

INTA BINA GROUP BERHAD

(Company No. 1134880-W)

(Incorporated in Malaysia)

SUMMARY OF 4TH ANNUAL GENERAL MEETING

DATE : **TUESDAY, 28 MAY 2019**

TIME : **11.00 AM**

VENUE : **FUNCTION ROOM MELATI 6 & 7
DORSETT GRAND SUBANG
JALAN SS 12/1
47500 SUBANG JAYA, SELANGOR DARUL EHSAN**

DIRECTORS PRESENT

Mr Lim Pang Kiam	Independent Non-Executive Chairman
Mr Lim Ooi Joo	Managing Director
Mr Teo Hock Choon	Deputy Managing Director
En Ahmad bin Awi	Executive Director
Mr Chau Yik Mun	Executive Director
Mr Yap Yoon Kong	Senior Independent Non-Executive Director
Dato' Sia Thian Sang	Independent Non-Executive Director
Puan Roshita binti Sahadan	Independent Non-Executive Director

SECRETARY IN ATTENDANCE

Ms Lim Yen Teng (LS0010182)

NO OF SHAREHOLDERS PRESENT 42

NO OF PROXIES PRESENT 5

1. CHAIRMAN

Mr Lim Pang Kiam, the Independent Non-Executive Chairman presided over the Annual General Meeting.

2. QUORUM

The requisite quorum pursuant to Article 61 of the Company's Constitution was met.

3. NOTICE OF MEETING

The Notice of Meeting dated 30 April 2019 having been circulated to the shareholders and advertised in the New Straits Times newspaper, was with the consent of the shareholders, taken as read.

4. VOTING BY POLL

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of meeting were voted by way of poll.

5. PRESENTATION BY GROUP MANAGING DIRECTOR

Mr Lim Ooi Joo, the Managing Director, thanked the Chairman and welcomed all shareholders and guests for their presence. The MD made a brief presentation which covered the following as per **Appendix 1** on Page 4:

- 1) FY2017 vs FY2018 Financial Performance
- 2) Past 5 years Financial Performance
- 3) Ongoing projects
- 4) Outstanding construction order book value as at 31 December 2018
- 5) Newly secured projects from January 2019 to May 2019
- 6) Tender submission (from Year 2015 – up to March 2019)
- 7) Business strategies in 2019
- 8) Capital Management strategies
- 9) Proposed Final Dividend

6. QUESTIONS AND ANSWERS

The questions / comments raised at the Meeting are attached in **Appendix II** on Page 17.

7. RESOLUTIONS

7.1 Audited Financial Statements

The Company's Audited Financial Statements for the financial year ended 31 December 2018 were for discussion only as the provision of Section 340(1)(a) of the Companies Act, 2016 does not require approval of shareholders.

7.2 A total of 9 ordinary resolutions and 1 special resolution were voted by way of poll:

Ordinary Resolution 1	Payment of Final Single Tier Dividend of 0.75 sen per ordinary share for the financial year ended 31 December 2018
Ordinary Resolution 2	Payment of Directors' Fees of RM210,900 for the financial year ended 31 December 2018
Ordinary Resolution 3	Payment of total Directors' Benefit up to an amount of RM50,000 for the period from 28 May 2019 until the following AGM of the Company
Ordinary Resolution 4	Re-election of Mr Teo Hock Choon pursuant to Article 81
Ordinary Resolution 5	Re-election of Mr Chau Yik Mun pursuant to Article 81
Ordinary Resolution 6	Re-election of Dato' Sia Thian Sang pursuant to Article 81
Ordinary Resolution 7	Re-appoint Messrs Baker Tilly Monteiro Heng as Auditors
Ordinary Resolution 8	Authority to issue shares pursuant to Section 76 of the Companies Act 2016
Ordinary Resolution 9	Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature
Special Resolution 1	Adoption of new Constitution of the Company

7.3 All the above resolutions were proposed and seconded en-bloc by the shareholders. There were also no questions raised on the resolutions by the shareholders.

