



INTA BINA GROUP BERHAD

Registration No. 201501009545 (1134880-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

INTA BINA GROUP BERHAD
[Registration No: 201501009545 (1134880-W)]
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE YEAR	
		Current Quarter Ended 30/06/2022 RM'000	Comparative Quarter Ended 30/06/2021 RM'000	Current Period Ended 30/06/2022 RM'000	Comparative Period Ended 30/06/2021 RM'000
Revenue		113,804	73,168	225,173	170,113
Cost of sales		(106,185)	(66,776)	(209,586)	(151,646)
Gross profit		7,619	6,392	15,587	18,467
Other income		258	477	1,132	879
Administrative and other operating expenses		(3,655)	(3,207)	(8,047)	(7,320)
Finance costs		(612)	(349)	(1,264)	(807)
Profit before tax		3,610	3,313	7,408	11,219
Income tax expense	B5	(850)	(824)	(1,870)	(2,840)
Profit after tax		2,760	2,489	5,538	8,379
Other comprehensive income / (expenses)		-	-	-	-
Total comprehensive income		2,760	2,489	5,538	8,379
Total Comprehensive Income					
Profit Attributable to:					
Owners of the Company		2,773	2,489	5,599	8,379
Non-controlling interest		(13)	-	(61)	-
		2,760	2,489	5,538	8,379
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	0.52	0.46	1.05	1.57
ii) Diluted	B11	0.52	0.46	1.05	1.57

Note:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements of Inta Bina Group Berhad ("the Company") for the financial year ended 31 December 2021 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(UNAUDITED) AS AT	(AUDITED) AS AT
		30/06/2022	31/12/2021
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		36,142	35,808
Investment properties		24,134	24,441
Inventories		11,055	10,212
		<u>71,331</u>	<u>70,461</u>
Current assets			
Trade and other receivables		163,865	176,845
Current tax assets		122	122
Contract assets		77,348	73,772
Cash and short-term deposits		60,584	64,174
Total current assets		<u>301,919</u>	<u>314,913</u>
TOTAL ASSETS		<u><u>373,250</u></u>	<u><u>385,374</u></u>
EQUITY AND LIABILITIES			
Share capital		69,429	69,429
Reorganisation reserve		(34,621)	(34,621)
Retained earnings		114,914	111,991
Equity attributable to owners of the Company		<u>149,722</u>	<u>146,799</u>
Non-controlling interest		184	132
Total Equity		<u>149,906</u>	<u>146,931</u>
Non-current liabilities			
Deferred tax liabilities		1,113	1,113
Loans and borrowings	B7	10,697	11,190
		<u>11,810</u>	<u>12,303</u>
Current liabilities			
Trade and other payables		127,656	159,303
Contract liabilities		20,259	27,280
Loans and borrowings	B7	61,617	37,555
Current tax liabilities		2,002	2,002
		<u>211,534</u>	<u>226,140</u>
TOTAL LIABILITIES		<u>223,344</u>	<u>238,443</u>
TOTAL EQUITY AND LIABILITIES		<u><u>373,250</u></u>	<u><u>385,374</u></u>
Net assets per share (RM)		<u>0.280</u>	<u>0.274</u>

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Equity Owners of the Company ----->		Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
	Non- distributable	Distributable			
	Share Capital RM'000	Reorganisation Reserve RM'000	Retained Earnings RM'000		
At 01.01.2022	69,429	(34,621)	111,991	132	146,931
Increase of investment in subsidiary	-	-	-	113	113
Recognised income and expense for the period:					
Profit / (Loss) after taxation	-	-	5,599	(61)	5,538
Dividends to owners of the Company			(2,676)	-	(2,676)
At 30.06.2022	69,429	(34,621)	114,914	184	149,906
At 01.01.2021	69,429	(34,621)	104,760	-	139,568
Recognised income and expense for the period:					
Profit after taxation	-	-	8,379	-	8,379
Dividends to owners of the Company	-	-	(1,873)	-	(1,873)
At 30.06.2021	69,429	(34,621)	111,266	-	146,074

