



INTA BINA GROUP BERHAD

Registration No. 201501009545 (1134880-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

INTA BINA GROUP BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Quarter Ended 30/09/2023 RM'000	Comparative Quarter Ended 30/09/2022 RM'000	Current Period Ended 30/09/2023 RM'000	Comparative Period Ended 30/09/2022 RM'000
Revenue		166,351	118,158	491,338	343,331
Cost of sales		(151,120)	(109,034)	(452,008)	(318,620)
Gross profit		15,231	9,124	39,330	24,711
Other income		402	270	1,544	1,402
Administrative and other operating expenses		(5,743)	(5,258)	(15,371)	(13,305)
Operating profit		9,890	4,136	25,503	12,808
Finance costs		(1,524)	(821)	(4,193)	(2,085)
Share of results of joint venture		458	(22)	1,164	(22)
Profit before tax		8,824	3,293	22,474	10,701
Tax expense	B5	(2,614)	(851)	(6,215)	(2,721)
Profit after tax		6,210	2,442	16,259	7,980
Other comprehensive income		-	-	-	-
Total comprehensive income		6,210	2,442	16,259	7,980
Profit Attributable to:					
Owners of the Company		6,295	2,436	16,356	8,035
Non-controlling interest		(85)	6	(97)	(55)
		6,210	2,442	16,259	7,980
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	1.18	0.46	3.05	1.50
ii) Diluted	B11	1.17	0.46	3.03	1.50

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2023 RM'000	(AUDITED) AS AT 31/12/2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,728	32,384
Investment properties	27,826	29,250
Joint venture company	1,891	728
Inventories	-	12,726
Total non-current assets	62,445	75,088
Current assets		
Trade receivables	208,448	191,748
Other receivable	22,856	19,583
Inventories	17,022	-
Current tax assets	148	125
Contract assets	50,868	63,624
Amount due from a joint venture	2,379	1,379
Cash and short-term deposits	99,611	74,173
Total current assets	401,332	350,632
TOTAL ASSETS	463,777	425,720
EQUITY AND LIABILITIES		
Share capital	69,563	69,429
Other reserves	(33,038)	(33,549)
Retained earnings	128,560	116,186
Equity attributable to owners of the Company	165,085	152,066
Non-controlling interest	272	256
Total Equity	165,357	152,322
Non-current liabilities		
Deferred tax liabilities	1,466	1,466
Loans and borrowings	B7 14,271	8,182
Total non-current liabilities	15,737	9,648
Current liabilities		
Trade and other payables	147,817	179,350
Contract liabilities	52,986	4,882
Loans and borrowings	B7 78,933	78,592
Current tax liabilities	2,947	926
Total current liabilities	282,683	263,750
TOTAL LIABILITIES	298,420	273,398
TOTAL EQUITY AND LIABILITIES	463,777	425,720
Net assets per share (RM)	0.308	0.284

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 THIRD QUARTER ENDED 30 SEPTEMBER 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	
Increase of investment in subsidiary	-	-	-	-	-	113	113	
ESOS issued/lapsed	134	-	511	36	681	-	681	
Recognised income and expense for the period:								
Profit after taxation	-	-	-	16,356	16,356	(97)	16,259	
Dividends to owners of the Company	-	-	-	(4,018)	(4,018)	-	(4,018)	
At 30.09.2023	69,563	(34,621)	1,583	128,560	165,085	272	165,357	
At 01.01.2022	69,429	(34,621)	-	111,991	146,799	132	146,931	
Newly incorporated 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	

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/09/2023 RM'000	Comparative Period Ended 30/09/2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	22,474	10,701
Adjustments for:		
Non-cash items	8,417	9,470
Non-operating items	2,556	1,451
Operating profit before changes in working capital	33,447	21,622
(Increase) / Decrease in receivables	(20,972)	9,511
Decrease in payables	(31,542)	(34,607)
Contract assets/liabilities and others	56,564	(20,255)
Cash flows from / (used in) operations	37,497	(23,729)
Tax paid	(4,085)	(3,522)
Net cash flows from / (used in) operating activities	33,412	(27,251)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment & investment properties	(9,008)	(10,554)
Proceeds from disposal of PPE & investment properties	1,846	235
Investment in joint venture	-	(500)
Interest received	863	421
Net cash flows used in investing activities	(6,299)	(10,398)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	(4,213)	1,166
Interest paid	(4,193)	(2,085)
Increase in borrowings	6,431	39,529
Proceeds from ESOS	105	-
Proceeds from additional subscription of shares by non-controlling interest	-	113
Dividend paid	(4,018)	(2,676)
Net cash flows (used in) / from financing activities	(5,888)	36,047
Net increase / (decrease) in cash & cash equivalent	21,225	(1,602)
Cash & cash equivalent at beginning of the financial period	30,745	24,859
Cash & cash equivalent at end of the financial period	51,970	23,257
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	47,641	38,149
Less: Pledged deposits	(47,641)	(38,149)
	-	-
Cash and bank balances	51,970	23,257
	51,970	23,257

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 Third Quarter Ended 30 September 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 September 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 September 2023, the Company has issued 80,000 shares under the ESOS; whilst for current period to date, 500,000 ordinary shares have been issued through exercise of share options under ESOS.