7.4 The Poll Administrator was Tricor Investor & Issuing House Services Sdn Bhd. The results were verified by Coopers Professional Scrutineers Sdn Bhd as Independent Scrutineers.

7.5 **POLL RESULTS**

Resolutions	For		Against	
	No. of Shares	% of votes	No. of Shares	% of votes
Ordinary Resolution 1	391,050,000	100.000	0	0
Ordinary Resolution 2	375,495,400	99.983	62,300	0.017
Ordinary Resolution 3	375,557,700	100.000	0	0
Ordinary Resolution 4	391,050,000	100.000	0	0
Ordinary Resolution 5	391,050,000	100.000	0	0
Ordinary Resolution 6	391,050,000	100.000	0	0
Ordinary Resolution 7	390,987,700	99.984	62,300	0.016
Ordinary Resolution 8	390,876,700	99.956	173,300	0.044
Ordinary Resolution 9	111,104,600	99.944	62,300	0.056
Special Resolution 1	390,987,700	99.984	62,300	0.016

7.6 All resolutions were declared carried by the majority of votes polled.

Dated : 28 May 2019

FY2017 vs. FY2018 FINANCIAL PERFORMANCE



Financial Year (s) ended 31 December	Audited FY2017 (12 months)	Audited FY2018 (12 months)	Change (%)
(RM '000)			
Revenue	290,186	383,059	+32.0%
Gross Profit	33,015	39,520	+10.7%
<i>Gross Profit Margin</i>	11.14%	10.3%	-7.5%
Profit Before Tax	21,027	27,509	+30.8%
<i>Profit Before Tax Margin</i>	7.2%	7.2%	N/A
Profit After Tax	15,395	21,200	+37.7%
<i>Profit After Tax Margin</i>	5.3%	5.5%	+3.8%
Net Profit Attributable to Owners of the Company	15,395	21,200	+37.7%
EPS (sen) ⁽¹⁾	2.88	3.96	+37.7%

Note:

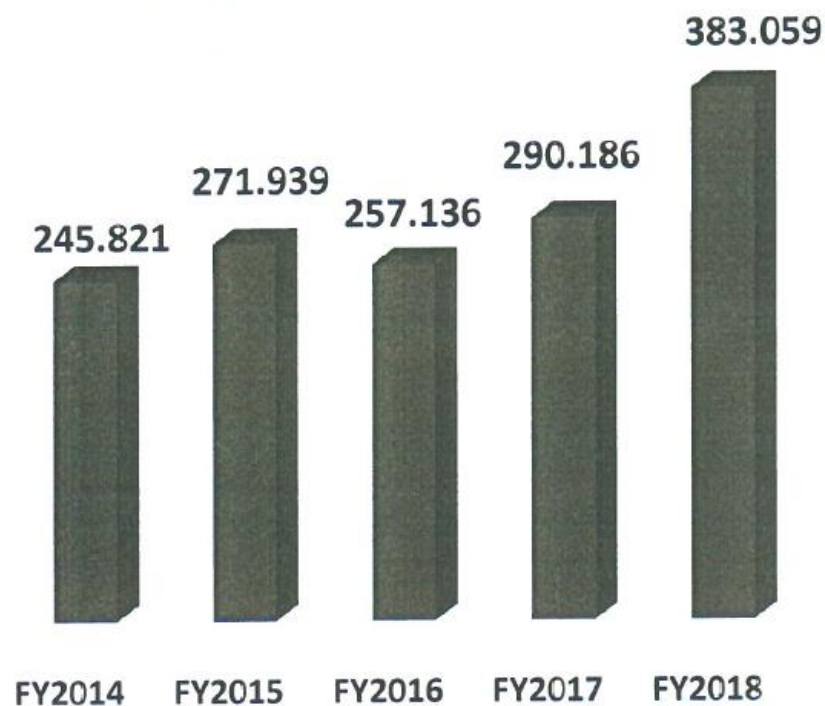
⁽¹⁾ All of the EPS were calculated based on net profit attributable to owners of the Company divided by the enlarged share capital of 535,259,000 after our IPO.