Note:

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/06/2022 RM'000	Comparative Period Ended 30/06/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	7,408	11,219
Adjustments for:		
Non-cash items	5,545	3,811
Non-operating items	794	393
Operating profit before changes in working capital	13,747	15,423
Decrease in receivables	8,561	20,141
Decrease in payables	(31,647)	(50,898)
Contract assets / liabilities and others	(7,022)	15,198
Cash flows used in operations	(16,361)	(136)
Income tax paid	(1,870)	(1,234)
Net cash flows used in operating activities	(18,231)	(1,370)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment & Investment Properties	(5,572)	(3,685)
Proceeds from disposal of PPE & Investment Properties	228	88
Interest received	242	414
Net cash flows used in investing activities	(5,102)	(3,183)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	3,094	(3,635)
Interest paid	(1,264)	(807)
Increase in borrowings	23,569	11,366
Proceeds from additional subscription of shares by non-controlling interest	113	-
Dividend paid	(2,676)	(1,873)
Net cash flows from financing activities	22,836	5,051
Net (decrease) / increase in cash & cash equivalent	(497)	498
Cash & cash equivalent at beginning of the financial year	24,859	14,028
Cash & cash equivalent at end of the financial year	24,362	14,526
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	36,222	39,110
Less: Pledged deposits	(36,222)	(39,110)
	-	-
Cash and bank balances	24,362	14,526
	24,362	14,526

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements of the Company for the financial year ended 31 December 2021 and the accompanying explanatory notes as attached to this interim financial report.

A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2022

A1 Basis of Preparation

The unaudited interim financial report has been prepared in accordance with *MFRS 134 “Interim Financial Reporting”*, the *International Accounting Standards (“IAS”) 34 Interim Financial Reporting, Paragraph 9.22* of the *Main Market Listing Requirements of Bursa Malaysia Securities Berhad*.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

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 2021 except for the changes in accounting policies and presentation resulting from the adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations that are effective beginning on 1 January 2022.

The adoption of relevant MFRSs, Amendment to MFRSs and IC Interpretations do not have any significant financial impact on the financial statements of the Group.

A3 Auditors’ Report

There were no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.

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 Directors 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.

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 period to date.

A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2022 (Cont'd)

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 period to date.

A8 Dividends

There were no dividends paid for the current financial quarter under review and the financial period 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 period to date is derived primarily 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 30 June 2022 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM79.94 million.

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	2,892

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2022**A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2022 (Cont'd)****A12 Significant Related Party Transactions**

	Current Quarter Ended 30/06/2022 RM'000	Comparative Quarter Ended 30/06/2021 RM'000	Current Year Ended 30/06/2022 RM'000	Comparative Period Ended 30/06/2021 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd ("Apexjaya")				
Construction related cost charged by Apexjaya	3,229	1,519	5,795	3,666
Rental income charged to Apexjaya	-	6	-	13
Family member of Lim Ooi Joo Lim Yeong Kern				
Rental expenses charged by Lim Yeong Kern	15	15	30	30

A13 Significant Event Subsequent to the End of the Interim Financial Period

There were no material events subsequent to the end of the financial period.

B Additional Information Required by the Listing Requirements

B1 Group Performance Review

The Group recorded revenue of RM113.80 million generated from construction of residential and commercial properties during the current financial quarter ended 30 June 2022. The Group's revenue increased by 56% as compared to RM73.17 million recorded in the preceding year corresponding quarter.

Nevertheless, the Group profit before tax increase by 9% to RM3.61 million and profit attributable to owners of the Company increase by 11% to RM2.77 million in current quarter comparing to preceding year corresponding quarter. Despite of huge increase in revenue, the Group only achieve marginal increase in profit for current quarter mainly due to lower gross profit being recorded resulted from rising building raw material costs stemming from disruptions in the building materials supply chain and rising labour cost due to labour shortage of the industry.