On 12 September 2023, the Company has made an offer of 13,380,000 units of options to eligible employees and Directors to subscribe for new ordinary shares in the Company under the Company's ESOS with an exercise price of RM0.24.

A8 Dividends

On 15 September 2023, the Board of Directors paid first interim single tier dividend of 0.50 sen per ordinary share amounting to approximately RM2.68 million in respect of financial year ending 31 December 2023.

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 2023 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM83.19 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	3,264
Investment properties	1,080
	<u>4,344</u>

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

	Current Quarter Ended 30/09/2023 RM'000	Comparative Quarter Ended 30/09/2022 RM'000	Current Period Ended 30/09/2023 RM'000	Comparative Period Ended 30/09/2022 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd (“Apexjaya”) Construction related cost charged by Apexjaya	2,769	2,112	7,574	7,907
Family member of Lim Ooi Joo Lim Yeong Kern Rental expenses charged by Lim Yeong Kern	15	15	45	45

A13 Changes in Composition of the Group

There were no other changes in the composition of the Group for the current financial quarter ended 30 September 2023.

A14 Significant Event Subsequent to the End of the Financial Year

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

B Additional Information Required by the Listing Requirements

B1 Group Performance Review

The Group recorded a higher revenue of RM166.35 million mainly from the construction of residential and commercial properties in the financial quarter under review. This is 40.8% higher than RM118.16 million reported in the previous corresponding quarter.

The Group profit before tax increased by 168.0% from RM3.29 million to RM8.82 million for the quarter while profit attributable to owners of the Company increased by 158.4% from RM2.44 million to RM6.30 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 decreased slightly by 0.3% to RM166.35 million from RM166.91 million, while the profit before tax increased by 9.4% to RM8.82 million from RM8.07 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 three quarters of 2023. The value of work expanded 9.6% year-on-year in the third quarter 2023 compared to 8.1% in the immediate 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 inflation, increase in certain material prices, 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 RM1.14 billion as of 30 September 2023 will sustain the Group's revenue and earnings over next two to three years.

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 Tax expense

	Current Quarter Ended 30/09/2023 RM'000	Comparative Quarter Ended 30/09/2022 RM'000	Current Period Ended 30/09/2023 RM'000	Comparative Period Ended 30/09/2022 RM'000
Income Tax				
-current period	<u>2,614</u>	<u>851</u>	<u>6,215</u>	<u>2,721</u>
	<u>2,614</u>	<u>851</u>	<u>6,215</u>	<u>2,721</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 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 30/09/2023 RM'000	As at 31/12/2022 RM'000
Non-current:		
Term loans	7,541	1,793
Islamic term financing	5,031	2,348
Hire purchase payable	1,699	4,041
	<u>14,271</u>	<u>8,182</u>
Current:		
Term loans	298	306
Islamic term financing	540	75
Hire purchase payable	4,517	5,017
Bankers' acceptance	19,266	17,726
Revolving credit	10,000	10,500
Invoice financing	44,312	44,968
	<u>78,933</u>	<u>78,592</u>
Total borrowings	<u>93,204</u>	<u>86,774</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 28 November 2023, the board of Directors has declared second interim single tier dividend of 0.50 sen per ordinary share amounting to approximately RM2.68 million in respect of financial year ending 31 December 2023 to be paid on 22 December 2023. The entitlement date is on 12 December 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 30/09/2023	Comparative Quarter Ended 30/09/2022	Current Period Ended 30/09/2023	Comparative Period Ended 30/09/2022
Profit attributable to owners of the Company (RM'000)	6,295	2,436	16,356	8,035
Weighted average number of shares in issue ('000)	535,759	535,259	535,617	535,259
Effect of dilution from ESOS in issue ('000)	3,756	-	3,756	-
	539,515	535,259	539,373	535,259
Basic earnings per share (sen) ⁽¹⁾	1.18	0.46	3.05	1.50
Diluted earnings per share (sen) ⁽²⁾	1.17	0.46	3.03	1.50

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 30/09/2023 RM'000	Comparative Quarter Ended 30/09/2022 RM'000	Current Period Ended 30/09/2023 RM'000	Comparative Period Ended 30/09/2022 RM'000
Interest income	(293)	(179)	(863)	(421)
Rental income	(98)	(158)	(391)	(483)
Interest expense	1,524	821	4,193	2,085
Loss on disposal of investment property	74	-	109	-
Gain on disposal of property, plant and equipment	(83)	(7)	(268)	(235)
Depreciation of property, plant and equipment	2,775	2,683	7,945	7,921
Depreciation of investment properties	157	167	472	474

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 28 November 2023.

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

Date: 28 November 2023