



INTA BINA GROUP BERHAD

Registration No. 201501009545 (1134880-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

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

UNAUDITED CONDENSED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2023

	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 SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Quarter Ended 30/06/2023 RM'000	Comparative Quarter Ended 30/06/2022 RM'000	Current Period Ended 30/06/2023 RM'000	Comparative Period Ended 30/06/2022 RM'000
Revenue		166,909	113,804	324,987	225,173
Cost of sales		(154,143)	(106,185)	(300,888)	(209,586)
Gross profit		12,766	7,619	24,099	15,587
Other income		768	258	1,142	1,132
Administrative and other operating expenses		(4,704)	(3,655)	(9,628)	(8,047)
Operating profit		8,830	4,222	15,613	8,672
Finance costs		(1,201)	(612)	(2,669)	(1,264)
Share of results of joint venture		437	-	706	-
Profit before tax		8,066	3,610	13,650	7,408
Tax expense	B5	(2,110)	(850)	(3,601)	(1,870)
Profit after tax		5,956	2,760	10,049	5,538
Other comprehensive income		-	-	-	-
Total comprehensive income		5,956	2,760	10,049	5,538
Profit Attributable to:					
Owners of the Company		6,010	2,773	10,061	5,599
Non-controlling interest		(54)	(13)	(12)	(61)
		5,956	2,760	10,049	5,538
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	1.12	0.52	1.88	1.05
ii) Diluted	B11	1.12	0.52	1.88	1.05

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 2022 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT	(AUDITED) AS AT
	30/06/2023	31/12/2022
Note	<u>RM'000</u>	<u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	30,715	32,384
Investment properties	28,703	29,250
Joint venture company	1,434	728
Inventories	15,297	12,726
Total non-current assets	<u>76,149</u>	<u>75,088</u>
Current assets		
Trade receivables	194,312	191,748
Other receivable	20,187	19,583
Inventories	13	-
Current tax assets	140	125
Contract assets	104,364	63,624
Amount due from a joint venture	2,379	1,379
Cash and short-term deposits	75,379	74,173
Total current assets	<u>396,774</u>	<u>350,632</u>
TOTAL ASSETS	<u>472,923</u>	<u>425,720</u>
EQUITY AND LIABILITIES		
Share capital	69,542	69,429
Other reserves	(33,598)	(33,549)
Retained earnings	124,932	116,186
Equity attributable to owners of the Company	<u>160,876</u>	<u>152,066</u>
Non-controlling interest	244	256
Total Equity	<u>161,120</u>	<u>152,322</u>
Non-current liabilities		
Deferred tax liabilities	1,466	1,466
Loans and borrowings	B7 12,548	8,182
Total non-current liabilities	<u>14,014</u>	<u>9,648</u>
Current liabilities		
Trade and other payables	202,843	179,350
Contract liabilities	3,726	4,882
Loans and borrowings	B7 88,544	78,592
Current tax liabilities	2,676	926
Total current liabilities	<u>297,789</u>	<u>263,750</u>
TOTAL LIABILITIES	<u>311,803</u>	<u>273,398</u>
TOTAL EQUITY AND LIABILITIES	<u>472,923</u>	<u>425,720</u>
Net assets per share (RM)	<u>0.300</u>	<u>0.284</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 2022 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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				
	Share Capital RM'000	Reorganisation Reserve RM'000	ESOS Reserve RM'000	Retained Earnings RM'000	Total RM'000	Total RM'000		
At 01.01.2023	69,429	(34,621)	1,072	116,186	152,066	256	152,322	
ESOS issued/lapsed	113	-	(49)	24	88	-	88	
Recognised income and expense for the period:								
Profit after taxation	-	-	-	10,061	10,061	(12)	10,049	
Dividends to owners of the Company	-	-	-	(1,339)	(1,339)	-	(1,339)	
At 30.06.2023	<u>69,542</u>	<u>(34,621)</u>	<u>1,023</u>	<u>124,932</u>	<u>160,876</u>	<u>244</u>	<u>161,120</u>	
At 01.01.2022	69,429	(34,621)	-	111,991	146,799	132	146,931	
Newly incorporated subsidiary	-	-	-	-	-	113	113	
Recognised income and expense for the period:								
Profit/(Loss) after taxation	-	-	-	5,599	5,599	(61)	5,538	
Dividends to owners of the Company	-	-	-	(2,676)	(2,676)	-	(2,676)	
At 30.06.2022	<u>69,429</u>	<u>(34,621)</u>	<u>-</u>	<u>114,914</u>	<u>149,722</u>	<u>184</u>	<u>149,906</u>	

