



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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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UNAUDITED CONDENSED INTERIM FINANCIAL REPORT
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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE YEAR	
		Current Quarter Ended 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Comparative Year Ended 31/12/2021 RM'000
Revenue		122,942	110,403	466,273	335,979
Cost of sales		(116,010)	(101,972)	(434,630)	(304,438)
Gross profit		6,932	8,431	31,643	31,541
Other income		886	445	2,288	1,681
Share of results of joint venture		250	-	228	-
Administrative and other operating expenses		(4,101)	(3,144)	(17,406)	(13,665)
Finance costs		(1,058)	(421)	(3,143)	(1,706)
Profit before tax		2,909	5,311	13,610	17,851
Tax expense	B5	(1,379)	(3,078)	(4,100)	(6,163)
Profit after tax		1,530	2,233	9,510	11,688
Other comprehensive income		-	-	-	-
Total comprehensive income		1,530	2,233	9,510	11,688
Profit Attributable to:					
Owners of the Company		1,457	2,302	9,492	11,781
Non-controlling interest		73	(69)	18	(93)
		1,530	2,233	9,510	11,688
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	0.27	0.43	1.77	2.20
ii) Diluted	B11	0.27	0.43	1.77	2.20

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 FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT	(AUDITED) AS AT
	31/12/2022	31/12/2021
Note	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	32,384	35,808
Investment properties	29,250	24,441
Joint venture company	728	-
Inventories	12,727	10,212
Total non-current assets	<u>75,089</u>	<u>70,461</u>
Current assets		
Trade and other receivables	212,708	176,845
Current tax assets	124	122
Contract assets	63,624	73,772
Cash and short-term deposits	74,174	64,174
Total current assets	<u>350,630</u>	<u>314,913</u>
TOTAL ASSETS	<u>425,719</u>	<u>385,374</u>
EQUITY AND LIABILITIES		
Share capital	69,429	69,429
Reorganisation reserve	(34,621)	(34,621)
ESOS Reserve	1,072	-
Retained earnings	116,131	111,991
Equity attributable to owners of the Company	<u>152,011</u>	<u>146,799</u>
Non-controlling interest	263	132
Total Equity	<u>152,274</u>	<u>146,931</u>
Non-current liabilities		
Deferred tax liabilities	1,466	1,113
Loans and borrowings	B7 8,182	11,190
Total non-current liabilities	<u>9,648</u>	<u>12,303</u>
Current liabilities		
Trade and other payables	179,412	159,303
Contract liabilities	4,882	27,280
Loans and borrowings	B7 78,592	37,555
Current tax liabilities	911	2,002
Total current liabilities	<u>263,797</u>	<u>226,140</u>
TOTAL LIABILITIES	<u>273,445</u>	<u>238,443</u>
TOTAL EQUITY AND LIABILITIES	<u>425,719</u>	<u>385,374</u>
Net assets per share (RM)	<u>0.284</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 FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	<----- Attributable to Equity Owners of the Company ----->						Non- Controlling Interest RM'000	Total Equity RM'000
	Non- distributable			Distributable		Total 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	132	146,931
Increase of investment in subsidiary	-	-	-	-	-	113	113	
ESOS issued	-	-	1,072	-	1,072	-	1,072	
Recognised income and expense for the period:								
Profit after taxation	-	-	-	9,492	9,492	18	9,510	
Dividends to owners of the Company	-	-	-	(5,352)	(5,352)	-	(5,352)	
At 31.12.2022	69,429	(34,621)	1,072	116,131	152,011	263	152,274	
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	-	-	-	11,781	11,781	(93)	11,688	
Dividends to owners of the Company	-	-	-	(4,550)	(4,550)	-	(4,550)	
At 31.12.2021	69,429	(34,621)	-	111,991	146,799	132	146,931	

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 FOURTH QUARTER ENDED 31 DECEMBER 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Year Ended 31/12/2022 RM'000	Comparative Year Ended 31/12/2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	13,610	17,851
Adjustments for:		
Non-cash items	12,451	9,919
Non-operating items	2,256	884
Operating profit before changes in working capital	28,317	28,654
(Increase)/Decrease in receivables	(35,863)	21,772
Increase in payables	20,109	7,720
Contract assets/liabilities and others	(14,765)	(23,738)
Cash flows (used in)/generated from operations	(2,202)	34,408
Tax paid	(4,840)	(4,286)
Net cash flows (used in)/from operating activities	(7,042)	30,122
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property, plant and equipment & investment properties	(13,558)	(8,555)
Proceeds from disposal of PPE & investment properties	929	788
Investment in joint venture	(500)	-
Interest received	524	626
Net cash flows used in investing activities	(12,605)	(7,141)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	(4,245)	(3,839)
Interest paid	(3,143)	(1,706)
Increase/(Decrease) in borrowings	38,029	(2,280)
Proceeds from additional subscription of shares by non-controlling interest	113	225
Dividend paid	(5,352)	(4,550)
Net cash flows from/(used in) financing activities	25,402	(12,150)
Net increase in cash & cash equivalent	5,755	10,831
Cash & cash equivalent at beginning of the financial year	24,859	14,028
Cash & cash equivalent at end of the financial year	30,614	24,859
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	43,560	51,315
Less: Pledged deposits	(43,560)	(39,315)
	-	12,000
Cash and bank balances	30,614	12,859
	30,614	24,859

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 Fourth Quarter Ended 31 December 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 year 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 year 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 year to date.

