



INTA BINA GROUP BERHAD

Registration No. 201501009545 (1134880-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

INTA BINA GROUP BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Quarter Ended 30/06/2024 RM'000	Comparative Quarter Ended 30/06/2023 RM'000	Current Period Ended 30/06/2024 RM'000	Comparative Period Ended 30/06/2023 RM'000
Revenue		154,108	166,909	313,105	324,987
Cost of sales		(137,280)	(154,143)	(280,515)	(300,888)
Gross profit		16,828	12,766	32,590	24,099
Other income		549	768	1,035	1,142
Administrative and other operating expenses		(5,709)	(4,704)	(12,098)	(9,628)
Operating profit		11,668	8,830	21,527	15,613
Finance costs		(988)	(1,201)	(2,051)	(2,669)
Share of results of joint venture		249	437	776	706
Profit before tax		10,929	8,066	20,252	13,650
Tax expense	B5	(2,537)	(2,110)	(4,959)	(3,601)
Profit after tax		8,392	5,956	15,293	10,049
Other comprehensive income		-	-	-	-
Total comprehensive income		8,392	5,956	15,293	10,049
Profit Attributable to:					
Owners of the Company		8,213	6,010	15,265	10,061
Non-controlling interest		179	(54)	28	(12)
		8,392	5,956	15,293	10,049
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	1.51	1.12	2.82	1.88
ii) Diluted	B11	1.46	1.12	2.73	1.88

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 2023 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/06/2024 RM'000	(AUDITED) AS AT 31/12/2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,567	32,886
Investment properties	33,152	29,911
Joint venture company	2,826	2,050
Total non-current assets	68,545	64,847
Current assets		
Trade receivables	214,378	229,209
Other receivable	24,148	28,268
Inventories	17,261	17,162
Current tax assets	196	182
Contract assets	71,452	66,141
Other current assets	2,379	1,944
Cash and short-term deposits	82,924	101,516
Total current assets	412,738	444,422
TOTAL ASSETS	481,283	509,269
EQUITY AND LIABILITIES		
Share capital	73,014	69,880
Other reserves	(33,831)	(33,152)
Retained earnings	144,990	132,432
Equity attributable to owners of the Company	184,173	169,160
Non-controlling interest	416	388
Total Equity	184,589	169,548
Non-current liabilities		
Deferred tax liabilities	236	416
Loans and borrowings	B7 12,730	14,570
Total non-current liabilities	12,966	14,986
Current liabilities		
Trade and other payables	216,210	244,676
Contract liabilities	15,635	25,399
Loans and borrowings	B7 48,004	51,901
Current tax liabilities	3,879	2,759
Total current liabilities	283,728	324,735
TOTAL LIABILITIES	296,694	339,721
TOTAL EQUITY AND LIABILITIES	481,283	509,269
Net assets per share (RM)	0.336	0.315

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 2023 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 01.01.2024	69,880	(34,621)	1,469	132,432	169,160	388	169,548	
ESOS issued/lapsed	3,134		(679)	(11)	2,444	-	2,444	
Recognised income and expense for the period:								
Profit after taxation	-	-	-	15,265	15,265	28	15,293	
Dividends to owners of the Company	-	-	-	(2,696)	(2,696)	-	(2,696)	
At 30.06.2024	73,014	(34,621)	790	144,990	184,173	416	184,589	
At 01.01.2023	69,429	(34,621)	1,072	116,186	152,066	256	152,322	
ESOS issued	113	-	(49)	24.00	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	69,542	(34,621)	1,023	124,932	160,876	244	161,120	

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 2023 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/06/2024 RM'000	Comparative Period Ended 30/06/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	20,252	13,650
Adjustments for:		
Non-cash items	5,713	5,483
Non-operating items	622	536
Operating profit before changes in working capital	<u>26,587</u>	19,669
Decrease / (Increase) in receivables	18,517	(3,667)
(Decrease) / Increase in payables	(28,467)	23,484
Contract assets/liabilities and others	(15,175)	(44,467)
Cash flows from / (used in) operations	<u>1,462</u>	(4,981)
Tax paid	(4,033)	(1,851)
Net cash flows used in operating activities	<u>(2,571)</u>	(6,832)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment & investment properties	(9,324)	(3,900)
Proceeds from disposal of PPE & investment properties	46	970
Interest received	607	570
Net cash flows used in investing activities	<u>(8,671)</u>	(2,360)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	(10,660)	(2,542)
Interest paid	(2,051)	(2,669)
(Repayment)/Increase in borrowings	(5,054)	14,318
Proceeds from ESOS	3,134	88
Dividend paid	(2,696)	(1,339)
Net cash flows (used in)/ from financing activities	<u>(17,327)</u>	7,856
Net decrease in cash & cash equivalent	<u>(28,569)</u>	(1,336)
Cash & cash equivalent at beginning of the financial period	53,874	30,745
Cash & cash equivalent at end of the financial period	<u>25,305</u>	29,409
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	57,619	45,970
Less: Pledged deposits	(57,619)	(45,970)
	-	-
Cash and bank balances	<u>25,305</u>	29,409
	<u>25,305</u>	29,409

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 2023 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 2024

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 2023.