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 2022 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/06/2023 RM'000	Comparative Period Ended 30/06/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	13,650	7,408
Adjustments for:		
Non-cash items	5,483	5,545
Non-operating items	536	794
Operating profit before changes in working capital	19,669	13,747
(Increase) / Decrease in receivables	(3,667)	8,561
Increase / (Decrease) in payables	23,484	(31,647)
Contract assets/liabilities and others	(44,467)	(7,022)
Cash flows used in operations	(4,981)	(16,361)
Tax paid	(1,851)	(1,870)
Net cash flows used in operating activities	(6,832)	(18,231)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment & investment properties	(3,900)	(5,572)
Proceeds from disposal of PPE & investment properties	970	228
Interest received	570	242
Net cash flows used in investing activities	(2,360)	(5,102)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	(2,542)	3,094
Interest paid	(2,669)	(1,264)
Increase in borrowings	14,318	23,569
Proceeds from ESOS	88	-
Proceeds from additional subscription of shares by non-controlling interest	-	113
Dividend paid	(1,339)	(2,676)
Net cash flows from financing activities	7,856	22,836
Net decrease in cash & cash equivalent	(1,336)	(497)
Cash & cash equivalent at beginning of the financial period	30,745	24,859
Cash & cash equivalent at end of the financial period	29,409	24,362
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	45,970	36,222
Less: Pledged deposits	(45,970)	(36,222)
	-	-
Cash and bank balances	29,409	24,362
	29,409	24,362

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 2022 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 2023

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 2022.

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 2022 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 2023.

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 2022.

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 2023 (Cont'd)

A7 Debt and Equity Securities

There were no other issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current financial quarter under review and the financial period to date except for the following: -

Employees' Share Option Scheme ("ESOS")

During the current reporting quarter ended 30 June 2023, the Company has not issued any share under the ESOS; whilst for current period to date, 420,000 ordinary shares have been issued through exercise of share options under ESOS.

A8 Dividends

On 11 April 2023, the Board of Directors paid 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.

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 2023 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM91.27 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:	
Plant and machineries	530
Investment properties	<u>3,135</u>
	<u>3,665</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023**A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2023 (Cont'd)****A12 Significant Related Party Transactions**

	Current Quarter Ended 30/06/2023 RM'000	Comparative Quarter Ended 30/06/2022 RM'000	Current Period Ended 30/06/2023 RM'000	Comparative Period Ended 30/06/2022 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd (“Apexjaya”) Construction related cost charged by Apexjaya	1,767	3,229	4,805	5,795
Family member of Lim Ooi Joo Lim Yeong Kern Rental expenses charged by Lim Yeong Kern	15	15	30	30

A13 Changes in Composition of the Group

On 10 March 2023, the Company subscribed for 1 ordinary share of RM1 each in Seiring Setia Sdn. Bhd. representing 100% of the total equity of the company for a total cash consideration of RM1.

There were no other changes in the composition of the Group for the financial period ended 30 June 2023.

A14 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 RM166.91 million mainly from the construction of residential and commercial properties in the financial quarter under review. This is 46.7% higher than RM113.80 million reported in the previous corresponding quarter.

The Group profit before tax increased by 123.4% from RM3.61 million to RM8.07 million for the quarter while profit attributable to owners of the Company increased by 116.7% from RM2.77 million to RM6.01 million. Increase in the current quarter profit is mainly due to higher revenue and improvement in gross profit margin achieved by the Group comparing to previous corresponding quarter.

