



INTA BINA GROUP BERHAD

Registration No. 201501009545 (1134880-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

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

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
		Current Quarter Ended 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000	Current Period Ended 30/09/2024 RM'000	Comparative Period Ended 30/09/2023 RM'000
Revenue		181,059	166,351	494,164	491,338
Cost of sales		(160,085)	(151,120)	(440,600)	(452,008)
Gross profit		20,974	15,231	53,564	39,330
Other income		583	402	1,618	1,544
Administrative and other operating expenses		(8,358)	(5,743)	(20,456)	(15,371)
Operating profit		13,199	9,890	34,726	25,503
Finance costs		(1,310)	(1,524)	(3,361)	(4,193)
Share of results of joint venture		127	458	903	1,164
Profit before tax		12,016	8,824	32,268	22,474
Tax expense	B5	(3,097)	(2,614)	(8,056)	(6,215)
Profit after tax		8,919	6,210	24,212	16,259
Other comprehensive income		-	-	-	-
Total comprehensive income		8,919	6,210	24,212	16,259
Profit Attributable to:					
Owners of the Company		8,915	6,295	24,180	16,356
Non-controlling interest		4	(85)	32	(97)
		8,919	6,210	24,212	16,259
Earnings per share attributable to owners of the Company (sen):					
i) Basic	B11	1.62	1.18	4.45	3.05
ii) Diluted	B11	1.55	1.17	4.24	3.03

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2024 RM'000	(AUDITED) AS AT 31/12/2023 RM'000
Note		
ASSETS		
Non-current assets		
Property, plant and equipment	35,747	32,886
Investment properties	30,505	29,911
Joint venture company	2,953	2,050
Total non-current assets	69,205	64,847
Current assets		
Trade receivables	236,834	229,209
Other receivable	25,777	28,268
Inventories	17,637	17,162
Current tax assets	201	182
Contract assets	64,641	66,141
Other current assets	2,379	1,944
Cash and short-term deposits	90,110	101,516
Total current assets	437,579	444,422
TOTAL ASSETS	506,784	509,269
EQUITY AND LIABILITIES		
Share capital	73,874	69,880
Other reserves	(32,702)	(33,152)
Retained earnings	148,423	132,432
Equity attributable to owners of the Company	189,595	169,160
Non-controlling interest	420	388
Total Equity	190,015	169,548
Non-current liabilities		
Deferred tax liabilities	134	416
Loans and borrowings	B7 19,023	14,570
Total non-current liabilities	19,157	14,986
Current liabilities		
Trade and other payables	185,006	244,676
Contract liabilities	14,717	25,399
Loans and borrowings	B7 92,953	51,901
Current tax liabilities	4,936	2,759
Total current liabilities	297,612	324,735
TOTAL LIABILITIES	316,769	339,721
TOTAL EQUITY AND LIABILITIES	506,784	509,269
Net assets per share (RM)	0.346	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 THIRD QUARTER ENDED 30 SEPTEMBER 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	3,994	-	450	17	4,461	-	4,461	
Recognised income and expense for the period:								
Profit after taxation	-	-	-	24,180	24,180	32	24,212	
Dividends to owners of the Company	-	-	-	(8,206)	(8,206)	-	(8,206)	
At 30.09.2024	<u>73,874</u>	<u>(34,621)</u>	<u>1,919</u>	<u>148,423</u>	<u>189,595</u>	<u>420</u>	<u>190,015</u>	
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	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	<u>69,563</u>	<u>(34,621)</u>	<u>1,583</u>	<u>128,560</u>	<u>165,085</u>	<u>272</u>	<u>165,357</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 2023 and the accompanying explanatory notes as attached to this interim financial report.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CUMULATIVE PERIOD	
	Current Period Ended 30/09/2024 RM'000	Comparative Period Ended 30/09/2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	32,268	22,474
Adjustments for:		
Non-cash items	9,765	8,417
Non-operating items	1,467	2,556
Operating profit before changes in working capital	43,500	33,447
Increase in receivables	(4,965)	(20,972)
Decrease in payables	(59,671)	(31,542)
Contract assets/liabilities and others	(9,658)	56,564
Cash flows (used in)/from operations	(30,794)	37,497
Tax paid	(6,180)	(4,085)
Net cash flows (used in)/from operating activities	(36,974)	33,412
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment & investment properties	(13,360)	(9,008)
Proceeds from disposal of PPE & investment properties	69	1,846
Interest received	922	863
Net cash flows used in investing activities	(12,369)	(6,299)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Fixed deposit pledged	(6,416)	(4,213)
Interest paid	(3,361)	(4,193)
Increase in borrowings	46,188	6,431
Proceeds from ESOS	3,999	105
Dividend paid	(8,206)	(4,018)
Net cash flows from/(used in) financing activities	32,204	(5,888)
Net (decrease)/increase in cash & cash equivalent	(17,139)	21,225
Cash & cash equivalent at beginning of the financial period	53,874	30,745
Cash & cash equivalent at end of the financial period	36,735	51,970
Cash & cash equivalent consists of:		
Short-term deposits placed with licensed banks	53,375	47,641
Less: Pledged deposits	(53,375)	(47,641)
	-	-
Cash and bank balances	36,735	51,970
	36,735	51,970