PAST 5 YEARS FINANCIAL PERFORMANCE

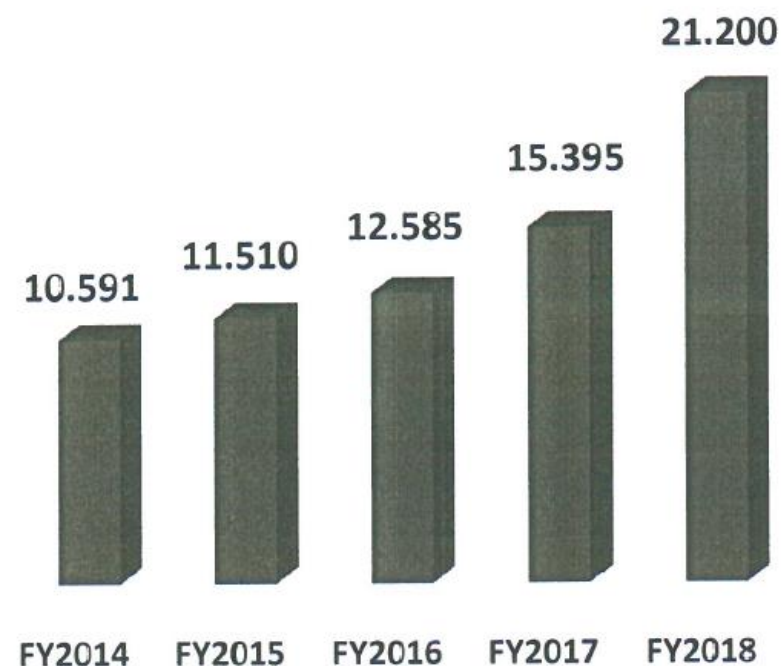


BINA GROUP BERHAD
Your Partner In Construction

REVENUE RM MILLION



PROFIT AFTER TAX RM MILLION



ONGOING PROJECTS

GAMUDA BERHAD

- Completed 38 Projects of contract value > RM 542 million
- 1 ongoing projects
- Contract value > RM 35 million



ECO WORLD

- Completed 5 projects of contract value > RM 210 million
- 5 ongoing projects
- Contract value > RM 240 million



TROPICANA CORPORATION BERHAD

- Completed 3 Projects of contract value > RM 177 million
- 1 ongoing projects
- Contract value > RM 177 million



MITRALAND GROUP

- Completed 1 Project of contract value > RM 86 million
- 1 ongoing project
- Contract value > RM 192 million



LUM CHANG HOLDING LIMITED

- Completed 3 projects of contract value > RM 110 million
- 1 ongoing project
- Contract value > RM 59 million



UEM SUNRISE BERHAD

- Completed 3 Projects of contract value > RM 173 million
- 1 ongoing project
- Contract value > RM 25 million



MK LAND HOLDING

- 2 ongoing projects
- Contract value > RM 185 million



PLENITUDE BERHAD

- Completed 1 project of contract value > RM 57 million
- 1 ongoing project
- Contract value > RM 49 million



SUNWAY GROUP

- 1 ongoing project
- Contract value > RM 51 million



OUTSTANDING CONSTRUCTION ORDER BOOK VALUE AS AT 31 DECEMBER 2018

Project Name Project Owner	Type of Project	Project Value (RM' million)	Balance Unbilled (RM' million)	Commencement Expected Completion
Twin Palms Sg Long Fabulous Range Sdn Bhd	Residential	59	35	November 2014 March 2020
Tropicana Kajang Hill - Ridgefield Tropicana Kajang Hill Sdn Bhd	Residential	27	3	July 2016 February 2019
Eco Majestic – Karisma Eco Majestic Sdn Bhd	Residential	89	15	November 2016 January 2019
Gravit8 Vibrantline Sdn Bhd	Non-Residential	192	91	December 2016 May 2019
Eco Grandeur Paragon Pinnacle Sdn Bhd	Residential	41	10	July 2017 April 2019
Jade Hills – Hana Gardens Jade Homes Sdn Bhd	Residential	16	2	April 2017 January 2019
Residensi Suasana – Phase 1 Medan Prestasi Sdn Bhd	Residential	88	55	May 2017 July 2019