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 2023 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 2024.

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 2023.

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.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024 (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 2024, the Company has issued 9,029,000 shares under the ESOS; whilst for year to date, 11,289,000 ordinary shares have been issued through exercise of share options under ESOS.

A8 Dividends

On 22 March 2024, the Board of Directors paid third interim single tier dividend of 0.50 sen per ordinary share amounting to approximately RM2.69 million in respect of financial year ended 31 December 2023.

A9 Segmental Reporting

The segmental Revenue and Results analysis for the financial quarter ended 30 June (3-months) was as follows:

	Construction RM'000	Property Development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
For the financial quarter ended 30 June 2024 (3 months)					
Revenue:					
External Revenue	141,995	11,021	1,092	-	154,108
Inter-Segment Revenue	6,805	-	-	(6,805)	-
Total Revenue	148,801	11,021	1,092	(6,805)	154,108
Results					
Segmental Results	6,767	1,406	514	(474)	8,213
For the financial quarter ended 30 June 2023 (3 months)					
Revenue:					
External Revenue	166,858	-	51	-	166,909
Inter-Segment Revenue	231	-	-	(231)	-
Total Revenue	167,089	-	51	(231)	166,909
Results					
Operating profit/(loss)					
Segmental Results	5,945	(159)	169	55	6,010

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024
A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024 (Cont'd)
A9 Segmental Reporting (Cont'd)

The segmental analysis for the financial period ended 30 June (6-months) was as follows:

	Construction RM'000	Property Development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
For the financial period ended 30 June 2024 (6 months)					
Revenue:					
External Revenue	294,959	16,600	1,545	-	313,105
Inter-Segment Revenue	11,493	-	-	(11,493)	-
Total Revenue	306,452	16,600	1,545	(11,493)	313,105
Results					
Segmental Results	13,438	1,874	543	(590)	15,265
Assets					
Segment Assets	456,581	29,449	87,472	(92,218)	481,283
Liabilities					
Segment Liabilities	281,281	28,979	10,224	(23,790)	296,694

	Construction RM'000	Property Development RM'000	Others RM'000	Eliminations RM'000	Total RM'000
For the financial period ended 30 June 2023 (6 months)					
Revenue:					
External Revenue	324,503	-	484	-	324,987
Inter-Segment Revenue	354	-	-	(354)	-
Total Revenue	324,857	-	484	(354)	324,987
Results					
Segmental Results	10,223	(617)	443	12	10,061
Assets					
Segment Assets	475,056	15,632	1,345	(19,110)	472,923
Liabilities					
Segment Liabilities	244,309	17,141	803	(49,550)	311,803

Note: The financial information by geographical location was not presented as the Group's activities are primarily conducted in Malaysia.

A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024 (Cont'd)

A9 Segmental Reporting (Cont'd)

The Group organized the business units based on their principal activities and materiality of their results to the Group, which has summarised into of three (3) reportable operating segments as follows:-

- (i) Construction – Securing and carrying out construction activities of main building works
- (ii) Property Development – Development of residential properties
- (iii) Others – Including investment holding company, construction and engineering service to supply, install and maintain elevator, escalator and lifts, dormant company and share of profit from joint venture.

Segment performance for the financial period ended 30 June 2024 as compared to corresponding preceding period ended 30 June 2023

(i) Construction

The construction segment achieved RM148.8 million revenue for the quarter and RM306.5 million for the half year ended, representing decrease of approximately 10.9% and 5.7% respectively comparing to the preceding correspondence financial period. The marginal decrease in revenue was mainly due to completion of few projects in-hand while pending kick-start of new projects.

However, the quarter and half year segmental profit improved by 13.8% and 31.4% respectively comparing to the preceding correspondence financial period. This is mainly due to improvement in gross profit margin achieved during the period. The construction segment is expected to continue to be the main contributor to the Group's overall revenue and profitability moving forward.

(ii) Property Development

The property development segment has launched the first property development projects in October 2023. This segment has reported a segmental revenue of RM11.0 million and segmental profit of RM1.4 million in the current reporting quarter, whilst recorded a half year revenue of RM16.6 million and segmental profit of RM1.9 million.

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 2024 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM112.2 million.

A Explanatory Notes to the Unaudited Interim Financial Report for the Second Quarter Ended 30 June 2024 (Cont'd)

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	8,489
Investment Property	<u>931</u>
	<u>9,420</u>

A12 Significant Related Party Transactions

	Current Quarter Ended 30/06/2024 RM'000	Comparative Quarter Ended 30/06/2023 RM'000	Current Period Ended 30/06/2024 RM'000	Comparative Period Ended 30/06/2023 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd ("Apexjaya")				
Construction related cost charged by Apexjaya	2,806	1,767	5,774	4,805
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

There were no other changes in the composition of the Group for the current financial period ended 30 June 2024.