B2 Comparison with Immediate Preceding Quarter Results

Group revenue has increased by 5.6% to RM166.91 million from RM158.08 million, while the profit before tax increased by 44.4% to RM8.07 million from RM5.58 million in the immediate preceding quarter. This was due mainly to improvement in gross profit margin for the current quarter arising from gradual stabilization of certain material and labour cost compared to the immediate preceding quarter.

B3 Prospects and Outlook

The global economic environment is expected to remain uncertain in 2023. Slower growth and tighter monetary policies in major economies and subdued global trade activity are expected.

Bank Negara Malaysia has forecast the country's growth at 4% to 5% for 2023. Inflation is expected to moderate but tilted to the upside with headline and core inflation projected to average between 2.8% and 3.8% this year.

Construction activities in Malaysia, however, have managed to sustain its momentum in the first half of 2023. The value of work expanded 8.1% in second quarter 2023 compared to 9.4% in the preceding quarter. In comparison, the construction output expanded by 8.8% in 2022, rebounding from a 5% dip in 2021.

Despite general improvement in the construction sector, its outlook in 2023 is expected to stay challenging due to high inflation, rising interest rates, geopolitical tensions, a shortage of skilled workers on top of delayed new property launches.

Nevertheless, the Board continues to stay prudent by balancing risks with measures to improve financial performance. The unbilled order book of approximately RM1.03 billion as of 30 June 2023 will sustain the Group's revenue and earnings over next two to three years.

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

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.

B5 Tax expense

	Current Quarter Ended 30/06/2023 RM'000	Comparative Quarter Ended 30/06/2022 RM'000	Current Period Ended 30/06/2023 RM'000	Comparative Period Ended 30/06/2022 RM'000
Income Tax				
-current period	<u>2,110</u>	<u>850</u>	<u>3,601</u>	<u>1,870</u>
	2,110	850	3,601	1,870

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 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 30/06/2023 RM'000	As at 31/12/2022 RM'000
Non-current:		
Term loans	7,540	1,793
Islamic term financing	2,304	2,348
Hire purchase payable	<u>2,704</u>	<u>4,041</u>
	12,548	8,182
Current:		
Term loans	653	306
Islamic term financing	72	75
Hire purchase payable	3,786	5,017
Bankers' acceptance	18,932	17,726
Revolving credit	6,000	10,500
Invoice financing	<u>59,101</u>	<u>44,968</u>
	88,544	78,592
Total borrowings	101,092	86,774

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 22 August 2023, the board of Directors has declared first interim single tier dividend of 0.50 sen per ordinary share amounting to approximately RM2.677 million in respect of financial year ending 31 December 2023 to be paid on 15 September 2023. The entitlement date is on 8 September 2023.

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 30/06/2023	Comparative Quarter Ended 30/06/2022	Current Period Ended 30/06/2023	Comparative Period Ended 30/06/2022
Profit attributable to owners of the Company (RM'000)	6,010	2,773	10,061	5,599
Weighted average number of shares in issue ('000)	535,469	535,259	535,575	535,259
Effect of dilution from ESOS in issue ('000)	671	-	671	-
	536,140	535,259	536,246	535,259
Basic earnings per share (sen) ⁽¹⁾	1.12	0.52	1.88	1.05
Diluted earnings per share (sen) ⁽²⁾	1.12	0.52	1.88	1.05

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 does not have any potential dilutive effect 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 30/06/2023 RM'000	Comparative Quarter Ended 30/06/2022 RM'000	Current Period Ended 30/06/2023 RM'000	Comparative Period Ended 30/06/2022 RM'000
Interest income	(416)	(88)	(570)	(242)
Rental income	(143)	(156)	(293)	(325)
Interest expense	1,201	612	2,669	1,264
Loss on disposal of investment property	35	-	35	-
Gain on disposal of property, plant and equipment	(89)	-	(185)	(228)
Depreciation of property, plant and equipment	2,580	2,615	5,170	5,238
Depreciation of investment properties	155	154	315	307

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 August 2023.

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

Date: 22 August 2023