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 Third Quarter Ended 30 September 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.

A Explanatory Notes to the Unaudited Interim Financial Report for the Third Quarter Ended 30 September 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 September 2024, the Company has issued 3,076,000 new ordinary shares under the ESOS; whilst for year to date, 14,365,000 new ordinary shares have been issued through exercise of share options under ESOS.

On 26 September 2024, the Company has offered 14,010,000 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 RM0.45.

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.

On 19 September 2024, the Board of Directors paid first interim single tier dividend of 1.00 sen per ordinary share amounting to approximately RM5.51 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 September (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 September 2024 (3 months)					
Revenue:					
External Revenue	166,277	13,750	1,032	-	181,059
Inter-Segment Revenue	7,528	-	-	(7,528)	-
Total Revenue	173,805	13,750	1,032	(7,528)	181,059
Results					
Segmental Results	7,594	1,648	5,978	(6,305)	8,915
For the financial quarter ended 30 September 2023 (3 months)					
Revenue:					
External Revenue	163,938	2,115	298	-	166,351
Inter-Segment Revenue	3,624	-	-	(3,624)	-
Total Revenue	167,562	2,115	298	(3,624)	166,351
Results					
Operating profit/(loss)					
Segmental Results	6,364	29	54	(152)	6,295

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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

A9 Segmental Reporting (Cont'd)

The segmental analysis for the financial period ended 30 September (9-months) was as follows:

	Construction	Property Development	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the financial period ended 30 September 2024 (9 months)					
Revenue:					
External Revenue	461,237	30,350	2,577	-	494,164
Inter-Segment Revenue	19,021	-	-	(19,021)	-
Total Revenue	480,258	30,350	2,577	(19,021)	494,164
Results					
Segmental Results	21,032	3,522	6,521	(6,895)	24,180
Assets					
Segment Assets	471,913	38,893	90,478	(94,500)	506,784
Liabilities					
Segment Liabilities	293,740	36,754	10,867	(24,592)	316,769

	Construction	Property Development	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
For the financial period ended 30 September 2023 (9 months)					
Revenue:					
External Revenue	488,441	2,115	782	-	491,338
Inter-Segment Revenue	3,978	-	-	(3,978)	-
Total Revenue	492,419	2,115	782	(3,978)	491,338
Results					
Segmental Results	16,587	(588)	497	(140)	16,356
Assets					
Segment Assets	456,169	20,014	85,209	(97,615)	463,777
Liabilities					
Segment Liabilities	294,037	21,489	11,398	(28,504)	298,420

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 Third Quarter Ended 30 September 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 September 2024 as compared to corresponding preceding period ended 30 September 2023

(i) Construction

The construction segment achieved RM173.81 million revenue for the quarter, approximately 3.7% increase for the quarter. However, the year-to-date revenue has decreased from RM492.42 to RM480.26 million, 2.5% lower comparing to previous corresponding period. The marginal decrease in year-to-date revenue was mainly due to the kick-start of few new projects during the last quarter.

The segmental profit for the quarter and year-to-date improved by 19.3% and 26.8% respectively comparing to the preceding correspondence financial period. This is mainly due to improved 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 RM13.75 million and segmental profit of RM1.65 million in the current reporting quarter, whilst recorded a year-to-date revenue of RM30.35 million and segmental profit of RM3.52 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 September 2024 comprise of bank guarantees issued for contract works being carried out by the Group amounting to RM114.96 million.