B2 Comparison with Immediate Preceding Quarter Results

The Group's revenue has increased by 2% to RM113.80 million as compared to RM111.37 million in the immediate preceding quarter. However, the Group's profit before tax decreased from RM3.80 million to RM3.61 million, mainly due to decrease in gross profit margin for current financial quarter resulted from rising material and labour cost.

B3 Prospects for the Current Financial Year

Following the transition into the endemic phase and with the gradual reopening of borders from 1st April 2022, the domestic economy is expected gaining further traction. With the improved economic sentiments and normalisation of economic activities, a more stabilized outlook on property sector should promote greater construction activities in the near future.

The Board is mindful of the present challenging economic environment, raw material price increase and with the recent rise in interest rate, supply chain disruption, and inflationary pressure have resulted in the rising of material costs, labour costs and operational costs. Nevertheless, prices of certain materials are showing sign of stabilizing recently as the supply issues improved gradually.

The Board is hopeful that the unbilled order book of approximately RM1.05 billion as of 30 June 2022 will sustain the Group's revenue and earnings over the next two to three years. The board will continue to operate and manage prudently to ensure a satisfactory financial performance.

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.

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

B5 Taxation

	Current Quarter Ended 30/06/2022 RM'000	Comparative Quarter Ended 30/06/2021 RM'000	Current Period Ended 30/06/2022 RM'000	Comparative Period Ended 30/06/2021 RM'000
In respect of current period:				
Income tax	<u>850</u>	<u>824</u>	<u>1,870</u>	<u>2,840</u>
	<u>850</u>	<u>824</u>	<u>1,870</u>	<u>2,840</u>

The effective tax rate is higher than the statutory tax rate due to add-back of non-deductible expenses.

B6 Corporate Proposal

There are no corporate proposals announced by the Company but not completed as at the date of this report.

B7 Group Borrowings

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

	As at 30/06/2022 RM'000	As at 31/12/2021 RM'000
Non-current:		
Term loans	1,974	2,112
Islamic term financing	2,373	2,411
Finance lease liabilities	<u>6,350</u>	<u>6,667</u>
	<u>10,697</u>	<u>11,190</u>
Current:		
Term loans	297	319
Islamic term financing	75	75
Finance lease liabilities	4,207	4,408
Bankers' acceptance	16,902	14,434
Revolving credit	8,000	3,300
Invoice financing	<u>32,136</u>	<u>15,019</u>
	<u>61,617</u>	<u>37,555</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

B Additional Information Required by the Listing Requirements (Cont'd)**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 of Directors is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings.

B10 Proposed Dividends

No interim dividend has been declared for the current financial period to date.

B11 Earnings Per Share

The basic and diluted earnings per share for the current quarter and financial period are computed as follows:

	Current Quarter Ended 30/06/2022	Comparative Quarter Ended 30/06/2021	Current Period Ended 30/06/2022	Comparative Period Ended 30/06/2021
Profit attributable to owners of the Company (RM'000)	2,773	2,489	5,599	8,379
Weighted average number of shares in issue ('000)	535,259	535,259	535,259	535,259
Basic earnings per share (sen) ⁽¹⁾	0.52	0.46	1.05	1.57
Diluted earnings per share (sen) ⁽²⁾	0.52	0.46	1.05	1.57

Notes:

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by the weighted average number of ordinary shares in issue for the financial year under review.
- (2) The effects of potential ordinary shares arising from the exercise of Warrants is anti-dilutive and accordingly is excluded from the diluted earnings per share calculation.

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:

	Current Quarter Ended 30/06/2022 RM'000	Comparative Quarter Ended 30/06/2021 RM'000	Current Period Ended 30/06/2022 RM'000	Comparative Period Ended 30/06/2021 RM'000
Interest income	(88)	(210)	(242)	(414)
Rental income	(156)	(179)	(325)	(377)
Interest expense	612	349	1,264	807
Gain on disposal of property, plant and equipment	-	(88)	(228)	(88)
Depreciation of property, plant and equipment	2,615	2,039	5,238	3,811
Depreciation of investment properties	154	158	307	291

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 Directors of the Company in accordance with a resolution of the directors on 23 August 2022.

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

Date: 23 August 2022