OUTSTANDING CONSTRUCTION ORDER BOOK VALUE AS AT 31 DECEMBER 2018 (CONT'D)

Project Name Project Owner	Type of Project	Project Value (RM' million)	Balance Unbilled (RM' million)	Commencement Expected Completion
Eco Sanctuary – GRANDEZZA Eco Sanctuary Sdn Bhd	Residential	43	21	October 2017 September 2019
Eco Grandeur Paragon Pinnacle Sdn Bhd	Residential	36	4	July 2017 April 2019
Taman Putra Prima - Topaz Plenitude Permai Sdn Bhd	Residential	49	26	November 2017 August 2019
Horizon Hills - THE WOODLANDS Horizon Hills Development Sdn Bhd	Residential	18	5	December 2017 March 2019
Sunway Lenang Heights Sunway City (JB) Sdn Bhd	Residential	52	35	January 2018 January 2020
Tropicana Metropark, Paisley Serviced Residences Tropicana Metropark Sdn Bhd	Residential	177	139	January 2018 July 2020
Serimbun Iskandar Puteri Nusajaya Greens Sdn Bhd	Residential	25	17	February 2018 August 2019

OUTSTANDING CONSTRUCTION ORDER BOOK VALUE AS AT 31 DECEMBER 2018 (CONT'D)

Project Name Project Owner	Type of Project	Project Value (RM' million)	Balance Unbilled (RM' million)	Commencement Expected Completion
Eco Ardence - DREMIEN Eco Ardence Sdn Bhd	Residential	58	47	April 2018 October 2019
Residensi Suasana – Phase 2 & 3 Medan Prestasi Sdn Bhd	Residential	98	89	April 2017 March 2020
Eco Majestic – Stoneridge Eco Majestic Sdn Bhd	Residential	63	56	August 2018 April 2020
	Total	1,131	650	

NEWLY SECURED PROJECTS

From Jan 2019 to May 2019



Inta Bina Sdn Bhd (“IBSB”), a wholly-owned subsidiary of Inta Bina Group Bhd, had on 2 April 2019 agreed and accepted the **Letter of Award from Lembah Suria Sdn Bhd** (Company No. 221242-P) for the appointment of IBSB as the Contractor for

“Cadangan pembangunan 1 blok rumah mampu milik 40 tingkat (719 unit) yang mengandungi 8 tingkat podium tempat letak kereta, 1 tingkat kemudahan di tingkat 8 serta 1 tingkat tempat letak kereta bawah rendah di atas sebahagian Lot 57500, Mukim Batu, Jalan Sungai Teba, Segambut, Mont’ Kiara, Kuala Lumpur untuk Tetuan Lembah Suria Sdn Bhd” for the total contract sum of **RM108,487,612.37** only (the “Contract”).

The contract period shall be for a period of **32 months** commencing from the date of site possession on 15 April 2019.

IBSB is principally involved in the business of construction works.

This announcement is dated 8 April 2019.

NEWLY SECURED PROJECTS IN 2019 (CONT'D)

From Jan 2019 to May 2019



Inta Bina Sdn Bhd (“IBSB”), a wholly-owned subsidiary of Inta Bina Group Bhd, had on 6 May 2019 agreed and accepted the **Letter of Award from Southville City Sdn Bhd** (Company No. 788149-T) for the appointment of IBSB as the Contractor for “Main Building Works For Cadangan Pembangunan Pangsapuri Perkhidmatan Yang Mengandungi :

Fasa 1:

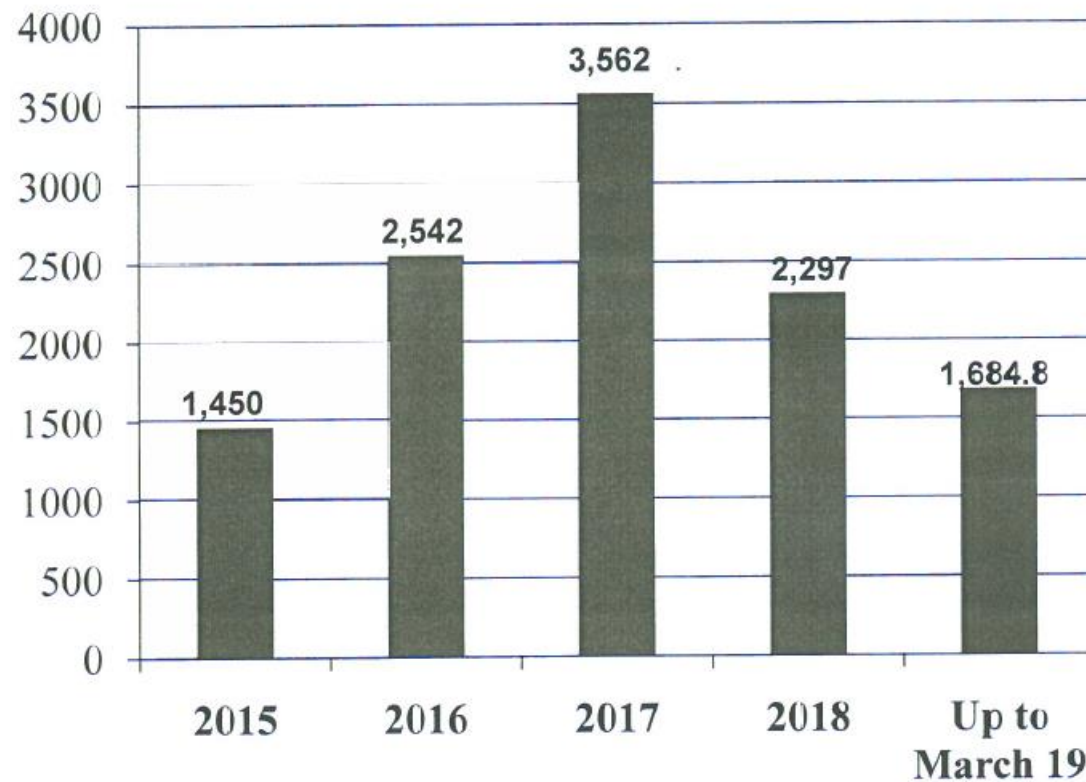
- A) Blok A – 329 Unit Pangsapuri Perkhidmatan Dan 148 Unit Pangsapuri Perkhidmatan Mampu Milik 37 Tingkat;
- B) Sebahagian Blok Tempat Letak Kereta Bertingkat Beserta Kemudahan Sokongan Dan ‘Landscape Deck’ 9 Tingkat;
- C) 1 Unit SSU;
- D) 1 Unit Pondok Pengawal

Fasa 2:

- A) Blok B – 488 Unit Pangsapuri Perkhidmatan 38 Tingkat
 - B) 3 Unit Ruang Perniagaan
 - C) Sebahagian Blok Tempat Letak Kereta Bertingkat dan ‘Landscape Deck’ 9 Tingkat
- di atas Lot PT 57305, Bandar Baru Lembah Selatan, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan (SOUTHVILLE CITY–SENSORY–PHASE 1 & 2) for the total contract sum of **RM178,200,000.00** only (the “Contract”). The completion period shall be:
- (i) Phase 1 – 30 months from Date of Commencement
 - (ii) Phase 2 – 31 months from Date of Commencement

This announcement is dated 8 May 2019.

Tender Submission (From Year 2015 - Up to March 2019)



BUSINESS STRATEGIES IN 2019

FOCUS ON HIGH-RISE PROJECTS

Moving forward, the Group will focus to secure greater number of high-rise properties projects, be it residential or mixed development projects, from our customers rather than securing more landed properties projects.