A Explanatory Notes to the Unaudited Interim Financial Report for the Third Quarter Ended 30 September 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	8,433
Inventory	<u>1,767</u>
	<u>10,200</u>

A12 Significant Related Party Transactions

	Current Quarter Ended 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000	Current Period Ended 30/09/2024 RM'000	Comparative Period Ended 30/09/2023 RM'000
Transactions with related party				
Corporate shareholder of the Company- Apexjaya Industries Sdn Bhd (“Apexjaya”)				
Construction related cost charged by Apexjaya	3,272	2,769	9,046	7,574
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 period ended 30 September 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 higher revenue of RM181.06 million mainly contributed from the construction of residential and commercial properties in the financial quarter under review. This is 8.8% higher than RM166.35 million reported in the previous corresponding quarter.

The Group profit before tax increased by 36.2% from RM8.82 million to RM12.02 million for the quarter while profit attributable to owners of the Company increased by 41.6% from RM6.30 million to RM8.92 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 increase by 17.5% from RM154.11 million to RM181.06 million, whilst the profit before tax for the quarter improved by 10.0% from RM10.93 million in the immediate preceding quarter to RM12.02 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 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), higher than Bank Negara Malaysia's projection of around 4% – 5% in 2024. Headline and core inflation averaged 1.9% in the first three quarter of 2024 (2Q 2024: 1.8%), spillovers from the diesel price adjustment to broader prices have been contained.

Construction activities in Malaysia have managed to sustain its momentum in 2024. The value of work done surged by 22.9% year-on-year in 3Q 2024 compared to 20.2% in the immediate preceding quarter.

Despite general improvement in the overall construction sector outlook in 2024, the Board continues to stay prudent especially given the higher minimum wages and proposed EPF contribution for foreign workers, as announced in Year 2025 Budget which will impact on the Group's financial performance. The unbilled order book of approximately RM1.66 billion as at 30 September 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 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000	Current Period Ended 30/09/2024 RM'000	Comparative Period Ended 30/09/2023 RM'000
Income Tax				
-current period	3,199	2,614	8,338	6,215
Deferred Tax				
-current period	(102)	-	(282)	-
	3,097	2,614	8,056	6,215

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 30/09/2024 RM'000	As at 31/12/2023 RM'000
Non-current:		
Term loans	9,149	7,647
Islamic term financing	6,056	5,675
Hire purchase payable	3,818	1,248
	19,023	14,570
Current:		
Term loans	177	148
Islamic term financing	700	554
Hire purchase payable	4,795	4,012
Bankers' acceptance	16,871	11,851
Revolving credit	10,000	10,000
Invoice financing	60,410	24,653
Bank overdrafts	-	683
	92,953	51,901
Total borrowings	111,976	66,471

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 November 2024, the Board of Directors declared a second interim single tier dividend of 1.00 sen per ordinary share amounting to approximately RM5.52 million in respect of financial year ending 31 December 2024 to be paid on 20 December 2024. The entitlement date is on 11 December 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 30/09/2024	Comparative Quarter Ended 30/09/2023	Current Period Ended 30/09/2024	Comparative Period Ended 30/09/2023
Profit attributable to owners of the Company (RM'000)	8,915	6,295	24,180	16,356
Weighted average number of shares in issue ('000)	549,971	535,759	543,859	535,617
Effect of dilution from ESOS in issue ('000)	5,985	3,756	5,985	3,756
Effect of dilution from Warrants in issue ('000)	20,732	-	20,732	-
	576,688	539,515	570,576	539,373
Basic earnings per share (sen) ⁽¹⁾	1.62	1.18	4.45	3.05
Diluted earnings per share (sen) ⁽²⁾	1.55	1.17	4.24	3.03

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 30/09/2024 RM'000	Comparative Quarter Ended 30/09/2023 RM'000	Current Period Ended 30/09/2024 RM'000	Comparative Period Ended 30/09/2023 RM'000
Interest income	(320)	(293)	(922)	(863)
Rental income	(175)	(98)	(533)	(391)
Interest expense	1,310	1,524	3,361	4,193
Gain on disposal of investment property	-	74	-	109
Gain on disposal of property, plant and equipment	(23)	(83)	(69)	(268)
Depreciation of property, plant and equipment	3,361	2,775	9,404	7,945
Depreciation of investment properties	144	157	492	472

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 November 2024.