and presentations adopted by the Group are consistent with those adopted for the audited financial statements of the Group for the financial year ended 31 December 2016 as disclosed in the Accountants’ Report in the Prospectus.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2016.

**A4 Seasonal and Cyclical Factors**

The Group does not experience significant fluctuations in operations due to seasonal factors or cyclical factors during the current financial quarter under review and the financial period to date.

**A5 Items or Incidence of an Unusual Nature**

The Board of Directors of the Company (“Board”) are not aware of any items or incidence of an unusual nature not otherwise dealt with in this report which may or has substantially affected the value of assets, liabilities, equity, net income or cash flows of the Group for the current financial quarter under review and the financial period to date.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017**

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**A Explanatory Notes to the Unaudited Interim Financial Report for the fourth quarter and the year ended 31 December 2017 (Cont'd)**

**A6 Effects of Changes in Estimates**

There were no material changes in estimates of amounts reported in the current financial quarter or changes in estimates of amounts reported in prior financial years that may have a material effect in the current financial quarter under review and the financial year to date.

**A7 Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review and the financial year to date.

**A8 Dividends**

There were no dividends paid for the current financial quarter under review and the financial year to date.

**A9 Segmental Reporting**

The Group is primarily involved in securing and carrying out construction contracts. As such, the Group's revenue for the current financial quarter under review and the financial year to date is derived entirely from its construction operations.

No geographical analysis has been prepared as the Group operates wholly in Malaysia.

**A10 Contingent Assets or Liabilities**

There were no contingent assets as at the date of this interim report. Contingent liabilities of the Group as at 31 December 2017 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM38,002,578.

**A11 Capital Commitments**

Save as disclosed below, there were no other material capital commitments as at the end of the current financial quarter and up to the date of this report:

	<u>RM'000</u>
Approved and contracted for:	
Investment properties	7,450
Approved but not contracted for:	
Investment properties	3,966

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017****A Explanatory Notes to the Unaudited Interim Financial Report for the fourth quarter and the year ended 31 December 2017 (Cont'd)****A12 Significant Related Party Transactions**

	<b>Current Quarter Ended 31/12/2017 RM'000</b>	<b>Comparative Quarter Ended 31/12/2016<sup>(1)</sup> RM'000</b>	<b>Current Year Ended 31/12/2017 RM'000</b>	<b>Comparative Year Ended 31/12/2016<sup>(1)</sup> RM'000</b>
<b>Transactions with related party</b>				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd ("Apexjaya")				
Construction related cost charged by Apexjaya	<b>2,217</b>	N/A	<b>6,688</b>	N/A
Rental income charged to Apexjaya	<b>7</b>	N/A	<b>27</b>	N/A

## Notes:

- (1) No comparative figures for the corresponding period of the preceding year are available as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017**

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**B Additional Information Required by the Listing Requirements**

**B1 Group Performance Review**

The Group recorded a revenue of RM67.69 million and profit before tax of RM6.44 million for the current financial quarter ended 31 December 2017. The Group's revenue was mainly derived from the construction of residential properties which accounted for about RM55.06 million or 81% of the total revenue. The balance revenue was derived from the construction of non-residential properties.

No comparative figures are presented for the preceding year's corresponding quarter as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.

**B2 Comparison with Immediate Preceding Quarter Results**

Lower revenue for the current quarter was due to few projects were at completion stage while new projects were at the initial stage of progress. The higher profit before tax of RM6.44 million for the current quarter was due to the closing of final accounts of a few projects.

**B3 Prospects for the Next Financial Year**

The Group operates within the construction industry in Malaysia. The Board is of the view that the outlook of the construction industry is expected to be stable throughout 2018. As at 26 February 2018, the Group's unbilled order book is RM776 million.

**B4 Profit Forecast**

The Company did not issue any profit forecast or guarantee during the current financial quarter under review and the financial period to date.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017**

**B Additional Information Required by the Listing Requirements (Cont'd)**

**B5 Taxation**

	<b>Current Quarter Ended 31/12/2017 RM'000</b>	<b>Comparative Quarter Ended 31/12/2016<sup>(1)</sup> RM'000</b>	<b>Current Year Ended 31/12/2017 RM'000</b>	<b>Comparative Year Ended 31/12/2016<sup>(1)</sup> RM'000</b>
In respect of current period:				
Income tax	1,524	N/A	5,546	N/A
Deferred tax	-	N/A	-	N/A
	<u>1,524</u>	<u>N/A</u>	<u>5,546</u>	<u>N/A</u>
Effective tax rate <sup>(2)</sup>	<b>23.7%</b>	N/A	<b>26.0%</b>	N/A

Notes:

- (1) No comparative figures for the corresponding period of the preceding quarter are available as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.
- (2) The effective tax rate for the current and financial year to date ended 31 December 2017 is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.
- (3) Tax expense is recognised based on management's best estimate.

