



INTA BINA GROUP BERHAD
Registration No. 201501009545 (1134880-W)
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

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

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

	Page No.
Unaudited Condensed Consolidated Statement of Comprehensive Income	1
Unaudited Condensed Consolidated Statement of Financial Position	2
Unaudited Condensed Consolidated Statement of Changes in Equity	3
Unaudited Condensed Consolidated Statement of Cash Flows	4
Notes to the Interim Financial Report	5 - 7
Additional Information	8 - 11

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE YEAR	
		Current Quarter Ended 30/09/2022 RM'000	Comparative Quarter Ended 30/09/2021 RM'000	Current Period Ended 30/09/2022 RM'000	Comparative Period Ended 30/09/2021 RM'000
Revenue		118,158	55,463	343,331	225,576
Cost of sales		(109,034)	(50,820)	(318,620)	(202,466)
Gross profit		9,124	4,643	24,711	23,110
Other income		270	445	1,402	1,236
Share of results of joint venture		(22)	-	(22)	-
Administrative and other operating expenses		(5,258)	(3,289)	(13,305)	(10,521)
Finance costs		(821)	(478)	(2,085)	(1,285)
Profit before tax		3,293	1,321	10,701	12,540
Income tax expense	B5	(851)	(245)	(2,721)	(3,085)
Profit after tax		2,442	1,076	7,980	9,455
Other comprehensive income / (expenses)		-	-	-	-
Total comprehensive income		2,442	1,076	7,980	9,455
Profit Attributable to:					
Owners of the Company		2,436	1,100	8,035	9,479
Non-controlling interest		6	(24)	(55)	(24)
		2,442	1,076	7,980	9,455
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	0.46	0.21	1.50	1.77
ii) Diluted	B11	0.46	0.21	1.50	1.77

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		(UNAUDITED) AS AT	(AUDITED) AS AT
	Note	30/09/2022 RM'000	31/12/2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		36,298	35,808
Investment properties		26,110	24,441
Joint venture company		478	-
Inventories		11,284	10,212
Total non-current assets		74,170	70,461
Current assets			
Trade and other receivables		167,334	176,845
Current tax assets		122	122
Contract assets		86,702	73,772
Cash and short-term deposits		61,406	64,174
Total current assets		315,564	314,913
TOTAL ASSETS		389,734	385,374
EQUITY AND LIABILITIES			
Share capital		69,429	69,429
Reorganisation reserve		(34,621)	(34,621)
ESOS Reserve		1,075	-
Retained earnings		117,350	111,991
Equity attributable to owners of the Company		153,233	146,799
Non-controlling interest		190	132
Total Equity		153,423	146,931
Non-current liabilities			
Deferred tax liabilities		1,113	1,113
Loans and borrowings	B7	9,364	11,190
Total non-current liabilities		10,477	12,303
Current liabilities			
Trade and other payables		124,695	159,303
Contract liabilities		21,028	27,280
Loans and borrowings	B7	78,910	37,555
Current tax liabilities		1,201	2,002
Total current liabilities		225,834	226,140
TOTAL LIABILITIES		236,311	238,443
TOTAL EQUITY AND LIABILITIES		389,734	385,374
Net assets per share (RM)		0.287	0.274

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Equity Owners of the Company ----->						
	Non- distributable			Distributable		Non- Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Reorganisation Reserve RM'000	ESOS Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 01.01.2022	69,429	(34,621)	-	111,991	146,799		
Increase of investment in subsidiary	-	-	-	-	-	113	113
ESOS issued	-	-	1,075	-	1,075	-	1,075
Recognised income and expense for the period:							
Profit / (Loss) after taxation	-	-	-	8,035	8,035	(55)	7,980
Dividends to owners of the Company	-	-	-	(2,676)	(2,676)	-	(2,676)
At 30.09.2022	69,429	(34,621)	1,075	117,350	153,233	190	153,423
At 01.01.2021	69,429	(34,621)	-	104,760	139,568	-	139,568
Newly incorporated subsidiary	-	-	-	-	-	225	225
Recognised income and expense for the period:							
Profit / (Loss) after taxation	-	-	-	9,479	9,479	(24)	9,455
Dividends to owners of the Company	-	-	-	(1,873)	(1,873)	-	(1,873)
At 30.09.2021	69,429	(34,621)	-	112,366	147,174	201	147,375