There is always **greater quantum of economic of scale** which we can achieve from carrying out larger value of high-rise projects. We can reduce the material cost due to bulk purchase and also reduce overheads cost as our full range of machinery and equipment and manpower resources are mobilised to a single location at the same time for longer construction periods.

	Audited FY2016		Audited FY2017		Audited FY2018	
	RM'000	%	RM'000	%	RM'000	%
High-Rise	49,087	19.09	106,762	36.79	187,356	48.91
Low-Rise	208,049	80.91	183,424	63.21	195,703	51.09
TOTAL	257,136	100.00	290,186	100.00	383,059	100.00

CAPITAL MANAGEMENT STRATEGY

BALANCE IN OUR CAPITAL MANAGEMENT STRATEGY

With an unbilled order book of over RM650 million, we anticipate larger working capital is required to support larger scale of operation moving forward. We have to continuously invest into additional new equipment and machinery to enhance our capability and competitiveness further.

Y-o-Y Comparison (RM million)	Audited FY2017 (12 months)	Audited FY2018 (12 months)
Cash flows from investing activities:		
Proceeds from disposal of non-current assets held for sale	-	7,616
Proceeds from disposal of property, plant and equipment	430	365
Purchase of investment properties	-	(8,116)
Purchase of property, plant and equipment	(5,447)	(13,801)
Net cash flows used in investing activities	(5,017)	(13,936)

CAPITAL MANAGEMENT STRATEGY (CONT'D)

BALANCE IN OUR CAPITAL MANAGEMENT STRATEGY

We constantly review the capital structure of the Group to achieve an optimum level of debt and equity ratio, taking into consideration prevailing working capital needs, capital expenditure requirements, utilisation of available banking facilities, adequate level of share capital base, etc, to complement the business operations of the Group.

(RM '000)	Audited as at 31 Dec 2017	Audited as at 31 Dec 2018
Short Term Debt	2,658	24,447
Long Term Debt	8,848	10,054
Total Debt	11,506	34,501
Total Cash (Cash + FD)	30,447	45,278
Net Cash / (Net Debt)	18,941	10,777
Total Equity	99,863	121,062
<i>Total Debt / Total Equity</i>	<i>11.5%</i>	<i>28.5%</i>
<i>Net Debt / Total Equity</i>	<i>n/a</i>	<i>n/a</i>

PROPOSED FINAL DIVIDEND

Final Single Tier Dividend of 0.75 sen per ordinary share for the financial year ended 31 December 2018

Despite our Group does not adopt a formal dividend policy at this juncture, the Board of Directors of Inta Bina Group Berhad ("the Company") has proposed the payment of a Final Single Tier Dividend of **0.75 sen per ordinary share** for the financial year ended 31 December 2018, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

Should the proposed final dividend be approved by the shareholders at the forthcoming Annual General Meeting of the Company, the details are as follows:-

Financial Year	31-Dec-2018
Subject	Final Dividend
Amount	RM 0.0075
Ex Date	19-June-2019
Entitlement Date	20-June-2019
Payment Date	05-July-2019