A14 Significant Event Subsequent to the End of the Financial Period

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

B Additional Information Required by the Listing Requirements

B1 Group Performance Review

The Group recorded a slightly lower revenue of RM154.11 million mainly from the construction of residential and commercial properties in the financial quarter under review. This is 7.7% less than RM166.91 million reported in the previous corresponding quarter.

The Group profit before tax increased by 35.5% from RM8.07 million to RM10.93 million for the quarter while profit attributable to owners of the Company increased by 36.7% from RM6.01 million to RM8.21 million. The significantly higher profit is mainly due to better gross profit margin achieved by the Group compared to that achieved in the previous corresponding quarter.

B2 Comparison with Immediate Preceding Quarter Results

The revenue for the quarter reduced slightly by 3.1% from RM159.00 million to RM154.11 million, whilst the profit before tax for the quarter improved by 17.1% from RM9.32 million in the immediate preceding quarter to RM10.93 million. This was due to the improvement in gross profit margin from the gradual stabilization of certain material cost during the quarter.

B3 Prospects and Outlook

The global economy is expected to be sustained in the second half 2024, supported by positive labour market conditions and moderating inflation. Global headline and core inflation continued to edge downwards in recent months, with growth outlook remaining subject to downside risks, mainly from further escalation of geopolitical tensions and volatility in global financial markets.

Despite the challenging global environment, Malaysia's economy expanded at a faster pace at 5.9% in the second quarter of 2024 (1Q 2024: 4.2%), higher than Bank Negara Malaysia projection of around 4% – 5% in 2024. Headline and core inflation averaged 1.8% in the first half of 2024 (1Q 2024: 1.7%) and is expected to trend higher in the second half of 2024, amid the recent rationalisation of diesel subsidies.

Construction activities in Malaysia have managed to sustain its momentum in 2024. The value of work done surged by 20.2% year-on-year in 2Q 2024 compared to 14.2% in the immediate preceding quarter. Construction activities are expected to grow by 6.7% this year and to improve further entering into second half of 2024.

Despite general improvement in the overall construction sector outlook in 2024, the Board continues to stay prudent by balancing risks due to inflation, increase in certain material prices and shortage of skilled workers with measures to improve financial performance. The unbilled order book of approximately RM1.73 billion as at 30 June 2024 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 30/06/2024 RM'000	Comparative Quarter Ended 30/06/2023 RM'000	Current Period Ended 30/06/2024 RM'000	Comparative Period Ended 30/06/2023 RM'000
Income Tax				
-current period	2,633	2,110	5,139	3,601
Deferred Tax				
-current period	(96)	-	(180)	-
	<u>2,537</u>	<u>2,110</u>	<u>4,959</u>	<u>3,601</u>

The effective tax rate during current quarter and year to date is approximately the statutory tax rate.

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 30/06/2024 RM'000	As at 31/12/2023 RM'000
Non-current:		
Term loans	5,640	7,647
Islamic term financing	6,357	5,675
Hire purchase payable	733	1,248
	<u>12,730</u>	<u>14,570</u>
Current:		
Term loans	148	148
Islamic term financing	554	554
Hire purchase payable	4,182	4,012
Bankers' acceptance	10,327	11,851
Revolving credit	10,000	10,000
Invoice financing	22,793	24,653
Bank overdrafts	-	683
	<u>48,004</u>	<u>51,901</u>
Total borrowings	<u>60,734</u>	<u>66,471</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 26 August 2024, the Board of Directors declared a first interim single tier dividend of 1.00 sen per ordinary share amounting to approximately RM5.51 million in respect of financial year ending 31 December 2024 to be paid on 19 September 2024. The entitlement date is on 10 September 2024.

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 30/06/2024	Comparative Quarter Ended 30/06/2023	Current Period Ended 30/06/2024	Comparative Period Ended 30/06/2023
Profit attributable to owners of the Company (RM'000)	8,213	6,010	15,265	10,061
Weighted average number of shares in issue ('000)	543,227	535,469	540,769	535,575
Effect of dilution from ESOS in issue ('000)	10,764	671	10,764	671
Effect of dilution from Warrants in issue ('000)	7,871	-	7,871	-
	561,862	536,140	559,404	536,246
Basic earnings per share (sen) ⁽¹⁾	1.51	1.12	2.82	1.88
Diluted earnings per share (sen) ⁽²⁾	1.46	1.12	2.73	1.88

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 period under review.

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 30/06/2024 RM'000	Comparative Quarter Ended 30/06/2023 RM'000	Current Period Ended 30/06/2024 RM'000	Comparative Period Ended 30/06/2023 RM'000
Interest income	(323)	(416)	(602)	(570)
Rental income	(179)	(143)	(358)	(293)
Interest expense	988	1,201	2,051	2,669
Loss / (Gain) on disposal of investment property	-	35	-	35
Gain on disposal of property, plant and equipment	(46)	(89)	(46)	(185)
Depreciation of property, plant and equipment	3,321	2,580	6,043	5,170
Depreciation of investment properties	169	155	348	315

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 26 August 2024.