N/A- Not applicable

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017**

**B Additional Information Required by the Listing Requirements (Cont'd)**

**B6 Utilisation of Proceeds Raised from Public Issue**

The gross proceeds from the Public Issue amounting to RM26.76 million is intended to be utilised in the following manner:

<b>Utilisation of Proceeds</b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Balance Unutilised RM'000</b>	<b>Estimated Timeframe for Utilisation<sup>(1)</sup></b>
Capital expenditure	5,000	5,000	-	Within 12 to 24 months
Repayment of bank borrowings	9,000	9,000	-	6 months
General working capital	9,563	9,563	-	12 months
Estimated listing expenses	3,200	3,008	192 <sup>(2)</sup>	1 month
<b>Total</b>	<b>26,763</b>	<b>26,571</b>	<b>192</b>	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus.
- (2) As disclosed in the Prospectus, the unutilised balance of RM0.19 million will be utilised as the Group's general working capital requirements.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017****B Additional Information Required by the Listing Requirements (Cont'd)****B7 Group Borrowings**

The details of the borrowings of the Group are as follows:-

	<b>As at 31/12/2017 RM'000</b>	<b>As at 31/12/2016<sup>(1)</sup> RM'000</b>
Non-current:		
Term loans	<b>3,249</b>	N/A
Islamic term financing	<b>3,884</b>	N/A
Finance lease liabilities	<b>911</b>	N/A
	<b>8,044</b>	N/A
Current:		
Term loans	<b>243</b>	N/A
Islamic term financing	<b>215</b>	N/A
Finance lease liabilities	<b>3,004</b>	N/A
	<b>3,462</b>	N/A

All the Group's borrowings are secured and dominated in Ringgit Malaysia.

Notes:

- (1) No comparative figures for the corresponding period of the preceding year are available as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

**B8 Off Balance Sheet Financial Instruments**

Save for the contingent liabilities as disclosed in Note A10, there is no off balance sheet financial instruments as at the date of this report.

**B9 Material Litigations**

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017****B Additional Information Required by the Listing Requirements (Cont'd)****B10 Proposed Dividends**

No dividend has been declared or proposed since the end of the previous financial year.

**B11 Earnings Per Share**

The basic and diluted earnings per share for the current quarter and financial year-to-date are computed as follows:

	<b>Current Quarter Ended 31/12/2017</b>	<b>Comparative Quarter Ended 31/12/2016<sup>(3)</sup></b>	<b>Current Year Ended 31/12/2017</b>	<b>Comparative Year Ended 31/12/2016<sup>(3)</sup></b>
Profit after taxation attributable to owners of the Company (RM'000)	<b>4,911</b>	N/A	<b>15,801</b>	N/A
Total number of shares in issue ('000)	<b>535,259</b>	N/A	<b>535,259</b>	N/A
Basic earnings per share (sen) <sup>(1)</sup>	<b>0.92</b>	N/A	<b>2.95</b>	N/A
Diluted earnings per share (sen) <sup>(2)</sup>	<b>0.92</b>	N/A	<b>2.95</b>	N/A

Notes:

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the company divided by the total number of ordinary shares in issue for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Group does not have convertible securities as at 31 December 2017.
- (3) No comparative figures for the corresponding period of the preceding year are available as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable



**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND THE YEAR ENDED 31 DECEMBER 2017****B Additional Information Required by the Listing Requirements (Cont'd)****B12 Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

Profit before tax is arrived at after (crediting)/charging:

	<b>Current Quarter Ended 31/12/2017 RM'000</b>	<b>Comparative Quarter Ended 31/12/2016<sup>(1)</sup> RM'000</b>	<b>Current Year Ended 31/12/2017 RM'000</b>	<b>Comparative Year Ended 31/12/2016<sup>(1)</sup> RM'000</b>
Interest income	(271)	N/A	(805)	N/A
Rental income	(119)	N/A	(512)	N/A
Interest expense	369	N/A	2,244	N/A
Depreciation of property, plant and machinery	1,241	N/A	4,263	N/A
Amortisation/depreciation of investment properties	90	N/A	360	N/A

Notes:

- (1) No comparative figures for the corresponding period of the preceding year are available as this is the fourth interim financial report on the consolidated results for the fourth quarter ended 31 December 2017 being announced by the Company in compliance with the Listing Requirements.

N/A- Not applicable

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements are not applicable.

**B13 Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of the Company in accordance with a resolution of the Board on 26 February 2018.

By Order of the Board  
**INTA BINA GROUP BERHAD**  
Siew Suet Wei  
Lim Yen Teng  
Company Secretaries

Date: 26 February 2018