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/09/2022 RM'000	Comparative Period Ended 30/09/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	10,701	12,540
Adjustments for:		
Non-cash items	9,470	7,061
Non-operating items	1,451	663
Operating profit before changes in working capital	21,622	20,264
Decrease in receivables	9,511	32,430
Decrease in payables	(34,607)	(58,857)
Contract assets / liabilities and others	(20,255)	17,549
Cash flows (used in)/generated from operations	(23,729)	11,386
Income tax paid	(3,522)	(2,216)
Net cash flows (used in)/from operating activities	(27,251)	9,170
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment & investment properties	(10,554)	(15,385)
Proceeds from disposal of PPE & investment properties	235	88
Investment in joint venture	(500)	-
Interest received	421	622
Net cash flows used in investing activities	(10,398)	(14,675)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	1,166	(4,313)
Interest paid	(2,085)	(1,285)
Increase in borrowings	39,529	10,156
Proceeds from additional subscription of shares by non-controlling interest	113	-
Dividend paid	(2,676)	(1,873)
Net cash flows from financing activities	36,047	2,685
Net decrease in cash & cash equivalent	(1,602)	(2,820)
Cash & cash equivalent at beginning of the financial year	24,859	14,028
Cash & cash equivalent at end of the financial year	23,257	11,208
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	38,149	39,788
Less: Pledged deposits	(38,149)	(39,788)
	-	-
Cash and bank balances	23,257	11,208
	23,257	11,208

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 Third Quarter Ended 30 September 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 Third Quarter Ended 30 September 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 September 2022 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM74.17 million.

A11 Capital Commitments

There were no material capital commitments as at the end of the current financial quarter and up to the date of this report.

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

A12 Significant Related Party Transactions

	Current Quarter Ended 30/09/2022 RM'000	Comparative Quarter Ended 30/09/2021 RM'000	Current Year Ended 30/09/2022 RM'000	Comparative Period Ended 30/09/2021 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd (“Apexjaya”)				
Construction related cost charged by Apexjaya	2,112	1,417	7,907	5,083
Rental income charged to Apexjaya	-	7	-	20
Family member of Lim Ooi Joo Lim Yeong Kern				
Rental expenses charged by Lim Yeong Kern	15	15	45	45

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 RM118.16 million generated from construction of residential and commercial properties during the current financial quarter ended 30 September 2022. The Group's revenue increased by 113% as compared to RM55.46 million recorded in the preceding year corresponding quarter.

Nevertheless, the Group profit before tax increase to RM3.29 million and profit attributable to owners of the Company higher at RM2.44 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 margin 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 3.8% to RM118.16 million as compared to RM113.80 million in the immediate preceding quarter. However, the Group's profit before tax decreased from RM3.61 million to RM3.29 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 and political environment, recent rise in interest rate, labour shortage, supply chain disruption, inflationary pressure and implementation of new minimum wage policy have resulted in the rising of material costs, labour costs and operational costs. Nevertheless, prices of certain materials prices have moderated recently as the supply issues improved gradually.

The unbilled order book of approximately RM1.22 billion as of 30 September 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 30/09/2022 RM'000	Comparative Quarter Ended 30/09/2021 RM'000	Current Period Ended 30/09/2022 RM'000	Comparative Period Ended 30/09/2021 RM'000
In respect of current period:				
Income tax	<u>851</u>	<u>245</u>	<u>2,721</u>	<u>3,085</u>
	<u>851</u>	<u>245</u>	<u>2,721</u>	<u>3,085</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 other 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 30/09/2022 RM'000	As at 31/12/2021 RM'000
Non-current:		
Term loans	1,896	2,112
Islamic term financing	2,355	2,411
Finance lease liabilities	<u>5,113</u>	<u>6,667</u>
	<u>9,364</u>	<u>11,190</u>
Current:		
Term loans	297	319
Islamic term financing	75	75
Finance lease liabilities	4,208	4,408
Bankers' acceptance	24,119	14,434
Revolving credit	9,500	3,300
Invoice financing	<u>40,711</u>	<u>15,019</u>
	<u>78,910</u>	<u>37,555</u>
Total borrowings	<u>88,274</u>	<u>48,745</u>

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

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.

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

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

On 22 November 2022, the board of Directors has declared first interim single tier dividend of 0.50 sen per ordinary share amounting to approximately RM2.676 million in respect of financial year ending 31 December 2022 to be paid on 21 December 2022. The entitlement date is on 9 December 2022.

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 30/09/2022	Comparative Quarter Ended 30/09/2021	Current Period Ended 30/09/2022	Comparative Period Ended 30/09/2021
Profit attributable to owners of the Company (RM'000)	2,436	1,100	8,035	9,479
Weighted average number of shares in issue ('000)	535,259	535,259	535,259	535,259
Basic earnings per share (sen) ⁽¹⁾	0.46	0.21	1.50	1.77
Diluted earnings per share (sen) ⁽²⁾	0.46	0.21	1.50	1.77

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 and ESOS are 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 30/09/2022 RM'000	Comparative Quarter Ended 30/09/2021 RM'000	Current Period Ended 30/09/2022 RM'000	Comparative Period Ended 30/09/2021 RM'000
Interest income	(179)	(208)	(421)	(622)
Rental income	(158)	(149)	(483)	(526)
Interest expense	821	478	2,085	1,285
Gain on disposal of property, plant and equipment	(7)	-	(235)	(88)
Depreciation of property, plant and equipment	2,683	2,811	7,921	6,622
Depreciation of investment properties	167	148	474	439

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 22 November 2022.

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

Date: 22 November 2022