A Explanatory Notes to the Unaudited Interim Financial Report for the Fourth Quarter Ended 31 December 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 year to date.

A8 Dividends

On 21 December 2022, the Board of Directors paid first interim single tier dividend of 0.5 sen per ordinary share amounting to approximately RM2.676 million in respect of financial year ending 31 December 2022.

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 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 31 December 2022 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM85.68 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 Fourth Quarter Ended 31 December 2022 (Cont'd)

A12 Significant Related Party Transactions

	Current Quarter Ended 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Comparative Year Ended 31/12/2021 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd (“Apexjaya”)				
Construction related cost charged by Apexjaya	2,222	974	10,129	6,057
Rental income charged to Apexjaya	-	4	-	24
Family member of Lim Ooi Joo				
Lim Yeong Kern				
Rental expenses charged by Lim Yeong Kern	15	15	60	60

A13 Significant Event Subsequent to the End of the Financial Year

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

B Additional Information Required by the Listing Requirements

B1 Group Performance Review

The Group recorded a higher revenue of RM122.94 million from the construction of residential and commercial properties in the financial quarter under review. This is 11.4% higher than the RM110.40 million reported in the previous corresponding quarter.

Despite the improved revenue achieved, Group profit before tax dipped to RM2.91 million from RM5.31 million during the same period while profit attributable to owners of the Company dropped to RM1.46 million from RM2.30 million before. This was due mainly to the rising cost of building raw material and labour as a result of a disruption in the supply chain and a shortage in labour. Higher operation expenses and finance costs have also put pressure on the profit margin.

B2 Comparison with Immediate Preceding Quarter Results

Group revenue has increased by 4.0% to RM122.94 million from RM118.16 million in the immediate preceding quarter. However, Group profit before tax dropped from RM3.29 million to RM2.91 million during the same period. This was due mainly to the negative impact of rising material and labour cost, as well as higher tax expense incurred during the quarter under review.

B3 Prospects and Outlook

The gradual reopening of borders from 1st April 2022 has and continues to stimulate the domestic economy. Economic sentiments are improving and this is translating into a more stabilized outlook for the domestic building and construction industry.

Nevertheless, the Board continues to stay mindful of challenges brought about by rising interest rates, labour shortage, supply chain disruption, inflationary pressure, adoption of the new minimum wage policy and recently, the removal of electricity tariff subsidy.

The unbilled order book of approximately RM1.28 billion as of 31 December 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 better 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 year to date.

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

B5 Tax expense

	Current Quarter Ended 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Comparative Year Ended 31/12/2021 RM'000
Income Tax				
-current period	1,950	2,408	4,671	5,493
-prior period	(959)	57	(959)	57
	<u>991</u>	<u>2,465</u>	<u>3,712</u>	<u>5,550</u>
Deferred Tax				
-current period	118	471	118	471
-prior period	270	142	270	142
	<u>388</u>	<u>613</u>	<u>388</u>	<u>613</u>
	<u>1,379</u>	<u>3,078</u>	<u>4,100</u>	<u>6,163</u>

The effective tax rate is higher than the statutory tax rate mainly 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 31/12/2022 RM'000	As at 31/12/2021 RM'000
Non-current:		
Term loans	1,793	2,112
Islamic term financing	2,348	2,411
Finance lease liabilities	4,041	6,667
	<u>8,182</u>	<u>11,190</u>
Current:		
Term loans	306	319
Islamic term financing	75	75
Finance lease liabilities	5,017	4,408
Bankers' acceptance	17,726	14,434
Revolving credit	10,500	3,300
Invoice financing	44,968	15,019
	<u>78,592</u>	<u>37,555</u>
Total borrowings	<u>86,774</u>	<u>48,745</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

On 27 February 2023, the board of Directors has declared second interim single tier dividend of 0.25 sen per ordinary share amounting to approximately RM1.34 million in respect of financial year ended 31 December 2022 to be paid on 11 April 2023. The entitlement date is on 28 March 2023.

B11 Earnings Per Share

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

	Current Quarter Ended 31/12/2022	Comparative Quarter Ended 31/12/2021	Current Year Ended 31/12/2022	Comparative Year Ended 31/12/2021
Profit attributable to owners of the Company (RM'000)	1,457	2,302	9,492	11,781
Weighted average number of shares in issue ('000)	535,259	535,259	535,259	535,259
Effect of dilution from ESOS in issue ('000)	369	-	340	-
	535,628	535,259	535,599	535,259
Basic earnings per share (sen) ⁽¹⁾	0.27	0.43	1.77	2.20
Diluted earnings per share (sen) ⁽²⁾	0.27	0.43	1.77	2.20

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 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 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	Current Year Ended 31/12/2022 RM'000	Comparative Year Ended 31/12/2021 RM'000
Interest income	(103)	(3)	(524)	(625)
Rental income	(230)	(179)	(713)	(705)
Interest expense	1,058	421	3,143	1,706
Loss/(Gain) on disposal of investment property	145	(159)	145	(159)
Reversal of impairment losses of investment properties	(320)	-	(320)	-
Gain on disposal of property, plant and equipment	(45)	(50)	(280)	(38)
Depreciation of property, plant and equipment	3,103	2,745	11,024	9,367
Depreciation of investment properties	168	113	642	552
Provision for doubtful debts	1,225	-	1,225	-

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 27 February 2023.

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

Date: 27 February 2023