APPENDIX II - QUESTIONS AND ANSWERS

	QUESTIONS	REPLY / ANSWER
1.	Dato' Hon Kah Sin (shareholder)	
(i)	<p>Dato' Hon shared his view that Inta Bina Group was a healthy company in terms of its cash flows, order books and tender books. Clarification was then sought on the Group's Gross Margin by referring to pages 64 and 65 of the Annual Report, having noted the increased in cost of sales (2018: RM343,539,327 vs 2017: RM257,170,893) with a decrease in current ratio (total current assets / total current liabilities), it is likely that margins are being squeezed in its coming years.</p> <p>(a) What are the reasons for this issue?</p> <p>(b) How would the Directors address this issue in the future?</p>	<p>The Group MD responded that the reason for margins squeezed was due to the implementation of sales and services tax (SST) by the Government. In order to improve the Group's Margin moving forward, the Group is emphasising on high-rise construction where there is less competitors.</p>
(ii)	<p>Dato' Hon noted that the US-China trade war has impacted the construction industry, resulting in developers slowing down property launches. He raised the following questions:</p> <p>(a) Whether the Company has any difficulties in collecting cash?</p> <p>(b) Dato' Hon was of the view that (assets) contra arrangements would not ease the cash flow. How would the Directors address healthy cash balance going forward?</p>	<p>The Group MD responded that it was testament by the Tender Chart presented by him during the earlier presentation, that the Group is receiving more invitation for participation in tender despite there is an indication about market slowing down. It was due to the Group's track records, commitment in quality, delivering construction project on time, and we work like partners to our clients, as per the Group's motto. Nevertheless, due to the challenging property market, the developer would ask whether the contractors are willing to accept payment in the form of properties, prior to the projects were being awarded.</p> <p>The Group MD added that it was a calculative move (depends on the Group's EBITA and Margin) for the Group to accept such contra arrangement. Per the Group's policy, they have been able to dispose the properties after the completion of construction. In order to facilitate quicker disposal, they are allowed to sell those properties at a 5%-10% lower than market price and they are also allowed to factor these 5%-10% into the tender price. Thus, the Cash Flow will not be jammed by the contra.</p>
(iii)	<p>Dato' Hon enquired on the long-term sustainability of the Group. Are there plans for the Company to become a high-rise developer itself in years 2019 or 2020?</p>	<p>The Group MD responded that since the listing of the Company, they have been offered vast business opportunities such as joint development with developer through risk-sharing and equity participation with smaller construction companies in infrastructure and landscaping works. But with every opportunity that the Company gets, their main aim is to step towards property development.</p> <p>The Chairman added that the Directors are still deliberating the merits of venturing into</p>

		<p>property development. It is a sensitive subject and should not be taken lightly as it is not their intention to compete with their clients who are also property developers. The response of their clients was something that the Board concerned must look into. It might create adverse effect to the relationship with their clients such as their clients might suspicion regarding they are copying the clients' design, layout, concept and etc.</p> <p>The Chairman continued to informed that recently, the Company has been provided opportunity to associate joint venture activities with some land owners. Which, the Directors have constantly exploring this option, but, in the interim, the Directors are also looking into other areas which are diverse in their field of expertise e.g. landscape.</p>
(iv)	What is the Dividend policy for the Company?	<p>The Group MD responded that the Company is in growing stage, therefore, the Company has yet to adopt a fixed dividend policy, but the Company endeavours to reward the shareholders the best possible way whenever the Company achieves a good cash flow.</p> <p>The Chairman added that no dividend was declared last year despite the Company reported net cash. It was mainly due to high cost of capital. The Chairman explained that the Company was listed during 2017, with RM2.5 million i.e. expenses relating to IPO being paid out of the RM25 million raised from the public, thus, it had not been ideal timing to declare dividend. As such, the Chairman appreciated the shareholders' understanding of the Company required more time to adjust and to formalise its earnings and cash flow before the dividend policy being suggested.</p>
2.	Mr Yeoh Kok Lim (shareholder)	
(i)	In reference to the Group MD's corporate presentation, what is the success rate in tendering projects?	<p>The Group MD responded that the success rate was about 12.4% in 2018 and they will strive to maintain the success rate while moving forward.</p>

(ii)	What is the Group's future business strategy to affordable homes (driven by Government) and its margin and market rate?	The Group MD responded that the Group tries to participate in affordable housing which driven by the Government. Last year, the Group invested RM7 million in reusable and recyclable formwork, resulted cost reduction and sustain the Group's profit margin around 5% to 6%. The Group MD informed that the Group is planning to embark on IBS System and they are exploring to team up with strategic partner in setting up of its IBS factory. However, the Group MD added, it would all depend on the volume to offset the high initial capital cost.
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